Hitachi Kokusai Electric Inc. Name 4-14-1, Sotokanda, Chiyoda-ku, Headquarters

Tokyo 101-8980, Japan

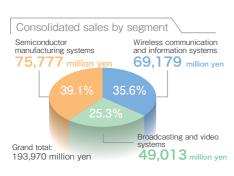
November 17, 1949 Founded 10,058 million yen Capital

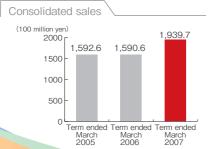
Sales 193,970 million yen (consolidated)

4,789 (consolidated) **Employees**



Headquarters (Akihabara UDX Building





Domestic Places of Manufacturing and Main Group Companies

Toyama Works

Main products: Semiconductor manufacturing systems

Located in Yatsuo-machi, Toyama Prefecture, embraced by the Hida Highlands, this factory has a special-purpose clean room where semiconductor manufacturing equipment for the next-generation processes is developed, designed, and produced to meet the demanding needs of major users worldwide.



Hamura Works

Main products: Wireless communication and info

Located in Hamura, Tokyo, crossed by the nature-rich River Tama, this factory develops, designs, and manufactures wireless equipment mainly bound for governmental agencies.



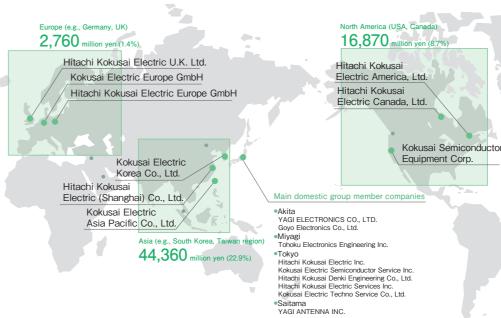
Koganei Works

Main products: V

Located in Kodaira, Tokyo, and retaining the old image of Musashino, this factory develops, designs, and produces wireless communication and information systems, and broadcasting and video systems. Engineers engaged in the fields of communication, broadcasting, and video work here to create products befitting Hitachi Kokusai Electric.



Overseas Sales



With its main member companies - nine in Japan and nine abroad - the Hitachi Kokusai Electric Group conducts business throughout Japan, as well as in Asia, North America, Europe, and other parts of the world.

Main Products



[Multi-Carrier Power Amplifiers for mobile phone base stations]



[Train Radio Communication Systems]



[Non-linear [Small Industrial High-resolution Cameras] [Digital TV Transmitter] [Security and Surveillance Systems1



and other individuals and organizations who interact with the company

CONTENTS

Corporate Profile and Main Products 01 Commitment of President and Chief Executive Officer 03

Special Report

Contributing to Society through *Monozukuri*— with Our Customers

Contribution by Wireless Communication and Information Systems	05
Contribution by Broadcasting and Video Systems	07
Contribution by Semiconductor Manufacturing Systems	09
Quality Assurance	11

Quality Assurance	1 1	
With Our Business Partners Basic Principles for Procuring Materials, and Supply Chain Management	12	
With Our Colleagues Personnel Affairs, Human Resource Development, and Safety and Health	13	
With Our Community	15	
With All Our Stakeholders Internal Control and Public Relations	16	
	Basic Principles for Procuring Materials, and Supply Chain Management With Our Colleagues Personnel Affairs, Human Resource Development, and Safety and Health With Our Community With All Our Stakeholders	Basic Principles for Procuring Materials, and Supply Chain Management With Our Colleagues 13 Personnel Affairs, Human Resource Development, and Safety and Health With Our Community 15 With All Our Stakeholders 16

Eco-management	17	Re
Targets and Results	18	<u>8</u>
Eco-factories	19	ış
Wastes, etc.	20	
Evaluation of Environmental Activities	21	
Eco-products	22	

This report describes the efforts of the Hitachi Kokusai Electric Group in fulfilling its corporate social responsibility (CSR), and is therefore used as a tool of communication with its stakeholders. We hope that the report will promote better understanding of the Group, and look forward to your frank comments and opinions.

Fiscal 2006 (from April 2006 to March 2007)

Hitachi Kokusai Electric Inc. (the "Company" herein) and 8 domestic group companies

- Hitachi Kokusai Electric Inc.◎ Toyama Works ◎ Hamura Works ◎ Koganei Works
- © YAGI ANTENNA INC.
- YAGI ELECTRONICS CO., LTD.
- Kokusai Electric Semiconductor Service Inc. Hitachi Kokusai Denki Engineering Co., Ltd.
- Goyo Electronics Co., Ltd.
- Tohoku Electronics Engineering Inc.
- Hitachi Kokusai Electric Services Inc.
- Kokusai Electric Techno Service Co., Ltd.
- * All the company names herein are shown retroactively reflecting our group reorganization as of the beginning of April 2007.
- * The environmental loads and environmental accounting were complied with the data of the factories marked with ©.

We issued "Report on the Environment" annually from 2001 to 2004, "Environmental and Social Report" in June 2005, and "CSR Report 2006" in June 2006. The next report is planned to be issued in June 2008.