

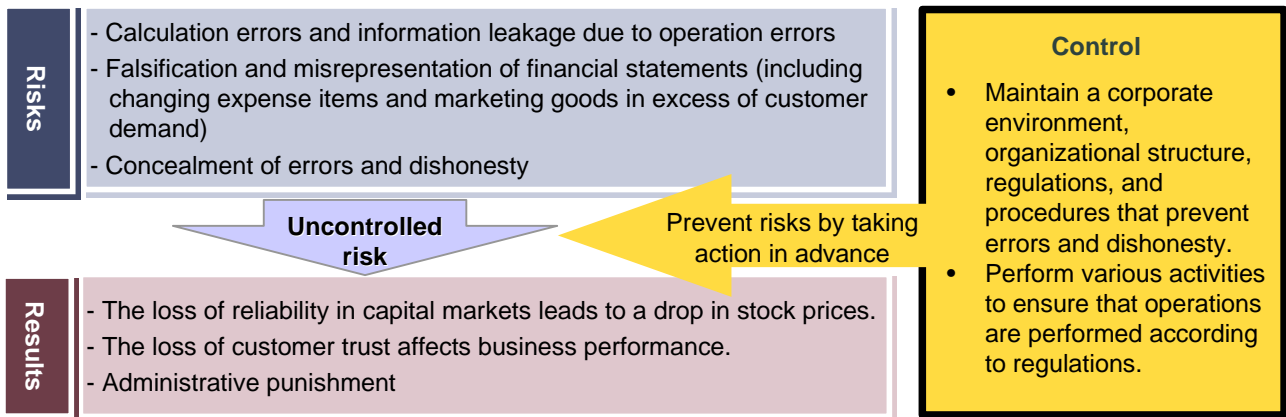
# Why is Internal Control Necessary Now?

## - Supporting Internal Control with JP1 -

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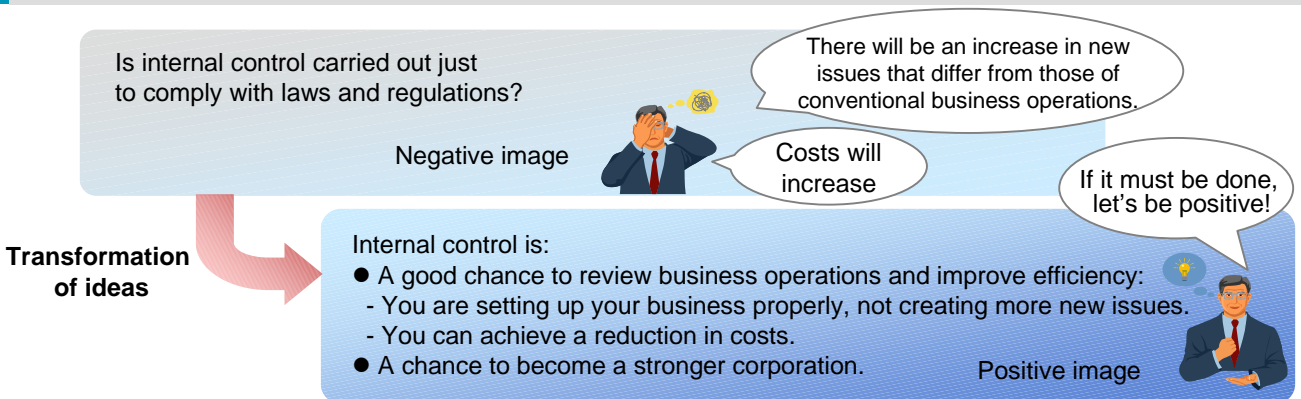
**Internal control is a structure and organized activities for eliminating risks due to the errors and dishonesty of management and employees.**



### Why is internal control necessary now?

Due to the recent series of corporate scandals in Japan caused by errors or dishonesty, an internal control reporting system based on the Financial Instruments and Exchange Law was established in 2006. Corporate management has been required to observe this system starting in the first fiscal year after April 2008.

### What are the results of internal control?



### This is what happens when internal control is carried out!

- Errors and dishonesty become less common.
  - = No extra, time-consuming work
  - > Risks are reduced.
- You can review business operations and make them more efficient.
  - > Costs are reduced.
  - > Business processes are corrected.
  - > This leads to improved business performance.

- Corporate competitiveness and corporate value are increased. (This is advantageous for management and stockholders.)
- Of course, you can also comply with laws and regulations.



## JP1 supports internal control.

Most financial and accounting work subject to internal control is processed on IT systems. Because of this, the IT infrastructure is a crucial part of the internal control infrastructure. From the viewpoint of reducing human error in work processes and improving efficiency, the system-operations management tool JP1 is a highly effective part of the IT infrastructure.

To reduce the likelihood of errors and dishonesty occurring ...

Business operations are automated.

Automation

- Stable services are provided.
- Risks caused by intermediate personnel are avoided.

To keep client environment secure ...

Client security is controlled.

IT compliance

- Illegal operations are prevented.
- A safe business environment can be maintained.

To follow changes in business conditions ...

System configuration information and the change history are managed.

IT compliance

- Unauthorized changes are avoided.
- Operational conditions are monitored.

The business system configuration is changed (by changing software).

- Software is systematically and automatically installed at many locations.
- The execution results are recorded.

To secure system reliability ...

System operation is monitored.

Monitoring

- Abnormal operation due to excess processing capacity is avoided.
- When planning system improvements, bottlenecks can be more clearly understood.

### Inquiries about these products

Feel free to contact us regarding these products:

### Information service

Further information about JP1 can be found online at:

<http://www.hitachi.co.jp/jp1-e>

JP1 is an acronym for Job Management Partner 1.

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