

To Live Up to Society's Trust

As society evolves, laws are established and then revised. We believe that complying with laws, international rules, and the "spirit" thereof is just the first step in recognizing the expectations and living up to the trust of a changing society.

Identifying and properly coping with risks

■ Compliance and corporate ethics

There are growing social concerns about bid-rigging, the formation of cartels, bribery, and information security. Moreover, as a reflection of the international situation, export control is also becoming increasingly important. At our company, the CSR Promotion Division assumes leadership in conducting training and periodic auditing in an attempt to ensure that the strong intensions of top management concerning compliance (which means living up to society's trust) are thoroughly implemented at all corners of our Group.

■ Risk management

To be able to properly cope with various risks, we have established a reporting flow and confirmed the roles and responsibilities of the relevant sections. To combat new influenza outbreaks, in February 2009 we printed and distributed an instruction sheet for preventing flu infection in our Group. This proved unexpectedly useful in combating the spread of swine flu in and after April, this year. At the same time, in preparing for an outbreak of new stronger strains of influenza such as avian flu having a pathogenic effect, and considering the possible significant effects on human lives, we are making and arranging plans to suspend ordinary operations, except those related to our Group's corporate social responsibility.



Instruction sheet for preventing new influenza infection

■ Ensuring reliability in financial information

Regarding the assessment and auditing of internal control as pertaining to the reliability of financial information, we completed our preparations as per the provisions of the Financial Instruments and Exchange Act, and marked the end of fiscal 2008 as the year in which the Act first became fully effective. Moreover, in connection with the fact that Hitachi, Ltd. became a parent company owning a majority of our shares in March this year, we began applying the standards that are applicable to corporations listed in the US stock markets and their consolidated subsidiaries. While conforming to those provisions, we are making arrangements to realize an even more functional system in fiscal 2009.

Disclosing information fairly and actively

■ Briefing on financial results and other sessions

For the sake of institutional investors and securities analysts, we organize quarterly briefings on financial results, meetings on individual matters, and other activities in an attempt to promote better understanding of our Group.



Briefing on financial results for the term ended March 2009

■ Internal reporting system, "Ethical Helpline of the Hitachi Kokusai Electric Group"

We ensure that the employees are informed through internal gazettes and seminars of the principles of "keeping secrets," "not mistreating informants," and "responding with good faith." This system is operated by a committee including a lawyer as an outside member in order to earn the trust of informants through appropriate response.

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[The Helpline accepts reports not only from employees of the entire Group but also from its business partners.](#)