



Eco-Mind & Global Environmental Management

We work to cultivate an eco-mind establishing an environmental management system as the major leverage for it, according to our Guidelines and Commitments and our Environmental Conservation Action Guidelines.

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 products"), which is aimed at reducing the environmental burdens of products throughout their entire life cycles, ensuring global environment conservation.

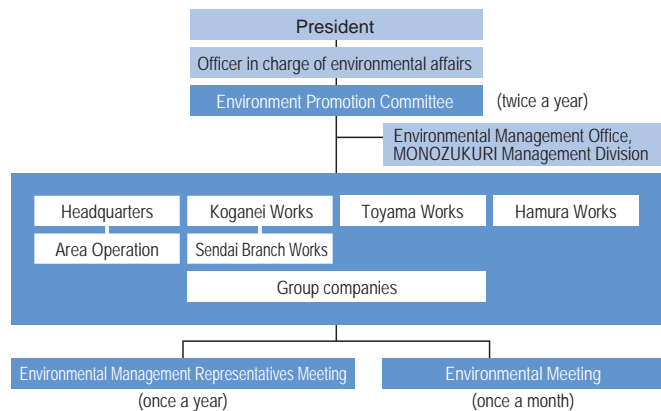
Introductory website of Action Guidelines for Environmental Conservation
Home Page of Hitachi Kokusai Electric Inc.
<http://www.hitachi-kokusai.co.jp/global/csr/environment/earth.html>

or

Environmental Management System

The "Environment Promotion Committee" including the environmental affairs officers of 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 MONOZUKURI Management Division helps promote the implementation plan based on the determination by the Environment Promotion Committee and performs follow-ups on the progress at the "Environmental Management Representatives Meeting" and "Environmental Meeting."

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■ Situation of acquiring ISO 14001 certification

In fiscal 1996, our corporate group began efforts to acquire ISO 14001 (environment management system) certification, and in 2006 acquired said certification for all our production and service bases at that time.

We expanded the scope of application in fiscal 2007 to include the sales division of our head office, which is a contact point with our customers, and in fiscal 2011 included the sales divisions of our branches and sales offices in pursuit of ISO 14001 certification.

Targets and Results of Environment Activities in Fiscal 2011

The results and evaluation of the major items of the Environmental Action Plan in fiscal 2011 are as follows:

Category	Main item	Action goal	Index	Final year (fiscal 2015) targets	Fiscal 2011 targets	Fiscal 2011 results	Evaluation
Eco-Mind & Global Environmental Management	Establishment of Environmental Management System	Improvement in environmental activity level (GP: Green Point)	GP of GREEN 21-2015	640 GP	384 GP	468 GP	🌳🌳🌳
	Nurturing of Environmental Literacy	Fostering environmental minds by environmental e-learning	Participation ratio	98 %	90 %	98 %	🌳🌳🌳
Next-Generation Products & Services	Promotion of Eco-Products	Increasing Hitachi Eco-Products	Ratio of Eco-Product sales to total sales	88 %	60 %	64 %	🌳🌳🌳
Super Eco-Factories & Offices	Preventing Global Warming	Improvement of CO ₂ emission intensity	Basic unit of production CO ₂ emissions (reference year 2005)	-10 %	+4 %	-14 %	🌳🌳🌳
	Energy Reduction during Transportation	Improvement of transportation energy intensity	Basic unit of production transportation energy (reference year 2006)	-15 %	-12 %	-20 %	🌳🌳🌳
	Effective Use of Resources	Improvement of generation amount intensity of wastes, etc.	Basic unit of the amount of production waste, etc. generated (reference year 2005)	-20 %	-16 %	-7 %	🌳
		Promotion of electronic manifest	Increase of registration (issuance) ratio	90% or more	70 %	83 %	🌳🌳🌳

Evaluation standard 🌳🌳🌳 Achieved 100% 🌳🌳 Achieved 80% or more 🌳 Achieved less than 80%

Evaluation results of fiscal 2011 for "GREEN 21-2015"

The Hitachi Group implements "GREEN 21," a mechanism for self-evaluating its environmental activities in order to improve and upgrade the levels of such activities. GREEN 21 is a mechanism for classifying the areas of environmental activities into eight categories, evaluating the degree to which the targets of environmental activities were achieved and the contents of said activities, and visualizing the results in the form of radar charts.

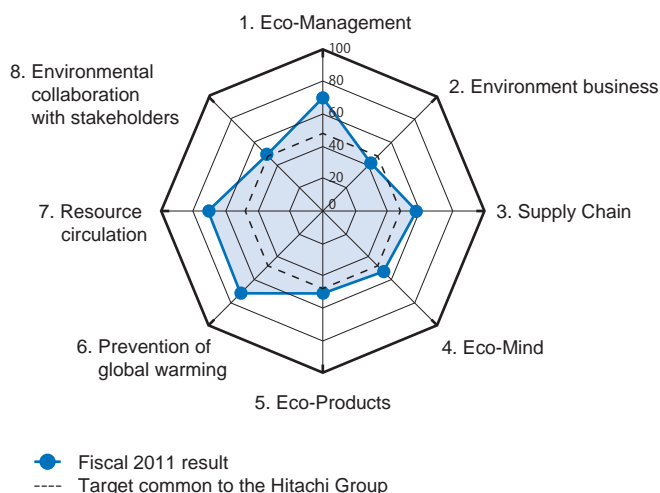
During the period from fiscal 2011 to 2015, we intend to add contributions to management by expanding environmental activities, preserving ecosystems, and conducting activities to collect and convey environmental information through the supply chain as pertaining to the evaluation items, and make efforts to raise the level of such activities, as "GREEN 21-2015."

In achieving the target, our result for fiscal 2011 was 468 GP as compared to 384 GP—the target common to Hitachi Group companies.

GREEN 21 evaluation items

	Category	Main Evaluation Indicators
1	Eco-Management	Environmental control, Environmental accounting, Observance of laws and regulations
2	Environment business	Reduction of annual CO ₂ emissions by 100M tons, Environment business strategy
3	Supply Chain	Collection and provision of environmental information through supply chain
4	Eco-Mind	Environmental education, Fostering of environmental expert
5	Eco-Products	Assessment of products and services
6	Prevention of global warming	Reduction of CO ₂ emissions, Energy-saving effort, Energy-saving in mobility
7	Resource circulation	Resource recycling, Control of chemical substances
8	Environmental collaboration with stakeholders	Information disclosure, Communications, Activities of global citizens, Ecosystem conservation

Green point



Environmental Accounting

According to the Hitachi Environmental Accounting Guidelines, our environmental conservation cost was defined as investments and expenses related to environment. The environmental conservation effects were determined based on profits from the sales of recycled items, expenditure reduction due to investments in energy-saving equipment, etc. We will continue to improve the return on investment.

Environmental conservation cost

Expenses (in millions of yen)

Item	FY 2009	FY 2010	FY 2011	Overview
Business area costs	188.1	197.0	204.4	Costs of maintenance of equipment with low environmental burden, depreciation, etc.
Upstream/downstream costs	0.1	0.2	0.1	Costs for green procurement and recycling
Management activity costs	75.9	67.3	43.8	Personnel expenditures for environmental management, maintenance costs for environmental management system
Research and development costs	310.8	166.7	215.6	R&D for the reduction of environmental burden caused by products and production processes, product design expenses
Social activity costs	1.7	2.0	1.9	Environmental improvements such as afforestation and beautification, PR, and publicity expenses
Environmental damage costs	0	0	0	Environment-related measures, contributions, and levies
Total	576.7	433.1	465.9	—

Investments (in millions of yen)

Item	FY 2009	FY 2010	FY 2011	Overview
Investments in environmental conservation	42.3	9.2	57.4	Direct investments in environmental load reduction facilities such as energy conservation facilities

Environmental conservation effects

Economic effects (in millions of yen)

Item	FY 2009	FY 2010	FY 2011	Overview
Net income effects	2.2	8.3	9.7	Profit on sale of recycled waste, etc.
Expenditure reduction	85.9	10.0	10.3	Cost-saving effects, etc. by saving energy
Total	88.1	18.3	20.0	—

Implementing an e-learning program for environmental education

Starting in fiscal 2007, our Group launched an environmental education program (e-learning) that was recommended to all employees by using the Hitachi Group's intranet system. The program covers a wide range of subjects for learning, ranging from the general basics on environment to the Hitachi Group's own measures for environment. During fiscal 2011, a total of about 4,600 persons in our Group took the course.

We will continue promoting environmental education through e-learning toward the future.