

Compliance

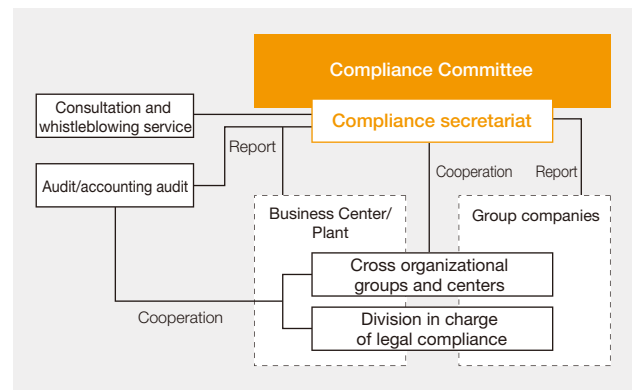
Promotion system and structure

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

	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

can be conducted continuously through not only the compliance management division, but also by appointing a compliance general manager/compliance manager in each department.

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. To make the service more accessible, we named it “Nandemo Soudan Madoguchi (Consult-us-about-anything Service).” Inside the company, a consultation and whistleblowing service has been established at the Head Office and in each plant, in order to collect knowledge of problems from a broad range at an early stage as far as possible and we have also introduced a

system that allows direct reporting to the President. Furthermore, outside the company, 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. We have also set up a service that enables consultation with the labor union. Confidentiality will be strictly maintained to ensure the anonymity of the caller. As shown in the following graph, there are a certain number of consultations every year, and the service is bringing early resolutions to problems.

Initiatives to prevent bribery and corruption

We have developed detailed bribery prevention 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.

We invite external attorneys to conduct company-wide training on appropriate interactions with government agencies and public servants.

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

Prevention of anti-competitive behavior

We invite a lawyer who specializes in antitrust law cases to provide training related to the basics of antitrust law for all employees, including new employees, and training for officers and executives using past violations as themes to prevent them from being forgotten.

The supervising division continues to respond to daily compliance consultation regarding antitrust law from trading divisions and conduct prior checks under antitrust law in transactions with other parties. In particular, we continue to conduct more detailed prior checks before proceeding with collaborative projects.

Number of consultations and reports

