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Progress of environment preservation activities

- 2003 Meeting for environment promotion by affiliated companies
- 2002 Complete abolishment of Dichloromethane
- 2001 Commencement of issuing Report on the Environment
- 2000 Consolidation of 3 companies, meeting for environment promotion (Kokusai Electric Co., Ltd., Hitachi Denshi, Ltd. and Yagi Antenna Co., Ltd.)
- 1999 ISO 14001 Certificate awarded to Chitose Works
- 1998 ISO 14001 Certificate awarded to Hamura and Omiya Works
- 1997 ISO 14001 Certificate awarded to Koganei Works
- 1996 ISO 14001 Certificate awarded to Toyama Works
- 1995 Total abolishment of 1,1,1-Trichloroethane Product recycling WG
- 1994 Energy consumption control WG
- 1993 Complete abolishment of Freon
- 1992 Complete abolishment of Trichloroethylene
- 1991 Meeting for environmental disaster prevention by affiliated companies
- 1990 Meeting for environmental disaster prevention

Editorial policy

Hitachi Kokusai Electric Inc. has been continuing issuance of Report on the Environment every year, since publishing of the first edition in October 2001. From this fiscal year, we enriched the contents by conducting total review on Report on the Environment with consultation with "Guidelines for Environmental Report (2003 edition)" by Ministry of Environment. Also, as the report concerning the company's social responsibility, we added contents concerning law and regulation compliance, and safety and health. In this connection, in order for broad stakeholders to read, we prepared the report both in Japanese and English languages, as well as releasing it on our home page.

(URL <http://www.h-kokusai.com/corp/er.htm>)

Report coverage

Target period : Fiscal 2003 (from April 2003 to March 2004)

Object business institutions : Hitachi Kokusai Electric Inc. and 8 domestic affiliated companies

- | | |
|--|--|
| ◆Hitachi Kokusai Electric Inc. | ◆Hitachi Kokusai Electric Service Inc. |
| ○ Toyama Works | ◆Kokusai Electric Semiconductor Service Inc. |
| ○ Yagi-Memorial Information & Communication Systems Research Laboratory* | ◆Kokusai Electric Techno Service Inc. |
| ○ Hamura Works | ◆Kokusai Denki Engineering Co., Ltd. |
| ○ Chitose Works* | ◆Hitachi Denshi Techno-System, Ltd. |
| ○ Koganei Works | ◆Kokusai Electric Alpha Co., Ltd. |
| ○ Omiya Works | ◆Yagi Electronics Co., Ltd. |
| | ◆Tohoku Electronics Engineering Inc. |

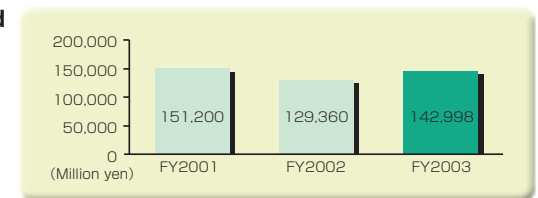
Environmental load and environmental auditing were compiled with the data of business institutions with ○ mark.

*As to Chitose Works and Yagi-Memorial Information & Communication Systems Research Laboratory (Sendai), consolidated in December 2003, the environmental load data for 9 months up to December was used.

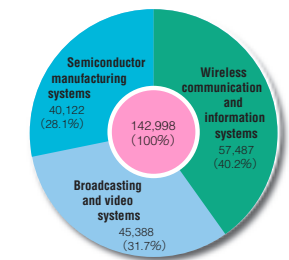
Corporate profile (as of March 31, 2004)

Company name : Hitachi Kokusai Electric Inc.
 Head office : 3-14-20, Higashi-Nakano, Nakano-ku, Tokyo, Japan-Headquarters
 Founded : November 17, 1949
 Capital : 10,058 million-yen
 Sales : 142,998 million yen (consolidated)
 Number of employees : 4,769 (consolidated)

Consolidated sales



Consolidated sales by segment



Scope of business

Wireless communication and information systems

Wireless communication systems

- Station equipment for digital cellular and car telephones
- Cellular and car telephones (wireless packet communication systems)
- Disaster prevention information network systems
- Assorted equipment for governmental and public communications
- Intelligent Transport Systems (ITS)
- MCA wireless systems for airport use

Information systems

- Stock-price display boards
- Securities and financial client server systems
- Multimedia information display systems
- Non-contact type IC card readers and writers



W-CDMA Multi-Carrier Power Amplifiers System



Multi-Media Information System

Broadcasting and video systems

Broadcasting systems

- Digital TV cameras
- Editing, recording and broadcasting systems for non-linear transmission
- Television broadcasting equipment
- FM/AM radio broadcasting equipment
- TV and FM radio broadcasting antennas
- Amplifiers, distributors and assorted equipment for TV reception

Image processing and monitoring systems

- Cameras and monitors for industrial applications
- Image recognition systems
- Security monitoring systems
- Wide-area monitoring systems (for road, river and railroad networks)
- Micro-size measuring equipment and assorted examination equipment



Ground-Based Digital Broadcasting Equipment



Terrestrial Digital TV Broadcasting Antennas



Security & Surveillance Systems

Semiconductor manufacturing systems

Semiconductor systems

- Vertical oxidation diffusion/ LPCVD systems
- Vertical QTAT systems
- Vertical SiGe epitaxial growth systems
- Vertical high-temperature anile systems
- Digressive MMT plasma nitriding systems
- Silicon epitaxial single crystal growth systems
- Digressive oxidation/ LPCVD systems
- Ashing equipment



Single Wafer Oxidation & LP-CVD System



Vertical Diffusion & LP-CVD System