

NIHON KOHDEN CODE OF ETHICS AND CONDUCT

1. Purpose of this Code

- (1) This code stipulates the way of conduct to be observed from the point of view of compliance with laws and regulations by all people working at Nihon Kohden Group including executives, employees, part-time employees, temporary employees, etc. ("Employees") of each company in Nihon Kohden Group (the "Company") to implement the spirit of the Management Philosophy of Nihon Kohden and the Nihon Kohden Charter of Conduct.
- (2) In order to be in compliance with this code, Employees shall also clearly explain the purpose and contents of this code to customers, distributors and other business partners and seek their understandings, as necessary.

2. Compliance with Laws and Regulations

Employees shall comply with applicable laws, regulations, restrictions and company internal and external rules (collectively "Laws and Regulations") as well as ethical standards and shall respect social justice. If there is any violation thereof, Employees shall immediately take appropriate measures to prevent recurrence as well as corrective measures.

3. Respect of Human Rights

(1) Respect of Human Rights

In all aspects of our business activities, Employees shall respect the human rights of all people and shall not commit any act that infringes upon the personality and dignity of an individual.

(2) No Discrimination

Employees shall not unreasonably discriminate against any person based on gender, age, race, nationality, appearance, skin color, disability, religion, origin, political beliefs, thought and creed, or personal hobbies and circumstances, and shall not neglect such discrimination.

(3) No Harassment

Employees shall not commit any act of harassment such as sexual harassment or power harassment (harassment that is based on superiority in the workplace such as a position or status at work, or human relations).

4. Proper Accounting, Recording and Reporting

- (1) All transactions shall be in accordance with the rules of the Company and/or the procedures and methods prescribed by the Company, and the proper documentation (purchase orders, order acknowledgements, receipts, contracts, etc.) shall be prepared, received and/or stored.
- (2) Accounting records and financial reports shall be prepared in accordance with applicable Laws and Regulations and generally accepted accounting principles and standards.
- (3) Not just accounting documents but all records and reports of the business activities shall state facts correctly, clearly and appropriately, and there shall be no records or reports that are false or misleading.

5. Relationship between the Company and Individuals

(1) Conflicts of Interest between the Company and Individuals

- (a) Employees shall not commit any act that is contrary to legitimate interests of the Company, any act that causes damage to the Company, nor any act that causes damage to the credibility or defames the reputation of the Company.
- (b) Employees shall not abuse their duties, jobs, positions or status at the Company for the benefit of themselves or a third party for any purpose other than the Company's business.
- (c) When selecting suppliers, customers and other business partners, and conducting transactions with them, Employees shall carry out their duties in a fair manner and attitude, and shall not give them any preferential treatment nor discriminate against them for anything other than the interest of the Company based on personal feelings, circumstances and interests.

- (d) Employees shall not ask, accept or receive, for themselves or a third party, gifts, entertainment, benefits or anything of value that would exceed the scope of general social relationships and politeness from another company or individual that is doing business with or desires to do business with the Company.

(2) Insider Trading

- (a) With respect to securities such as stock of publicly listed companies (the "Stock"), in many countries it is against Laws and Regulations to purchase and/or sell the Stock using non-public information that will have a significant impact on the price of the Stock when it is published (the "Insider Information"). Employees shall comply with any Laws and Regulations applicable in their countries concerning the purchase and/or sale of the Stock and shall not purchase and/or sell the Stock unlawfully using the Insider Information that has become known to them in connection with their duties.
- (b) Nihon Kohden Corporation is a publicly listed company and the purchase and/or sale of the Stock of Nihon Kohden Corporation is regulated by the laws of Japan. Accordingly, in order to prevent the insider trading which is against the laws of Japan, an Employee who purchases and/or sells the Stock of Nihon Kohden Corporation shall apply for and obtain the advance permission of the Company.

6. Appropriate Management of the Company Assets and Information

(1) Appropriate Management of the Company Assets

With respect to assets of the Company (facilities, equipment, fixtures, office supplies, products, parts, raw materials, cash and deposits, securities, etc.), Employees shall use them effectively for business activities and shall protect them from loss, theft or damage and shall manage them properly and not use them for any other purpose than business, divert them for personal use nor misappropriate them.

(2) Protection of Intellectual Property and Confidential Information

- (a) Intellectual property of the Company (patents, trademarks, designs, software, know-how, etc.) is an important asset of the Company, and Employees shall use it effectively as well as properly protect, maintain and manage it and shall prevent unlawful or inappropriate use by a third party.

- (b) Employees shall strictly maintain and manage all confidential information concerning technical, sales and marketing, financial or other matters of the Company or its business and, during the period that Employees are employed by the Company and thereafter, Employees shall not disclose or divulge the confidential information to any third party without permission from the Company, nor use it in an unlawful or inappropriate manner.
- (c) Employees shall properly manage not only confidential information but all information on the Company or its business obtained in connection with their duties and shall not cause any damage to the Company or any third party by unlawful or inappropriate disclosure or divulging of the information. For example, Employees shall acknowledge that disclosing information on the Company or its business, including information on their jobs, other Employees, business partners and customers, personally through the internet, social networks or social media may cause unreasonable damage to the Company, its business partners and customers.

(3) Protection of Personal Information

- (a) Employees shall properly manage personal information obtained and held by the Company on customers, stockholders, business partners, Employees, etc. in accordance with applicable Laws and Regulations and/or the Company rules, and shall not unlawfully or unjustly disclose or divulge it, nor use it for any other purpose than permitted.
- (b) Employees shall not commit any act that infringes on the rights or interests of an individual (data subject) by using the personal information obtained in connection with their duties.

7. Relationship with Customers, Public Officials and Business Partners

(1) Relationship with Customers and Public Officials

- (a) In almost every country it is unlawful to offer or give a bribe to a public official (including officers and employees of government affiliated agencies and international organizations; hereinafter the same). In addition, in many countries, bribing foreign public officials is prohibited under Laws and Regulations, such as the Foreign Corrupt Practices Act of the United States, the Bribery Act of the United Kingdom and the Unfair Competition Prevention Act of Japan. Employees shall abide by the Anti-Corruption Policy of Nihon Kohden Group and shall never commit any act of bribery or corrupt act whatsoever towards public officials or foreign public officials, which is prohibited under all Laws and Regulations applicable to its business, including the anti-corruption laws above.
- (b) Even in the case of gifts or entertainment that fall under general social relationships and politeness and that are not deemed as an act of bribery, Employees should act properly, being aware that a public official may be under strict restriction on receiving any gift or entertainment in accordance with applicable Laws and Regulations concerning the ethics of public officials.
- (c) Not just with public officials, but also providing customers (including any medical institutions, hospitals, doctors, medical personnel, officers and employees of medical institutions, etc.) with money, gifts, entertainment, benefits or anything of value as a means of unfairly enticing a transaction may be prohibited under applicable Laws and Regulations of that country (for example, the Fair Competition Code of the Medical Devices Industry in Japan). In all relationships and transactions with customers, Employees shall have sufficient knowledge on the relevant Laws and Regulations and shall conduct fair and lawful transactions.
- (d) Not only corrupt practices, but also any fraudulent, collusive or coercive practice, or any other misconduct, to influence improperly any act or decision of public officials, customers, business partners or other third parties, is strictly prohibited.

(2) Relationship with Business Partners

Employees shall do business with suppliers and other business partners from the standpoint of equality and fairness and shall conduct transactions in good faith in accordance with applicable Laws and Regulations and relevant contracts and shall

not impose unfair transaction terms on or cause a disadvantage to such suppliers and other business partners by using any superior position.

8. Fair Competition

(1) Compliance with the Laws for Antitrust and Fair Competition

- (a) Employees shall comply with Laws and Regulations concerning antitrust and fair competition applicable in their countries and shall not commit any act that restricts fair competition in violation of these Laws and Regulations.
- (b) In many countries, it is also against Laws and Regulations to fix prices, conspire on bids or allocate markets and customers, with competing companies. In addition, it is also necessary to avoid taking coordinated action with competing companies, such as exchanging information on current or future pricing and sales for the purpose of avoiding competition. Employees shall have sufficient knowledge on Laws and Regulations concerning antitrust and unfair competition applicable in their countries and shall conduct fair and legitimate business activities.

(2) Fair Sales Activities

Employees shall use accurate and legitimate labels and representations in sales and advertising activities. Employees shall not commit any act that causes misleading labeling and representations nor any act that slanders or libels another Company and its products.

9. Relationship with Third Parties and Society

(1) Respect for Intellectual Property and Confidential Information of Third Parties

- (a) Employees shall respect intellectual property of third parties (patents, trademarks, designs, software, know-how, etc.), and shall not intentionally infringe upon or misuse it.
- (b) Employees shall prevent infringement of intellectual property of third parties and shall investigate properly and take preventive measures with respect to development, manufacture, introduction and sale of any product or technology.
- (c) Employees shall not obtain and/or use confidential information of third parties by unlawful means (or knowing that illegitimate disclosure of the information was made by someone before such Employee obtains it). Employees shall also strictly maintain and manage information which was obtained legitimately and for which they owe a confidentiality obligation to the discloser of the information and, during the period that Employees are employed by the

Company and thereafter, Employees shall not disclose or divulge it to any third party without permission of the discloser, nor use it unlawfully or unjustly.

(2) Environmental Considerations

Employees shall comply with Laws and Regulations concerning the environment in all business activities, including development, manufacture and sale of products and shall make every effort to protect and improve the environment of the earth.

(3) Handling of Anti-Social Forces

Employees shall take a firm stand against anti-social forces, such as organized crime groups, which threaten the order and safety of civil society, and shall have no relationship with them and reject all their unjust demands.

10. Laws and Regulations concerning Medical Devices, Safety and Quality

- (1) In countries throughout the world, the products manufactured and/or sold by the Company are subject to various Laws and Regulations concerning medical devices, safety and quality. Employees shall be familiar with and comply with all such Laws and Regulations that are related to or affect development, manufacture, sale, export, import and maintenance of the products and all duties of Employees.
- (2) Employees involved in sales and after-sales service shall immediately and properly file reports to the Company in accordance with the Company's rules and/or instructions about complaints or adverse events such as defective or malfunctioning products.
- (3) Employees shall be familiar with and comply with restrictions under Laws and Regulations concerning advertising, promotion and sale of medical devices.

11. Laws and Regulations concerning Export

When exporting products and/or any other goods or technology, Employees shall comply with Laws and Regulations concerning export applicable in their countries and the Laws and Regulations of other countries with which Employees shall comply (for example, the Export Administration Regulations of the United States) and shall

implement lawful and effective export control in accordance with the Company's rules and/or instructions.

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