

# Shosha Corporate Code of Conduct for Security Trade Control

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Japan Foreign Trade Council, Inc.

The state of world affairs impacting Japan has become increasingly complex and contributed to greater uncertainty due to the increasing threat of nuclear and other weapons of mass destruction, the rising risk of terrorism, and the excessive accumulation of conventional arms. Shosha, playing a major role in international trade, are being called upon to establish higher standards for security trade control management. It is to this end that we hereby establish the “Shosha Corporate Code of Conduct for Security Trade Control.”

## 1. Our Philosophy

We, Shosha, are globally engaged in activities spanning wide range of products and services. As responsible players in international trade, we implement security trade control in cooperation with the international community with the goal of “maintaining international peace and security.” We further commit to contributing to preventing the flow of arms as well as goods and technologies which can be used for military purposes to countries of concern and terrorists.

To achieve these objectives, we, both at headquarters as well as our domestic and overseas subsidiaries and affiliates, shall comply with the laws and regulations of the regions in which we operate, and implement security trade control in order to contribute to the stability of the international order by conforming to social norms and corporate ethics within our respective companies.

## 2. Guiding Principles

We are involved in a wide variety of transactions, including the export and overseas trade of goods and technologies, as well as development projects, and financial activities. We establish the following guiding principles to realize our philosophy in conducting these activities.

### (1) Management Philosophy

We shall strive to conduct corporate activities in accordance with an understanding and recognition of the importance of security trade control.

### (2) Compliance with Security Trade Control Laws and Regulations

In addition to complying with the security trade control laws and regulations in our respective regions of operation, we shall take into account international rules, as well as overseas laws and regulations.

**(3) Establishment of Internal Rules**

We shall establish internal rules which enable us to comply with the security trade control laws and regulations in our respective regions of operation.

**(4) Establishment of an Internal Control System**

We shall establish an internal control system which includes the setup of an integrated control division based on internal rules.

**(5) Transactions Subject to Control and Control Procedures**

We shall determine which transactions are subject to control, and conduct necessary screening to comply with the laws and regulations in relation to such transactions prior to export. Through such screening procedures, we shall verify the classification of the goods and technologies, in addition to the end user and end use.

**(6) Education of Officers and Employees**

We shall provide officers and employees with education and training on security trade control in accordance with the business domain and size of the respective company.

**(7) Implementation of Audits**

We shall implement audits pursuant to the relevant rules.

**(8) Reporting of Violations**

We shall establish an internal reporting system to report any violations or suspected violations of laws and regulations. We shall promptly report any violations of laws or regulations to the relevant authorities.

Note:

The original Japanese language version of this document is the official version used by the Japan Foreign Trade Council and its members. This document is an English language translation of the original and has been prepared as a public service.