

Antitrust Compliance Policy

1 STATEMENT OF ANTITRUST POLICY

It is, and always has been, the firmly established policy and dedication of all officers and employees of Pigeon Group to comply with all antimonopoly laws and antitrust laws applicable in each country (hereinafter collectively referred to as “Antitrust Laws”). This means not only simply following the written law; it means conducting business according to the highest standards of ethics and morality, and avoiding conduct that might give even the appearance of wrongdoing. The purpose of the antitrust laws is to promote and preserve competition under which innovative firms can flourish. The Company Group’s insistence upon full compliance with all legal requirements in the antitrust area is based on our conviction that the preservation of a free competitive economy is essential to the prosperity and success of customers, business partners, the local community, shareholders, and others, not to mention employees.

The fundamental principles guiding the Company Group’s activities are:

- No officers/employees of the Company shall enter into any agreement that restricts the Company Group’s, Group companies’ or any competitor’s freedom to make independent decisions in matters that affect competition. The Company Group or Group companies and their competitors must act in a completely independent manner to set their own prices, establish production levels, develop sales and marketing strategies, choose the markets in which they will operate, and select their customers and suppliers.
- The success of the Company Group or Group companies in the market place will develop from honest and fair competition, not by anticompetitive, predatory or unfair practices.
- Therefore, the Company Group or Group companies will continue to provide information and carry out training necessary to be compliant with Antitrust Laws.

2 WHY COMPLY WITH THE ANTITRUST LAWS?

It is the duty of all persons to abide by the Antitrust Laws of each country. Compliance in the antitrust area allows the Company Group to maintain and enhance its excellent reputation in society. The Company Group’s reputation has been built over the years by the dedication and efforts of numerous employees and officers. The act of a single individual could undo much of what many have worked so long to achieve.

There are severe penalties for violations of the Antitrust Laws by individuals and corporations.

2.1 Criminal Penalties: Fines and Imprisonment

2.2 Administrative disposition: cease and desist order, order for payment of surcharge

Antitrust violations also can lead to the issuance of a cease and desist order, which demands suspension of the violative act, or an order for payment of surcharge, which orders payment of

an expensive surcharge. These Orders may have a significant impact on the business of the Company Group or Group companies.

2.3 Disciplinary Action

The Company Group or Group companies will impose its own penalties on employees who violate its antitrust compliance policy or who do not exercise due diligence to prevent and detect such violations.

3 PROHIBITED PRACTICES AND DANGER AREAS

3.1 Overview

It is essential that officers/employees of the Company Group have a basic understanding of the goals of the Antitrust Laws so that they are sensitive to antitrust pitfalls, can recognize them when they arise, and seek advice from the legal department or legal staff of each company (to which they belong). The Antitrust Laws prohibit, in general terms, practices that unreasonably restrain trade and result in monopolies. The Antitrust Laws target co-operative, inter-dependent activity. In most circumstances, each company must establish prices and other terms or conditions of sale on its own.

Below is a list of the major risk areas under the Antitrust Laws and commonly encountered situations you should look out for. When in doubt in relation to your work, do not hesitate to seek further antitrust guidance from the legal department or legal staff of each company (to which you belong).

- Relationships & Contacts with Competitors
 - Price Fixing
 - Bid Rigging
 - Market or Customer Allocation
 - Group Boycott
 - Information Exchanges
 - Trade Association
- Relationship with Customers
 - Resale Price Maintenance, etc.
 - Terminating or Refusing to Deal with Customers or Suppliers
 - Restrictions on Where Customers Sell; Exclusive Dealing; Tying; Restrictions on Sales Method; Abuse of Superior Bargaining Position

3.2 Relationships & Contacts with Competitors

The most dangerous antitrust risks arise out of contacts with competitors. Making agreements with competitors are virtually certain to be found to restrain trade. It should be questioned whether any agreements are made between competitors, whether oral or written, formal or

informal, express or implied, regarding (1) prices, pricing policies, sales strategies, discounts, promotions, bids, or the terms or conditions of sale (refer to “price fixing” and “collusive bidding”), (2) customers, sales territories, or product markets, (refer to “Market or Customer Allocations”) (3) boycotts of any vendor or customer (refer to “boycott”).

Officers/employees of the Company Group should avoid competitors wherever possible and be extremely careful in their interactions with competitors where contact with them is unavoidable. You must avoid not only any action which may violate the antitrust laws, but also any action which may give the appearance of such a violation. That means each officer and employee should keep in mind that you are in the public eye and would be suspected of engaging in illegal actions with your competitors.

◆ Price Fixing

Agreements among competitors to raise, lower, or stabilize prices, or to fix the terms and conditions of sale, are the most frequent targets of antitrust exposure. It is important to remember that not just the actual prices themselves, but any factor influencing price, such as costs, discounts, promotions, warranties, credit and payment terms, may not lawfully be the subject of an agreement or adjustment among competitors.

To avoid allegations of illegal price fixing, there should be no communications or discussions between any Company Group's officer/employee with anyone from a competitor about (a) current or future prices, pricing plans or production plans, or (b) announcements of price changes or output changes. The prohibition on communications with competitors includes not only formal written or oral conversations and agreements, but so-called “gentlemen's agreements,” tacit understandings, and so-called “off the record” conversations.

If you are ever present when a competitor begins to discuss the topics identified in the preceding paragraph, you must refuse to participate in the discussion or conversation. If necessary you must walk away, leaving the room or hanging up the telephone. If the conversation occurs at a legitimate meeting of competitors, such as a trade association meeting, make sure the minutes reflect that you left the room and refused to participate in the discussion. Regardless of the actions you took at the meeting, as soon as the meeting ends, report to the legal department or legal staff of each company (to which you belong) that you have left the meeting.

◆ Bid Rigging

Big rigging involves fixing prices when competitors coordinate their bid submissions to any public or private organization or entity that has requested bids or RFQ for the awarding of a contract for the purchase of goods or services. Bid rigging can also occur in the context of auctions. Officers/employees of the Company Group cannot agree or have an understanding that one company will bid high or that another will bid low.

◆ Market or Customer Allocations

Competitors may not lawfully agree to allocate product or service markets, sales territories, or customers among themselves. Officers/employees of the Company Group should not agree or give even the appearance of agreement with a competitor to allocate or divide markets.

◆ Group Boycotts

It is unlawful for the Company Group or Group companies to agree with companies outside of our Group not to deal with specified parties. For example, officers/employees of the Company Group may not agree with a competitor not to buy from a vendor, nor may they agree with a competitor not to sell to a specified customer. Officers/employees of the Company Group also cannot enter into an agreement with a vendor who supplies products and services to the Company Group or Group companies that the vendor will not sell to or deal with one of its competitors. It is the Company's policy that it will make all purchase and sale decisions (including refusals to purchase or sell) in a unilateral and independent manner, without coordination or agreement with competitors or other parties to do so. Officers/employees of the Company Group should not agree or give even the appearance of agreement with a competitor or other party to boycott a third party.

◆ Information Exchanges

Any exchange of business information by officers/employees of the Company Group between their competitors presents substantial inherent antitrust risks and should be reviewed and cleared in advance as necessary by the legal department or legal staff of each company (to which they belong). The Company Group's officers/employees are prohibited from exchanging with their competitors information concerning "Topics That You Should Not Discuss with Competitors" specified in the Trade Association Activity and Meeting Attendance – Antitrust Rules.

Some other information exchanges can be lawful depending on the purpose and method. However, exchanging current or future-oriented business data is extremely risky. Consult with the legal department or legal staff of each company (to which you belong) in advance, when you are approached to exchange information suspected of violating the Antitrust Laws or this policy.

◆ Trade Associations

Many trade associations perform useful and legitimate functions and, in themselves, are not objectionable. Trade association meetings, however, bring competitors together and

consequently expose each person present to the risk of or an inference of an illegal agreement.

If you attend trade association meetings, please be very sensitive to the antitrust risks they present.

Specifically, comply with the Trade Association Activity and Meeting Attendance – Antitrust Rules for procedures to follow before and during attendance at meetings of each trade association and topics that should not be shared with your competitors.

If the meeting involves a conversation that is prohibited by the Company's antitrust policy, officers/employees of the Company Group should leave the meeting and ask the trade association personnel that any minutes being kept reflect that you left and when. Then promptly report to the legal department or legal staff of each company (to which you belong).

3.3 Relations with Customers

Relations with Customers, such as purchasers of the Company's products, may present antitrust risks. Utilizing the business relationship and engaging in practices that unreasonably restrain pricing decisions, the selection of business partners including suppliers, or decisions on trade terms, which the other company should be able to decide freely, may cause impedance of free competition of the other company. Specifically, the following behaviors may be problematic under Antitrust Laws.

- ◆ Resale Price Maintenance

Agreements with other parties on resale prices present substantial antitrust risks. For instance, suspending provision of supplies to a customer or terminating a customer when the customer does not sell at the suggested price, especially when the customer is trying to apply a discount at the request of their customers, is problematic.

- ◆ Terminating or Refusing to Deal with Customers or Suppliers

Generally, a seller, acting alone, has the right to select its customers or suppliers and to refuse to deal with any person or firm which the seller does not want to do business with. If a company has market power, some limits on this freedom may be imposed. The basic key to lawfulness in such situations is to take independent action, not action taken pursuant to any agreement to request from others, whether they are competitors, customers, or suppliers. Whenever a customer or supplier introduces topics about our dealings with, or future plans for, other customers or suppliers, report the incident to the legal department or legal staff of each company (to which you belong) as necessary.

- ◆ Restrictions on Where Customers Sell; Exclusive Dealing; Tying; Restrictions on Sales Method; Abuse of Superior Bargaining Position

Agreements by which a customer agrees not to deal with competitors of the Company Group or Group companies or to buy all of its requirements from us or another supplier (exclusive dealing or requirements contracts) also raise antitrust issues. So, too, do tying arrangements in which a customer is required to buy a second product or service in order to obtain one it desires to purchase. Rebates provided in accordance with the percentage of purchase from the Company Group or Group companies (loyalty rebate) and bundled product discounts (bundle discount) also pose antitrust risks. In addition, restrictions on online sales and imposing unreasonable sales quotas and causing them to accumulate unnecessary inventory can also be problematic under Antitrust Laws. Implementation on these issues should be consulted to the legal department or legal staff of each company (to which you belong) in advance.

4 Cooperation with Government Agencies

It is the Company Group's policy to cooperate, in principle, with proper oral or written request by all governmental investigators seeking information concerning the Company's activities, whether for antitrust enforcement or other purposes. If a representative of government agency requests an interview with any personnel of the Company Group or Group company, or seeks data or documents (or copies of same) of the Company Group or Group company or access to files of the Company Group or Group company, you should tell the investigator that you must secure appropriate instructions and contact the legal department or legal staff of each company (to which you belong) immediately for guidance.

Additionally, the legal department or legal staff of each company (to which you belong) should be notified if you become aware that any antitrust litigation or investigation of any competitor, customer or supplier is being carried out, even if the Company Group or Group company does not appear to be involved.

5 Antitrust Compliance Reporting System

The Company Group has established a system (Speak Up Contact) for you to report conduct that you suspect violates the antitrust laws or this policy on a confidential or anonymous basis, without retaliation.

The law-enforcement organizations of each country has introduced a system (leniency program) which waives or reduces the penalty imposed for price fixing, bid rigging or other violative actions that hinder healthy competition between competing business operators if those violative actions are self-reported. The most important thing is not to engage in any act violating Antitrust Laws or this policy, but when a situation arises in which a violation is suspected, it is essential to properly share the related information inhouse, so that the Company Group can utilize any available legal systems in a timely manner and minimize the impact of the suspected violation on the Company Group.

For this reason, be sure to always report internally and/or use the Speak Up Contact in a timely and appropriate manner for any suspected violation of Antitrust Laws or this policy.