

Compliance

"Compliance (conformity with laws and corporate ethics)" is the most essential management issue for the IBIDEN Group to earn the trust of international society and enjoy perpetual growth. The IBIDEN Group initiated compliance-advancing activities by establishing a code of conduct for employees in December 1998 and compliance-advancing rules in August 2003. At the same time, the group has set up a "Compliance Counter" in aims of ensuring prompt in-house attention and self-correction for problems with compliance within the group.

Compliance Policy

Compliance is the minimum responsibility as a member of society. In the IBIDEN Group, each employee complies with laws and corporate ethics, and practices honest corporate activities according to his or her morals and common sense. The IBIDEN group positions compliance as a basic activity in promoting corporate social responsibility (CSR), and we are offering our own superior technologies and products to contribute to the development of a sustainable society and earn the reliance of stakeholders.



History of Compliance-promoting Activities in Japan

After IBIDEN's employee's code of conduct was revised in fiscal year 2003, all group companies in Japan had enacted employee's codes of conduct in line with their own operations by the end of fiscal year 2005.

(1) Instillation of the Employee's Code of Conduct

- The "Employee's Code of Conduct (Revised)" was issued in August 2003 as the standard for practicing compliance.
- A casebook for the employee's code of conduct was issued in September 2005, and a revised edition (covering a total 100 cases: 80 for compliance and 20 for morality) was issued in January 2007.

(2) Compliance-promoting System and Training

- Compliance-promoting committees have been established and persons responsible for advancing compliance have been designated, and training in advancing compliance as well as level-based training has been conducted for all employees.

(3) Internal Whistleblowing System (Please see the diagram.)

- In addition to the existing "telephone helpline," Compliance Counters were newly established both in-house and externally (at law offices).

(4) Checks to Ensure Conformity with the IBIDEN Employee's Code of Conduct

- Checks of managers are conducted twice per year using a 55-item conformity checksheet.
- All company worksites and group companies in Japan are targeted.

History of Compliance-promoting Activities Overseas

By the end of fiscal year 2006, all group companies overseas had enacted employee's codes of conduct in keeping with the laws and customs of the countries where a presence has been established.

(1) Employee's Code of Conduct

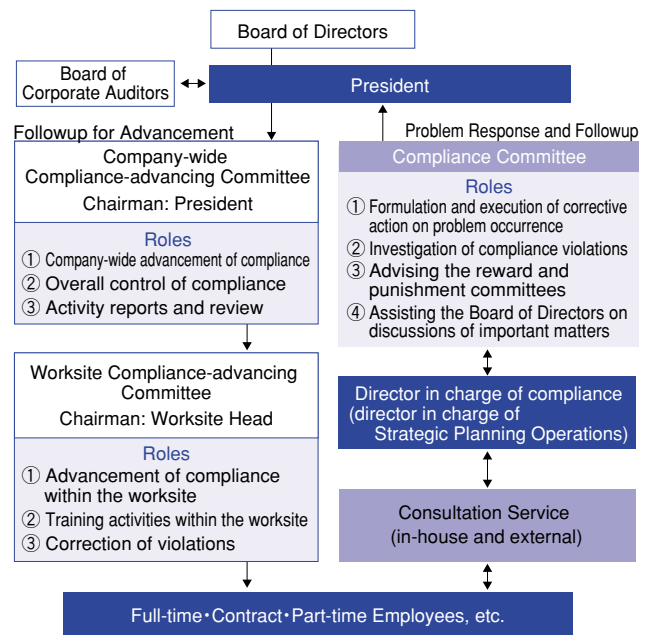
- Employee's codes of conduct have been enacted by each individual overseas company in their respective countries. The establishment of employee's codes of conduct for overseas group companies began in fiscal year 2004, and all companies had completed the system by the end of fiscal year 2006.

(2) Compliance-promoting System and Training

- At each company, compliance-advancing committees and secretariats (designated persons responsible for advancing compliance) have been established, and creation of compliance-advancing systems as well as topic-based execution (shared and individual) is underway.
- Compliance seminars (general training) for the presidents of overseas group companies: conducted annually

Compliance-promoting System

Since compliance-advancing rules were enacted in August 2003, the Company-wide Compliance-advancing Committee meets once per business period (every April and October). According to the results of checks into conformity with the employee's code of conduct conducted each period, efforts were made in fiscal year 2006 to strengthen information-security management. To inculcate this in employees, the revised casebook for the employee's code of conduct and a revised edition of the guidebook on trade-secret management were issued. In fiscal year 2007, we are conducting activities to enhance entrenchment of compliance-oriented attitudes by monitoring the degree of penetration of compliance awareness among employees.



Internal Whistle Blowing System

In the event of a problem with compliance, reporting, disposition, and response are normally conducted across the hierarchical ranking composed of superiors and subordinates by means of communication by management. However, to accommodate potential situations in which such response along the chain of command is difficult, the IBIDEN Group has established a system that enables any executive who has become aware of a problem to report it directly to the CSR Promotion Division (the area responsible for compliance) or elsewhere. In addition, rules have been established to ensure that persons who make use of this system receive reports of subsequent action and results, and are not subject to any unfavorable treatment because of their actions.

