

To Live Up to Society's Trust

An international standard on social responsibility has been created and many corporations and organizations have now begun referring to it. It is also becoming a common material for dialogue.

Issuance of ISO 26000 (Guidance on social responsibility)

After ten years of consideration and debate at multi-stakeholder meetings attended by the International Organization for Standardization (ISO) and more than 90 member nations, ISO 26000 (Guidance on social responsibility) was issued in November 2010. We incorporated CSR into a basic principle of management in 2005 and have been promoting CSR management while referring to the Charter for Corporate Behavior established by Nippon Keidanren (Japan Business Federation) and the United Nations Global Compact, along with other standards. And since 2010, we have been taking the contents of ISO 26000 into dialogue with our customers and other stakeholders, while tackling further reforms.

■ "The seven core subjects" of ISO 26000



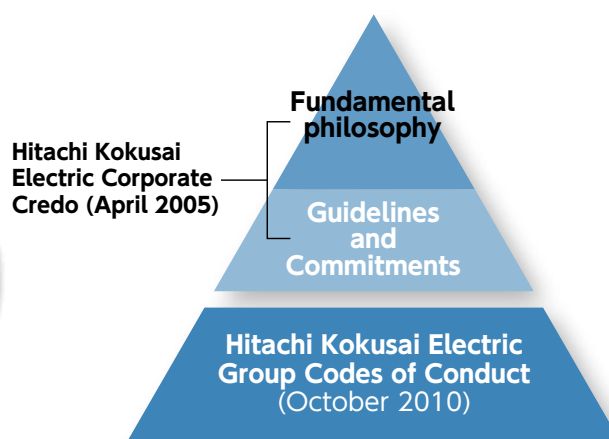
Establishment and dissemination of the Hitachi Kokusai Electric Group Codes of Conduct

As for the basic policy or principle of existence as a company, we already have Hitachi Kokusai Electric Corporate Credo. But there had been no specific standard of ethical actions to be observed daily by each officer and employee. A working group consisting of the main member corporations of the Hitachi Group, centering on Hitachi, Ltd., accumulated their considerations since fiscal 2009 and drafted a code of conduct suited for the global corporate group, under the name of "Hitachi Group Codes of Conduct." And our version including the contents of that standard is the "Hitachi Kokusai Electric Group Codes of Conduct." This group code of conduct has been made known among all members of our group, including our overseas group companies. It has been documented in each local language with training provided, so as to assure all members to observe it.



Kokusai Electric Korea Co., Ltd. has prepared a teaching material on Group Codes of Conduct in Korean and provides training for all its employees.

■ Our Corporate Credo and the Group Codes of Conduct



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.

Identifying and properly coping with risks

● Compliance

Widespread criticism is being directed at bid-rigging, cartels, and other illegal acts perpetrated by corporations that significantly affect society and the economy. Moreover, there is growing social interest about protecting the information of both corporations and individuals. In reflecting such new elements of raising anxiety in the international arena as the issue of nuclear development, export control is also assuming greater importance. With our CSR Promotion Division taking the lead, we are implementing education and periodic audits, while making updates of their contents, and are working to ensure that the strong intensions of top management concerning compliance (which means living up to society's trust) are thoroughly implemented in all corners of our group.

● Risk management

We have designated a division in charge of each type of risk, and the division closely collaborates and communicates with the relevant works or office under the risk, so that the works or office will properly manage risks at their own responsibility.

In fiscal 2010, the Risk Management Committee (consisting of all the executive officers) approved the Business Continuity Plan (BCP) and approves principles concerning BCP, and is now promoting the enhancement of a risk management system.

As indicated on page 14 of this report under "Disaster prevention measures" concerning the recent earthquake, our companywide steering and the positive and bold efforts under the initiative of our factories proved effective and led to early restoration.

● Business Continuity Plan (BCP)

According to our basic principle of ensuring life safety for our employees and fulfilling our social responsibility as a corporation, we drafted a Business Continuity Plan in fiscal 2009 to respond to the outbreak of new influenza, and another BCP in fiscal 2010 to cope with major earthquakes. When the earthquake struck on March 11, 2011, the disaster control manuals of each factory and the emergency reporting system developed along with the BCP functioned quite well. However, other new considerations must be noted, including the extent of the earthquake, frequent occurrence of aftershocks, disruption of transport due to tsunami, and a deteriorating power situation. From now on, we will thus base ourselves on these experiences and periodically review our BCPs, expand the scope of business coverage, diversify the risk assumption, and promote continuous improvement efforts.

● Ensuring the reliability of financial information

Concerning the internal control system related to the reliability of financial information, we collaborate with our parent company Hitachi, Ltd., enhance it by using the framework and tools for internal control of the Hitachi Group, and make evaluations and improvements.

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 2011

● Disclosure of CSR information on the Internet

Detailed information uncovered in "Hitachi Kokusai Electric Group CSR Report 2011" and other details that we wish to disseminate on an ongoing basis are published on our website under "CSR Information." Therefore, please refer to it from time to time and give us your comments and impressions just as you do for this report.

■ Home Page

Hitachi Kokusai Electric Inc.

<http://www.hitachi-kokusai.co.jp/global/csr/>

or

