

Details of the Five Recommendations and the Promise to Society	2007 Measures	2008 Measures	2009 Issues
<p>Strengthen corporate governance to promote customer oriented management</p>	<p>The Company will improve the system for passing along negative feedback and other information of customer concern to directors and executives. In addition, the Company will stress proactive deliberation in decision-making while strengthening the checking function of the Board of Directors.</p> <ul style="list-style-type: none"> • Assign independent external directors and clarify the responsibilities of directors and executive officers • Instill regulatory compliance-based management companywide, at every opportunity • Develop a corporate culture and system that enables prompt reporting of all information — including negative information — to the top management 	<p>– Appointed independent external directors</p> <p>– Held a conference to announce the recommendations of the Compliance Special Committee and shared information on issues at an extraordinary executive meeting (which included the presidents of domestic subsidiaries)</p> <p>– Adopted reporting standards for risk information</p> <p>– Gave periodic reports at the Risk Management and Compliance Committee meeting(s).</p> <p>– Instilled regulatory compliance-based management practices companywide.</p>	<p>– Instilled regulatory compliance-based management practices companywide (New Years' greeting, policy briefings, internal reports, etc.)</p> <p>– Held the Risk Management and Compliance policy explanatory meetings (dissemination of group-wide policies)</p> <p>– Continue measures to establish a corporate culture with open communications that promptly conveys both positive and negative feedback to top management</p> <p>– Promote information sharing concerning major issues</p> <ul style="list-style-type: none"> • Expanded Risk Management and Compliance Conference members (general managers and presidents of domestic subsidiaries)
<p>Bolster special committees to rationalize risk management</p>	<p>The Company will clarify the responsibility and authority of the various special committees involved in risk and regulatory compliance management, and strengthen their functions. The Company will also establish a system to consistently implement the decisions of the special committees.</p> <ul style="list-style-type: none"> • Establish a Risk Management and Compliance Committee, including external experts and specialists, to promote group-wide risk management regulatory and compliance • Clarify and strengthen the responsibilities and the authority of the special committees • Establish a subordinate council chaired by the director and comprised of the general managers of corporate divisions to ensure fast and reliable implementation of Risk Management and Regulatory Compliance Committee decisions 	<p>– Established the Risk Management and Compliance Committee with the president serving as chairman and inclusion of external specialists (the committee met three times)</p> <p>– Established a Risk Management and Compliance Promotion Meeting as a body to carry out policy (met monthly; clarification of management and responsibility structures for major risks)</p> <p>– Identified and assessed major risks, including regulatory compliance risks</p> <p>– Reviewed risk management systems</p> <p>– Reviewed emergency response (crisis management) structures</p>	<p>– The Risk Management and Compliance Committee met three times</p> <p>– The Risk Management and Compliance Promotion Meeting met monthly</p> <p>– A Risk Management System (RMS) was introduced</p> <p>– Use of the Emergency Response Manual began</p> <p>– Operation of the law and regulation amendment information service began</p> <p>– Improve the effectiveness of risk management</p> <p>– Continue activities to raise the awareness of each employee to societal demands and expectations</p>

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<p>Dramatically reform the corporate culture toward taking more responsible action</p>	<p>– Reinforced regulatory compliance training and education (adopted education and training that places greater emphasis on on-site risks)</p> <ul style="list-style-type: none"> • Directors (executive officers and higher) • Managers and supervisors (1,630 persons participated) • CCS Academy training (more than 11,000 persons participated) <p>– Division-specific legal training for individual divisions was continued</p> <p>– The Code of Ethics was revised</p>	<p>– Regulatory compliance training and education was continued</p> <ul style="list-style-type: none"> • Director training (executive officers and higher) • Managers and supervisors (1,752 persons participated) • CCS Academy training (more than 24,000 persons participated) <p>– Information on the Code of Ethics was disseminated through corporate structures (including domestic subsidiaries)</p> <ul style="list-style-type: none"> • Managers (1,313 persons participated) • Worksite briefings (18,445 persons participated) <p>– The Compliance Management Rules were revised</p>	<p>– Continue regulatory compliance training and education</p> <p>– Continue measures to establish a corporate culture where each individual makes decisions and acts based on the customer oriented thinking and social standards from the perspective of regulatory compliance</p> <p>– Conduct internal stimulus activities addressing communications (10,000 People's Dialog for a Better Workplace)</p>
<p>Strengthen compliance functions</p>	<p>– Information concerning the internal reporting system (Compliance Hotline) was disseminated and the system was improved</p> <ul style="list-style-type: none"> • An external contact (a lawyer) was created • Inquiries accepted anonymously <p>– Risk overseeing divisions were reinforced (the CSR Planning Division staffed with 13 members)</p>	<p>– A Regulatory Compliance Group Hotline was established (for 29 domestic companies)</p> <p>– Application of the Code of Ethics at group companies began</p> <ul style="list-style-type: none"> • Adoption by domestic subsidiaries completed (29 companies) • Adoption by overseas subsidiaries started <p>– Adoption of the RMS by group companies started</p> <ul style="list-style-type: none"> • Domestic subsidiary adoption completed (adopted by 29 companies) • Overseas subsidiaries (adopted by 24 companies) 	<p>– Establishment within the group and expansion to the supply chain</p> <p>– Continue application of the Code of Ethics to group companies</p> <ul style="list-style-type: none"> • Adopt by overseas subsidiaries (22 companies) <p>– Expand the adoption of RMS (Risk Management System) by group companies</p> <ul style="list-style-type: none"> • Major overseas subsidiaries (adopted by 21 companies)

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Enhance audit functions	<p>The Company will develop an efficient, effective auditing system, suitable for monitoring global corporate activities.</p> <ul style="list-style-type: none"> • Strengthen the auditor support system • Strengthen the Internal Auditing Division • Strengthen the global auditing system by improving regional management functions 	<ul style="list-style-type: none"> – Periodic exchanges of information with auditors were continued (Internal Auditing Division and other divisions in charge of risk) – Adopted a medium-term audit policy (global system) – Reinforced Internal Auditing Division structures (the division has 7 members) 	<ul style="list-style-type: none"> – Periodic exchanges of information with auditors were continued (Internal Auditing Division and other divisions in charge of risk) – Audits were conducted in accordance with the Annual Audit Plan – Reinforced Internal Auditing Division structures (the division has 20 members) 	<ul style="list-style-type: none"> – Reinforce collaboration between divisions in charge of risks and the Internal Auditing Division