

March 16, 2007

Notification of Resolution on the Revision of Basic Policy of Establishment of the Internal Control System

ACOM CO., LTD. (hereinafter: "Company") announced that the meeting of the Board of Directors held on May 19, 2006, approved a resolution on the basic policy of establishment of the internal control system. Due to the change of Company's organization and enforcement of compliance structure, Company announces that the meeting of the Board of Directors held on March 16, 2007, approved a resolution on the revision of basic policy of establishment of the internal control system as follows.

Basic Policy of Establishment of the Internal Control System

1. System for assuring compliance with the laws, regulations, and Articles of Incorporation of any actions taken by directors and employees in performing their professional duties

- (1) The directors shall be required to clearly indicate the standards of behavior and underlying concepts of compliance to be promoted by our officers and employees by instituting compliance guidelines and Code of Business Ethics and be responsible for disseminating them across the entire organization to ensure the thorough comprehension of staff as well as practicing by themselves.

The officers and employees shall be required to give priority consideration to corporate ethics at all times in performing their professional duties based on the standards of behavior and in compliance not only with governing laws, regulations, Articles of Incorporation, and internal rules but also with social common sense and the spirit of respecting human rights.

The President and Chief Executive Officer shall be required to recognize the practical implementation of compliance as the important theme of management policy, while announcing the corporate commitment to promoting highly ethical business conduct, which is socially and publicly recognized, under their initiative and leadership.

- (2) To realize the system for practical implementation of compliance, Compliance Committee, Compliance Department, and Compliance Offices in major departments will be established, appointing personnel with across-the-board responsibilities for compliance supervision as well as personnel with responsibilities for compliance promotion and compliance staff in each department respectively.

- (A) The Compliance Committee, organized mainly outside the Company, considers and proposes issues related to compliance. Details are follows;
- Basic policy and standards of behavior
 - Important issues for maintenance and operation
 - Action plans for single and medium-term
 - Rectification, instruction, and prevention for important situation
- (B) The personnel with across-the-board responsibilities for compliance supervision shall be responsible for establishing corporate-wide systems for promoting pragmatic compliance, monitoring and controlling progress thereof, and preventing repetition of any violations.
- (C) Compliance Department shall be responsible for measuring and promoting issues related to compliance among the group, support and instruct Compliance Offices, Personnel with responsibilities for compliance promotion, compliance staff, and ensure governing laws, regulations, Articles of Incorporation, and internal rules through examining various issues as well as discussions at Board of Directors and Executive Officers Meeting.
- (D) Compliance Offices shall be responsible for measuring and promoting issues related to compliance in its division and order and instruct personnel with responsibilities for compliance promotion.
- (E) Personnel with responsibilities for compliance promotion shall be responsible for measuring and promoting issues related to compliance in each department and order and instruct compliance staff.
- (F) Compliance staff shall be responsible for promotion compliance through sharing guidelines and manual related to compliance in each department, training, and monitoring.
- (3) For proactive prevention, early discovery, and effective rectification of any misconduct, offices for contact and consultation regarding the implementation of compliance shall be set up both inside and outside the Company, while efforts shall be undertaken for appropriate handling of internal information and protection of informants subject to the rules for protecting internal informants.
- (4) To ensure compliance requirements, the performance of directors will be monitored, in addition to the regular audits conducted by statutory auditors, through enhanced cross-surveillance and control between directors, including successively appointed external directors.

The Internal Audit Department shall be responsible for auditing the progress in practice of compliance based on auditing rules and audit plans and reporting the results to the

Board of Directors and statutory auditors, together with any comments or proposals as necessary.

2. System for storing and controlling information concerning the performance of directors

- (1) For appropriate storage and control of information records concerning the job performance of directors (including electronically recorded information), retention period, storage facilities, controlling procedures, and appointment of responsible personnel in charge shall be clearly defined in the rules for Board of Directors, important conference, and confidential information management so that the directors and statutory auditors may access such information whenever they need.
- (2) To ensure appropriate corporate-wide information management, the appointment of personnel with across-the-board responsibilities for information security, the introduction of organizational and systematic information storage and a control system by defining the roles to be undertaken by the respective organizational units and personnel, and periodical monitoring of the progress thereof shall be implemented.

3. Regulation and other system regarding control of risk for loss

- (1) The directors shall be required to enact the rule for controlling management risks and to intend to establish appropriate and effective system for controlling management risks subject to the governing laws, regulations, and Articles of Incorporation, and applicable internal rules, and make decisions or give instructions on any matters of importance based on discussions and reports presented at meetings of the Board of Directors.
- (2) Subject to the aforementioned rules for controlling management risks, Categorical Risk Control Department shall be set up depending upon respective risk categories defined hereunder, which include legal risks, credit risks, market risks, liquidity risks, operational risks, information asset risks, and accident and disaster risks, while for corporate-wide horizontally-integrated comprehensive risk management, an Integrated Risk Control Department shall be established.
- (3) The Categorical Risk Control Department shall be responsible for establishing a categorical risk control system that includes instituting rules and manuals for categorical risk control and developing management techniques applicable thereto. The Integrated Risk Control Department shall be responsible for centralized management of corporate-wide risk information, periodically reporting to the Board of Directors, and making proposals that will be beneficial for the promotion of corporate-wide management of risk control.

- (4) The Internal Audit Department shall be responsible for auditing whether or not the respective departments and offices are implementing their businesses appropriately and efficiently in accordance with the governing laws, regulations, manuals, and internal directives, and submitting its Audit Reports to the Board of Directors periodically or as necessary.
- (5) In the event of an especially grave risk, such as a major disaster or the break-down of a mission-critical system that may seriously affect internal or external business performance, an Immediate Task Force Committee shall promptly be convened to minimize potential losses and the duration of any downtime by putting immediate and effective countermeasures into action.

4. System for ensuring the effective job performance of directors

- (1) Based on our Corporate Philosophy, the directors shall be required to design a Medium-Term Management Policy and Management Plan as well as those for single-years, deploy them through the operational plans of the respective departments and offices, periodically evaluate their performance, and determine the re-distribution of management resources based on such evaluations.
- (2) For swift and effective decision-making and business operations, an executive officer system shall be introduced, under which the scope of business responsibilities and powers and authority delegated by the President and Chief Executive Officer to the respective executive officers shall be clearly defined. Furthermore, to realize effective and full-fledged discussions at the meeting of Board of Directors, an Executive Officers' Meeting, comprising senior executive officers, shall be set up to make corporate decisions concerning business matters entrusted to the powers and authority of the directors, and to conduct preliminary deliberations on business issues to be presented to the meeting of the Board of Directors for their approval.
- (3) In the business execution level lower than that of executive officers, organizational job allocation by business function and operational business judgment standards by job classification shall be clearly defined so that the scope of business responsibility to be undertaken and powers and authority exercisable by the respective job functions or job hierarchies may clearly be identified. This, together with an Approval System, enables timely and appropriate decision making and thereby facilitates efficient business operation.

5. System for ensuring the appropriateness of business activities carried out by the business group comprising the Company and its subsidiaries

- (1) To conduct support and control affiliates' business management while appreciating their autonomy, a specific controlling office shall be set up subject to the rules for controlling affiliates. Furthermore, for realizing sound development of affiliates' businesses, the group-wide management policy shall be thoroughly publicized at the Group Business Meeting or through the periodical holding of business adjustment meetings between the Company and its affiliates, in which the situation of major accounting figures and important managerial matters of affiliates shall be reported for submission to the Executive Officers' Meeting as the case may be.
- (2) To ensure the appropriateness of the business operations conducted by affiliates, enhanced business alliances between the Company and its affiliates shall be promoted through active personnel and technological assistance rendered for the benefit of affiliates, which include overall business management and research services for improving the effectiveness of affiliates' business management, as well as the interchange of business information between statutory auditors of the Company and those of its affiliates.
- (3) Compliance Department shall be responsible for designing a group-wide fundamental compliance policy regarding the practice of affiliates' business ethics to control the compliance issues of affiliates, and for supporting the establishment of a practical system to promote compliance including the enactment of rules for observing business compliance requirements, and systems to protect insider informants.
- (4) The Internal Audit Department shall be responsible for conducting direct auditing of affiliates, depending on the scale of business and characteristics of each affiliate, assisting and evaluating the internal auditing carried out by affiliates for the benefit of their internal controls, and thereby enhancing the group-wide auditing system.

6. Matters concerning statutory auditors' request for assigning assistants to support their professional duties and the issue of assistants' independence from the directors of the Company

- (1) For assisting the professional duties of the statutory auditors, the Statutory Auditors Office shall be set up, and assistants collaborating in the statutory auditors' work shall be assigned from among the personnel of the Company.
- (2) The number of and qualification for statutory auditors' assistants shall be determined after consultations with the statutory auditors.
- (3) The assistants helping statutory auditors shall be full-time subordinates of the statutory auditors and free from any order or directive of the Company's directors or any other business operation units of the Company.

- (4) Any decisions concerning personnel assignment, transfer, assessment, and disciplinary punishment with respect to assistants to statutory auditors shall be subject to prior consultation with the statutory auditors.

7. System under which directors and auditors' assistants report to statutory auditors and other system under which any report is made to statutory auditors

- (1) The directors and responsible personnel of the respective departments and offices of the Company shall be required to make reports to statutory auditors with respect to the following matters subject to the governing laws, regulations, and internal rules:
- Any reports concerning directors' job performance
 - Any reports concerning finance and accounting
 - Current situation concerning internal auditing and risk management
 - Any matters that could cause significant losses to the Company(including subsidiaries), any misconduct or violation of important laws and regulations, and Articles of Incorporation
 - Any reports and current situation concerning important facts notified by the internal report system
 - Progress in establishing the Compliance System
 - Progress in establishing the Internal Control System
- (2) Statutory auditors shall be entitled to request any other reports from the directors and employees of the Company that they consider to be necessary.

8. Other system for ensuring effective auditing by statutory auditors

- (1) The statutory auditors shall be entitled to attend any important conferences or committee meetings including the Executive Officers' Meeting, in addition to the meeting of the Board of Directors, to monitor the decision-making processes on important issues and the current status of business operations. Statutory auditors shall also be entitled to inspect the following documents:
- Documents with legal storage requirements
 - Letters of Approval Request for managerial decisions (those approved by the directors are directly sent to the auditors)
 - Important contracts and documents for external use
 - Important minutes of meetings and relevant reports
 - Documents related to lawsuits and disputes
 - Documents related to accidents, illegalities, and complaints
 - Important documents related to business execution and others

- (2) The President and Chief Executive Officer shall be required to hold periodical meetings with the Board of Statutory Auditors to review any corporate issues to be addressed by the Company, monitor and exchange views and opinions on the current situation of auditing by statutory auditors, and take effective countermeasures to resolve any important auditing problems based on requests made by the Board of Statutory Auditors.
- (3) The statutory auditors shall be required to exert their efforts in exchanging information with the independent auditors, the Internal Audit Department, and the statutory auditors of affiliates, and to coordinate a cooperative relationship with them to ensure effective auditing of the Company and its affiliates.

Enactment: May 23, 2006

Revision: March 16, 2007