

Eco-Factories (eco-friendliness in production activities)

We make efforts to slow down global warming by saving electric consumption and enhancing the facilities, reduce waste discharge toward the goal of zero emissions, and promote other programs in an attempt to reduce our environmental impact.

Prevention of Global Warming (Energy-saving Efforts)

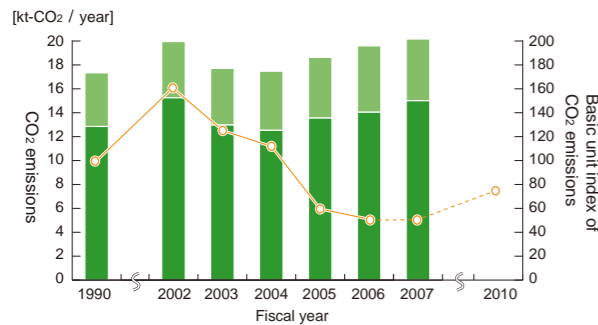
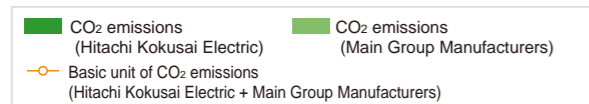
Our Group has set its fiscal 2010 energy reduction target in the manufacturing stage to making a 35% cut in the real production CO₂ unit requirement from the level in fiscal 1990, thereby working to slow down global warming. That target is shared with the rest of the electrical and electronics industry.

The basic unit of CO₂ emissions in actual production is the unit of measure for the uniform target of the electrical and electronics industry, and has been used as a control indicator since fiscal 2005. The basic unit of CO₂ emissions in actual production by Hitachi Kokusai Electric and Group member manufacturers in fiscal 2007 was reduced by 46% from the level in fiscal 1990.

Conversely, CO₂ emissions of Hitachi Kokusai Electric and the Group member manufacturers in fiscal 2007 have risen 18% from the level in fiscal 1990 due to a rise in production and the building of add-ons. The Group will continue to take such energy-saving measures as upgrading the facilities into energy-saving types.

Our Group has supported the national campaign "Team Minus 6%" promoted by the Ministry of the Environment since fiscal 2005, reduced the use of air-conditioning at all places of business, and participated in the "black illumination" campaign (to reduce the use of illumination).

Changes in CO₂ emissions and the basic unit index of CO₂ emissions in actual production



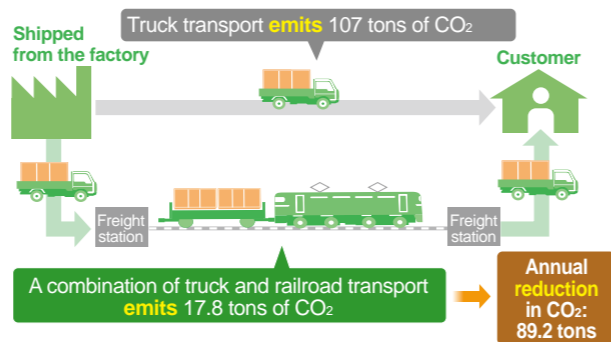
Our Group positively introduces energy-saving equipment when constructing a building or renewing facilities. In terms of operational control, we have also been improving methods of operating equipment that consumes much energy. In fiscal 2007, we reduced our CO₂ emissions by 272 tons.

Main energy-saving examples

Main energy-saving measures	Cut in CO ₂ emissions
Introducing high-efficiency equipment Introducing amorphous transformers Introducing Hf-type lighting equipment Switching to high-efficiency boilers	32t-CO ₂ /year
Air conditioners Switching to inverter air conditioners Improving the method of operating clean room air conditioners	110t-CO ₂ /year
Improving the operation of evaluators of semiconductor manufacturing equipment Lowering the temperature of evaluator heaters Lowering the rotating speed of evaluator pumps	130t-CO ₂ /year

Energy-saving Efforts in Physical Distribution

Kokusai Electric Techno Service Co., Ltd., which deals with physical distribution for the Group, is working on a modal shift for switching from conventional truck transport to railroad transport. In fiscal 2007, the company switched the transport of 81 railway containers through this modal shift, and consequently reduced annual CO₂ emissions by 89.2 tons.



Controlling Contamination of Soil and Groundwater

In line with the Soil Contamination Countermeasures Law which became effective in February 2003, our Group conducts voluntary surveys of soil and underground water on its own properties.

In fiscal 2007, a soil survey accompanied by the demolition of a building revealed some contamination due to lead and dioxins. We therefore replaced the soil and completed the relevant measures to purify the ground.



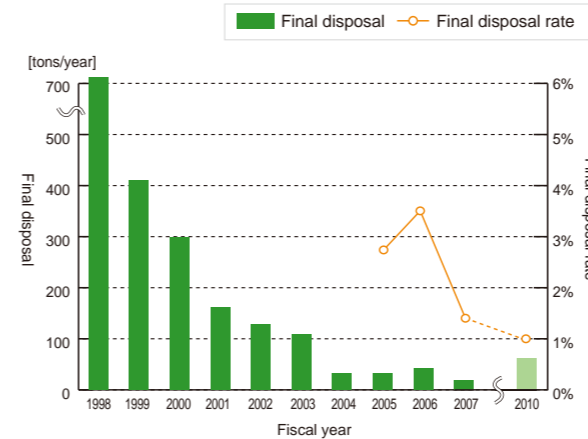
Replacement of soil

Waste Reduction

Our Company and Main Group Manufacturers are working toward the target of reducing their final disposal of waste by 90% by fiscal 2010 from the levels in fiscal 1998. In fiscal 2007 we explored new recycling agents, enhanced recycling, thoroughly implemented the disposal of sorted garbage, and consequently made a 97% cut in disposable waste from 1998 levels to achieve the target. Moreover, regarding the targeted final waste disposal rate of 3% or less (as added for fiscal 2005 and onwards), we made some promising developments in disposing of wood chips that caused our failure to achieve the target last fiscal year, and achieved the target in fiscal 2007 at 1.4%.

From now on, each place of business will reduce its final disposal rate down to zero emissions; that is, "a final disposal rate of 1% or less and final disposal of less than 5 tons."

Final disposal and final disposal rate of waste



Appropriate Control of PCB-containing Equipment

Entrepreneurs who own transformers, capacitors, fluorescent lamp stabilizers, and related equipment containing polychlorinated biphenyls (PCBs) are obligated to strictly store and control such equipment, and properly dispose of it by the end of 2016 as per the PCB Special Measures Law. To prevent PCB loss and leakage,



PCB storage warehouse

our Group properly controls its PCBs on a continuous basis in locked storage facilities. Moreover, the Group periodically investigates and confirms the storage level and other factors relative to PCB-containing electrical appliances, and reports its

findings to the local governments concerned every year.

Fiscal 2007 saw that a survey accompanied by the demolition of a building that revealed electrical equipment containing PCBs at two places of business. We therefore store and control the equipment securely together with the existing equipment stored.

Survey Results of PRTR-specific Chemical Substances

According to the "Law concerning Reporting, etc. of Releases to the Environment of Specific Chemical Substances and Promoting Improvements in Their Management" (PRTR Law) that became effective in April 2001, places of business handling more than one ton of any such substances have been legally obligated to report the chemical substances ever since fiscal 2003. However, neither Hitachi Kokusai Electric nor its Main Group Manufacturers have encountered any reportable substances exceeding the applicable quantity handled.

PRTR-specific chemical substances actually released and transferred (in kilograms per year)

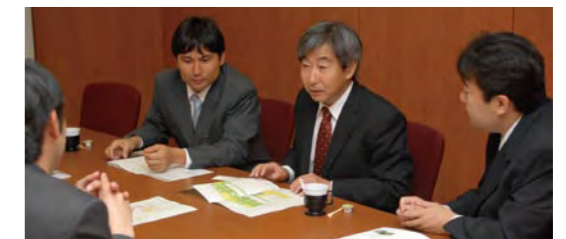
(Sum of Hitachi Kokusai Electric and Main Group Manufacturers)

Chemical substance	Quantity handled	Consumption	Quantity recycled	Transfer	Release
Lead and its compounds	947	683	54	210	0
Toluene	317	28	0	9	281
Xylene	230	35	0	11	184
Hydrogen fluoride and its water-soluble salts	190	0	170	0	20

* Substances significantly handled are shown above

VOICE Comments by a stakeholder

"We are handling environmental measurement and analysis for the Hitachi Kokusai Electric Group."
 "We carefully resolve our customers' issues and problems with our 'expertise' and 'in good faith'.
 "Regarding environmental measurement and analysis, we hold careful advance meetings with our customers and, on that basis, conduct systematic analysis and work to feed back the results quickly."



Representatives of Shuwa Industry Corp. meeting with personnel of our Company