

IDEC GROUP Code of Conduct

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On the Publication of the 5th Edition of the Code of Conduct

November 2025 marked the IDEC Group's 80th anniversary, dating back to the founding of Izumi Shokai. Since then, the business landscape has transformed significantly. Today, overseas sales account for approximately 70% of the IDEC Group's total revenue, and this ratio is expected to increase even further. Amid these changes, we have made "Globalization" at the core of our business strategy and have been driving various structural reforms.

To become a truly global company, it is essential not to settle for regional optimization but to pursue overall optimization from a global perspective on a consolidated basis. This shift toward "global thinking" is critical for the future growth and development of the IDEC Group. Achieving this requires not only transforming our management structure but also a shift in the mindset and the way every employee approaches their work. However, there are still many situations driven by conventional thinking, and I am deeply concerned about this resistance to change.

To remain competitive in a rapidly changing world, both the company and its employees must continue to adapt and grow. To maintain high profitability regardless of external conditions, we must move beyond the extension of past practices and pursue fundamental structural reforms. By maximizing individual productivity, redefining roles, and ensuring the right people are in the right positions, we will refresh our approach and build a stronger, more resilient organization.

The IDEC Group's Code of Conduct was first established in 2001 as a set of behavioral guidelines to earn the trust of our stakeholders, and it has been revised over time to reflect societal changes. Now, in response to the growing complexity and diversity of social demands, and to maximize group synergy on a global basis while supporting sustainable growth, we have introduced the fifth edition of the IDEC Group's Code of Conduct.

As we strive to realize a "New IDEC," each employee must act with integrity and fulfill our corporate social responsibilities while continuing global development. Together, we aim to become a corporate group that thrives for more than 100 years. Please take time to understand the IDEC Group's Code of Conduct and put its principles and guidelines into practice.

January 1st 2026

Chairman and CEO

Toshi K. Funaki



Action Guidelines for Achieving "New IDEC"

The 5 Core Values defined in the IDEC Way, along with Our Principles—which translate these values into specific mindsets and behaviors—serve as enduring foundational guidelines. However, in addition to putting them into practice, we now define and act upon key concepts for transformation to realize "New IDEC" and grow into a corporate group that will thrive for over 100 years.

Global Perspective

We think with a global mindset, always broadening our perspective to pursue optimal solutions—not just for a specific region or issue, but for the organization as a whole on a global scale.

Customer-Centric Approach

We continuously ask ourselves how we can help our customers succeed, what they truly want, and what lies beyond their expectations—so that we can consistently deliver value that exceeds those expectations.

Unbound by the Past

While we value trust and strengths we have built over time, we remain forward-looking—constantly thinking about what is needed now and in the future, without being constrained by the past.

Enhance Productivity

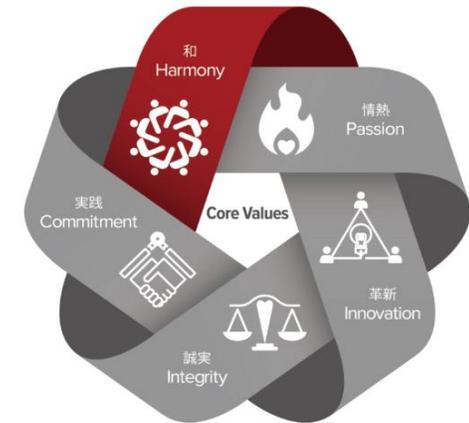
We pursue efficiency in all aspects, fully leverage individual capabilities, and enhance productivity at every level.

Realizing "One IDEC"

We transform our systems, operations, and mindset to unite as one Group and maximize synergy across the IDEC organization—strengthening collaboration and unity as "One IDEC."

Enhancing Physical and Mental health

We believe that supporting mental and physical well-being strengthens safety and ANSHIN within the company and serves as a foundation for innovation. While striving for personal growth, we value people and their families and nurture relationships build on mutual respect and support.



IDEC is reborn as "New IDEC"

Marketing/Business Unit : Drive transformation toward a customer-centric business model by leveraging regional strengths, and accelerate the development and deployment of products and solutions focused on "HMI, Safety, and Anshin" that address customer challenges.

R&D : Enhance development speed and responsiveness to customer needs by establishing a global development framework centered on three key sites, optimizing the use of the Group's technological resources, and implementing a globally standardized product development process.

Manufacturing : Promote structural reforms through the reorganization of production sites to improve customer satisfaction by focusing on cost optimization, further leveraging external partners, and ensuring continuous quality improvement and delivery through a global production network.

Supply Chain management : Improve the accuracy of demand-supply planning and centralize demand and supply information management by globally deploying the Supply Chain Platform (SCP) system. In addition, enhance logistics efficiency and customer satisfaction by reviewing the logistics network, strengthening global governance, shortening lead times, and optimizing inventory levels. Furthermore, reinforce global procurement functions and strengthen collaboration across the Group's purchasing activities to improve process efficiency, while promoting strategic supplier selection and consolidation, integration of suppliers and raw materials, and overall cost optimization, including indirect costs.

Quality Assurance : Reduce claims and enhance quality across the Group by establishing a global quality assurance system, while strengthening global talent development and raising awareness of quality through education and training initiatives.

Corporate Human Resources : Secure and develop global talent to support the foundation of the "New IDEC" and establish a Group-wide framework for advancing global business, while further strengthening initiatives to address human rights issues and enhancing global employee engagement.

Global Finance : Improve the quality and efficiency of the Group's accounting and finance functions, and promote the optimization of management resource allocation to support business growth. In addition, strengthen FP&A capabilities to enhance corporate value and reinforce risk management under the global finance strategy.

Strategic Planning : Formulate and execute the medium-term management plan based on the management vision, address key management issues to achieve the plan, and promote reforms to improve performance and enhance corporate value. In addition, strengthen governance and compliance systems across the IDEC Group to ensure sustainable growth.

The IDEC Way and Code of Conduct

We have established "The IDEC Way" as our guiding philosophy in pursuit of realizing our purpose of "creating the optimum environment for humans and machines, and achieving safety, ANSHIN, and well-being for people around the world," and to becoming a truly global company. This Code of Conduct sets forth the behavioral principles we must follow to realize the Vision, Mission, and Core Values defined in "The IDEC Way." In order to be a company that acts with integrity and sincerity, each of us, as a member of the IDEC Group, must commit to upholding and practicing this Code of Conduct.

The IDEC Way

Our Vision Statement

Pioneer the new norm for a safer and sustainable world.

We will drive the future of manufacturing by creating new possibilities and establishing new standards that will become the "new norm" of tomorrow's world. Through our efforts, we envision a safer and more sustainable world, bringing happiness and peace of mind for all.

Our Mission Statement

To create the optimum environment for humans and machines.

- Our mission is to make the point of contact where people interface with machines, easy, safe, and secure.
- We will introduce new products and services to respond to a diverse set of customer demands beyond those of our industrial customers, including increased safety, reliability, operability and environmental awareness.

Our Core Values



Harmony

In Harmony with our co-workers, our customers, and society.



Passion

Joy in fulfilling our mission



Innovation

Take on new challenges and embrace change.



Integrity

Exhibit honesty, fairness and respect at all times.

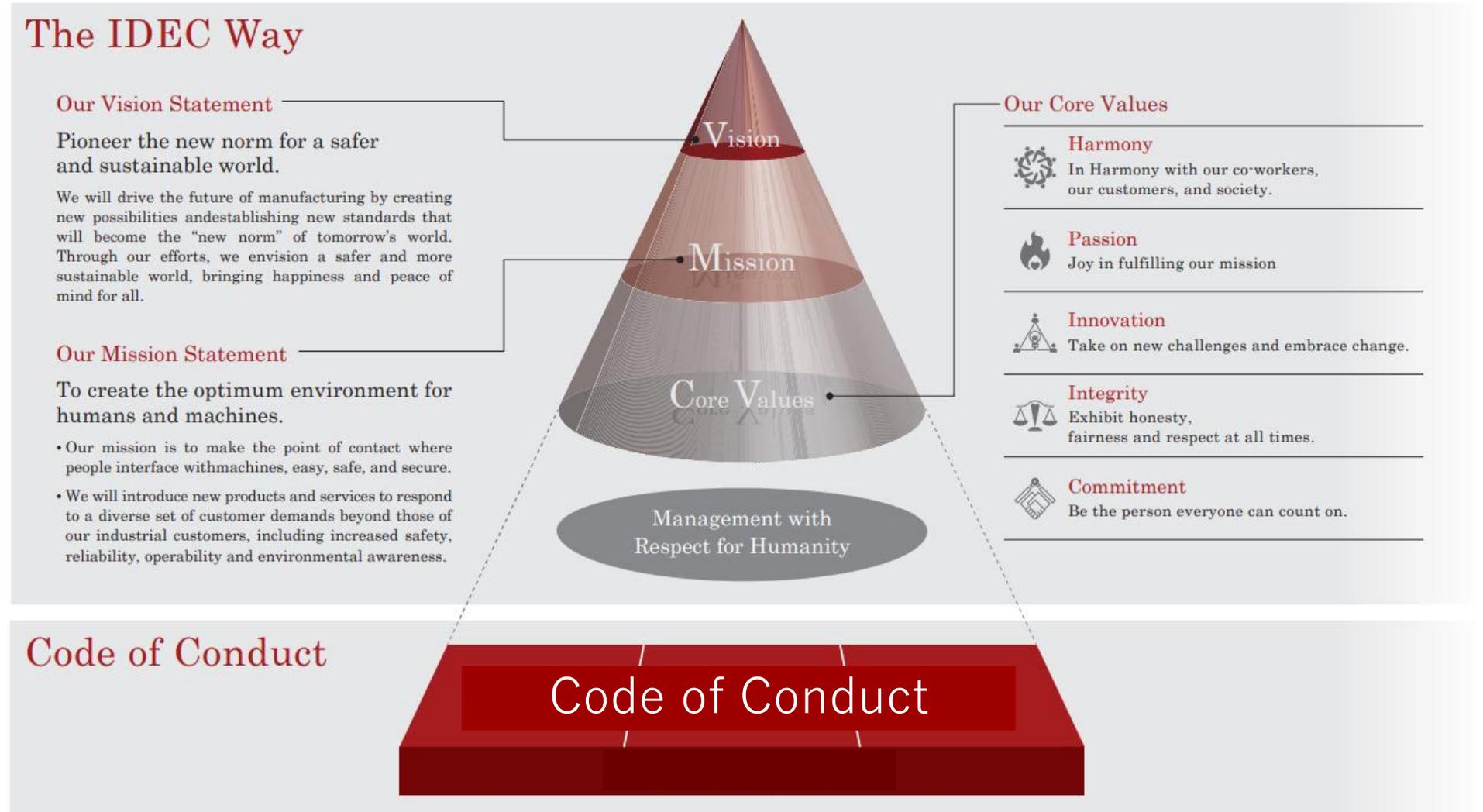


Commitment

Be the person everyone can count on.

Code of Conduct

Code of Conduct



Scope of Application



This Code of Conduct applies to all individuals working within the IDEC Group and its subsidiaries and affiliates, including directors, officers, employees, temporary staff, and contract workers.

In this Code of Conduct, “we” refers to all individuals employed by or working for the IDEC Group.

Each of us is responsible for understanding and complying with this Code, which establishes the fundamental principles governing our conduct.

While this Code of Conduct may not cover every possible situation, we are expected to act with integrity and in the spirit of The IDEC Way when making decisions.

If local laws or regulations are stricter than the provisions of this Code, we must comply with those local requirements. Any violations of this Code or applicable laws may result in disciplinary action, fines, penalties, or termination of employment.

The IDEC Group also expects its distributors, consultants, contractors, and suppliers to comply with this Code of Conduct.

Referenced Laws

We are committed to acting with integrity in all circumstances and complying with anti-corruption and anti-bribery laws applicable in the countries and regions where we operate, including France’s Sapin II Law, the United States Foreign Corrupt Practices Act (FCPA), and the United Kingdom Bribery Act.

Human Rights and Labor

■ Commitment to International Standards and Principles

We support and uphold the United Nations Guiding Principles on Business and Human Rights, including the International Bill of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, Children's Rights and Business Principles and other international human rights principles, and we are committed to respecting human rights in all of our activities.

■ Prohibition of Discrimination and Harassment

We do not engage in any discrimination, retaliation, intimidation, harassment, or other actions that undermine an individual's dignity and humanity based on race, skin color, age, gender, sexual orientation, gender identity and expression, ethnicity, nationality or social origin, language, physical or mental disability or illness, pregnancy, religion, union membership, political or other opinions, employment status, military service, genetic information, marital status, family structure, or any other characteristics protected by law.

■ Human Rights Initiatives in the Supply Chain

We identify and assess potential negative impacts on human rights across our value chain, and work to prevent and mitigate such impacts. We continuously monitor and evaluate the effectiveness of these efforts to improve our human rights initiatives, and actively engage with all stakeholders, including suppliers to promote understanding and support for our commitment to respecting human rights.

■ Prohibition of Forced Labor, Child Labor, and Human Trafficking

We do not tolerate the use of forced labor, child labor, slave labor, trafficking in persons or human trafficking in our business activities or supply chain, and we strictly prohibit any related practices.

Human Rights and Labor

■ Appropriate Working Hours

We do not allow employees to work beyond the maximum hours permitted by the laws of the country of employment, except in emergency or exceptional circumstances. Where no such laws exist, total working hours including overtime must not exceed 60 hours per week. We strive to ensure that working hours remain reasonable and are committed to promoting fair and healthy labor practices.

■ Encouragement of Self-Development

We respect each other's humanity and, with a shared drive to pursue our goals, the company actively supports and fosters a culture of continuous learning and self-improvement.

■ Protection of Workers' Rights

We respect employees' rights to form or join labor unions and to engage in collective bargaining in order to consult or negotiate with management regarding working conditions. We do not tolerate any form of discrimination, retaliation, intimidation, or harassment for exercising these rights.

■ Fair Wages and Compensation

We ensure that wages paid to employees of the IDEC Group comply with applicable laws regarding minimum wages, overtime, and legally mandated benefits, while taking into account living wage principles to support an adequate standard of living. We provide appropriate compensation for the work performed, along with clear and accurate pay statements that reflect the details of such compensation.

■ Diversity, Equity & Inclusion

We respect the individuality, perspectives, and values of each employee and strive to create a corporate culture and work environment where people from diverse backgrounds can thrive.

■ Occupational Health and Safety Environment

We thoroughly manage occupational health and safety and actively work to prevent workplace accidents while promoting health, maintaining a safe and comfortable work environment.

Environmental Conservation

■ Environmental Management and Environmental Management System

We will operate an environmental management system and practice environmental management under the commitment of top management. In those practices, we will aim to raise environmental awareness of our employees through environmental education and work to resolve environmental issues with our suppliers and customers.

■ Realization of a Circular Society

We will promote following initiatives to realize a circular society.

- We will reduce energy and raw materials usage and utilize renewable resources.
- We will optimize water resources utilization.
- We will reduce and recycle wastes.
- We will conduct a proper management of chemical substances to prevent environmental pollution.
- We will prevent emissions of substances that deplete ozone layers into the atmosphere.

■ Compliance with Laws and Regulations

We will comply with environmental laws, ordinances, agreements related to our business activities, and international environmental standards and CSR rules, fulfilling our social responsibilities.

■ Provision of Eco-friendly Products and Services

We will strive to reduce environmental impact from the design and development stages of products, to manufacturing processes, logistics, and packaging materials to provide more eco-friendly products and services to society throughout the lifecycle from procurement of raw materials to product use and disposal.

Environ- mental Conserva- tion

■ Reduction of Greenhouse Gas Emissions

We will aim to reduce greenhouse gas emissions throughout the value chain in addition to promoting energy-saving, introducing renewable and next-generation energy sources, utilizing low-carbon technologies, and achieve carbon neutrality by 2050.

■ Communication and Information Disclosure

We will value dialogues with diverse stakeholders, including employees, customers, investors, business partners, and the local community related to our business activities, and will engage in active information disclosure in accordance with international disclosure standards.

■ Coexistence with Nature

For achieving a society that coexists with nature, we will evaluate dependencies and impacts on biodiversity in our business activities, consider the local ecosystems, and reduce negative impacts throughout the value chain.

■ Proper management of hazardous substances and waste

We will prevent the release of hazardous substances by implementing appropriate controls and procedures, ensuring that all waste is managed in accordance with relevant laws and environmental standards.

Engagement with Stakeholders and Society

■ Stable Return of Profits

We protect the assets of the IDEC Group and carry out our duties efficiently and responsibly, always acting in the best interest of the company to ensure sustainable value creation and stable returns for our shareholders.

■ Accountability, Management Transparency, and Stakeholder Engagement

We are committed to disclosing information related to our business activities in a timely, accurate, and appropriate manner to ensure fairness, transparency, and corporate accountability. We actively engage in constructive dialogue with all stakeholders, including suppliers, business partners, customers, shareholders, and investors, to foster long-term relationships of trust.

■ Respect for Local Communities

We respect local communities and work collaboratively to address social challenges through active engagement. Through our business activities, we aim to contribute to the sustainable development of local communities from a global perspective.

■ Commitment to Social Contribution

We actively participate in and support social contribution initiatives as responsible members of both our local communities and global society.

Proper Use and Protection of Company Assets and Information

■ Information Security and Protection of Personal Data

We establish appropriate management systems to reduce information security risks and implement response processes in the event that such risks materialize.

In particular, with respect to personal information, we strictly manage all personal data related to our company in accordance with applicable laws and regulations, and we do not tolerate any leakage, improper use, or acts that cause discrimination arising from such incidents.

■ Prohibition of Embezzlement and Misappropriation of Assets

We properly manage company assets and do not engage in embezzlement or personal use of company property.

■ Proper Accounting Practices

We comply with laws and standards related to accounting and ensure accurate accounting practices and transparent financial reporting.

■ Prohibition of Insider Trading

We do not engage in illegal securities trading, such as insider trading, by using non-public information obtained through our duties or business dealings. We also do not use such information to provide benefits or special advantages to third parties.

Business Ethics and Fair Business Practices

■ Free and Fair Competition

We engage in fair and free competition in sales activities.

■ Prohibition of Abuse of Superior Bargaining Position

We treat all suppliers and partners fairly and equally, and select them based on appropriate and transparent standards. We never take advantage of our position to impose unfair treatment. Furthermore, we expect all suppliers and partners to uphold the same fundamental standards regarding labor, health and safety, the environment, ethics, product safety, and management systems.

■ Quality Improvement and Well-being

We are committed to providing products and solutions that enhance safety, security, and well-being, contributing to the resolution of societal issues. Furthermore, We work collectively, with a sense of responsibility, to continuously raise our quality standards.

■ Compliance with Export and Import Laws

We comply with all relevant laws and regulations governing the export and import of products, technologies, and services, and follow the required procedures to support international peace and security.

■ Compliance with Competition Laws

We comply with antitrust laws and regulations, and any other laws and regulations applicable to prohibition of monopolization, fair competition, and fair trade in respective countries and regions in which we operate. We do not engage in unethical or illegal conduct, including bid rigging, anti-competitive agreements with competitors, imposing resale price restrictions on our partners, or any other behavior that violates ethical norms or creates conflicts between personal and corporate interests.

Business Ethics and Fair Business Practices

■ Respect for Intellectual Property Rights

We comply with laws related to intellectual property, respect the intellectual property rights of others, and do not engage in any infringement of those rights.

■ Prohibition of Corruption, Bribery, and Improper Benefits

We maintain sound relationships with business partners, local communities, government authorities, and public institutions. We have zero tolerance for any form of corruption or bribery – whether active or passive, direct or indirect.

Corrupt practices include acts such as bribery, conflicts of interest, fraud, money laundering, extortion, and embezzlement. These may take the form of cash, donations, gifts, entertainment, business opportunities, employment, services, or any other benefit. The following are examples of corrupt practices prohibited by the IDEC Group; however, we prohibit all forms of corruption, not limited to these examples.

- × Offering bribes, gifts, or entertainment to maintain or obtain business opportunities.
- × Engaging in or concealing transactions suspected of money laundering.
- × Making payments without proper authorization.
- × Using or sharing confidential information of the IDEC Group for personal or family gain.

■ Exclusion of Anti-Social Forces

We do not engage in any transactions with, or have any associations with, organized criminal organizations or other groups that undermine social stability.

■ Proper Labeling and Advertising

We provide accurate and appropriate information about our products and services in all advertising, promotional, and sales activities. We do not use false or misleading claims, defamatory language, or content that could result in social discrimination.

IDEC Hotline

Internal Whistle- blowing system

The IDEC Group has established internal and external contact points for consultation and reporting, with the aim of strengthening its compliance and risk management framework.

We have developed systems designed to prevent violations of laws, internal regulations, and corporate ethics, and have implemented mechanisms for the early detection and effective resolution of such issues.

As part of these initiatives, we operate a whistleblower program that enables employees to report misconduct anonymously. The scope of reportable matters, available contact points, and details of the program are appropriately communicated to all relevant employees within the IDEC Group.

Whistleblowers who report in good faith are protected from any form of retaliation or disadvantageous treatment. The Risk Management Committee regularly monitors the operation and effectiveness of this program to ensure its integrity and reliability.

The Company strictly safeguards the personal information of inquirers and whistleblowers, as well as the content of consultations, and will not disclose such information to any party other than those deemed necessary. Furthermore, individuals who engage in consultation, reporting, or cooperate in investigations shall not be subject to any disadvantageous treatment as a result of their involvement.

