

We are conducting our activities to reduce the global environmental load, based on the basic policy for environment preservation.

Pass on the precious earth to the next generation Let's protect our beautiful environment

We are working hard throughout the company with the aim of fitting into the sustainable recycling-oriented society.

Message from the President



M. Endo
Dr. Makoto Endo
President,
Chief Executive Officer and Director

Hitachi Kokusai Electric is strongly committed to making meaningful contributions to society through advanced technologies and products. But we also have another face: Hitachi Kokusai Electric people. Our people are a corporate family working in harmony toward realizing our dreams. We are a family with a pioneering spirit, with respect for people and nature, and with respect for the principles of conducting business very responsibly.

Our Fiscal 2005 and Fiscal 2010 goals are both clear and attainable. As we move ahead toward the mid-to-long term targets, we are focusing on three key areas: Ecological Products (promotion of environment-friendly products), Ecological Factories (environment-friendly production activities), and Environment Management (enhanced environment management). Here, I personally assess the environmental activities of the company and respond to issues quickly together with environmental management and factory heads.

I would like to herein present the report on our activity result for fiscal 2003.

In the ecological product activity, we achieved our target ratio of 60 percent in sales of environment-friendly products. In ecological factory activity, we attained the target for waste reduction, but further effort is needed in global warming prevention (reduction of carbon dioxide emission). We are committed to continue making our efforts for advancing CO₂ reduction. In ecological management, we have worked on consolidated activities for environment preservation including affiliated companies.

In Fiscal 2004, we will consult on creation of environment-friendly products in line with green procurement requirement from our customers. Additionally, we will comply with overseas environmental regulation movements, including European regulations starting with toxic substances.

In our past reports on the environment, we have reported our tasks and results of the environmental activities. From this report on, we added the company's social responsibilities including labor safety and health, compliance with laws and regulations, and social volunteer programs. May I suggest that you read the report for your kind understanding of our activities on environment preservation, and I would like to request your frank opinions and valued advice.

In the future as well, we will further engage in our company-wide efforts aiming at the sustainable recycling-oriented society which you can trust.

June 2004

Basic policy for environment preservation

Hitachi Kokusai Electric Inc. positions natural environment preservation as one of the highest priority issues of our operations, formulates our global environmental charter and advances reduction of global environmental load, based on the basic philosophy and guidelines for action.

Hitachi Kokusai Electric Global Environmental Charter

Basic Philosophy

Hitachi Kokusai Electric will enhance the basic spirit of "Respect for humans" and "Pioneer spirit", deeply recognize that we are members of the society, devote ourselves to fair and transparent corporate activities, and also contribute to the society by preserving the global environment and improving the local living environment through our corporate activities.

Guidelines for Action

1. Fulfillment of Our Social Obligation

Harmony with the environment is one of our highest priorities. We are committed to solving global environmental issues because we realize they are important issues common to all of humanity.

2. Reduction of Environmental Load

The environmental load caused by research, development, production, distribution, use, and disposal will be reduced to help build a resource recycling society.

3. Complying with Laws and Regulations

International, national, and local environment regulations will be obeyed, and a voluntary control standard will be set up to help prevent environmental pollution and improve the environment management level.

4. Linkage with Local Communities

Efforts will be made to preserve the global environment, improve the local living environment, and give employees a comprehensive environmental education to enhance awareness of the environment.

5. Preparation of Intracompany System

An executive in charge will be appointed to prepare an environment management organization system and help promote continuous activities for the environment, both internationally and nationally.

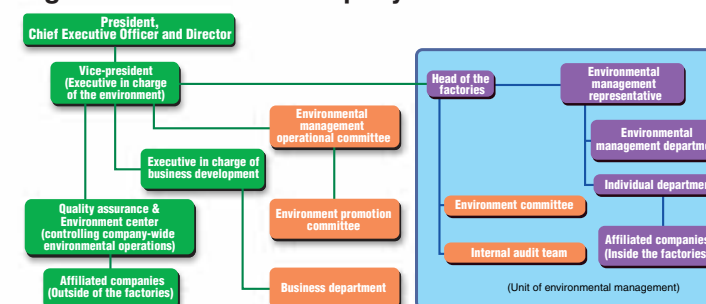
Prepared in March 2001

2 Environment management system

The system used to promote the company's environmental activities consists of "the company-wide environmental management organization" led by the executive in charge of the environment and "the factory management organization" established at each factory. In the "company-wide environment management organization", Quality assurance & Environment center is responsible to play the role of controlling and advancing company-wide environmental activities as the executive office.

At the environmental management operational committee meeting conducted twice a year, with the attendance of the President and Executive in charge of the environment as the leader of the committee, heads of the factories participate the committee meeting to discuss and decide the plan for mid-term to long-term environment activity, annual targets and important issues, and implement them at respective factories. Further, affiliated companies, through the meetings conducted twice yearly by persons in charge of the environment, develop group-wide policies and action plans, and carry out activity result reports, information exchange, horizontal development and problem solutions.

Organization chart of company-wide environment management system



Environmental management operational committee meeting