



# Evaluation of Environmental Activities

By setting quantitative assessment standards for environmental activities, and monitoring and analyzing such activities, we are working to upgrade environmental management and reduce environmental risks.

## Evaluation results of fiscal 2009 for "GREEN21"

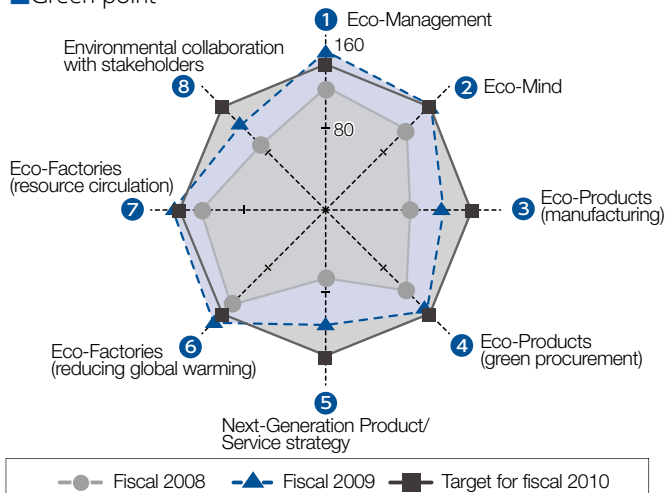
The Hitachi Group implements its self-evaluation system for "GREEN21" environmental activities, in order to carry out its environmental action plan securely, make continuous improvements, and upgrade its activity level. GREEN21 is a mechanism for quantitatively evaluating the degree to which the targets for environmental activities were achieved by a specific entity for each fiscal year, visualizing the results by radar chart, and reflecting the evaluation findings in subsequent environmental activities.

The system of evaluation consists of 55 items from eight categories, and is used to monitor the weaknesses in an activity and make improvements for the next fiscal year. Our result for fiscal 2009 was 1,157 GP (green points) as compared to 1,152 GP—the target common to the Hitachi Group. This means that we surpassed our target. For the final fiscal target year of 2010, we will work to increase points for Eco-Products toward achieving the targets.

### GREEN 21 evaluation items

Category	Evaluation item for each category
1 Eco-Management	Action plan, environmental accounting, risk management, compliance
2 Eco-Mind	Education for employees (general education, professional education, auditor education)
3 Eco-Products (manufacturing)	Eco-design management system, nature-friendly products and management of chemical substances contained in products
4 Eco-Products (green procurement)	Green procurement, green purchase
5 Next-Generation Product/Service Strategy	Eco-products business strategy, sustainable business, external publicity
6 Eco-Factories (reducing global warming)	Business and product strategy, sustainable business and external advertisement
7 Eco-Factories (resource circulation)	Waste reducing and chemical substance management
8 Environmental collaboration with stakeholders	Information disclosure, communication activity and global citizen activity

### Green point



## Environmental Accounting

According to the Hitachi Environmental Accounting Guidelines, our environmental conservation cost was determined for plant and equipment investments, research and development expenses, and other expenses related to environmental activities. The environmental conservation effects were determined based on profits from the sales of recycled items, reductions in material expenses, and related factors. For fiscal 2009, the curtailed investments for equipment with reduced environmental impact and the development and design of Eco-Products have produced such economic effects as reduced material expenses. We will continue to improve the return on investment.

### Costs (in millions of yen)

	FY 2007	FY 2008	FY 2009	Overview
Business area costs	248.8	175.3	188.1	Costs of maintenance of equipment with low environmental burden, depreciation, etc.
Upstream/downstream costs	0.4	0.4	0.1	Costs for green procurement and recycling
Management activity costs	77.4	72.3	75.9	Personnel expenditures for environmental management, maintenance costs for environmental management system
Research and development costs	115.5	188.6	310.8	R&D for the reduction of environmental burden caused by products and production processes, product design expenses
Social activity costs	2.1	2.1	1.7	Environmental improvements such as afforestation and beautification, PR, and publicity expenses
Environmental damage costs	0	0	0	Environment-related measures, contributions, and levies
Total	444.1	438.7	576.7	—

### Investments (in millions of yen)

	FY 2007	FY 2008	FY 2009	Overview
Investments in environmental conservation	341.3	64.4	42.3	Direct investments in environmental load reduction facilities such as energy conservation facilities

### Economic effects (in millions of yen)

	FY 2007	FY 2008	FY 2009	Overview
Net income effects	13.6	28.3	2.2	Profit on sale of recycled waste, etc.
Expenditure reduction	5.5	58.1	85.9	Cost-saving effects, etc. by saving energy
Material cost reduction	102.4	340.0	1485.4	Reducing materials and parts expenses, etc. by resource-saving design, etc.
Total	121.5	426.4	1573.5	—

## Control of chemical substances contained in products

Our group investigates and controls chemical substances contained in parts and other materials that constitute our products, in order to meet the legal regulations both at home and abroad, as well as customer requirements. We request our business partners to cooperate by such means as providing information about chemical substances contained in parts in order to meet the REACH regulations\*1. Information was previously collected by A Gree'Net\*2 peculiar to Hitachi, but since we became connected to the database JAMP-GP\*3 in April 2010, our business partners can now provide information with even more universal methods.

\*1 REACH Regulation: EU regulation on "Registration, Evaluation, Authorisation and Restriction of Chemicals."

\*2 A Gree'Net: A Hitachi system for registering environmental information about procured products

\*3 JAMP-GP: A database designed to share information in AIS and other formats in a cross-industrial manner which the Joint Article Management Promotion-consortium aims to spread