

Respect for Human Rights, Basics and Ethics

We respect human rights, observe laws and ethics, and establish a clean corporate culture that is admired by society.

Respect for Human Rights

Our commitment to human rights is clearly stated in Hitachi Kokusai Electric Group Codes of Conduct. To complement the Group Codes of Conduct, we established the Hitachi Kokusai Electric Group Human Rights Policy in fiscal 2013.

The basic concept of our Human Rights Policy and detailed information on our related activities, including human rights seminars, are available on our website.



Website including the details of the respect for human rights

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

Identifying and addressing risks

Compliance

Bid rigging and the formation of cartels are criminal acts against society, and brushing off all such affairs and endeavoring to strengthen one's own competitive power will lead to the reform of corporate culture and ultimately to the principle of customers first. Moreover, there is growing social interest in the prevention of bribery to public officials, etc. inside and outside Japan. In reflecting elements that raise anxiety in the international arena such as the issue of the nuclear development, export control is also assuming greater importance. For these risks, with the Legal Center of the Company taking the lead, we are implementing education and conducting periodic audits targeted at the entire Group while updating the contents thereof, and we maintain a system in which any incidents incurring risk are reported to the top management swiftly. Through all these, we are working to ensure that the strong interests of top management concerning compliance, that is, to live up to society's trust are thoroughly implemented in all corners of the Group, with both top-down and bottom-up measures.

As for the proper management and handling of confidential information of the Company and other firms, the protection of personal information, etc., the Company's Information Security Committee educates and enlightens employees regularly and when necessary. As for the observance of other laws and company rules and the prevention of disgraceful affairs, the relevant sections, the legal affairs section and the Human Resources & Corporate Administration Division jointly educate and enlighten employees regularly and when necessary. Meanwhile, the Internal Auditing Office audits the entire Group on a regular basis.

On-site inspection by the Fair Trade Commission

In November 2014, the Company was subject to an on-site inspection by the Japan Fair Trade Commission concerning a suspected violation of the Antimonopoly Act with regard to tenders for digital firefighting emergency radio systems. The President immediately sent out a message to all employees about the Company's commitment to compliance. The Company is fully cooperating with the Commission's investigation. As measures to further strengthen compliance, we have worked to increase the specificity of the rules governing the business conduct of sales personnel and to improve reporting methods. In addition to these measures, from fiscal 2015 we have designated a person in charge of compliance management at each sales department to strengthen our compliance management system.

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.

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

We have an internal reporting system so that an employee or a business partner of the Group can report the incident, when discovering any illegal acts related to our businesses, any improper acts violating our company rules, or any problems regarding human rights, and finding these cannot be solved with ordinary methods. When a report is received, the fact will be investigated and necessary corrective measures are implemented.



We ensure that the employees including those of each Group company are informed of this reporting system as well as the principles of "keeping secrets,"

"not mistreating informants," and "responding with good faith" through internal gazettes, seminars and intranet. This system is operated under advice of a lawyer as an outside committee member in order to earn the trust of informants through appropriate response.

Ethical Helpline of the Hitachi Kokusai Electric Group

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