

Strengthening of information security in line with expansion of systems in use

Along with the increasing importance of IT in business, measures against risks relating to IT such as illegal intrusion and information leakage are also becoming more important. Our security measures cover Japan and overseas.

Enhancing business efficiency with IT

Our group extends worldwide. We require diverse management for the enormous quantity of machinery we supply. We started using IT earlier than most other companies in the business because we believed that the use of IT would be effective for efficient sharing and use of information, considering the features of our business. The use of IT to raise work efficiency has become critically important recently because of the rapid increase in worldwide demand. We are merging communications software, including software for email, schedulers and bulletin boards, currently used individually by companies all over the world, to further increase efficiency.

Strengthening information security

Our group is stepping up information security in line with the promotion of use of IT. Prevention of information leakage is the most important issue in this strengthening of security.

We are introducing security platform in servers to prevent information leakage through printing, copying and email. We started renewing the PCs at our sales offices, the head office and Tsuchiura Works in November 2006. We are upgrading anti-virus software to the latest version and installing encryption software for hard disks called "Hibun" in all PCs. At the same time we are setting fingerprint authentication for laptops. We will investigate the feasibility of using diskless PCs to tighten security further.



Thorough awareness of information security

We raised the awareness of rules relating to information security

in view of the fact that people are the cause of most information leakage. We provided detailed training which included ID and password management, how to prevent sending email to wrong addresses and how to take care of media and laptops, and promoted the use of information tools with risk awareness. We also provided information security training using e-learning (on-line training using PCs). Thus we are endeavoring to ensure that all employees are aware of information security.

Hitachi Kenki Business Frontier acknowledged by the Privacy Mark System

Hitachi Kenki Business Frontier is responsible for IT-related matters of our group operating on a worldwide basis. Hitachi Kenki Business Frontier develops diverse business systems for our group and manages IT equipment such as servers and PCs. The company acquired Privacy Mark certification in September 2006 because it considered the implementation of a high-level information security system to be vital since it is responsible for the information security of our group.

Solid awareness of personal information protection

In February 2005, our Personal Information Protection Committee established personal information protection policy and Personal Information Protection and Control Regulations. The committee works on the prevention of leakage of personal information at Hitachi Construction Machinery and at Hitachi Construction Machinery Group companies in Japan. In FY2006 to ensure awareness of personal information protection, we audited personal information protection as part of work audits at three of the companies in our group, namely, Niigata Material, REC Kanto and Hitachi Construction Machinery (Shanghai). We will ensure that companies are aware of personal information protection through regular audits.

Building relationships of trust based on timely disclosure

We consider all of our stakeholders to be our partners in business management. With this in mind, we strive to enhance relationships of trust with communities through ample communication and disclosure.

Introducing products to customers worldwide

We display production information and introduce examples of engineering work on our website for people all over the world to learn more about them. We positively take part in exhibitions held worldwide and communicate with customers.

Example of major exhibitions participated in FY2006

- Intel Matt 2006 (suburb of Paris, France, April 2006)
- 2006 NEW Environment Exhibition (Tokyo, Japan, May 2006)
- CONET 2006 Construction Machinery and Engineering (Chiba Prefecture, Japan, July 2006)
- 2006 Exposition for Geo-Environmental Restoration (Tokyo, Japan, October 2006)
- 2006 Forest, Forestry and Environmental Machinery Exhibition (Hiroshima Prefecture, Japan, October 2006)
- International Conference for Universal Design (Kyoto Prefecture, Japan, October 2006)
- Qingdao Hitachi Construction Machinery Exhibition (Qingdao, Shandong, China, November 2006)
- 2006 Hitachi Construction Machinery Exhibition in Nagoya (Nagoya Prefecture, Japan, November 2006)
- Bauma China 2006 (Shanghai, China, November 2006)
- Yuki Mirai 2007 in Aizu / Exhibition of snow removal machines (Fukushima Prefecture, Japan, February 2007)



Bauma China 2006

Positively promoting IR activities

As part of our efforts to collaborate and maintain a relationship of trust with our shareholders, we always provide general management information such as management policy, business results and dividend policy on our website, and at general meetings of shareholders, shareholders' talkfest and quarterly accounts settlement report meetings, etc., as soon as possible. We communicate with overseas investors by distributing annual reports and through IR activities several times a year mainly in Europe and the US.

Our Chief Executive officer actively provides information

Mr. Kikawa, the president of Hitachi Construction Machinery, actively conveys the company's management attitude and policy through newspapers, TV, radio, etc. He announced the results of the accounts settlement for the third quarter of the fiscal year ending March 2007 and the business forecast and prospects in Radio Nikkei's IR program which was broadcast on February 13, 2007. The matters Mr. Kikawa announced on the program were displayed on our website.

Participated in World Investment Exposition 2006

To gain familiarity with overseas investments, we participated in World Investment Exposition 2006 on November 19, 2006. At a company seminar venue, Ms. Kawashima of our Corporate Communication Department presented a lecture titled "Best solution partner, Hitachi Construction Machinery responds to the requirements of construction machinery users throughout the world". She introduced our business, which is expanding worldwide to regions including north American, Europe, China and other Asian countries, and Oceania.



To build a common sense of values

Under the circumstance where sales in overseas countries represent about 70% of total sales, it is vital that the approximately 14,000 employees all over the world have a common sense of values. To do this, employees have to share internal information, so we regularly publish a corporate journal and display Web Landy on the intranet accordingly. Hitachi Construction Machinery Tierra and Hitachi Construction Machinery Trading also regularly display their newsletters "Hola! Tierra" and "HCTIMES" respectively on the intranet.

