



# Governance and Risk Management

We have revised our Corporate Statement to make it easier to understand, and clarified its position along with its CSR aspect.

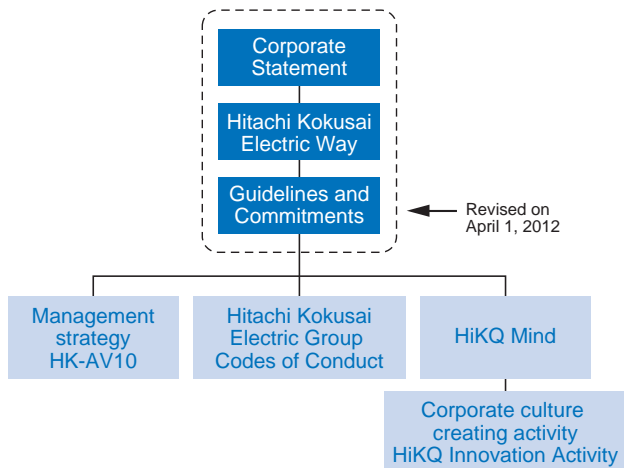
## Revising our Corporate Statement, Hitachi Kokusai Electric Way, and Guidelines and Commitments

In 2005, our Company revised and publicized its Guidelines and Commitments, and clarified its management policy of attaching importance to CSR, and recently revised the same again in establishing the new “Corporate Statement, Hitachi Kokusai Electric Way, and Guidelines and Commitments.”

Pages 3 and 4 of this report show the full text of this document, along with the President’s Message. It sets forth that, by realizing the basic policy indicated in the “Corporate Statement” and “Hitachi Kokusai Electric Way” through activities indicated in “Guidelines and Commitments” and the “Hitachi Kokusai Electric Group Codes of Conduct” established in October 2010, we must respond to the expectations and confidence of society.

With these standards placed at the center, we are also working hard to revitalize the “HiKQ Innovation Activity,” which is a campaign to create corporate culture based on the “Customer First” principle, and realize the current medium-term plan “HK-AV10.”

### ■ Corporate Statement System and Management Policy



**Corporate Statement:** Prescribes how our Group should function and the significance of its existence.  
**Hitachi Kokusai Electric Way:** Basics of the corporate management  
**Guidelines and Commitments:** What is considered important in conducting business activities

See pages 3 and 4 in this report or visit our Internet website for the full text of the Corporate Statement, Hitachi Kokusai Electric Way, and Guidelines and Commitments.

## CSR and its practice from our perspective

Following the issuance of ISO 26000 in November 2010, the OECD Guidelines for Multinational Enterprises were revised in May 2011, and the specific contents of diversified social responsibilities expected of corporations playing active roles in the world are gradually becoming clear.

The “Hitachi Kokusai Electric Group Codes of Conduct” includes contents corresponding to the above-mentioned international movements and current domestic issues such as promoting interactive communications with society, preventing anti-social transactions (as described in Chapter 3), considerations so that corporations including supply chains may not contribute to infringement of human rights, employment in line with the considerations for social responsibility (described in Chapter 4), and so forth. We have decided to disclose these provisions outside the company through the Internet, and practice the same through a dialogue with our stakeholders, and with their cooperation.

We are also continuing efforts regarding regular checking and improvements by using self-evaluation tools, as based on the “CSR Policy of the Hitachi Group.”

Group Codes of Conduct: Specific matters to be observed by management and employees

### ■ Composition of Hitachi Kokusai Electric Group Codes of Conduct

#### Chapter 1 Sincere and Fair Business Activities

- 1.1 Provision of Safe High-Quality Products and Services
- 1.2 Sales Activities
- 1.3 Procurement Activities
- 1.4 Respect of our corporate brand and the Hitachi Brand
- 1.5 Observance of Engineering Ethics

#### Chapter 2 Environmental Protection

- 2.1 Promoting Environmental Management
- 2.2 Environmentally Conscious Business Activities and Environmental Management
- 2.3 Communication with Stakeholders

#### Chapter 3 Relations with Society

- 3.1 Disclosure of Company Information
- 3.2 Contribution to Local Communities
- 3.3 Relations with Politics and Government Administration
- 3.4 Prevention of Anti-social Transactions
- 3.5 Regarding Gifts, Business Entertainment, Etc.
- 3.6 Observance of Laws and Regulations and Respect of the Culture and Customs of Each Nation and Region

#### Chapter 4 Respect of Human Rights

- 4.1 Promoting Respect of Human Rights
- 4.2 Eliminating Discrimination
- 4.3 Respect of Human Rights in Information Management
- 4.4 Respect of Basic Rights at Work

#### Chapter 5 Management Foundations

- 5.1 Management and Use of Information
- 5.2 Use of Inside Information and Related Considerations
- 5.3 Management and Preservation of Company Assets
- 5.4 Arranging a Work Environment That Draws Out Employee Strengths
- 5.5 Observance of Laws and Regulations Governing Imports and Exports

#### Chapter 6 Complete Observance of Codes of Conduct

- 6.1 Complete Observance of Rules
- 6.2 Implementation of Self-Audits
- 6.3 Internal Reporting System

#### Chapter 7 Responsibilities of Top Management

#### Chapter 8 Supplementary Provisions

For the full text on each item of the Group Codes of Conduct, please visit our Internet website.



#### Introductory website of Corporate Statement

Home Page of Hitachi Kokusai Electric Inc.  
<http://www.hitachi-kokusai.co.jp/global/corporate/standard.html>

or



#### Introductory website of Group Codes of Conduct

Home Page of Hitachi Kokusai Electric Inc.  
<http://www.hitachi-kokusai.co.jp/global/corporate/action.html>

or

## ■ CSR Policy of the Hitachi Group

- 1 Commitment to Corporate Social Responsibility (CSR)
- 2 Contribution to Society through Our Business
- 3 Disclosure of Information and Stakeholder Engagement
- 4 Corporate Ethics and Human Rights
- 5 Environmental Conservation
- 6 Corporate Citizenship Activities
- 7 Working Environment
- 8 Responsible Partnership with Business Partners

## Identifying and properly coping with risks

### Compliance

Bid rigging and the formation of cartels are criminal acts committed by corporations against society, and brushing off all such affairs and endeavoring to strengthen one's own competitive power will lead to the reform of corporate structure and ultimately to the principle of "Customers First." Moreover, there is growing social interest in protecting the information of both corporations and individuals. In reflecting elements that raise anxiety in the international arena such 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 conducting periodic audits, while updating the contents thereof, and are working to ensure that the strong intentions of top management concerning compliance (which means living up to society's trust) are thoroughly implemented in all corners of our Group.

### Business Continuity Plan (BCP)

We periodically review the BCP formulated in fiscal 2009 against a new strain of influenza H5N1, and that formulated in fiscal 2010 against a large-scale earthquake.

In fiscal 2011, based on the experience of the Great East Japan Earthquake, we reviewed and improved those plans based on new scenarios of damage and the actual situation at each division. We will continue efforts to debate and improve ways of addressing multi-faceted issues through a company-wide response.

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

We ensure that the employees including those of each Group company are informed through internal gazettes, seminars, and intranet of the principles of "keeping secrets," "not mistreating informants," and "responding with good faith." This system is

#### Ethical Helpline of the Hitachi Kokusai Electric Group

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N.B. The Helpline accepts reports not only from employees of the entire Group but also from its business partners.

operated under advice of a lawyer as an outside committee member in order to earn the trust of informants through appropriate response.

### Ensuring the reliability of financial information

Concerning the internal control system for the main purpose of securing the reliability of financial information, we collaborate with our parent company, Hitachi, Ltd., in order to maintain the system by using the framework and tools for internal control of the Hitachi Group, and make evaluations and improvements.

In and after fiscal 2011, the evaluations and operations also covered the three overseas companies that have newly joined our Group, and we make the most of the system by implementing well-scheduled improvements that focus on the aspects of governance, risk assessment, and core business processes, to the results of subsequently enhanced effectiveness and efficiency of our global business operations.

## 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 2012

### Disclosure of CSR information on the Internet

Detailed information uncovered in "Hitachi Kokusai Electric Group CSR Report 2012" 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.

#### Introductory website of CSR information

Home Page of Hitachi Kokusai Electric Inc.  
<http://www.hitachi-kokusai.co.jp/global/csr/>



or

Hitachi Kokusai Electric CSR information

Search