Eco-Management (promoting environmental management)

Positively meeting the trends of global legal regulations in environmental issuesthe targets of our Group's creative manufacturing

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 globallyapplicable Monozukuri ("designing, manufacturing or repairing products"), which is aimed at reducing the environmental impact of products throughout their entire life cycles, thereby 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 impact 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, in other words, to reduce environmental impact through energy and resource saving, chemical substance management, recycling, and other measures.
- 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, their impact on the local environment and community will be considered. In addition, measures that meet local communities' requests should also 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 environmental impact
- 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.

Status of Acquiring Certification under ISO14001

Our Group began acquiring certification under ISO 14001 in fiscal 1996. By the end of fiscal 2006, we had acquired certification under ISO 14001 for all our manufacturing and service centers.

From fiscal 2007, we are promoting our integrated ISO activities as Hitachi Kokusai Electric Inc. including the head office's sales department, which is our contact with our customers, and renewing certification under ISO 14001.

Topics

Regarding the acquisition of integrated certification under ISO 14001, the people primarily involved in that process receive internal recognition and prize money. As employees in charge of environmental issues, we considered the most effective way of using the prize money and decided to donate the entire amount to the Japan Fund for Global Environment run by the Environmental Restoration and Conservation Agency (an independent administrative agency) as something helping to support environmental conservation activities.

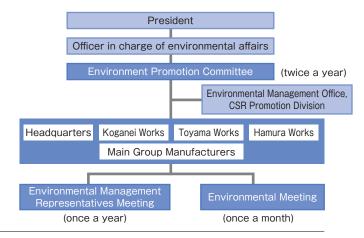


Japan Fund for Global Environment http://www.erca.go.jp/jfge/english/index.html

Environmental Management System

With the president at the top, the "Environment Promotion Committee" including the environmental affairs officers of Main Group 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 helps promote the implementation and performs follow-ups on the progress at the "Environmental Management Representatives Meeting."



Glossary

and Tohoku Electronics Engineering Inc.

	Main item	Medium-term plan	Fiscal 2008 targets	Fiscal 2008 results	Evaluation
Eco-n	Constructing and developing the environmental management system	Renewing certification for the integrated environmental management system	Renewing certification for the integrated environmental management system, and one Group company to obtain expanded certification	Renewing certification and one Group company obtained expanded certification in December 2008	* * 4
Eco-management	Encouraging colleagues to take environmental e-learning	90% attendance by fiscal 2010	60% attendance	63% attendance	* * 4
ment	Increasing the green procurement ratio	Green procurement ratio: 90% by fiscal 2010	Green procurement ratio:82%	Green procurement ratio: 93%	\$ \$ \$
Eco-pr	Promoting eco-friendly products	Sales ratio of eco-friendly products: 100% by fiscal 2010	Sales ratio of eco-friendly products: 90%	Sales ratio of eco-friendly products: 89%	Å Å
Eco-products	Higher product environmental efficiency	Higher global warming factor Higher resource factor	One model per Works	Nine models conducted	Å Å
_	Prevention of global warming	35% reduction in basic unit of CO ₂ emissions in <u>actual production</u> by fiscal 2010 (from level in fiscal 1990)	30% reduction in basic unit of CO ₂ emissions in actual production (from level in fiscal 1990)	26% reduction in basic unit of CO ₂ emissions in actual production (from level in fiscal 1990)	* *
Eco-factories		11% reduction in actual production transportation energy unit requirement by fiscal 2010 (from level in fiscal 2006)	2% reduction in actual production transportation energy unit requirement	19% reduction in actual production transportation energy unit requirement	* * 4
ories	Waste reduction	90% reduction in final disposal by fiscal 2010 (from level in fiscal 1998)	88% reduction in final disposal (from level in fiscal 1998)	98% reduction in final disposal (from level in fiscal 1998)	444
	Waste reduction	Final disposal rate: 1% or less (in fiscal 2010)	Final disposal rate: 3% or less	Final disposal rate: 0.9%	\$ \$ \$
	Chemical substances management	40% reduction in release of "reducible substances" by fiscal 2010 (from level in fiscal 2000)	36% reduction in release of "reducible substances" (from level in fiscal 2000)	62% reduction in release of "reducible substances" (from level in fiscal 2000)	444

Operations and Environmental Loads

In conducting its operations, our 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 Manufacturers monitor the inputs and outputs of such elements, and work to reduce hazardous chemical substances and increase energy efficiency. Regarding the procurement stage of raw materials and the reduction of environmental impact by our products, see "With Our Business Partners" and "Special Report," respectively.

Energy		Operations of Hitachi Kokusai Electric	haust gas	
Electricity 38,4	460,000 kWh	CO ₂	emissions	17,483t
Fuel oil (heavy oil, kerosene)	306 kL	NOx	, L	244Nm [*]
Gas (city gas, LPG)	110,000 m³	SOx		482Nm
Raw materials		Wa	iste and valu	Jables
Metal, plastics, parts,	etc.	Rele	ase	1,355t
Papers	118t	Fina	al disposal	13t
		Che	emical subst	tances
Chemical subs	tances	Rele	ease/transfer of PF	RTR-specific
PRTR-specific chemic	al	cher	mical substances	637k
substances handled	1,640kg	Dra	ainage	
Water		Amo	ount of drainage	257,000 m ³
Tap water, industrial w	ater,	BOD)	1.2t
underground water	257,000 m ³	COE)	0.0t

Social Reports

Glossary

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