

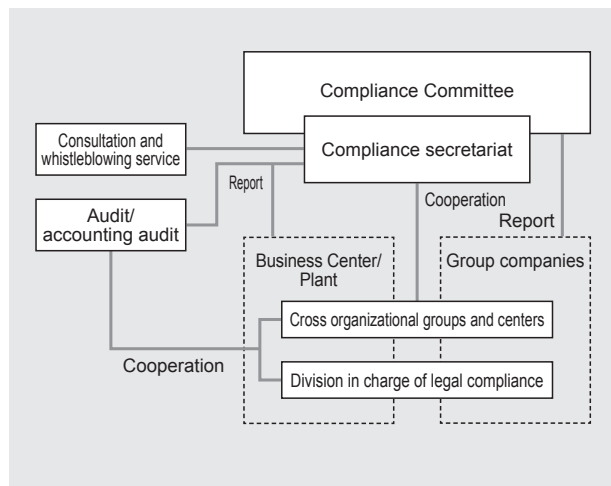
Compliance

Promotion system and structure

We have established a Compliance Committee chaired by the President, in order to deliberate on important measures regarding compliance. Furthermore, in order to support daily activities, we are working to ensure that activities suitable for the workplace can be conducted continuously through not only the compliance management division, but also by appointing a compliance general manager/compliance manager in each department.

	Prevention	Discovering and taking measures
General Manager of Business Center/Plant	Culture/climate and policy	Investigation/recurrence prevention measures development
General Manager, Division	Communication, education and policy	Monitoring, investigation/recurrence prevention measures development
Cross organizational groups and centers, division in charge of legal compliance	Policy support and education in each department	Monitoring support, investigation/recurrence prevention measures development

[Organization and system diagram]



Specific activities

Compliance Highlight Month activities

In the “Compliance Highlight Month activities” implemented in October every year, we aim to maintain and raise awareness regarding compliance. Besides opportunities to debate compliance matters in workplaces, things like messages when starting up PCs, company newsletters, officers’ lectures, DVD screenings and so on are also included in the activities.

Group compliance

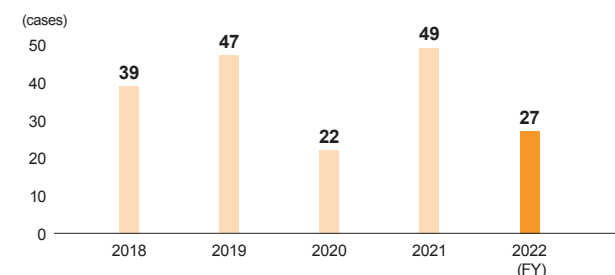
With the compliance management division and divisions in charge of legal compliance as our core, our domestic and

overseas subsidiaries have been jointly organizing systems and carrying out awareness activities in accordance with the status and circumstances of each company.

Consultation reporting

In order to detect and solve internal problems at an early stage, we have established a consultation and whistleblowing service inside and outside the company. Inside the company, a consultation and whistleblowing service has been established at the Head Office, in each plant and at labor unions, in order to collect knowledge of problems from a broad range at an early stage as far as possible. We have also named the service “Nandemo Soudan Madoguchi” (“Consult us on Anything Service”), so as to make the service more easily accessible. Furthermore, we have established a whistleblowing service in an external law firm as a “compliance call” service so that employees who feel apprehensive about using the internal consultation will feel more at ease. Confidentiality will be strictly maintained in order to assure that the consuler will not be specified. As shown in the following graph, there are a certain number of consultations every year, and the service is bringing early resolutions to problems.

[Number of consultations and reports]



Initiatives to prevent bribery and corruption

We conduct a company-wide investigation into the status of entertainment given to public servants, confirm whether there are any violations, and strive to prevent bribery.

We have developed detailed entertainment guidelines for public servants. The compliance division then examines the legality of each case brought up by each division that has the potential to lead to corruption. We also provide consultations throughout the year on how to respond to each case.

Additionally, we are continuing to provide education on bribery risks to employees who will be posted overseas.

Prevention of anti-competitive behavior

We invite an external lawyer who specializes in Antitrust Law to provide company-wide training to prevent recurrence using past violations as themes.

The supervising division continues to respond to daily compliance consultations regarding Antitrust Law from trading divisions. In particular, we conduct prior checks under Antitrust Law before proceeding with collaborative projects.

Furthermore, we conduct Antitrust Law training for all employees, including new employees.