

Hitachi Kokusai Electric will work on creating a sustainable recycling-based society in order to make our global future better.

Hitachi Kokusai Electric group has the Fundamental Philosophy ; "Manufacture products that contribute to a safe and affluent society", "Looking to the future, never stop working for continuous improvement", and "Observe fundamentals, do things the right way, and be fair and transparent in all aspects of corporate conduct." It aims to respect human rights, observe the spirit as well as the letter of national and international laws and regulations and to achieve continued growth and development while contributing to the creation of a sustainable society.

On the basis of the philosophy, we develop and offer products and services in consideration of the safety, quality and environment, making efforts to obtain customer satisfaction and trust. We voluntarily and positively address the protection and improvement of our global and local environments.

In order to enhance our commitment to Corporate Social Responsibility (CSR), we established CSR Promotion Division, and have intensified our work toward compliance, contributing to society, and protecting the environment to promote further CSR-conscious management.

We have made our "Environmental and Social Report" with enhanced contents, starting this year, regarding social reports such as corporate governance, communication, and an employee-friendly working place. Please read our report for your information on our CSR activities, letting us know your honest opinion for our future activities.

We, the Hitachi Kokusai Electric group, will work together aiming a sustainable recycling-based society with your support from your confidence in us.



Kunio Hasegawa
President and
Chief Executive Officer

We have established CSR Promotion Division to obtain the confidence of society through our strict compliance.

We have set our targets for FY 2005 and FY 2010, and now are on the way to achieve our mid-to-long term targets centering on eco-products (environment-friendly products), eco-factories (environment-friendly production), and eco-management (promotion of environment management).

We are pleased to inform you of the results of our environment protection work in FY 2004.

Regarding our eco-products, we achieved our target ratio of 70% in sales due to promoting environment-friendly products. For eco-factories, although we achieved our target of reducing waste by 83% by promoting the establishment of environment-friendly production facilities, CO2 emission primary units in production increased by 10%. Further efforts should be made for preventing global warming (energy conservation). We will continuously reduce CO2 emissions by shifting to energy-saving facilities. With regard to eco-management, we have worked on consolidated activities for environment protection with affiliated companies, and all of the affiliated manufacturing bases are scheduled to acquire ISO14001 certification in FY 2005.

We will work on creating environment-friendly products in compliance with green procurement requests from customers and responding to international environmental regulation trends including those in European countries, especially about harmful substances in FY 2005.

We will enhance the contents of our "Environmental and Social Report," to clearly inform readers of CSR activities of the Hitachi Kokusai Electric group so that the report be used for communication.



Mikio Obuchi
Vice President and
Executive Officer,
General Manager-
CSR Promotion Division

Hitachi Kokusai Electric Code of Conduct

Hitachi Kokusai Electric, which respects human rights, observes the spirit as well as the letter of national and international laws and regulations, hereby adopts this Code of Conduct with a view to achieving continued growth and development while contributing to the creation of a sustainable society.

Fundamental Philosophy

Manufacture products that contribute to a safe and affluent society.
Looking to the future, never stop working for continuous improvement.
Observe fundamentals, do things the right way, and be fair and transparent in all aspects of corporate conduct.

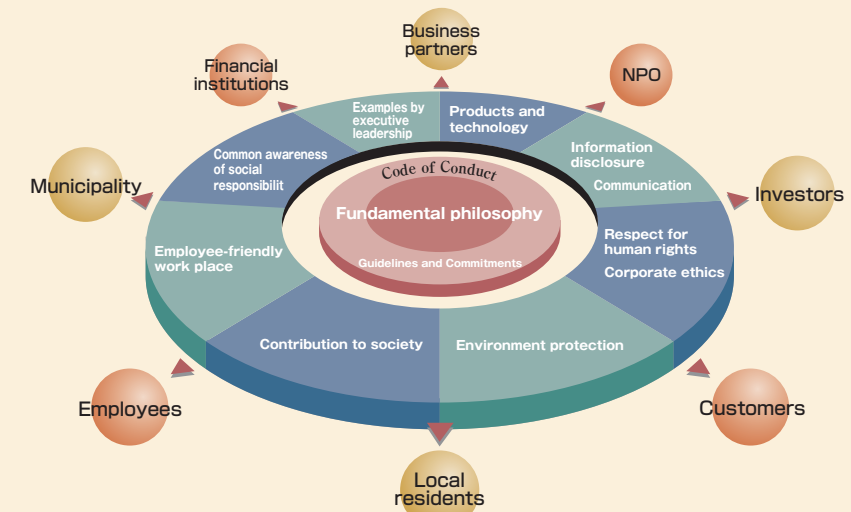
Guidelines and Commitments

In accordance with the Fundamental Philosophy, Hitachi Kokusai Electric commits to the dissemination of this Code of Conduct with the following Guidelines and Commitments and to the maintenance of the related internal system.

1. Obtain customers' trust and confidence by developing and providing products and services in which the emphasis is on safety, quality and environmental soundness.
Engage in fair and transparent competition and business activities,
2. comply with laws and be ethical in one's corporate conduct.
Respect the diversity, character and individuality of all employees and provide a mentally and physically rewarding workplace environment.

3. Provide shareholders and other stakeholders with full and fair disclosure of corporate information.
4. Take a proactive, independent approach to protecting the global environment and improving local living environments.
5. As a good corporate citizen, engage proactively in philanthropic activities and other activities that benefit society.
6. Respect international rules and local laws, cultures, practices and customs and always strive to contribute to local progress and development.
7. Respect the value of other companies' business and technology information as well as our own, and implement proper controls regarding such information.
8. Comply with trade-related laws and regulations in order to contribute to the maintenance of international peace and security.
9. Should a situation arise that runs counter to this Code of Conduct, managers shall endeavor to resolve the matter, establish the cause and take steps to prevent a reoccurrence. They will also endeavor to provide a prompt and accurate disclosure and explanation of the facts of the matter, clarify where the responsibility lies and deal strictly with those concerned, including with respect to their own activities.

[Relationship between stakeholders and Hitachi Kokusai Electric Inc.]



We work hard to address environment protection in conformity with the Code of Conduct.

Hitachi Kokusai Electric Global Environmental Charter

Guidelines for Action

1. Fulfillment of our social obligations

Harmony with the environment is one of our highest priorities. We are committed to solving global environmental issues because they are important issues common to all 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 environment, and give employees a comprehensive environmental education to enhance their 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 ongoing activities for the environment, both internationally and nationally.