

CODE OF CONDUCT



Code of Conduct

Message from our CEO

I would like to share with you our revised version of the “PHC Group Code of Conduct.” This Code of Conduct is a promise to society, reflecting the principles for the PHC Group to conduct our business activities at a high standard as a global healthcare company.

In November 2024, PHC Group announced our new vision and values, which unite our businesses across the globe to realize a future with high-quality healthcare accessible to all.

For the PHC Group to pioneer the future of healthcare through its business activities, it must uphold a high sense of ethics as a socially responsible company, build trust with diverse stakeholders, and fulfill its accountability to society. Particularly in the healthcare industry, where numerous laws and self-regulatory standards are in place, this Code of Conduct has been created with these considerations in mind. We firmly believe that by adhering to this Code of Conduct, we will meet these societal expectations.

I am fully confident that each and every employee of PHC Group will act upon this Code of Conduct and will work together as “One PHC” to build a future of better healthcare for people across the world. Let’s “live our values”.

Kyoko Deguchi
President & CEO
PHC Holdings Corporation

Role and Position of the Code of Conduct

This PHC Group Code of Conduct is designed to guide employees in the execution of the PHC Group's daily business activities and tasks, in alignment with our mission, vision, and values. To realize our mission and vision, it is crucial to embody the values of "CURIOSITY," "COURAGE TO ACT," "RESPECT & COLLABORATION," and "INTEGRITY." This Code of Conduct has been created to ensure that everyone understands how to practice these values in their daily activities and actions.

It is not possible for this PHC Group Code of Conduct to cover every situation or scenario you may encounter. Nevertheless, this Code of Conduct is intended to provide guidance that can be applied in all circumstances.

As a global healthcare company, it is essential for the PHC Group to not only adhere to this Code of Conduct but also to comply with the applicable Laws and Regulations (*) in each country and region where we operate.

We ask that you adhere to the strictest requirements among applicable Laws and Regulations, this Code of Conduct, and Internal Rules (*), and act accordingly.

Finally, as reflected in our value of "INTEGRITY," it is important to conduct ourselves ethically and responsibly based on this PHC Group Code of Conduct. We believe this is the foundation supporting our business activities as the PHC Group. Each of our actions and business activities embodies the PHC Group, so we ask for your commitment to act in accordance with this Code of Conduct.

* For the purposes of this PHC Group Code of Conduct, the following definitions apply:

- Laws and Regulations: Refers to applicable national and regional laws, directives, regulations, guidelines, international standards, and industry codes or rules.
- Internal Rules : Refers to applicable rules and standards, policies, procedures, and work instructions, of PHC Group.

* Please be advised that "Examples of Key Relevant Laws and Regulations" do not cover all applicable laws and regulations and are effective at the time of revision of this Code of Conduct. If you have any questions or need further clarification, feel free to reach out to the Legal and Compliance team members in your region.

Regarding Revision of the Code of Conduct

About four years have passed since the establishment of the first PHC Group Code of Conduct in 2021. As a global healthcare company, we have decided to completely review and revise the entire Code of Conduct. In revising our Code of Conduct, we have aimed to respond to changes in our business environment and societal expectations. Additionally, we have taken care to ensure that the content can be universally applied to any country or region, while striving to make the structure and expressions simple for PHC Group employees to understand. The content has been classified and organized from the perspectives of stakeholders such as “Customers” (“Providing Value to Customers”), “Employees” (“Safe and Secure Working Environments” and “Lawful and Fair Business Activities”), “the Company” (“Protection of Management Resources”), and “Society” (“Fulfilling Social Responsibility”). Moreover, we have re-evaluated the overall content from the perspective of a company engaged in the healthcare business and have added necessary elements. As a new initiative, we have also included major relevant laws for each section. While not exhaustive of all applicable laws, we hope this will aid your understanding.

We encourage you to read this revised PHC Group Code of Conduct with a fresh perspective. We trust that this Code of Conduct will support each employee in practicing our mission, vision, and values, and serve as a guide for making correct decisions and actions.

PHC Group Code of Conduct Creation Team

PHC Group Code of Conduct

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Quality and Safety of Products and Services

We prioritize the quality and safety of our products and services, striving to provide precise and reliable healthcare products and services to our customers, thereby contributing to the creation of a healthier society.

- To secure the quality, effectiveness, and safety of our products and services, we fulfill requirements of Laws and Regulations, and Internal Rules, and promote an effective and efficient quality management system.
- To consistently deliver high-quality products and services to research and medical fields, we establish and maintain a supply chain with our suppliers that ensures quality and safety.
- In the event of a significant issue with the quality or safety of any of our products or services, we provide accurate and transparent disclosures to our customers and other stakeholders of relevant information, take appropriate measures to prevent further harm, investigate the root cause and work toward preventing recurrence.

Examples of Key Relevant Laws and Regulations, including but not limited to:

Laws Securing the Quality and Safety of Pharmaceuticals and Medical Devices:

Japan	: Pharmaceuticals and Medical Devices Act (PMD Act)
United States	: Federal Food, Drug, and Cosmetic Act (FD&C Act)
Europe	: Medicinal Products Directive (MPD) (Directive 2001/83/EC), Medical Device Regulation (MDR) (Regulation (EU) 2017/745), In Vitro Diagnostic Medical Device Regulation (IVDR) (Regulation (EU) 2017/746)
China	: Drug Administration Law, Regulations on the Supervision and Administration of Medical Devices

Laws Establishing the Liability of Manufacturers for Damages Caused by Product Defects:

Japan	: Product Liability Act (PL Law)
United States	: State Laws regarding Product Liability
Europe	: Product Liability Directive (PLD) (Directive (EU) 2024/2853)
China	: Product Quality Law, Consumer Rights Protection Law



Research and Development

We are committed to understanding the diverse challenges faced by researchers and healthcare professionals and aim to address these challenges through the creation of innovative solutions. Our goal is to contribute to better health for patients by engaging in research and development in a lawful and ethical manner.

- When using research facilities and equipment, we comply with Laws and Regulations, and Internal Rules, with attention to safety and environmental considerations.
- In clinical research and similar activities, we respect the dignity and human rights of research subjects, prioritize their safety, and fully respect their privacy and other legal rights. Additionally, when handling laboratory animals, we adhere to ethical standards such as the “3Rs” principle (Replacement: use of alternatives, Reduction: minimizing the number of animals used, Refinement: enhancing animal welfare).
- We commit to integrity in the publication and reporting of research findings, refraining from any fraudulent activities such as fabrication, falsification, or plagiarism, and do not engage in or support such activities.

Examples of Key Relevant Laws and Regulations, including but not limited to:

Laws for Conducting Clinical Research in Medicine and Pharmaceuticals to Ensure Reliable Results:

Japan	: Clinical Trials Act
United States	: Code of Federal Regulations Title 21 Parts 50, 54, 56 and 58
Europe	: Clinical Trials Regulation (CTR) (Regulation (EU) No 536/2014)
China	: Drug Administration Law, Good Clinical Practice for Drugs

Laws for the Protection and Proper Management of Animals:

Japan	: Act on Welfare and Management of Animals
United States	: Animal Welfare Act (AWA)
Europe	: Animal Welfare Directive (AWD) (Directive 2010/63/EU)
China	: Regulations on the Administration of Laboratory Animals

Laws to Ensure related to the Safety of Chemical Substances:

Japan	: Chemical Substances Control Law
United States	: Toxic Substances Control Act (TSCA)
Europe	: Registration, Evaluation, Authorization and Restriction of Chemicals (REACH)
China	: Measures for the Environmental Management of New Chemical Substances



Respect for Individuals

We acknowledge the unique characteristics and values of each individual and strive to create an organization where people with diverse backgrounds and opinions are respected and treated fairly and equally.

- At PHC Group, we foster a culture of respect and collaboration by encouraging diverse communication, learning to understand and embrace differences, and supporting each other's growth, thereby strengthening trust and teamwork.
- We aim to build a workplace environment where diverse perspectives resonate, leading to richer ideas and solutions.
- We are committed to maintaining a healthy and positive work environment free from discrimination and harassment, and to building an organizational culture that respects diversity.
- Even when differences in communication styles, languages, or values make collaboration challenging, we promote inclusion so that every PHC Group employee is respected as a member of the team. This creates an environment where all individuals feel comfortable expressing their opinions and working towards problem-solving.
- We achieve equity by providing fair opportunities for growth and success, including recruitment, training, and career development, taking into account different backgrounds and circumstances.

Examples of Key Relevant Laws and Regulations, including but not limited to:

Laws and regulations related to diversity, inclusion, and equity (equal opportunity):

International Standards	: United Nations Sustainable Development Goals (SDGs), International Labour Organization (ILO) Standards
Japan	: Labor Standards Act, Equal Employment Opportunity Act, Act on Employment Promotion of Persons with Disabilities, Childcare and Family Care Leave Act
United States	: Civil Rights Act, Americans with Disabilities Act (ADA), Rehabilitation Act, Age Discrimination in Employment Act, Genetic Information Nondiscrimination Act, Equal Pay Act, Pregnancy Discrimination Act (PDA)
Europe	: European Convention on Human Rights, Charter of Fundamental Rights of the European Union, Equal Treatment Directive (Directive 2006/54/EC), Equal Pay Directive, Pay Transparency Directive, Gender Equality Directive, Pregnant Workers Directive (Directive 92/85/EEC)
China	: Labor Law, Law on the Protection of Women's Rights and Interests, Employment Promotion Law



Safe and Healthy Working Environments

We aim to help each individual work in a comfortable environment that is physically and mentally healthy, safe, and hygienic.

- We comply with Laws and Regulations, and Internal Rules related to occupational safety and health to support daily safety, including transparently reporting to the relevant authority.
- The company collaborates with employees to create an organized, safe, and hygienic workplace, by preventing accidents and injuries, and minimizing incidents.
- For handling hazardous substances, dangerous materials, other chemicals, and operating machinery, we establish and provide training on appropriate safety-conscious work procedures, which employees are required to follow.
- We do not tolerate any discrimination based on race, nationality, gender, religious beliefs, birth, age, physical or mental disabilities, sexual orientation or any other factor. We also promote a workplace environment free from harassment and aggressive behavior. Harassment includes acts or threats that cause physical, psychological, sexual, or economic harm.

Examples of Key Relevant Laws and Regulations, including but not limited to:

International Rules and Laws to Protect Workers' Rights and Working Conditions:

International Standards : International Labour Organization (ILO) Standards
Competition

Japan	: Labor Standards Act, Industrial Safety and Health Act, Labor Contracts Act
United States	: National Labor Relations Act, Fair Labor Standards Act, Occupational Safety and Health Act (OSH Act)
Europe	: Working Time Directive, Equal Treatment Directive, Framework Directive on Safety and Health at Work
China	: Labor Law, Labor Contract Law, Work Safety Law



Information Management

We properly use and protect the information owned by or under the control of the PHC Group in accordance with Laws and Regulations, and Internal Rules, designed to prevent loss, theft, misuse, unauthorized access, and leakage of information.

- We take appropriate measures to protect the information held by the PHC Group, such as product information, sales information, technical information, personal data, business records, and financial records, from external cyberattacks and internal misconduct or leakage.
- We correctly identify confidential information and take appropriate preventive measures to protect against leakage or damage.
- We properly manage confidential information obtained from other companies, to help distinguish it from our own information and avoid confusion.

Examples of Key Relevant Laws and Regulations, including but not limited to:

Laws to Promote Fair Competition and Prevent Unfair Competitive Practices:

Japan	: Unfair Competition Prevention Act
United States	: Defend Trade Secrets Act (DTSA), Uniform Trade Secrets Act (UTSA), Economic Espionage Act (EEA), Federal Trade Commission Act (FTC Act)
Europe	: Trade Secrets Directive (Directive (EU) 2016/943)
China	: Anti-Unfair Competition Law

Laws Establishing Basic Policies and Frameworks for Cybersecurity Measures:

Japan	: Basic Act on Cybersecurity
United States	: Cybersecurity Information Sharing Act (CISA)
Europe	: EU Cybersecurity Act
China	: Cybersecurity Law

Laws to Prevent the Misuse of the Internet and Computer Systems:

Japan	: Act on Prohibition of Unauthorized Computer Access
United States	: Computer Fraud and Abuse Act (CFAA)
Europe	: Directive on Attacks against Information Systems
China	: Cybersecurity Law



Accurate Record Keeping

We diligently and accurately record various business-related information to maintain the trust of all PHC Group stakeholders, including customers, shareholders, investors, auditors, and regulators.

- We create and record documents and data generated in daily operations accurately and in a timely manner, in compliance with Laws and Regulations, and Internal Rules, and store them appropriately.
- We do not engage in any fabrication or false alteration of records. We do not inappropriately destroy or conceal records.

Examples of Key Relevant Laws and Regulations, including but not limited to:

Laws and Regulations requiring the Creation, Storage, and Retention of Accurate Records:

Japan	: Companies Act, Financial Instruments and Exchange Act
United States	: Delaware General Corporation Law, Sarbanes-Oxley Act of 2002 (SOX), Securities Exchange Act of 1934
Europe	: EU Company Law Directives, Transparency Directive, EU Audit Directive, Market Abuse Regulation (MAR)
China	: Company Law, Securities Law, Accounting Law



Social Media

We utilize social media as a valuable communication tool to appropriately share information with stakeholders such as customers, shareholders, investors, employees, and business partners.

- We do not post or share internal information that has not been approved for external disclosure. We do not post or share information that is inaccurate or misleading, so as not to damage the values and reputation of the PHC Group.
- When posting, we respect the privacy of our customers and related parties, and strictly refrain from making false, inaccurate, misleading, defamatory, slanderous and/or derogatory remarks.

Examples of Key Relevant Laws and Regulations, including but not limited to:

Laws and Regulations regulating Statements or Posts that Damage the Reputation of Others:

Japan	: Laws regarding libel and slander on the Internet
United States	: Communications Decency Act (CDA), State Laws prohibiting Defamation, State Laws regarding Cyberbullying
Europe	: General Data Protection Regulation (GDPR), European Convention on Human Rights (ECHR), Defamation Act 2013 (United Kingdom), StGB (Criminal Code) (Germany), Penal Code (Poland), Civil Code (Poland), Penal Code (France), Civil Code (France)
China	: Criminal Law, Civil Code, Law on Penalties for Administration of Public Security



Fair Competition

We respect fair and free competition and conduct our business activities with integrity, focusing on the quality and value of the products and services we offer.

- We comply with antitrust and competition Laws and Regulations, and Internal Rules and engage in fair and free competition.
- We do not engage in the exchange or discussion of information with competitors regarding prices, costs, production volumes, or trading conditions.
- We do not enter into agreements or arrangements that restrict competition.
- We do not disparage or defame our competitors.
- In promoting our products and services, we avoid using false or misleading representations and do not provide incomplete information.
- We do not offer undue gifts, services, or donations that could distort customers' legitimate choices.
- To ensure transparency and trust in our financial relationships with healthcare institutions and professionals, we disclose information related to payments and other interactions as required by Laws and Regulations, and Internal Rules.

Examples of Key Relevant Laws and Regulations, including but not limited to:

Laws to Maintain Fair Competition in the Market:

Japan	: Antimonopoly Act
United States	: Sherman Antitrust Act, Clayton Antitrust Act, Federal Trade Commission Act
Europe	: EU Competition Law
China	: Anti-Monopoly Law

Laws to Help Consumers Can Make Informed Choices about Products and Services:

Japan	: Act against Unjustifiable Premiums and Misleading Representations
United States	: Federal Trade Commission Act, Lanham Act
Europe	: Unfair Commercial Practices Directive
China	: Law on the Protection of Consumer Rights and Interests, Anti-Unfair Competition Law



Prohibition of Bribery and Corrupt Practices

We conduct our business activities fairly and honestly,
and we do not tolerate bribery or corrupt practices.

- We do not offer or provide improper payments or advantages, directly or indirectly, to public officials, government representatives, healthcare professionals, medical institutions, or any other third parties.
- We allow the provision of gifts, meals, entertainment, and hospitality that respect the customs and culture of each country or region, provided they comply with Laws and Regulations, and Internal Rules, are not extravagant, and fall within the scope of socially accepted courtesies.
- We do not engage in business with agents, consultants, or others who engage in bribery or corrupt practices.
- We do not accept inappropriate gifts, meals, entertainment, or hospitality that could influence our business decisions. Even when invited to meals or events in a business context, we comply with Laws and Regulations, and Internal Rules ensuring they are not extravagant and do not fall outside the scope of socially accepted courtesies.

Examples of Key Relevant Laws and Regulations, including but not limited to:

Laws Promoting Fair Competition in the Market and Preventing Unfair Competitive Practices:

Treaty	: OECD Convention on Combating Bribery of Foreign Public Officials
Japan	: Unfair Competition Prevention Act, Criminal Code
United States	: Foreign Corrupt Practices Act (FCPA), Anti-Kickback Statute
Europe	: UK Bribery Act (UKBA) (United Kingdom), StGB (Criminal Code) (Germany), Penal Code (Poland), Sapin II Act (France)
China	: Criminal Law, Anti-Unfair Competition Law, Supervision Act



Data Protection and Privacy

We are committed to safeguarding the privacy and personal data of our employees, customers, patients, healthcare professionals, shareholders, and business partners, in accordance with all applicable Laws and Regulations regarding data protection and privacy. By following data protection and privacy principles, we also ensure stakeholders trust PHC Group, and our data handling practices.

- **Collection and Usage** : Collect and use only necessary data for specific, legitimate business purposes. We keep this data accurate and up to date, as far as possible, and give special protection to more sensitive data.
- **Security** : Protect data from unauthorized access, breaches, and misuse (in line with the Information Management section).
- **Access** : Restrict access to personal data to authorized personnel only.
- **Disclosure** : Share data, within and outside the company, only when necessary, and lawful.
- **Retention** : Retain data only as long as necessary for business or legal purposes.
- **Rights** : Enable individuals to exercise their rights under Laws and Regulations regarding data protection, where available.

Examples of Key Relevant Laws and Regulations, including but not limited to:

Laws Enacted to Protect Individual Privacy:

Japan	: Act on the Protection of Personal Data
United States	: California Consumer Privacy Act (CCPA), State Laws regarding data protection and privacy
Europe	: General Data Protection Regulation (GDPR) in the European Union, and the United Kingdom, and the Swiss Federal Data Protection Act and its Ordinance
China	: Personal Data Protection Law



Prevention of Insider Trading

We are committed to handling undisclosed material facts (important information that has not been made publicly available) with care, as it may influence stock prices and we refrain ourselves from insider trading.

Undisclosed material facts include not only information related to the PHC Group but also information pertaining to other companies.

- We manage information including undisclosed financial results, partnerships or mergers, acquisitions, and upcoming product announcements, in accordance with Laws and Regulations, and Internal Rules, as such information may influence decisions regarding the purchasing and selling of shares and other securities. We ensure that this information is not disclosed inappropriately to others.
- We do not engage in the purchasing and selling of shares or other securities after learning undisclosed material facts and before the disclosure of the facts.
- We do not provide undisclosed material facts to others or recommend the purchasing and selling of shares or other securities with the intent to enable others to gain profits or avoid financial losses, knowing that they are based on undisclosed material facts.

Examples of Key Relevant Laws and Regulations, including but not limited to:

Laws Aimed at Protecting Investors and Maintaining Fair and Transparent Financial Markets:

Japan	: Financial Instruments and Exchange Act
United States	: Securities Exchange Act of 1934
Europe	: Market Abuse Regulation (MAR)
China	: Securities Law



Company Assets

We understand that the tangible and intangible assets of the PHC Group exist for the company's business purposes, and we manage them appropriately and utilize them effectively.

- We take great care to prevent the loss, damage, theft, unauthorized access, and misuse of company assets.
- Company assets are used solely for business purposes. When taking assets outside the company, disposing of them, or using them for personal purposes, we obtain the necessary company approvals.
- We distinguish the tangible and intangible assets entrusted to us by other companies from our own assets and manage those assets appropriately to avoid commingling.

Examples of Key Relevant Laws and Regulations, including but not limited to:

Laws Promoting Fair Competition in the Market and Preventing Unfair Competitive Practices:

Japan	: Unfair Competition Prevention Act
United States	: Defend Trade Secrets Act (DTSA), Uniform Trade Secrets Act (UTSA), Economic Espionage Act (EEA)
Europe	: Trade Secrets Directive (TSDEU) (Directive (EU) 2016/943)
China	: Anti-Unfair Competition Law



Intellectual Property

We strive to appropriately protect the intellectual property created through research, development, sales, and other business activities as rights, and effectively utilize these assets to contribute to securing and maintaining a competitive advantage in our business.

- We strive to properly secure rights to PHC Group's intellectual property, actively protect it, and maximize its utilization.
- We respect the intellectual property rights of others and do not infringe them.

Examples of Key Relevant Laws and Regulations, including but not limited to:

Laws to Protect Intellectual Property Rights:

Japan	: Patent Act, Trademark Act, Design Act, Copyright Act
United States	: Patent Act (35 U.S.C), Lanham Act, Copyright Act
Europe	: European Patent Convention (EPC), EU Trademark (EUTM), Registered Community Design (Council Regulation (EC) No 6/2002), Copyright and InfoSoc Directive (2001/29/EC)
China	: Patent Law, Trademark Law, Copyright Law



Appropriate Disclosure of Information

We strive to appropriately disclose necessary information to fulfill our accountability to shareholders, investors, and other stakeholders, thereby enhancing the transparency of our management.

- We disclose information related to business activities, performance, financial conditions, and organizational structure in a timely and appropriate manner in accordance with Laws and Regulations, and Internal Rules.

Examples of Key Relevant Laws and Regulations, including but not limited to:

Laws Mandating the Disclosure of Important Information to Ensure Fairness and Transparency in Financial Markets:

Japan : Timely Disclosure Rules, Financial Instruments and Exchange Act

United States : Securities and Exchange Commission (SEC) Rules and Regulations

Europe : Corporate Sustainability Reporting Directive (CSRD)

China : Securities Law



Avoidance of Conflicts of Interest

We avoid conflicts between the interests of the PHC Group and the personal interests of directors, officers, and employees, and in our business activities, we act in the best interest of the PHC Group.

- Directors, officers, and employees must obtain company approval before engaging in any side jobs or secondary employment, such as taking positions at business partners or related entities.
- In situations where a conflict of interest may arise, directors, officers and employees must disclose this fact to the company and manage it appropriately by adhering to Internal Rules, so conflicts do not affect their business judgment.
- Transactions with companies managed by directors, officers and employees, or their relatives should generally be avoided. If such transactions are undertaken, careful attention must be paid to conduct the transactions fairly and in accordance with Laws and Regulations, and Internal Rules.

Examples of Key Relevant Laws and Regulations, including but not limited to:

Laws Regulating Transactions Involving Personal Interests that Conflict with Corporate Interests:

Japan : Companies Act

United States : Sarbanes-Oxley Act of 2002 (SOX), Delaware General Corporation Law (DGCL)

Europe : EU Company Law Directive (2017/1132)

China : Company Law



Relationships with Business Partners

We require our business partners to engage in sincere activities based on “INTEGRITY.”

- We expect our business partners to understand PHC Group's values and sustainability initiatives and to act consistently with those values and initiatives.
- We expect our business partners throughout the supply chain to fulfill social responsibilities such as respecting human rights, preserving the environment, preventing bribery and corruption, and complying with Laws and Regulations.
- We continuously evaluate the business activities of our partners through supplier surveys and other means, and request improvements when necessary.
- We do not impose unfair trading conditions on our business partners by abusing a superior bargaining position.
- We maintain a strict policy of having no association whatsoever with antisocial forces or criminal organizations, ensuring that we uphold ethical standards and protect the integrity of our operations.

Examples of Key Relevant Laws and Regulations, including but not limited to:

Laws Prohibiting the Abuse of a Superior Position:

Japan	: Antimonopoly Act, Subcontract Act
United States	: Sherman Antitrust Act, Clayton Antitrust Act, Federal Trade Commission Act, Robinson-Patman Act
Europe	: EU Competition Law
China	: Anti-Monopoly Law, Anti-Unfair Competition Law



Respect for Human Rights

As the PHC Group's business activities expand globally, our responsibility to uphold human rights in the global community environment is increasing.

- We are committed not only to preventing direct human rights violations in our business activities but also to continuously working to mitigate and prevent the risk of indirectly negatively impacting human rights through our supply chain and other business relationships.
- We avoid all forms of exploitative labor practices, such as child labor, forced labor and human trafficking, and are dedicated to achieving fair labor practices.

Examples of Key Relevant Laws and Regulations, including but not limited to:

Laws and Regulations regarding Human Rights :

Japan	: Labor Standards Act, Equal Employment Opportunity Act
United States	: Civil Rights Act, Americans with Disabilities Act (ADA), Fair Labor Standards Act
Europe	: European Convention on Human Rights, Charter of Fundamental Rights of the European Union
China	: Labor Law, Law on the Protection of Rights and Interests of Women



Contribution to Society

As a global healthcare company, we aspire to contribute to society by conducting business activities that contribute to better lives for patients.

- We aim to fulfill our social responsibility by engaging in research and development to create high-quality products and services and by striving to provide them for all who seek better health.
- By leveraging our strengths in precise technology, innovation, and the synergies among the PHC Group businesses, PHC Group will collaborate with researchers and medical professionals to provide precision healthcare technology and better healthcare services for patients who need it most.



Environmental Conservation

At the PHC Group, protecting the environment is not just a legal or social obligation but a core aspect of our operations.

- To achieve a sustainable environment, we are committed to implementing sustainable business practices, such as more efficient energy use and increasing our efforts to lower the environmental impact of our products as we actively work towards the preservation of the global environment.

Examples of Key Relevant Laws and Regulations, including but not limited to:

Laws Establishing Basic Policies and Frameworks for Environmental Conservation:

Japan	: Basic Environment Act
United States	: National Environmental Policy Act
Europe	: Environmental Action Programme
China	: Environmental Protection Law

Laws Governing the Treatment, Storage, Transport, and Disposal of Waste:

Japan	: Waste Management and Public Cleansing Law
United States	: Resource Conservation and Recovery Act (RCRA)
Europe	: Waste Framework Directive (2008/98/EC)
China	: Law on the Prevention and Control of Environmental Pollution by Solid Waste

Laws to Prevent Global Warming and Mitigate the Impact of Climate Change:

Treaty	: United Nations Framework Convention on Climate Change (UNFCCC) In addition, a conference called COP is held once a year by participating countries of the United Nations Framework Convention on Climate Change.
Japan	: Act on Promotion of Global Warming Countermeasures, Act on Special Measures Concerning Renewable Energy, Energy Conservation Act
United States	: Clean Air Act, Inflation Reduction Act, Energy Policy Act (EPA Act)
Europe	: European Climate Law, EU Emissions Trading System (EU ETS), Renewable Energy Directive (RED) II, Energy Efficiency Directive (EED)
China	: Interim Regulations on the Management of Carbon Emissions Trading, Renewable Energy Law, Energy Conservation Law



Trade Compliance

By complying with Laws and Regulations related to trade in our international business activities, we will prevent international threats from certain countries and regions that develop, manufacture, use, store, or engage in activities related to weapons of mass destruction (nuclear, chemical, biological weapons, and missiles) and from terrorists and other groups, thereby contributing to the maintenance of international peace and security and avoiding the risk of the PHC Group becoming involved in transactions of concern.

- We understand that not only products and services, but also raw materials, software, and technical data may be subject to regulations, and we comply with export and import-related Laws and Regulations, and Internal Rules.
- We identify whether products and services are subject to regulation, understand the transaction partners, end users, and intended use, and carefully assess the permissibility of transactions and imports/exports. We obtain necessary approvals and licenses from regulatory authorities and customs when required.
- To prevent money laundering and the financing of terrorist organizations, we strive to achieve transparency in transactions and monitor and report any suspicious activities.
- Regardless of whether transactions are paid or free, and irrespective of quantity, type of goods, or means of transportation, we comply with Laws and Regulations, and Internal Rules (including regulations related to medical devices, chemicals, animal quarantine, etc.) before initiating export/import procedures, and we conduct appropriate customs clearance procedures.

Examples of Key Relevant Laws and Regulations, including but not limited to:

Laws Aimed at Contributing to International Security and Maintaining Domestic and International Peace and Stability:

Treaties and Agreements	: Treaty on the Prohibition of Nuclear Weapons (TPNW), Biological Weapons Convention (BWC), Chemical Weapons Convention (CWC), Wassenaar Arrangement
Japan	: Foreign Exchange and Foreign Trade Act
United States	: Export Administration Regulations (EAR)
Europe	: Dual-Use Regulation, Common Military List of the European Union
China	: Export Control Law

Laws Managing the Export and Import of Specific Goods from a Trade Management Perspective to Prevent Illegal Transactions:

Japan	: Customs Act
United States	: Tariff Act of 1930
Europe	: Union Customs Code (UCC)
China	: Customs Law



Raising Questions and Concerns (Speak Up)

Any actions that violate Laws and Regulations or ethical standards may cause significant harm to the PHC Group and its stakeholders. To maintain trust in the PHC Group and transparency, in our business activities, employees are required to actively raise questions and concerns of any suspected unethical or improper conduct. This proactive approach enables the early identification and resolution of issues through corrective actions.

If you become aware of actions that violate or may potentially violate Laws and Regulations, the PHC Group Code of Conduct, or Internal Rules, do not ignore them. Promptly report or consult with your supervisor, a nearby workplace manager, or a designated contact point. Additionally, you can report or consult anonymously through the reporting hotline for your region.

The PHC Group does not tolerate any unfavorable treatment or retaliation against individuals who report suspected issues in good faith or who provide information or otherwise cooperate in good faith in the company's investigation of suspected issues. Unfavorable treatment or retaliation of whistleblowers or others who report suspected misconduct or cooperate in the investigation of suspected misconduct also are prohibited by Laws and Regulations, and Internal Rules.

The PHC Group protects employees and business partners who raise questions and concerns in good faith.

Reporting and Consultation Contacts:

- Direct Supervisor
- Supervisor at nearby workplace
- Human Resources Department
- Legal and Compliance Team Members
- PHC Group CEO or Executive Officers
- PHC Group Audit and Supervisory Board Members
- Compliance Reporting Hotlines (Helplines)
<https://www.phchd.com/global/sustainability/governance/helpline>

Examples of Key Relevant Laws and Regulations, including but not limited to:

Laws Protecting Whistleblowers Who Report Wrongdoing or Illegal Activities Within Organizations:

Japan	: Whistleblower Protection Act
United States	: Whistleblowing Protection Act of 1989, Occupational Safety and Health Act of 1970, Sarbanes-Oxley Act of 2002 (SOX), etc.
Europe	: Whistleblowing Directive (Directive (EU) 2019/1937)
China	: Labor Law, Law on Penalties for Administration of Public Security

Message from Senior Executive Corporate Officer in charge of Legal Affairs

Since taking on the role of Corporate Officer responsible for Legal Affairs in 2022, one of my goals has been to revise the PHC Group Code of Conduct. The first Code of Conduct was formulated in our journey from the carve-out of the Panasonic Group in 2014 to our listing on the Tokyo Stock Exchange in 2021. With this new edition, we sought to make it easier to understand, and more appropriate for a global healthcare company. I believe we have succeeded in the revision consistent with these aspirations.

During the preparation, we had multiple discussions with Legal and Compliance team members including the legal officers in the U.S. and EMEA, then elaborated on the draft, and finally reviewed it with our head office functions. We are grateful for the efforts of all of you involved in developing the new Code of Conduct.

I trust that this new PHC Group Code of Conduct will serve as a guideline for all employees in their daily activities. As a new initiative, we have included relevant laws and regulations in each section to help you to have better understanding.

I am assured that we can further enhance the trust and reputation of PHC Group as each of us fully comprehends this Code of Conduct and practices our day-to-day activities complying with it.

Ryuichi Hirashima
Senior Executive Corporate Officer in charge of Legal Affairs
PHC Holdings Corporation

