

Eco-management (promoting environmental management)

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

- 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.
- 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.
- 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.
- 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.
- 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, in other words, to reduce environmental burdens through energy and resource saving, chemical substance management, recycling, and other measures.
- 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.
- 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.
- 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.
- 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.
- 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.

Status of acquiring certification under ISO14001

The Hitachi Kokusai Electric Group began to obtain certification under ISO14001 in fiscal 1996 and acquired certification under ISO14001 for all its manufacturing and service sites in fiscal 2006.

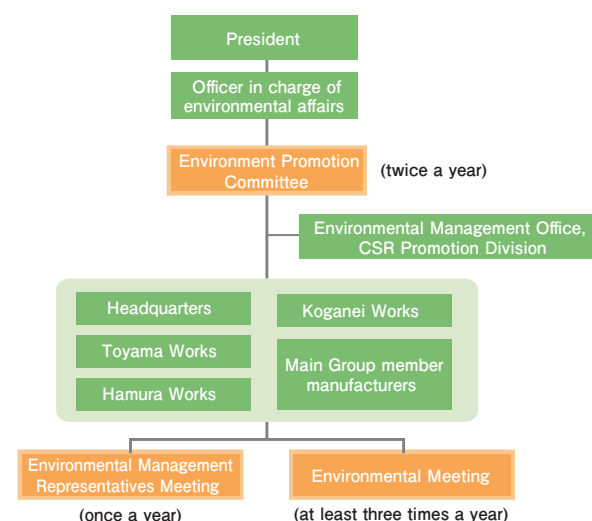
Fiscal 2007 is scheduled to see the Group acquire integrated certification under ISO14001, including the headquarters, which has yet to be certified under ISO14001.

Environmental management system for fiscal 2007

With the president at the top, the "Environment Promotion Committee" comprised of an officer in charge of environmental affairs, general managers of Works, and the environmental affairs officers of Main Group member manufacturers deliberates, determines, and implements a medium term environmental action plan, yearly targets, and important challenges for the entire Group.

The Environmental Management Office of the CSR Promotion Division, as one of the business support divisions, helps promote decisions made by the Environment Promotion Committee and performs follow-ups on the progress of such actions at the "Environmental Management Representatives Meeting."

At the "Environmental Meeting" attended by environmental practitioners, the Hitachi Kokusai Electric Group also implements its general principles and environmental action plan, and thus reports action results, exchanges information, extends its findings horizontally, and solves problems.



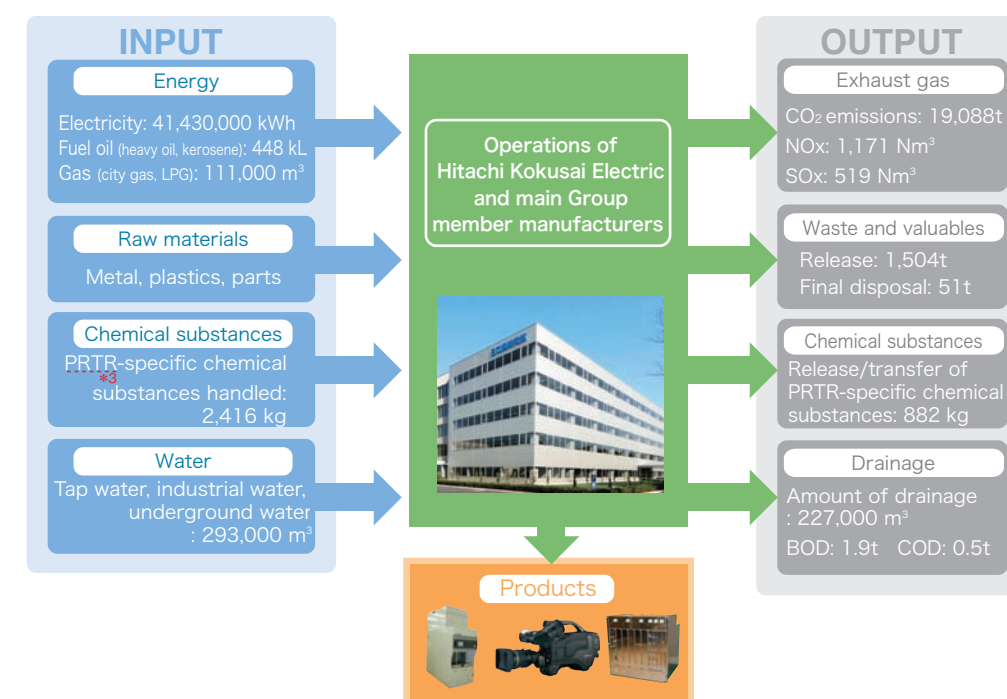
Targets and Results of Environmental Activities in Fiscal 2006

	Main item	Medium term plan	Fiscal 2006 targets	Fiscal 2006 results	Evaluation
Eco-management	Enhancing the environmental management system	Acquisition of certification under ISO 14001 at non-manufacturing sites	Integration of non-manufacturing departments relocated to Works into the ISO 14001 system	Koganei Works integration complete	100%
	Environmental operation auditing	Enhancement of environmental operation auditing including Group member companies	Inside Hitachi Kokusai Electric: 2 Works Group member companies: 7 sites	Inside Hitachi Kokusai Electric: 1 Works Group member companies: 6 sites	80%
Eco-products	Promoting Environmental CSR <i>Monozukuri</i>	Establishing product traceability	Implementing environmental CSR <i>Monozukuri</i> standards	Implementation complete as per corporate regulations and Works rules	100%
			Managing chemical substances contained in products	Registration of parts in some products, registration of information about receipts and shipments	80%
Eco-factories	Promoting eco-friendly products	Sales ratio of eco-friendly products: 100% in fiscal 2010	Sales ratio of eco-friendly products: 80%	Sales ratio of eco-friendly products: 88%	100%
	Prevention of global warming (energy-saving efforts)	25% reduction in basic unit of CO ₂ emissions in actual production by fiscal 2010 (from level in fiscal 1990) ^{*2}	21% reduction in basic unit of CO ₂ emissions in actual production (from level in fiscal 1990)	47% reduction in basic unit of CO ₂ emissions in actual production (from level in fiscal 1990)	100%
	Waste reduction	90% reduction in final disposal by fiscal 2010 (from level in fiscal 1998)	86% reduction in final disposal (from level in fiscal 1998)	93% reduction in final disposal (from level in fiscal 1998)	100%
		Final disposal rate: 1% or less	Final disposal rate: 3% or less	Final disposal rate: 3.4%	80%
	Chemical substances management	40% reduction in release of "reducible substances" by fiscal 2010 (from level in fiscal 2000)	32% reduction in release of "reducible substances" (from level in fiscal 2000)	79% reduction in release of "reducible substances" (from level in fiscal 2000)	100%

Evaluation standard: 100% : achieved 100% 80% : achieved 80% or more 80% : achieved less than 80%

Operations and environmental loads

In conducting its operations, the Hitachi Kokusai Electric Group expends resources and energy to provide products. At the same time, such operations discharge CO₂ and waste. Hitachi Kokusai Electric and its main Group member manufacturers monitor the inputs and outputs of such elements, and work to reduce hazardous chemical substances and increase energy efficiency.



Glossary *1 Main Group member manufacturers: YAGI ANTENNA INC., Hitachi Kokusai Denki Engineering Co., Ltd., Goyo Electronics Co., Ltd., and Tohoku Electronics Engineering Inc.

Glossary *2 Actual production: Nominal production / Bank of Japan's commodity price index of domestic corporations (of electrical appliances industry)
*3 PRTR: Pollutant Release and Transfer Register