

Eco-Management (promotion of environment management)

Compliance with international environment regulations has been required domestically and internationally. Our manufacturing principles aim at

Environmental CSR Monozukuri Activities

The urgent matters are to act on new environmental regulations including EU RoHS directives* effective from July 2006 and WEEE directives** requiring segregated collection and recycling.

We have revised Hitachi Kokusai Electric Action Guidelines for Environmental Conservation as the basic

* RoHS (Restriction of the use of certain Hazardous Substances in electric and electronic equipment) directives prohibit using chromium hexavalent, lead, cadmium, mercury, and brominated flame retardants (PBB, PBDE) in the products delivered to EU markets (enforced from July 1, 2006).

guidelines, established our "Environmental CSR Monozukuri standards" and relevant regulations as company rules, and started operating Integrated Management System for Chemical Substances Contained in Products (A Gree' Net), which is applied in common with other Hitachi group companies.

** WEEE (Waste Electrical and Electronic Equipment) directives address reusing and recycling electrical and electronic waste materials in the EU to reduce the waste disposal volume (enforced from August 1, 2005).

Hitachi Kokusai Electric Action Guidelines for Environmental Conservation

Purpose

In order to realize an environmentally harmonious and sustainable society through products and services, Hitachi Kokusai Electric is committed to meeting its social responsibilities by promoting globally-applicable *Monozukuri* (designing, manufacturing or repairing of products), which is aimed at reducing environmental burdens of products throughout their entire life cycles, ensuring environmental conservation.

Action Guidelines

- 1.Global environmental conservation is a critical challenge shared by all humans. Hitachi Kokusai Electric is committed, therefore, to fulfilling its responsibilities by assisting in the realization of an environmentally harmonious and sustainable society as one of its management priorities.
- 2.Hitachi Kokusai Electric will make efforts to contribute to society by developing highly reliable technologies and production processes, while identifying needs considering concerns related to global environmental conservation and limited resources.
- 3.Executive Officers in charge of environmental conservation and *Monozukuri* are responsible for facilitating appropriate environmental conservation activities. Through divisions responsible for environmental conservation they should endeavor to promote and ensure environmental conservation activities, including improving environment-related rules and regulations and setting goals for environmental burden reduction. They should also confirm that their environmental conservation activities are conducted in a proper manner and ensure that these activities are maintained and improved.
- 4.Hitachi Kokusai Electric will promote globally applicable *Monozukuri* with the aim of reducing environmental burdens at every stage, including product research and development, design, production, distribution, sales, usage and final disposal.
- 5.Hitachi Kokusai Electric will investigate and review the environmental impact caused in the course of its *Monozukuri* processes. Hitachi Kokusai Electric will also introduce excellent technologies and materials useful to safeguard the environment,

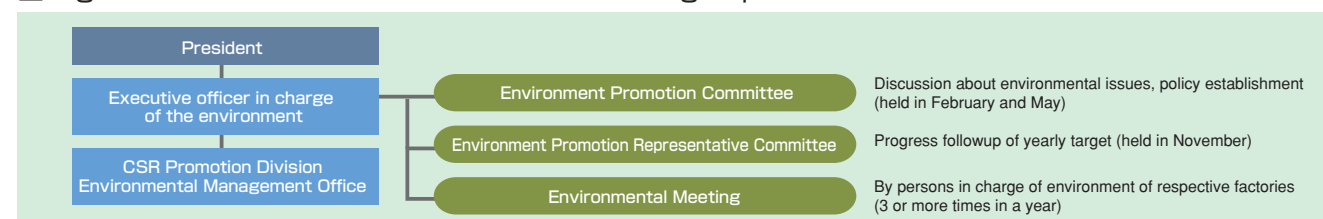
- 6.Hitachi Kokusai Electric's environmental conservation efforts are not only to be focused on observing international environmental regulations and those of national and local governments, but also on conserving the environment by implementing voluntary environmental standards when necessary.
- 7.Regarding globally-applicable *Monozukuri* activities, impact on the local environment and community are to be considered. In addition, measures that meet local communities' requests should be implemented.
- 8.Hitachi Kokusai Electric will educate its employees on the observance of environment-related laws, raise their environmental awareness and encourage their interest in society at large and broad-based environmental conservation activities.
- 9.Hitachi Kokusai Electric will evaluate potential environmental problems and prevent them from occurring. In the event that any environmental problem occurs, Hitachi Kokusai Electric will take appropriate measures to minimize the impact on the environment.
- 10.Hitachi Kokusai Electric will make efforts to disclose information on its environmental conservation activities to its relevant stakeholders. Hitachi Kokusai Electric will also actively communicate with these stakeholders so as to strengthen mutual understanding and forge cooperative relationships with them.

Environment Protection System

Our Environment Promotion Committee consists of the President as the head of the committee, the executive officer in charge of the environment as the chairman, and the top executives of each factory and major affiliated companies as committee members. In the committee, we discuss, determine, and develop the mid-to-long term environment planning of the whole group, yearly targets, and priority subjects. The Environment Management Office, which is a headquarters staff department, plans and supports environmental

strategies as well as conducts progress followup in the Environment Promotion Representative Committee. This work is based on the decisions of the Environment Promotion Committee. In addition, there is an Environmental Meeting consisting of persons in charge of the environment of their respective factories. They discuss the policy and activity planning of Hitachi Kokusai Electric group, reporting on results, information exchange, experience sharing, and problem solutions.

Organization chart of Hitachi Kokusai Electric group



proactively conforming with these regulations.

Goals and Results of Environmental Activities in Fiscal 2005

◎:Mid-long term target reached ○:Target reached △:Efforts in improvement required

	Main item	Mid-long term plan	FY 2005 target	Results	Own evaluation
Eco-management	Enhancement of environment management system	Ready for ISO 14001(2004)	Completion of registration of ISO 14001(2004)	Completion of registration of ISO 14001(2004) Completion at 3 factories/in company Completion at 7 companies/in group companies	◎
	Environmental audit	Enhancement of environmental audit (including group companies)	Implementation of environmental audit Completion at 1 factory/in company Completion at 1 company/in group companies	5 Implementation of environmental audit at 5 sites Completion at 1 factory/in company Completion at 3 companies (4 sites)/in group companies	◎
Eco-products	Promotion of environmental CSR Monozukuri	Establishment of solid material management system 06/6	Establishment of company rules for Environmental CSR Monozukuri Data entry into new A Gree' Net	Establishment of company rules for Environmental CSR Monozukuri Part of data entry into new A Gree' Net	△
	Expansion of environment-friendly product lineup	Percentage of environment-friendly products sales 100% in FY 2010	Percentage of environment-friendly products sales 75%	Percentage of environment-friendly products sales 88%	◎
	Promotion of green procurement	Examination to identify chemicals contained in products in FY 2007	Abolition of 6 RoHS restricted substances	Abolition of 6 RoHS restricted substances (part of products)	△
Eco-factories	Global warming prevention (energy conservation)	Reduction in CO ₂ emission Compared to FY 1990 7% reduction in FY 2010 Reduction in real output of CO ₂ primary unit 25% reduction in FY 2010 compared to FY 1990	Reduction in CO ₂ emission 3% reduction compared to FY 1990 Reduction in real output of CO ₂ primary unit 20% reduction compared to FY 1990	Reduction in CO ₂ emission Compared to FY 1990 7% increase Reduction in real output of CO ₂ primary unit Compared to FY 1990 41% reduction	△
	Waste reduction	Reduction in final disposal volume 90% reduction in FY 2010 compared to FY1998 1% or less of final disposal rate	Reduction in final disposal volume 85% reduction compared to FY 1998 Less than 3% of final disposal rate	Reduction in final disposal volume 95% reduction compared to FY 1998 2.5% of final disposal rate	◎
	Reduction of chemicals	Thorough chemical management and reduction in released chemicals	Reduction of "chemicals to be reduced" 30% reduction compared to FY 2000	Reduction of "chemicals to be reduced" 78% reduction compared to FY 2000	◎

Business activities and Environmental Loads

We quantitatively collect and analyze data concerned with the quantity of resources and energy used (input) and the quantity of environmental load generating materials discharged (output) during our business operation at 4 major factories. From the results of

these analyses, we establish a reduction goal of environmental load generating materials every year, and try hard to achieve this goal while carrying out our business.

Business activity mass-balance

