

Eco-Factories (eco-friendliness in production activities)

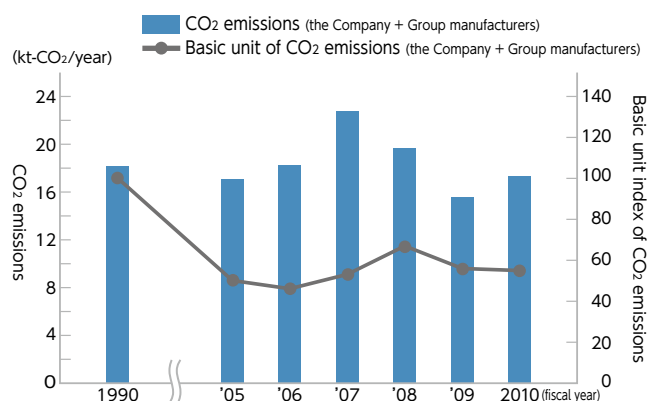
Through the entire production process of products, we work to save energy and enhance facilities in an attempt to prevent global warming, reduce industrial waste, and accomplish similar goals.

Prevention of Global Warming (Energy-saving Efforts)

Hitachi Kokusai Electric and Group manufacturers have set a 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. That target is shared by 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 industry, and has been used as a control indicator since fiscal 2005. The basic unit of CO₂ emissions in actual production by the Company and Group manufacturers in fiscal 2010 was reduced by 45% from the level in fiscal 1990, which cleared our target of a 35% reduction. The CO₂ emissions of our company and our group member manufacturers in fiscal 2010 increased 11% from the levels in fiscal 2009 due to a rise in production. We will thus continue taking energy-saving measures including a review of the operation methods and an upgrade of equipment to energy-saving one. Our Group has supported the national campaign against global warming as promoted by the Government from its initial stage, reduced the air-conditioning at all places of business, and participated in the "light-down campaign".

To cope with power shortages due to the Great East Japan Earthquake of March 11, the Hamura Works and Koganei Works with high power consumption introduced a unique summertime program (where work begins at eight o'clock) and plan to introduce rotating holidays and tabletop LED lamps, in addition to the already optimized operation of air-conditioning, thereby reducing peak power consumption in summer.

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



*For the carbon dioxide emission factor used in calculating carbon dioxide emissions, we used the factors employed by the various power companies as announced by the Ministry of the Environment.

TOPICS

Energy-saving consultation at the Koganei Works

Our Koganei Works is subject to the "Obligation to Reduce the Total Quantity of Greenhouse Gas Emissions and the Program for Emissions Trade," a Tokyo



environmental ordinance. Energy-saving consultation by Hitachi, Ltd. that came into effect in April 2010.

The main points of the ordinance are that it: (1) applies to each office or factory, (2) imposes the obligation to make reductions and achieve the targets shown; and (3) obligates any party failing to meet said obligation to make reductions and failing to procure rights of emissions to make an additional reduction of 30% with the instruction imposing said obligation. Any party failing to observe these will be fined 500,000 yen and its violation shall be published.

As a factory that acquired certification under ISO 14001, we have long been taking number of measures. Since even these measures are not enough to establish prospects for achieving our obligations, we received an energy-saving consultation from Hitachi, Ltd.

We reviewed methods of operation according to the consultation results, evaluated new efforts made after the earthquake. We are further considering additional measures and putting them into practice.

TOPICS

Efforts of Ecocap activities

Our group has been collecting PET bottle caps and delivering vaccines to the children of the world through the Ecocap Movement since fiscal 2008. A collection of 800 caps constitutes one patient's worth of polio vaccine, and we have donated a cumulative total of more than 700 patients' worth of vaccines up until now. Note that should such caps be disposed as burnable garbage, 400 caps generate 3,150 grams of CO₂. Consequently, by collecting the caps, we have controlled more than 4,400 kg of CO₂.

In addition to direct collection through the Ecocap Movement, we supplied caps through associations and nursing homes near our workplaces, thereby also making indirect efforts, and constituting the overall activities of our group.

The caps collected are recycled into plant pots and other plastic products by recycling agents.

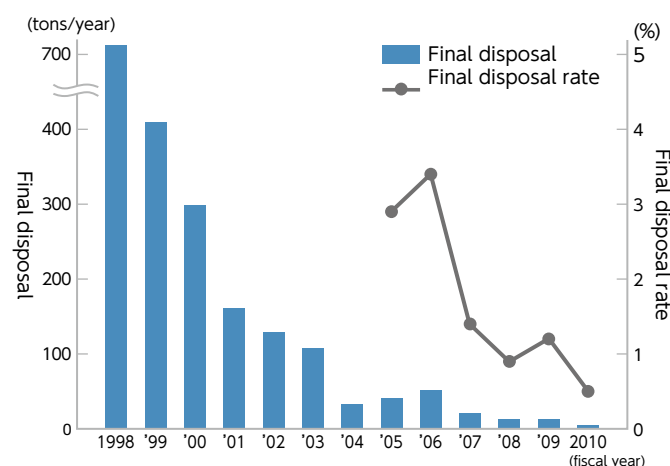


Ecocap activities

Waste Reduction

The Company and 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 2010 we enhanced recycling, thoroughly implemented the disposal of sorted garbage, and consequently made a 99% cut in disposable waste from 1998 levels to achieve the target. Moreover, regarding the targeted final waste disposal rate of 1% or less (as added for fiscal 2005 and onwards), we achieved the target in fiscal 2009 at 0.5%. In and after fiscal 2011, we will work to control waste generation as a new effort.

Final disposal and final disposal rate of waste



Appropriate Control of PCB-containing Equipment

An entity who owns 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, 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. The Sendai Branch Works that was damaged by the Great East Japan Earthquake stores equipment containing trace quantities of PCBs. But it has been confirmed that the equipment is free of damage or leakage.



Storage state at the Sendai Branch Works

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, business establishments handling more than a certain amount of any such chemical substances are legally obligated to report the chemical substances. Fiscal 2010 saw the chemical substances targeted under the PRTR Law being revised. We therefore monitored and tabulated the data again.

For our company and our group manufacturers, the chemical substances used in the surface treatment of printed circuit boards and those contained in fuels have become subject to law. Therefore, our factories will make the necessary registration.

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

(Sum of the Company and Group manufacturers)

Chemical substance	Quantity handled	Release	Transfer	Consumption	Removal	Quantity recycled
Ferric chloride	77,320	0	0	0	0	77,320
Xylene	1,657	95	26	1,536	0	0
1,2,4-Trimethylbenzene	2,079	0	0	2,079	0	0
Toluene	143	108	14	21	0	0
Lead	546	0	17	515	0	14
Hydrogen fluoride and its water-soluble salts	558	170	388	0	0	0
Methylnaphthalene	2,095	0	0	2,095	0	0

* Substances significantly handled are shown above

TOPICS

Reinforcement of the antisocial transaction prevention system in commissioning industrial waste disposal

Our group has presented our managerial principle of not having any relationship whatsoever with any organized crime group or antisocial force. In order to promote efforts toward avoiding or terminating any possible relationship with antisocial forces, we added a "clause to exclude organized crime groups" in our agreement for commissioning industrial waste disposal. More specifically, we established or will add a "clause for excluding organized crime groups" in agreements concluded with all industrial waste disposal agents in relevant region commissioned by our group.