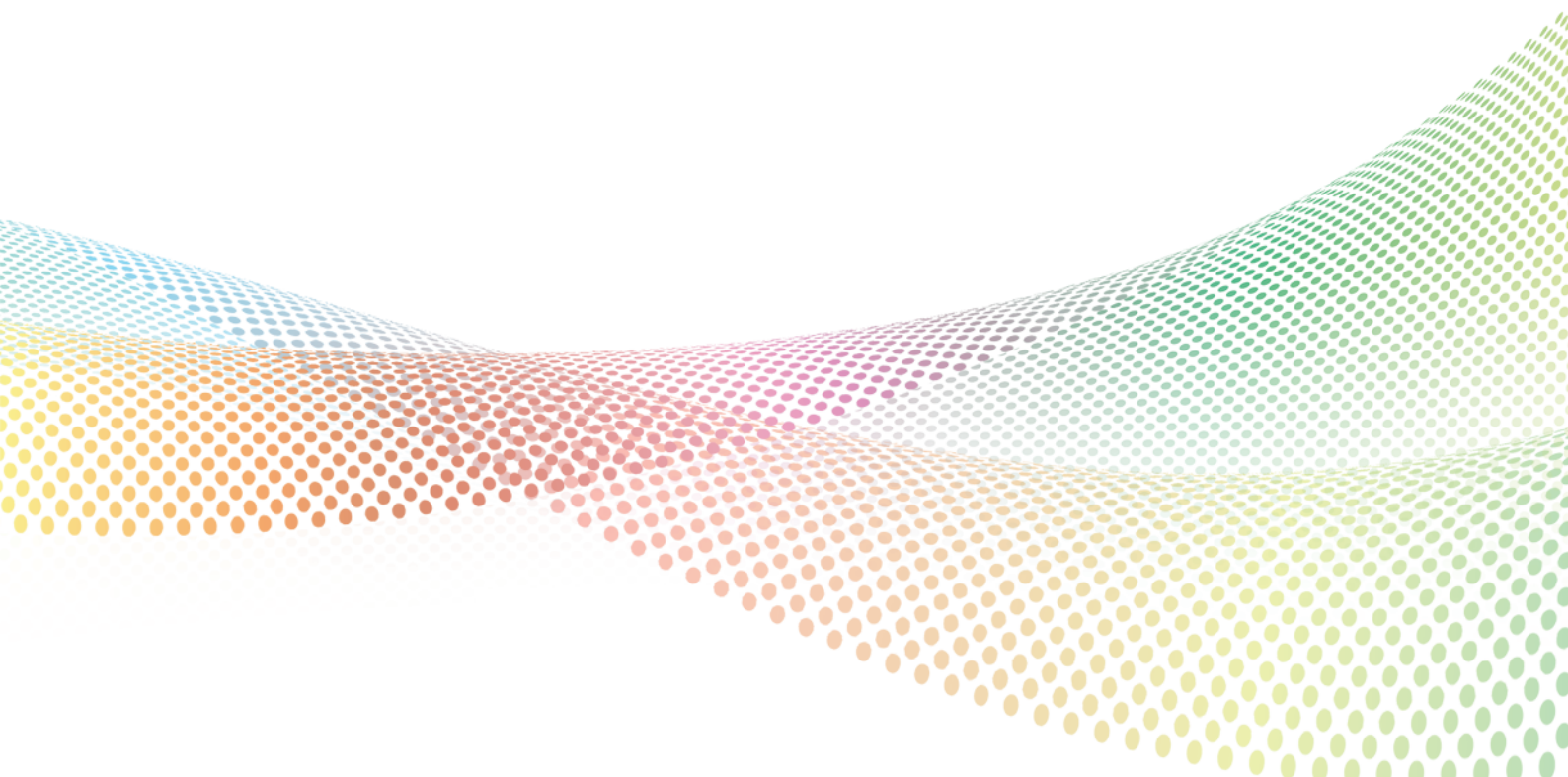


**Hitachi Kokusai Electric**

**HITACHI**  
Inspire the Next

**Hitachi Kokusai Electric Group  
CSR Report 2014**



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## Editorial Policy

### Basic Concept

This report is intended to declare that Hitachi Kokusai Electric Inc. (the "Company" herein) and its Group companies consider earning the confidence and meeting the expectations of society through all its business activities as its corporate social responsibility (CSR), and to describe and report how it works to fulfill that responsibility.

At the Group, we wish to make this report an opportunity to communicate, deepen mutual understanding, share our ideas and exchange information with our customers, business partners, colleagues, neighbors, stockholders and many other stakeholders. To that end, we narrow it down to the essential contents and items, thereby striving to make the report more readable and understandable.

### Referenced Guidelines

#### Global Reporting Initiative (GRI\*) "Sustainability Reporting Guidelines Version 3.1"

In 2013, the Company has produced a CSR report with reference to the GRI Guidelines, while considering the global trend of the standardization of CSR, including the issuance of ISO (International Organization for Standardization) 26000 in November 2010, the amendment to the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises in May 2011, and the revision to the IR Framework of IIRC (International Integrated Reporting Council) in December 2013.

Our self-assessment and comparison table as per the GRI Guidelines will be posted on our "CSR information" page on the Internet around the same time as the publication date of the English version of our CSR report.

\*GRI: A nonprofit organization (NPO) located in the Netherlands. Under a strategic partnership with the United Nations Environment Programme, GRI has been helping corporations and public organizations to prepare their environmental reports, and has been issuing its guidelines since 2000.

### Scope of this Report

Period : The main period covered is Fiscal 2013 (from April 1, 2013 to March 31, 2014).

Companies : The Company and its Group companies (the "Group" herein)

Note: Important organizational changes during the period covered are described as footnotes to "Group Network" on page 6.

Scope of Data: Indicated under each item.

Indication of enumeration data: Financial values are displayed as rounded down to the displayed unit as per the accepted practices of financial reporting. Environmental reports and other non-financial reporting portions are displayed as rounded to the nearest displayed unit as in conventional practice.

### Next Issue

The next report is planned to be issued in September 2015.

## CSR in the integration of business sites

### Integration into the "Tokyo Works"

In order to reform and strengthen business structures as part of the Medium-term Management Plan, we integrated the Hamura Works of the Company and Omiya Works of Hitachi Kokusai Yagi Solutions Inc. into the Koganei Works in October 2013, and started strengthening our solution business under the new name, "Tokyo Works."

The integration of business sites inevitably influences or changes the relations with relevant local environments and communities, the working environment of employees, etc. We consider that our corporate responsibility is to increase opportunities to have a conversation with stakeholders, minimize negative effects, maximize positive effects, and create more mutually beneficial relationships. Our entire Group will make efforts to do so, and report on our specific activities through this report and websites within an appropriate scope.

# Our business management and CSR

The CSR policy of the Group is to realize the basic principles described in the “Corporate Statement and Hitachi Kokusai Electric Way” through the continuing activities specified in the “Guidelines and Commitments” and “Hitachi Kokusai Electric Group Codes of Conduct.”

## ■ Corporate Statement, Hitachi Kokusai Electric Way, Guidelines and Commitments and CSR

Our Corporate Statement says, “Hitachi Kokusai Electric Group strives to realize a society of security, safety and happiness, create value by applying advanced technologies and push the boundaries of tomorrow.” With this statement, we declare that the objective of our businesses is to contribute to the sustainable growth of society. The Hitachi Kokusai Electric Way, which indicates the will and value in company operation, as well as the Guidelines and Commitments specify what is important in the relationships with stakeholders for creating values and conducting business activities. In addition, we disclose specific managerial visions and strategies, as shown in the Medium-term Management Plan, the Group Codes of Conduct as global standards of behavior, and the progress of the HiKQ innovation activities for the creation of vibrant corporate culture, to provide basis for broad promotion of dialogues.

We also develop and utilize a self-evaluation tool taking into account requirements globally discussed as CSR, and engage in evaluation and improvement.

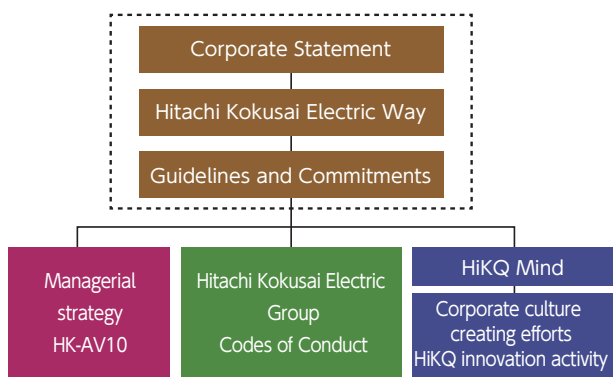
### Corporate Statement and Management Policy

Corporate Statement :

How our Group should function and significance of its existence  
Hitachi Kokusai Electric Way :

Basics of the corporate management, the will and value of the Group  
Guidelines and Commitments :

What is considered important in conducting business activities



Hitachi Kokusai Electric Group Codes of Conduct :

Specific standards of behavior that should be observed by officers and employees to realize the Corporate Statement

**Introductory website of Corporate Statement**  
**Home Page of Hitachi Kokusai Electric Inc.**  
<http://www.hitachi-kokusai.co.jp/global/corporate/standard.html>  
 OR

Note: The full text of “Corporate Statement, Hitachi Kokusai Electric Way, and Guidelines and Commitments” is introduced also in the lower tiers of the following two pages of this report.

**Introductory website of Group Codes of Conduct**  
**Home Page of Hitachi Kokusai Electric Inc.**  
<http://www.hitachi-kokusai.co.jp/global/corporate/action.html>  
 OR

# Information Disclosure of the Hitachi Kokusai Electric Group

On our internet website, information about our Group’s business activities is regularly disclosed either in the annual reports mainly focusing on financial information or CSR reports covering sociality, environmental preservation and other non-financial information. The same website also provides detailed information not covered in the reports mentioned above and the sort of information that we wish to provide on an ongoing basis.

## ■ Annual Report

As for the information on corporate finance and governance, we post the PDF version of “Annual Reports” to our global website, and disclose quarterly reports on the same site. Our Japanese website alternatively provides equivalent financial and other reports and interim reports in Japanese.



Annual Report 2014



Website

## ■ Briefing on financial results and other sessions

For the sake of institutional investors and security analysts, we organize quarterly briefings on financial results, meetings on individual matters, and other activities in an attempt to promote better understanding of our Group.



Briefing on the financial results for the term ended March 2014

## ■ Websites

In the Internet, our website offers financial and non-financial information, including the reports mentioned above in the section named “about Hitachi Kokusai Electric,” in addition to useful information for customers.

**To search the Company’s website:**  
 URL: <http://www.hitachi-kokusai.co.jp/global/>  
 OR



# Commitment of the President and Chief Executive Officer

## We will create value with the aim of creating an affluent and sustainable future.



I thank all of you for your continuous support given to the business of your Hitachi Kokusai Electric Group.

In fiscal 2013, the economies of developed countries showed upward trends following the alleviation of credit uncertainties in Europe and smoothing out of fiscal problems in the United States, whereas the economic growth of emerging countries was sluggish. On the other hand, the Japanese economy remained steady, as the demand in the public works sector grew due to the economic promotion measures by the government.

In this situation, your Group engaged in vigorous business activities by expanding and promoting new businesses and by means of its customer-oriented sales proposal efforts, based on the firm business structure, which had been realized through the measures of business structure reform including reorganization of Group companies in Japan, the integration of business sites, and so forth in the previous fiscal year. The Video and Wireless Network segment conducted vigorous sales activities with sales promotion projects in the fields of radio communication system for disaster preventive administration, etc., as public works investment was steady. The Eco- and Thin Film Processing segment actively promoted sales activities by proposing products and services to meet the needs of customers, while the capital investment of semiconductor makers was favorable as the semiconductor market recovered.

As for the future outlook, it is expected that the global economy will gradually recover thanks to the robust economies of developed countries, although there are geopolitical risks, and the Japanese economy will keep recovering as the government's economic promotion

## Corporate Statement

Hitachi Kokusai Electric Group strives to realize a society of security, safety and happiness, creates value by applying advanced technologies and pushes the boundaries of tomorrow.

## Hitachi Kokusai Electric Way

1. Customers First :  
By pursuing *Monozukuri*, Hitachi Kokusai Electric Group provides true value to the customers and society.
2. Global Leader :  
It develops advanced technologies as a world pioneer with the aim of creating an affluent and sustainable future.
3. Human Assets :  
It respects the diversity of its human resources and provides them with the opportunity and environment to enhance and perform their abilities.
4. Basics and Ethics :  
It respects human rights, observes laws and ethics and establishes a clean corporate culture that is admired by society.
5. Harmony, Sincerity and Pioneering Spirit :  
It esteems harmony, acts with sincerity and promotes business with a pioneering spirit.

Note: *Monozukuri* is defined as all creative activities carried out by the Hitachi Kokusai Electric Group, including the development and provision of products and services, among others.

measures continue. However, markets are rapidly changing around the world, and competitions are getting fierce.

In this business environment, the Group will implement the following measures while participating in the "Hitachi Smart Transformation Project," which is promoted across the entire Hitachi Group, and promoting the reform of the cost structure, toward achieving the targets of the Medium-term Management Plan "HK-AV10," the final year of which will be fiscal 2015.

The Video and Wireless Network segment aims to expand local production for local consumption with regard to its broadcasting systems products while strengthening Brazil's position as its production base in global business, and expanding its sales channels by collaborating with local partners across the world's regions and M&A. As for its wireless and surveillance system products, the segment will expand its business by reinforcing the cooperation with the Hitachi Group, which aims to grow its social innovation business. In conjunction with these, the segment will also actively cultivate new businesses with differentiating technologies, such as advanced video surveillance systems. As for disaster preventive and land mobile radio system products, the segment will work to maintain and broaden its share of the market through sales proposal activities based on market-in approach. In conjunction with these activities, in the field of solutions services, it will strategically promote the provision of community-based solution services that fulfill customer needs and will ultimately reorganize its entire business portfolio.

In addition, from medium and long-term viewpoints, the segment will proactively promote the launch of a solution business for the next generation by collaborating with the Hitachi Group, while anticipating a growing need for further advanced solution services, including those with big data or cloud computing.

The Eco- and Thin Film Processing segment will promote the development of strategic products with high-quality and high productivity ---- compatible with

the next generation and the generation after next ---- by enhancing its joint development with customers, in order to win continuously in a market that is constantly undergoing rapid change, such as in device miniaturization and new types of film. This segment will expand its transnational services by the offering of locally oriented services, including the strengthening of local research, development, production, and support near to the customers, strengthen its product life cycle business by formulating service strategies from the stage of product development, and work to upgrade its service business. It will establish a production system capable of flexibly responding to the drastic changes in the cyclical demand in the semiconductor market and work to strengthen its earning structure by enhancing collaboration with local partners and sharing risks with suppliers.

From a broad outlook on the global society, there is a growing worldwide awareness of respect for human rights, as necessitated by issues of economic inequality in regions, environmental effects such as climate change and biodiversity degradation which lead to disasters and food crises, and humanitarian problems caused by regional conflicts.

The Group aims to contribute to society by creating values, with the Corporate Statement that it "strives to realize a society of security, safety and happiness, creates value by applying advanced technologies and pushes the boundaries of tomorrow." We will promote reform and business operation for a sustainable future, by reducing environmental burdens generated by production activities, respecting human rights, employing and training diverse personnel, observing law, fostering a clean corporate culture, making close conversations with stakeholders in each region, and thereby diligently dealing with problems.

We thus request your continued guidance and support.

June 23, 2014



Manabu Shinomoto  
President and Chief Executive Officer

## Guidelines and Commitments

For the purpose of implementing the Corporate Statement, in accordance with the Hitachi Kokusai Electric Way, Hitachi Kokusai Electric Group pledges to the dissemination of the following Guidelines and Commitments and to the maintenance of its internal systems.

1. Obtain the trust and confidence of customers and society by developing and providing products and services in which the emphasis is on safety, quality and environmental soundness.
2. Engage in fair and transparent competition and business activities that are based on a commitment to high ethical standards; observe the spirit as well as the letter of international norms of behavior, national laws and regulations; and implement appropriate internal controls that reflect these considerations.
3. Respect the diversity, character and individuality of all employees; provide a mentally and physically rewarding, safe and healthy work environment as well as opportunities for further training and growth.
4. Provide all the stakeholders including customers, employees, business partners, communities and shareholders with full and fair disclosure of corporate information.
5. Endeavor to protect the global environment, local living environments and biodiversity with a view toward realizing a sustainable society.
6. As a good corporate citizen, engage proactively in philanthropic activities and other activities that benefit society.
7. In global business activities, respect local laws, cultures, practices and customs and always strive to contribute to local progress and development.
8. Respect the value of other companies' business and technology information as well as our own, and implement proper controls regarding such confidential information, including individual and customer information.
9. Comply with trade-related laws and regulations in order to contribute to the maintenance of international peace and security.
10. Should a situation arise that runs counter to these Guidelines and Commitments, managers shall endeavor to resolve the matter, establish the cause and take steps to prevent a reoccurrence. They shall also endeavor to provide a prompt and accurate disclosure and explanation of the facts of the matter, clarify where the responsibility lies and deal strictly with those concerned, including with respect to their own activities.

## Company Outline (as of March 31, 2014)



Head Office (Akihabara UDX Building, 11th floor)

### Name

Hitachi Kokusai Electric Inc.

### Address of Head office

4-14-1, Soto-kanda, Chiyoda-ku,  
Tokyo 101-8980, Japan

### Established

November 17, 1949

### Paid-in Capital

¥10,058 million

### Net Sales

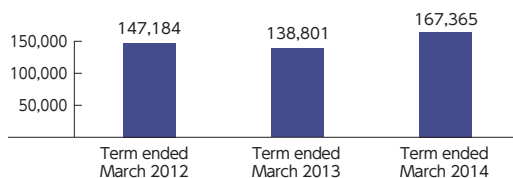
¥167,365 million  
(consolidated)

### Employees

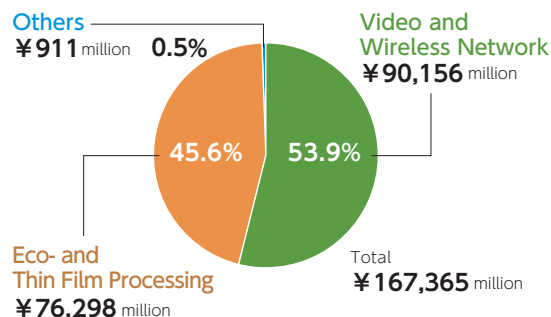
4,976  
(consolidated)

## Consolidated Sales

(Millions of yen)



## Consolidated Sales by Segment



## Main Products

### Video and Wireless Network

Wireless Communication Systems, Information Solutions, Broadcasting Systems, Surveillance Cameras and Video Processing Systems



Wireless Packet Communication Unit for Cellular System



Land Mobile Radio Communication Product



Broadcasting HD Video Camera



High-speed Wireless Repeater



Radio Communication System for Disaster Preventive Administration



Tapeless Servers System (Server system for broadcasting station operation)



Broadcast Transmitter produced by Hitachi Kokusai Linear Equipamentos Eletrônicos S/A



Industrial Video Camera



Broadcasting Video Transmitter (Microwave Link)



HD-SDI-type Monitor Camera



Network-type Monitor Camera



Integrated Pan-tilt Camera for Outdoor Use

### Eco- and Thin Film Processing

Semiconductor Manufacturing Equipment



Batch SiGe/Si Epitaxial Growth Equipment



Single Wafer Plasma Nitridation/Oxidation Equipment



Batch Thermal Process Equipment



Single Wafer Ashing Equipment



## Main Centers for Development, Design and Production

### Toyama Works

#### Main products:

#### Semiconductor manufacturing equipment

Located in Yatsuo-machi, Toyama, viewing Tatayama mountain range, this factory has a special-purpose clean room where semiconductor manufacturing equipment for the next-generation processes is developed, designed, and produced to meet the demanding needs of major users worldwide.



### Tokyo Works\*1

#### Main products:

#### Video and Wireless Network Systems

Located in Kodaira, Tokyo, retaining the old image of Musashino, this factory is a core site for developing and designing wireless communication and information systems, and broadcasting and video systems. It provides solutions for developing a secure, safe, comfortable society through the technologies for the video and wireless network.



### Headquarters facility of Hitachi Kokusai Linear Equipamentos Eletrônicos S/A

#### Main products:

#### Broadcasting transmitters

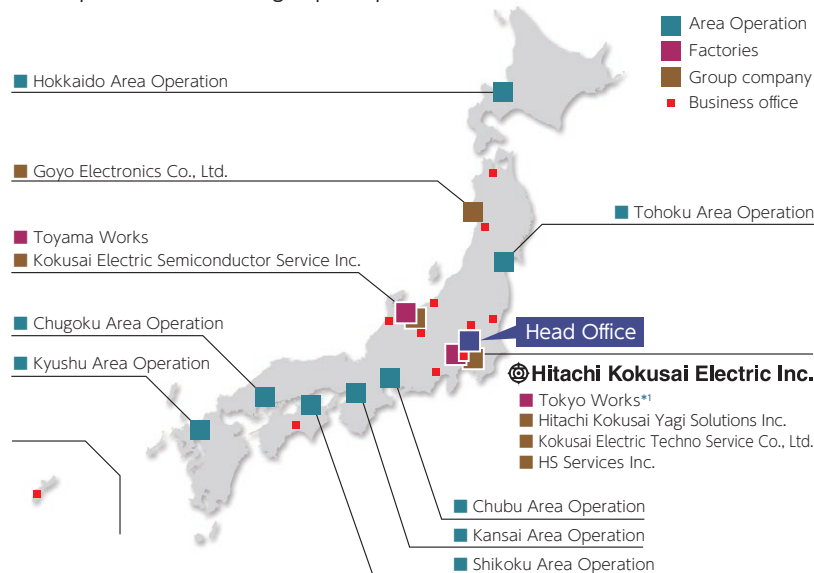
The nature-rich city of Santa Rita do Sapucaí in the State of Minas Gerais is located in the middle of Brazil's two largest cities, São Paulo and Rio de Janeiro. The factory there develops, designs, and produces transmitters for terrestrial digital broadcasting, and provides solutions to South America, North America, Africa, and other parts of the world.



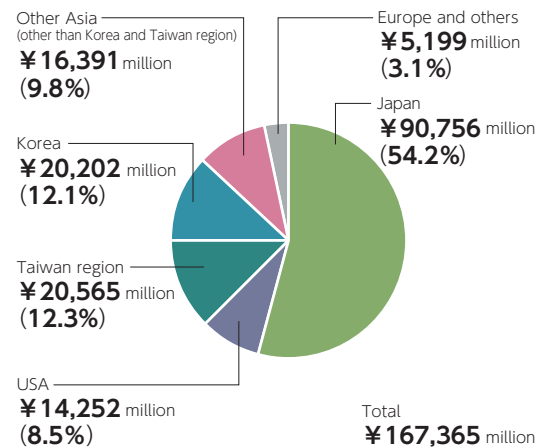
## Group Network (as of April 1, 2014)

### Domestic Network

(Area operations, factories, group companies, etc.)



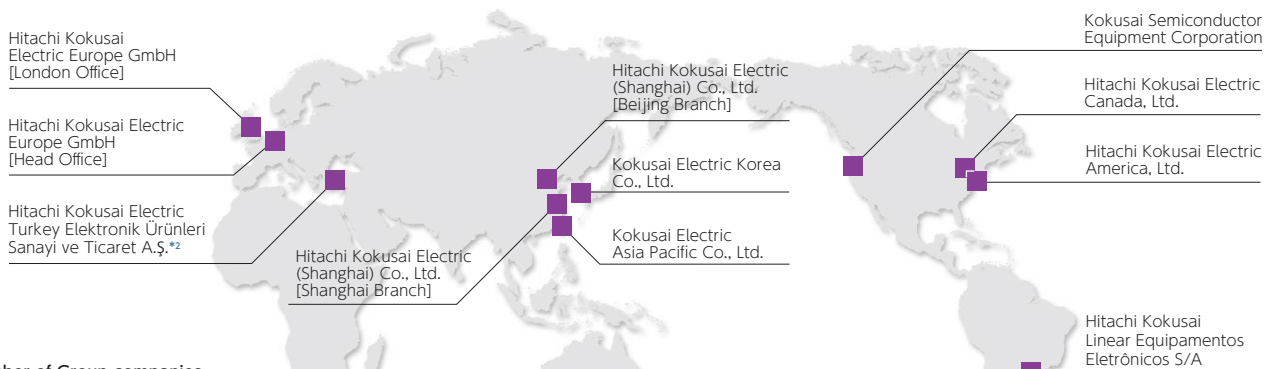
## Sales by Area (term ended March 2014)



Note: The sales are calculated based on the customers' locations.

### Overseas Network

(Major business centers of Group companies)



#### Number of Group companies

Five domestic and nine overseas companies

#### Number of operations

30 domestic and 22 overseas business operations

\*1 On October 1, 2013, the Koganei Works was renamed Tokyo Works which integrated the Company's Hamura Works and the function of Omiya Works of Hitachi Kokusai Yagi Solutions Inc. into itself.

\*2 On June 10, 2013, Hitachi Kokusai Electric Turkey Elektronik Ürünleri Sanayi ve Ticaret A.Ş. was established as a consolidated subsidiary.

## 1 Senior government officials of the Republic of Botswana visited the Tokyo Works.

In July and November 2013, senior government officials of the Republic of Botswana ("Botswana" herein) visited the Tokyo Works of the Company, with the purpose of researching the Japanese system of terrestrial digital television broadcasting.

Botswana is the first country that decided to adopt ISDB-T\*<sup>1</sup> terrestrial digital broadcasting in Africa. In this country, analog broadcasting is now used, and terrestrial digital broadcasting is to be diffused. The senior officials of Botswana visited Japan to study the preceding case, in response to the invitation of Japanese government.

During the tour of the factory, they confirmed the maintenance, services and trainings necessary for the equipment of terrestrial digital broadcasting, and exchanged information and opinions about the specific points considering the actual installation of equipment.

In Japan, people can watch television on a daily basis, but in the world, there are still some regions where terrestrial digital broadcasting has not been introduced or those where it is difficult to watch TV because electricity infrastructure has not been arrived. The Company will contribute to the popularization of terrestrial digital broadcasting

equipment, so that people all over the world will be able to glean necessary information through TV broadcasting.



Presentation by the Company

\*1 ISDB-T: Integrated Services Digital Broadcasting - Terrestrial; an international standard on Digital Terrestrial Broadcasting originally developed in Japan.

### VOICE

Through the tour in the Tokyo Works, we were able to deepen our understanding of what kinds of facilities are necessary and what kinds of specifications are furnished with them, as we plan to adopt the Japanese system of terrestrial digital broadcasting. We would like to expect your continued support and cooperation for the sake of ongoing growth of Botswana.

**H.E.Mr. Nonofu Molefhi**  
Minister of Transport and Communications  
The Republic of Botswana

## 2 Letter of thanks for the installation of monitor cameras in the Hanshin Expressway

The Company provided cameras for monitoring the road situation of Yodogawa-Sagan Line of the Hanshin Expressway. The contract span is 4.3 km between Shimaya Exit and Ebie Junction, of which 3.6 km consists of a tunnel named Shorenjigawa Tunnel.

The cameras set in this tunnel are equipped with the function to dispel a haze, and can take moving pictures with less effects of mist or smoke, even when the tunnel fires and sprinklers work. Accordingly, the customers, who are responsible on safety, place expectations on this camera as a highly reliable monitoring device in case of disasters.

For the installation of this camera, we received a letter of thanks from Hanshin Expressway Co., Ltd.

### VOICE

We kept designing meticulous schedules considering the entire tunnel construction progress, which constantly changed as the plan went on, confirming and adjusting the interface with the cooperative system with other facilities. By completing all these complex tasks, we satisfied construction conditions and finished the installation of cameras.

**Koichi Nishimura**  
Kansai Area Operation



Fixated camera for preventing disaster in the tunnel



Pan-tilt camera for monitoring the tunnel entrance/exit (in the circle)



### 3 Received Supplier appreciation award from the 3rd Depot of Japan Air Self-Defense Force (JASDF)

At "The 3rd Air Depot\*1 JASDF Supplier appreciation ceremony" held on November 29, 2013, our Company received Supplier appreciation award.

This award is given to a Company that has supported and contributed to their mission for many years.

Our Company was highly evaluated by the abundant experience and high technology for supporting the operation of the forces, by swiftly and appropriately maintaining the various ground radio communication equipment, shortwave radio of aircrafts, and the components of the flight simulator for C-1\*2, etc. and subsequently securing the high operation rate of each device.

\*1 The 3rd Air Depot: It belongs to Air Material Command Headquarters, and is mainly in charge of the procurement, storage, replenishment, and development of communication and electronic devices and components.

\*2 C-1: The medium-ranged carrier jet produced in Japan. Since it performed its first flight in 1970, the same model has been used for over 40 years.



The letter of appreciation



C-1 (Medium-range carrier)  
Illustration provided by Kokusai Electric Techno Service Co., Ltd.

#### VOICE

Encouraged by this award, our Company has resolved to keep contributing to the operation of JASDF with advanced technologies and the morale of our relevant sections has been boosted.



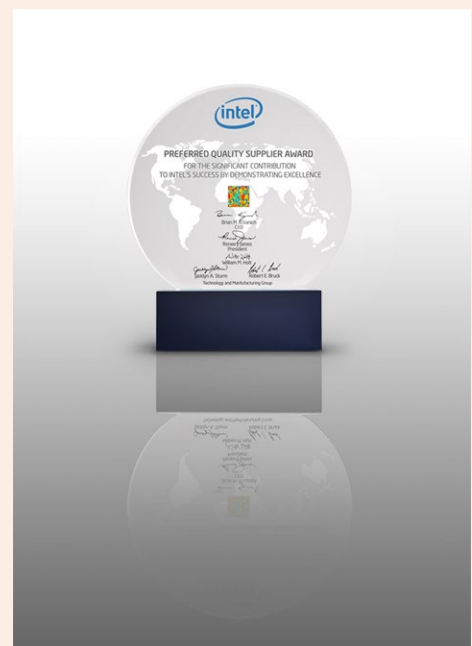
**Akiyoshi Arai**  
Sales Department  
Defense Electronics Division

### 4 Received the PQS award from Intel Corporation

At the "Intel Supplier Recognition Event 2014" held in Santa Clara, California, the U.S. on April 10, 2014, the Company received the Preferred Quality Supplier (PQS) award from Intel Corporation. The PQS award is part of Intel's Supplier Continuous Quality Improvement (SCQI) program that encourages suppliers to strive for excellence and continuous improvement. To qualify for PQS status, suppliers must score 80 percent on a report card that assesses performance and ability to meet cost, quality, availability, technology, environmental, social and governance goals. Suppliers must also achieve 80 percent or greater on a challenging improvement plan and demonstrate solid quality and business systems.

The General Manager of the Semiconductor Equipment Division expressed his delight in receiving the award, and mentioned emphatically, "Hitachi Kokusai is thrilled to receive Intel's PQS award for 2013. It demonstrates the strong commitment we have to our partnership with Intel and to continuously improving quality in a fast changing marketplace for semiconductor manufacturing."

Our staff made up our mind to continue improvement efforts further in this year on.



"PQS award" trophy

## Value Created through Dialogue with Customers

We develop advanced technologies as a world pioneer with the aim of creating an affluent and sustainable future.

### 5 Development of batch thermal process system for 450mm wafers— Enlargement of wafer diameters to reduce production cost

The demand for semiconductor devices is expected to further grow mainly in the market of mobile terminals such as smartphones. Our customers have promoted device miniaturization in order to add technical advantages to semiconductor devices as well as to reduce production cost per chip. But in recent years, they are planning to enlarge wafer diameter as another way of reducing production cost per chip.

In 2011, five leading device manufacturers established Global 450 Consortium (G450C), accelerating the development of process for 450mm wafers.

The Company has developed the batch thermal process system for 450mm wafers "ADVANCEDACE<sup>®</sup>," actualizing high-speed wafer transfer automation, high-performance wafer processing, ultra-clean environment, etc.

The batch thermal process system for 450mm wafers is one of the advanced development for semiconductors. One of the leading designers of this system is an engineer, and deeply cherishes "Etchu

Note: ADVANCEDACE<sup>®</sup> is a registered trademark of the Company.

Owara Kaze-no-Bon," a traditional festival in Yatsuo, Toyama City, where the Toyama Works is located.

The Company will keep contributing to the evolution of the world by developing semiconductor manufacturing equipment with full use of a variety of human assets, and to the development of traditional cultures and local communities.



Vertical equipment for 450-mm wafers



An engineer of the Company singing at "Etchu Owara Kaze-no-Bon"

#### VOICE

I think that those who spearhead technological innovation can directly communicate with customers to grasp their requirements and what to do for satisfying the requirements, and consider things from the viewpoint of customers. Thanks to the support by the residents of Yatsuo, Toyama City, the Toyama Works commemorated the 25th anniversary of the operation this year. We will continue efforts for contributing to local communities by inheriting traditional cultures, and developing products

that can satisfy customers.



Tomoshi Taniyama  
Component Technology Development Department  
Toyama Works

### 6 Donation of a camera to Jodo-Daira Astronomical Observatory in Fukushima City, hoping for the recovery from the earthquake disaster

We donated a high-sensitivity camera system for astronomical observation to the Jodo-Daira Astronomical Observatory in Fukushima City.

The Jodo-Daira Astronomical Observatory is located at an altitude of 1,600 m inside Bandai-Asahi National Park, which is the highest among publicly accessible observatories in Japan. It is one of the few Japanese sites for astronomical observation where we can see the numerous stars spread in the heavens by eyes even without binoculars.

In recent years, space-related animations and movies have become popular, and astronomical observation is attracting attention especially from children, who will lead the coming age.

One of the attractive sightseeing spots in Fukushima City is the Jodo-Daira Astronomical Observatory, and the use of a high-sensitivity camera technology for astronomical observation would lead to the invigoration of the local community and the recovery from the earthquake disaster. With this thought, we decided to donate the camera.

When you visit Fukushima or nearby places, please drop by the Jodo-Daira Astronomical Observatory.



Photo commemorating the letter of thanks (From left) Mr. Kaoru Kobayashi, the mayor of Fukushima City, and our President



High-sensitivity camera system donated to the Jodo-Daira Astronomical Observatory



Scene of the ceremony (From left) Mr. Satoshi Kuriyama, the vice chief of the Department of Commerce, Industry and Tourism, Fukushima City; Mr. Yoshio Yamauchi, the chief of the Department of Commerce, Industry and Tourism, Fukushima City; Mr. Kaoru Kobayashi, the mayor of Fukushima City; President of the Company; Taichi Osumi, General Manager - Tohoku Area Operation; Kazuhiro Yamashita, Tohoku Area Operation

#### VOICE

The starry sky seen in Tokyo is totally different from that visible in Fukushima.

I hope that the donated camera will attract the citizens of Fukushima City and all other regions and they will visit the Jodo-Daira Astronomical Observatory to enjoy the starlit sky.

I expect that visitors will deepen their understanding of Fukushima City and children will have hope and dream for the future.

Next year in Fukushima City, the Ministry of the Environment will hold "National conference on cities with the starry and azure skies," to discuss regional development taking advantage of the beautiful stars. In such events, we will make an effective use of the donated high-sensitivity camera.



Mr. Kaoru Kobayashi  
Mayor of Fukushima City, Fukushima Prefecture

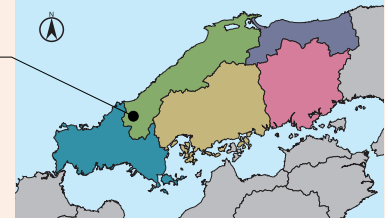
## 7 FM equipment for emergency disaster broadcasting stations responded to torrential rain

Nowadays, various information transmission systems are attracting attention, because of the necessity to secure information transmission routes at the time of serious disaster, such as a large earthquake, abrupt heavy rain, and a tornado. One of them is an emergency FM station for transmitting the disaster and living information by FM radio when a disaster occurs. The Group developed and released the "FM equipment for emergency disaster broadcasting stations," which is a package of necessary devices for establishing an emergency FM station, and municipalities around Japan adopted it.

In February 2013, this equipment was installed in Tsuwano Town, Shimane Prefecture. When torrential rain caused a landslide, isolating the town in July 2013, the equipment was effectively used for transmitting the information on (1) road restoration, (2) weather forecast, and (3) messages from the town office.

Since radio can be powered by dry cell batteries during outage and citizens of any generation can handle it easily, we think that this transmission method is useful for residents to feel secure.

Tsuwano Town, Shimane Prefecture



Portable transmitter



Portable transmission antenna

### VOICE

By preparing broadcasting devices in advance, it becomes easier to receive permission for opening a radio station smoothly in case of disaster, and therefore we hope to deliver this equipment to the municipalities nationwide as soon as possible.

Tsuwano Town was commended by the Ministry of Internal Affairs and Communications for "procuring broadcasting equipment in advance and opening a radio station swiftly." Our equipment helped citizens feel

proud of their town and energized the local community.



**Yasuhiko Ito**  
Communication and Broadcasting Sales Section  
Hitachi Kokusai Yagi Solutions Inc.

## 8 Improvement in efficiency of a dual-mode radio device for fire-fighting and rescue communication with the world's first\*1 ET technology

As fire-fighting and rescue wireless systems are being digitalized, the function to switch systems readily in the existing space is important to customers, who use several wireless systems, including nationwide radio systems and existing systems for large-scale disaster. It is necessary to improve the efficiency and miniaturize the size of digital radio devices to be replaced or added.

In this circumstance, we developed a dual-mode\*2 radio device by utilizing the high-profile ET technology\*3. Its size and power consumption are 1/2 of those of our conventional products\*4, and it has been launched in fiscal 2013 and on.

The fire-fighting and rescue wireless systems are part of important infrastructure for living. We hope to contribute to the realization of a secure and safe society by shortening the system transition period of each customer and by implementing the dual channel communication applicable against a large disaster as soon as possible.

\*1 The world's first : According to our survey in September 2013

\*2 Dual mode : To have both the functions of the wireless system for usual operation and the nationwide emergency wireless system to



Developed radio device with a removable controller

be used in cooperation with other fire headquarters

\*3 ET technology (method): The method of amplification by tracking the envelope for digital radio with the power-supply voltage for the amplification and eliminating excessive power supply in comparison to the constant voltage operation of conventional technology. It can realize highly efficient amplification, by supplying power with minimized waste.

\*4 Comparison with our conventional products: Comparison with those if both of the digital wireless device for fire-fighting and rescue communication released in 2005 and the in-vehicle device for fire-fighting and nationwide emergency wireless system released in 2011 are installed

### VOICE

We completed the challenging technological missions of substantial miniaturization and power efficiency for the in-vehicle radio device using two digital wireless systems with the limited installation space as before, by adopting the ET technology in an industrial radio for the first time in the world.

We will keep applying such technologies as these horizontally, aiming to realize a secure and safe society and offering the merits of advanced

environment-conscious design, thus contributing to society.



**Shinichi Kato**  
Wireless Engineering Department  
Video & Communication Systems Division





## Pursuing the Quality

In accordance with Basics and Ethics, we think and act on our own mind from a customer's point of view, and work hard to improve continuously for each business process.

### Customer First

We will devote ourselves to *Monozukuri* on a customer-first principle, and develop and provide products and services in which emphasis is placed on safety, quality, and environmental soundness, in order to earn the trust and confidence of our customers and society.

### Providing Safe Products and Services

We comply not only with the Product Liability (PL) Law, domestic and international laws, and safety standards, but observe also internal standards for further safety in an attempt to improve the level of quality, thereby providing our customers with safe and high-quality products and services. Moreover, in the companywide quality assurance meeting, we share information and consider ways of preventing nonconformities based on case studies of failure occurring both internally and externally.

### Policy to Improve Quality

We have certification of ISO 9001 (quality management systems) at all our Works and are continuously improving our quality management system by using the PDCA cycle in the process approach. In order to further satisfy various requirements of customers on products and services, we get certification of JIS Q9100 as applicable to certain product categories, and have our sales departments incorporated into the quality management system.

### Policy to Address Quality Problems

A series of review and recurrence prevention activities based on thinking and acting from the customer's point of view is called *Ochibo Hiroi* (i.e. "gleaning"), which identifies the direct technical causes of problems and the motivational problems that led to those causes, and involves working to prevent recurrence and verifying similar products in an attempt to prevent similar problems.

### Globalization Efforts

We work to exchange human assets in charge of quality assurance, and further improve quality and service in accordance with our promotion of local production for local consumption in the global market.

### HiKQ Innovation Activities

It has been 4 and a half years in this spring since we started the "HiKQ innovation activities" for reforming our corporate culture in August 2009, where we reform all business operations from the viewpoint of customers. Through various activities, results have been seen in our business operations and awareness. In fiscal 2013, we conducted the activities with some new themes for dealing with managerial issues, in addition to the continued themes from the previous fiscal year, including the improvement of business quality and innovation of business processes.

#### ■ Synergy through the integration into the Tokyo Works

As Hamura Works and the Omiya Works of our Group were integrated into Tokyo Works in October 2013, each of the Design, Manufacturing, and Quality Assurance Departments made discussions and debates about how to exert the synergetic effects of the business integration for several months. Partly due to these efforts, the positive effects of the integration started to be observed.

#### ■ Globalization

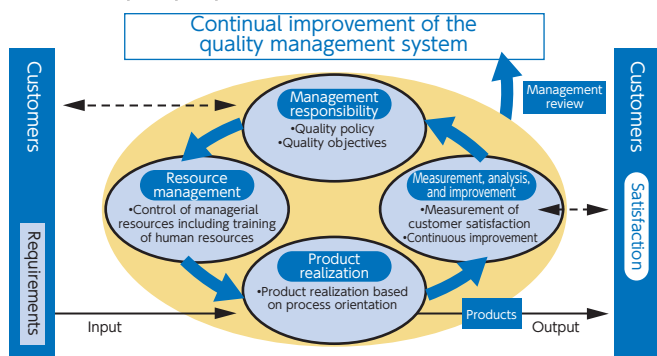
As for globalization, bottom-up activities have been conducted mainly by young employees since the commencement of the HiKQ activities, including the case studies towards the fostering of a global mindset and global businesses. The number of participants in these activities is increasing, and the base of the activities is broadening. Last year, we made discussions including an overseas Group company. We held a video conference with the Group company in Brazil, with the President of the Company also participating, and discussed business management. Although it was still clumsy compared with those held in Japan, we would continue accumulating experience little by little.

#### ■ Coaching

We promote the coaching by manager level staff, with the aim of improving the openness of corporate culture and invigorating workplaces and business operations. The smooth communication between superiors and subordinates is required for solving the business-related problems nagging employees. We promote training the skill of coaching subordinates by giving questions to them so that they will find solutions by themselves. The staff who have acquired the coaching skill are increasing through the activities thus far and will contribute to the further invigoration of the Company.

In the year 2014, we continue the efforts in 2013 to have the HiKQ Innovation Promotion Division take the leadership in working to revitalize both our internal and external communication in order to nurture a corporate culture for conducting business with customer satisfaction being given top priority.

■ Flows of quality improvements → Value-adding activities → Information flow



**To inquire about our products and services:**  
**Home Page of Hitachi Kokusai Electric Inc.**  
<http://www.hitachi-kokusai.co.jp/global/contact/>  
 OR **Hitachi Kokusai Electric Inc. Contact** **Search**  
 Note: Usual inquiries concerning quality problems and repairs are supported by the relevant sales and service staff.



Poster for fiscal 2013

For the purpose of raising employee awareness, a poster featuring younger employees has been printed and distributed for display at all works and offices.

Following last year, the poster for fiscal 2014 keeps including the employees of overseas Group companies, and is intended for promoting the activities.



## Promoting CSR Activities in Our Supply Chain

We will extend our supply chain from a global perspective and strengthen partnerships with our business partners.

### Basic Policy for Material Procurement

The Hitachi Hokusai Electric Group procures materials, services, and other commodities necessary for production and supply from global markets with appropriate prices, delivery dates, and qualities in order to provide products that are valuable and satisfactory to its customers.

The group also emphasizes strict compliance with laws and environmental considerations, engages in fair and open transactions, and promotes the buildup of partnerships with its suppliers.

#### ■ Partnership

We will build even better partnerships with all our suppliers, thereby deepening mutual understanding and fully utilizing relationships based on trust.

#### ■ Open Door

We will base ourselves on the principles of free competition and engage in fair and just transactions with suppliers both inside and outside the country.

#### ■ Selection of Suppliers

Suppliers will be selected based on a sufficient evaluation and appropriate procedures regarding material quality, prices, delivery dates, material reliability, environmental considerations, and technical development ability.

#### ■ Supply of Information

We respond in good faith to supplier requests and notify our suppliers of any information required in transactions. At the same time, we seek useful information from our suppliers as well.

#### ■ Observation of Trade Secrets

All trade secrets provided by any supplier will be strictly controlled in an attempt to ensure confidentiality.

### Promotion of Globalization

For globalization, the Group expanded its operation to Brazil in 2011 and to Turkey in 2013. With cooperative efforts of the procurement sites, including those in the U.S. and Korea, we engage in activities for improving global competitiveness.

As global procurement measures, we share global procurement strategies, fortify the collaboration with overseas procurement sites, assist them in procurement, glean and share the information on global suppliers, establish and strengthen the global partnership for procurement. In order to realize global procurement for local production for local consumption in places more closely accessible to customers, we will develop an optimal global procurement system satisfying customers with respect to prices, quality, turnaround times, CSR, etc.

### Addressing the CSR Activity

We cooperate with Hitachi, Ltd. to promote CSR reinforcement activities in our supply chain. We disseminate our "Hitachi Group Supply-Chain CSR Deployment Guidebook" compliant with the guidelines of the Japan Electronics and Information Technology Industries Association (JEITA) to our business partners in order to share our CSR awareness with the whole supply chain.

In 2012, we initiated a document survey of our main business partners in China and Asia with regard to CSR. This allowed us to evaluate the environment, safety and health, human rights and labor, conflict mineral problems, fair trade and ethics, quality and safety, information security, contribution to society, and the status of other CSR risks.

In 2013, we started surveying major business partners in Japan, to further clarify the identification of CSR issues with supply chains and share the awareness.

From then on, we continue the survey once a year in principle and will keep regularly upgrading our CSR efforts throughout supply chains.

### Measures against the problem of conflict minerals

Some of minerals mined in the Democratic Republic of the Congo and neighboring 9 countries (DRC countries) are considered to be the source of funding armed groups, which are gravely abusing human rights through atrocities, etc. This is now a global issue regarding human rights.

The U.S. Dodd-Frank Act defines gold, tantalum, tin, and tungsten as "conflict minerals."

Although our Company is not accountable in accordance with the Dodd-Frank Act, we have no intention to countenance the violation of human rights in DRC countries. To persist with responsible procurement, going forward, we strive to enhance the transparency of supply chains and procure minerals that do not benefit armed groups encroaching on human rights, in cooperation with Group companies, our suppliers, and Hitachi, Ltd.

### Collaboration with Our Business Partners

The Company promotes the development of the reciprocal relationship with business partners.

Through our business partner meetings (BPMs), we work to maintain fair trade relations and cultivate even better partnerships.

We will strengthen the mutually beneficial, "win-win" relations with business partners, through proactive communication efforts with regard to our business policy, CSR activities, etc.

#### VOICE

Business partners who received the Fiscal 2013 Excellent Performance Award

##### Ogata Kogyo Co., Ltd.

Thank you for your commendation this time.

As a plastic molding and processing maker, our company has made efforts to improve product quality under your instruction. In fiscal 2013, the quality improvement efforts bore fruit, and we received a commendation.



Commendation by the Video & Communication Systems Division

In fiscal 2014, we will continue the quality improvement efforts, to achieve "zero defects." We will keep efforts to improve QCD (quality, cost, and delivery) and E (environment), to contribute to the growth of your company. We would appreciate your advice and guidance.

##### Kitamura Kiki Seisakusho Co., Ltd.

We are honored to receive a commendation as the most excellent business partner in 2013. We would like to express thanks to you for instructing us on a daily basis and enabling us to conduct our business with a passion for success.

Our company will respond to the changes of the times swiftly, think and act positively to meet the requirements of "delivery," "quality,"



Commendation by the Semiconductor Equipment Division

"cost," and "environment." We will forge a closer relation with your company, and make efforts to contribute to the growth of your company.

We would appreciate your continued advice and guidance.



Website for our business partners:

Home Page of Hitachi Kokusai Electric Inc.

<http://www.hitachi-kokusai.co.jp/global/csr/procurement/index.html>

OR

Hitachi Kokusai Electric Inc. CSR information

Search



## Respecting and Enhancing Human Assets

We respect the diversity of human resources, and provide them with the opportunity and environment to enhance and perform their abilities.

### We take measures to develop human resources who can realize "HiKQ innovation."

#### Our basic philosophy on developing human resources and basic principle for the present fiscal year

Our basic philosophy is to train human resources who "learn on their own, think on their own, and act on their own." The basic principle for the present fiscal year presents the following four points in an attempt to realize HiKQ innovation:

- I. Training human resources able to create new business
- II. Training human resources with the ability of performance
- III. Training human resources able to activate the organization
- IV. Training human resources able to conduct their basic tasks securely

#### Training of global human resources

We are implementing the full-scale training of human resources as geared toward expanding global business. We have set up the following measures:

##### 1. Development of global leaders

We dispatched employees to the "Global Advanced Program for Leadership Development (GAP-L)" organized by the Hitachi Institute of Management Development in Singapore. This is the training for managers around the world to acquire leadership. A participant commented, "The training itself was a global environment epitomizing the world. This will be very useful for my future business (successful experience)." We will assist managers in and out of Japan in becoming active global leaders.

##### 2. Overseas training for young people

We are developing global personnel, by utilizing the overseas dispatch program of Hitachi, Ltd., especially for young employees. This program includes the study in overseas language schools, the visit to and survey of local firms, and the voluntary dispatch to educational facilities overseas. In 3 years from 2011, the Group dispatched 41 employees. We will infuse a global mindset into employees via dispatched ones, and invigorate our organization.



On the way to visit a shipbuilding company in San Diego in the west coast of the U.S.

##### 3. Training of new employees to nurture a global mindset

In order to foster a global mindset in new employees, we carry out various trainings, including English speech contests, sessions for learning different cultures, TOEIC® tests (4 times a year), and assistance in personal development. We also make efforts to improve the English proficiency of employees, with the goal of "exceeding a TOEIC® score of 500 in 5 years after the start of employment."

Note: TOEIC® is a registered trademark of Educational Testing Service.

## VOICE

I participated in the 4-week program titled "Visit to local firms and English communication" in San Diego, the U.S. I worked on this training with the purposes of honing my English skills for communicating with overseas customers smoothly and my ability to adjust to unfamiliar environments outside Japan.

During the training, I felt frustrated by the language barrier, and unexpected things happened, but I realized that it was possible to communicate

### Anti-disaster measures

A self-defense fire-fighting squad is organized in each works, and brushes up their fire-fighting techniques through daily training, the New Year's drill, and local contests for fire-fighting operation, etc. In 2013, the self-defense fire-fighting squad of the Toyama Works took first place in all of 3 sections in which they participated at the contest for fire-fighting operation in Toyama Prefecture.

At the evacuation drill held in the autumn every year, the self-defense fire-fighting squad practices the drill together with the staff of neighboring fire stations and fire companies, and guides evacuating employees, while assuming actual disaster. At each workplace, a person in charge of promoting safety and hygiene is selected, and each employee takes part in the drill with their purposes.

We produced a manual for coping with a large-scale earthquake, simulate the operation of the anti-disaster headquarters after an earthquake, and test the system for confirming the safety of each employee utilizing IT tools, such as mobile phones. We stock water and food for 3 days for employees, and set anti-disaster goods at each office, in accordance with Metropolitan Tokyo Ordinance on Measures for Stranded Persons.

The Tokyo Works signed contracts for conducting fire-fighting activities with Kodaira Fire Station, Kodaira City, and other companies in the region at the time of earthquake disaster, and makes efforts to improve fire and disaster prevention systems while fortifying the co-operation with the local community.

For strengthening aseismic measures, we designed a plan for a period till 2015, and renovate or rebuild old buildings.

At the time of natural disaster, including heavy snow and typhoons, we prioritize the safety of employees and act under forestalling policy, such as the instruction to go home at an early stage.



Self-defense fire-fighting squad of the Toyama Works who performed well at the fire-fighting operation contest



Self-defense fire-fighting squad of the Tokyo Works marshaled. The left squad is fire-fighters from Kodaira Fire Station.

with limited English, if I have the attitude of talking and listening. Not only the English skill, but the whole experience of this training helped improve my way of thinking and behavior.

Hironori Shimada

Advanced Equipment Systems Development Department  
Toyama Works





## Safety and Hygiene

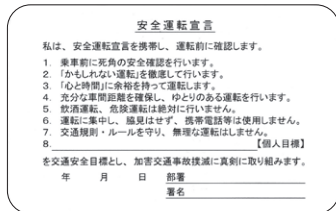
The Company's safety and health activities are based on the principle of "ensuring safety and health comes before everything else," and our entire Group engages in these activities.

In fiscal 2013, we started the following activities, while emphasizing the prevention of the accidents of company-owned vehicles.

1. Declaration of safe driving
2. To carry a safe driving declaration card, and read it aloud before driving
3. To drive while uttering traffic conditions
4. To exchange reminders for safe driving

We distributed the safe driving declaration card to the drivers of company-owned vehicles or their own cars, and improved their awareness, by instructing them to write their declaration of safe driving in the card and read it before driving. We also instruct them to utter traffic conditions, which change rapidly, to enhance their awareness of safety. As a result, the traffic accidents, including single-car ones, decreased by 40% in fiscal 2013.

As for safety activities other than above, we strive to prevent industrial accidents and sickness, by holding the Group Safety Conferences and continual education or guidance by industrial health staff.



Safe driving declaration card

## Employment of Diverse Human Resources

The Hitachi Kokusai Electric Way prescribes that our Company "respects the diversity of its human resources and provides them with the opportunity and environment to enhance and perform their abilities," while our Guidelines and Commitments prescribe that we "respect the diversity, character, and individuality of all employees; provide a mentally and physically rewarding, safe and healthy work environment as well as opportunities for further training and growth."

Based on those policies, we promote the employment of people with disabilities and the reemployment of elderly colleagues.

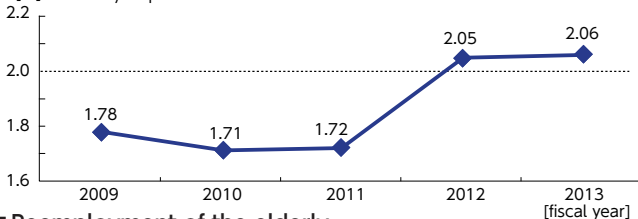
As for the employment of the elderly, we adopted the reemployment system for extending the employment period so that senior employees can work up to the age of 65, and many employees utilize this system. While working actively with their experience, they hand their invaluable skills to young generations.

As for the employment of people with disabilities, the ratio of disabled employees is 2.01% as of April 1, 2014, observing the rate specified by law. We will keep efforts to increase job opportunities for them.

As for the employment of female and foreign personnel and the promotion of these to management level, we set goals and proceed as planned.

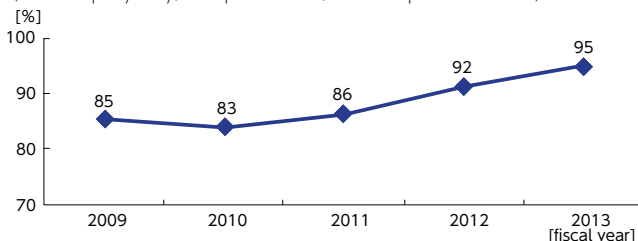
### ■ Employment ratio of people with disabilities (the Company only)

[%] Statutory requirement=2.0%



### ■ Reemployment of the elderly (the Company only, except for 2013; the Group consolidated)

[%]

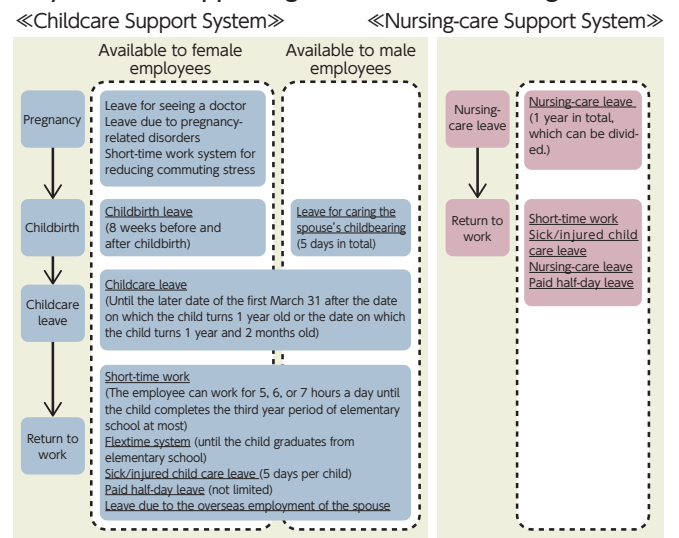


## Work-life balance

### ■ Promotion of a system to support for balancing of work and family life

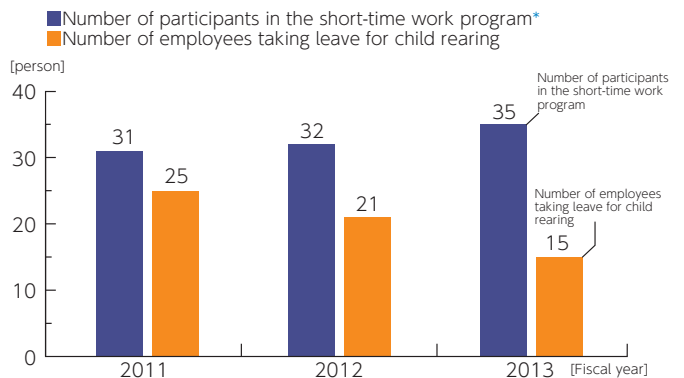
From the perspective of a good balance between "a sound and comfortable life" and "mentally and physically rewarding work," we have been promoting the development and enrichment of programs that help workers realize a good balance between work and child rearing/nursing care. In April 2012, our company was granted a certification mark (affectionately nicknamed "Kurumin") under the "Act on Advancement of Measures to Support Raising Next-Generation Children" by the Ministry of Health, Labour and Welfare.

### ■ Systems for supporting child care and nursing care



(The underline represents the contents of the system or the system itself that exceeds the provisions of law.)

### ■ The numbers of employees who took a childcare leave and employees who used a short-time work system\* (the Company only)



\*Participants in the short-time work program: People working shorter hours than usual for the sake of child-rearing, nursing care, or similar purposes

### ■ Working group to make work and life worthwhile

In fiscal 2010, we organized a working group, publicly seeking members, and have conducted various activities for improving the "work-life balance."

In fiscal 2013, we publicly sought new members, to enhance such activities, and started the pursuit of "physically and mentally rewarding life and work." We will not only enrich systems, but also discuss and embody "mechanism creation" while considering the actual situations of workplaces and business fronts.



## Respect for Human Rights, Basics and Ethics

We respect human rights, observe laws and ethics, and establish a clean corporate culture that is admired by society.

### Respect for Human Rights

The Hitachi Kokusai Electric Way of the Group stipulates the respect for human rights. In fiscal 2013, we enacted the Hitachi Kokusai Electric Group Human Rights Policy, to complement the policy for respecting human rights included in the "Hitachi Kokusai Electric Group Codes of Conduct" enacted in 2010.

#### Hitachi Kokusai Electric Group Codes of Conduct (Chapter 4 Respect of human rights; summary)

1. We will respect international standards of conduct regarding human rights, and do not engage in any conduct that obstructs or interferes with human rights.
2. In all kinds of company activities, we will respect every person's character and individuality, and not engage in any acts that impair individual dignity or discriminate on any basis.
3. In handling personal information, we will establish information ethics based on consideration of human rights and the maintenance of security.
4. We will not procure goods or services from firms that utilize child labor or forced labor.

Considering the laws, regulations, and labor practices in each nation and region, we promote the employment that respects the basic rights of employees presented as the principles of the UN Global Compact, and resolve issues jointly through the constructive dialogue between managers and employees.

#### Hitachi Kokusai Electric Group Human Rights Policy (Summary)

The company strives to meet its responsibility to respect human rights by not infringing on human rights and addressing negative human rights impacts with which the Company may be involved through its business operations. The responsibility to respect applies to all officers and employees.

The Company expects its business partners and other parties may be directly linked to Hitachi Kokusai Electric's operations, products or services to respect and not infringe upon human rights, and will respond appropriately where they are not respecting human rights.

The Company is committed to meeting the responsibility to respect human rights through implementing the UN Guiding Principles on Business and Human Rights.

The Company will identify and assess potential and actual human rights impacts, and take appropriate action to prevent or mitigate risks.

Where the Company identifies a negative human rights impact, it will provide for or cooperate in legitimate processes to provide remediation.

The Company adheres to national law and regulation in each market. Where the Company faces conflicts between internationally recognized human rights and national laws, the Company will follow processes that seek ways to honour the principles of international human rights.

The Company will provide appropriate training and capability building, in order to apply this policy commitment throughout the Company.

The company is committed to engaging in dialogue with and consulting relevant external stakeholders about addressing potential and actual human rights impacts.

In fiscal 2013, we added the section "Respect of human rights" to the webpage "CSR information" of the Company. It discloses the detailed situation of our activities.

### Human Rights Seminars

In addition to the human rights seminars for new employees and respective classes of employees, all employees of our Group in Japan took the e-learning program using teaching materials for respecting human rights of all who may be affected through the Group operation, products, and services in fiscal 2013.

From 2014 and on, we introduce this e-learning program to overseas Group companies, by using the English and Chinese versions of the teaching materials.

### Identifying and properly coping with risks

#### ■ Compliance

Bid rigging and the formation of cartels are criminal acts against society, and brushing off all such affairs and endeavoring to strengthen one's own competitive power will lead to the reform of corporate culture and ultimately to the principle of customers first. Moreover, there is growing social interest in the prevention of bribery to public officials, etc. inside and outside Japan. In reflecting elements that raise anxiety in the international arena such as the issue of the nuclear development, export control is also assuming greater importance. For these risks, with the Legal & CSR Center of the Company taking the lead, we are implementing education and conducting periodic audits targeted at the entire Group while updating the contents thereof, and we maintain a system in which any incidents incurring risk are reported to the top management swiftly. Through all these, we are working to ensure that the strong interests of top management concerning compliance, that is, to live up to society's trust are thoroughly implemented in all corners of the Group, with both top-down and bottom-up measures.

As for the proper management and handling of confidential information of the Company and other firms, the protection of personal information, etc., the Company's Information Security Committee educates and enlightens employees regularly and when necessary. As for the observance of other laws and company rules and the prevention of disgraceful affairs, the relevant sections, the legal affairs section and the Human Resources & Corporate Administration Division jointly educate and enlighten employees regularly and when necessary. Meanwhile, the Internal Auditing Office audits the entire Group on a regular basis.

#### ■ Ensuring the reliability of financial information

Concerning the internal control system for the main purpose of securing the reliability of financial information, we collaborate with our parent company, Hitachi, Ltd., in order to maintain the system by using the framework and tools for internal control of the Hitachi Group, and make evaluations and improvements.

### Internal reporting system "Ethical Helpline of the Hitachi Kokusai Electric Group"

We have an internal reporting system so that an employee or a business partner of the Group can report the incident, when discovering any illegal acts related to our businesses, any improper acts violating our company rules, or any problems regarding human rights, and finding these cannot be solved with ordinary methods. When a report is received, the fact will be investigated and necessary corrective measures are implemented.

We ensure that the employees including those of each Group company are informed of this reporting system as well as the principles of "keeping secrets," "not mistreating informants," and "responding with good faith" through internal gazettes, seminars and intranet. This system is operated under advice of a lawyer as an outside committee member in order to earn the trust of informants through appropriate response.

#### Ethical Helpline of the Hitachi Kokusai Electric Group

e-mail to: [riri.helpline@h-kokusai.com](mailto:riri.helpline@h-kokusai.com)

Postal mail : Representatives of the Ethical Helpline

**Hitachi Kokusai Electric Inc.**

Akihabara UDX Building 11th floor, 4-14-1, Soto-kanda, Chiyoda-ku, Tokyo 101-8980, Japan

Note: The Helpline accepts reports not only from employees of the entire Group but also from its business partners.

 **Introductory website of Group Codes of Conduct Home Page of Hitachi Kokusai Electric Inc.**  
<http://www.hitachi-kokusai.co.jp/global/corporate/action.html>  
 OR

 **Website including the details of the respect for human rights Home Page of Hitachi Kokusai Electric Inc.**  
<http://www.hitachi-kokusai.co.jp/global/csr/respect.html>  
 OR



## Living Together with Communities

We understand the situation of the community, as well as the thoughts of the people there, raise our sensibility and think of their future needs.

### Supporting the existing railway as Hokuriku Shinkansen will start

As the Hokuriku Shinkansen will start running in March 2015, the governor requested the firms and groups in Toyama Prefecture to support the stability of the operation of the existing lines, which will become independent of JR West, and the Company gave a donation as part of social contribution activities.

The funds donated are managed as the operation stability fund, and utilized for investing in safety measures, curbing the increase in the prices of commutation tickets for students, discounting the fares for connecting trains on the existing lines divided along three relevant prefectures in the Hokuriku region, etc. The fund is thus designed to be helpful for prefectural promotion.

For this donation, we received the Medal with Dark Blue Ribbon on March of 2011.

The new line "Ainokaze Toyama Railway" is a community-based one traversing Toyama Prefecture in the west-east direction with a length of about 100km.

The Company will keep warm-heartedly watching this railway, which will bring the residents affluence and opportunities to encounter people.



Medal with Dark Blue Ribbon Award

### Raising relief money for the typhoon disaster in Philippines through a matching fund program

In November 2013, the Typhoon Haiyan (Yolanda), which was the largest in recorded history, hit the central area of the Philippines, causing a storm surge comparable to tsunami due to an unusual central pressure of 895 hPa. The number of casualties and missing people was 7,361, and the number of destroyed houses was about 1.14 million.

The Group collected funds from employees through the "relief system," which was used for the Great East Japan Earthquake and the flood in Southeast Asia in 2011, added the same amount as the collected relief money with the matching fund method, and sent them to the Japanese Red Cross Society as the fund for rescuing and recovering devastated areas. The Red Cross dispatched emergency medical teams to the site, to conduct diagnosis, health and hygiene education, mental care, health center restoration, etc. for about 86,000 residents in Daanbantayan in northern Cebu. However, it would take time to restore residences, schools, health care facilities, and livelihoods such as fishing boats and fields. In this situation, the Red Cross keeps supporting restoration, including the repair of residences. Sympathizing with victims, we wish for early recovery.



Children undergoing mental care in the Child Friendly Space set in Maya Village, Daanbantayan (photo taken on November 19, 2013) Photo provided by the Japanese Red Cross Society

### Provision of closing factory facilities for the training of fire fighters

At the time of the relocation and dismantling of the Hamura Works, we provided fire stations with the used facilities as a training site. In the training, the fire fighters of Fussa, Ome, and Mizuho Fire Stations, which are in charge of the Nishitama region (the ninth region), and the hyper rescue team of the regional headquarters participated, and conducted destructive entry drills and fire experiments by using the actual factory buildings and dormitories.

This training was different from ordinary simulation training, in that they destroyed the concrete walls, shutters, etc. of actual buildings, and drilled a hole on the second floor to practice rescuing victims in a tense atmosphere. Our facilities contributed to the fire-fighting training.

The self-defense fire-fighting squad of the Company joined the training, experienced the fear and horror of fire, and relearned how to respond to fire and earthquakes, and how to rescue victims.



Practice of drilling a hole on a concrete floor



Practice of breaking through an anti-fire shutter

### Participation in "Campaign for beautifying Kyoto"

On November 4, the substitute holiday for Culture Day, about 3,500 people from groups and firms participated in this activity held by the executive committee of "Civic campaign for beautifying the global city Kyoto," and did cleaning while spreading along 20 courses.

From the Hitachi Group, 49 persons, including employees and their family members, joined the campaign. Out of them, 4 persons were from the Company.

Kyoto City engages in various activities to realize the most beautiful city Kyoto in the world, based on the collaboration among citizens, enterprises, and governments. This time, we took part in the campaign as a member of the Hitachi Group.



Opening address from the mayor of Kyoto City



Cleaning along the Kiyamachi Street lined with coloring trees

### Participation in Hitachi Aobakai Cleaning Volunteer Activity

The 10th Hitachi Aobakai Cleaning Volunteer Activity was conducted on November 23, 2013 as usual.

This time, as usual, many volunteers having high interest participated, got together in Sendai City West Park, were divided into three groups, and cleaned the streets in Sendai City for about 1 and a half hours.

From Tohoku Area Operation and Hitachi Kokusai Yagi Solutions Inc., 18 persons, including family members, participated. A total of 339 volunteers from 33 firms of the Hitachi Group joined the cleaning. This is scheduled to be held again in November 2014. We will participate in it and contribute to the local community.



Participants from the Group





## 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

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

### ISO14001 integration among Group companies

In fiscal 1996, the Group started obtaining the certification of ISO14001 (environmental management system), and in fiscal 2011, we applied it to the head office, area operations, and sales offices, in addition to the manufacturing and service provision sites inside Japan.

In fiscal 2013, Hitachi Kokusai Yagi Solutions Inc. and Kokusai Electric Techno Service Co., Ltd., which are our Group companies, integrated their certificates and completed authentication in order to carry out environment activities more efficiently in a unified manner in the entire Group. For the integration, an external lecturer educated authorized internal auditors in each company in the same way, to secure competencies.

We will keep reducing environmental burdens through products and services, and continuously applying for the ISO14001 certification.

### Targets and Results of Environment Activities in Fiscal 2013

The results and evaluation of the Environmental Action Plan in fiscal 2013 are as follows:

Category	Main item	Action goal	Index	Final year (fiscal 2015) targets	Fiscal 2013 targets	Fiscal 2013 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	640GP	512GP	547GP	🌳🌳🌳
	Nurturing of Environmental Literacy	Fostering environmental minds by environmental e-learning	Participation ratio	99%	98%	100%	🌳🌳🌳
Next-Generation Products & Services	Promotion of Eco-Products	Increasing Hitachi Eco-Products	Ratio of Eco-Product sales to total sales	95%	85%	90%	🌳🌳🌳
Super Eco-Factories & Offices	Preventing Global Warming	Improvement of Energy Use per Unit	Improvement rate of Energy Use per Unit (reference year 2005)	17%	7%	16%	🌳🌳🌳
	Energy Reduction during Transportation	Reduction of transportation energy per unit	Reduction rate (reference year 2005)	15%	13%	22%	🌳🌳🌳
	Effective Use of Resources	Improvement of waste and valuables generated per unit	Improvement rate (reference year 2005)	38%	17%	35%	🌳🌳🌳
Promotion of electronic manifest				Increase of registration (issuance) ratio	100%	80%	86%

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

### Fostering of an environmental mindset

In order to nurture an environmental mindset in the Group, we produced posters in each local language, and posted them in offices around the world.



Poster in fiscal 2013



Poster in fiscal 2014

## Evaluation results of fiscal 2013 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.

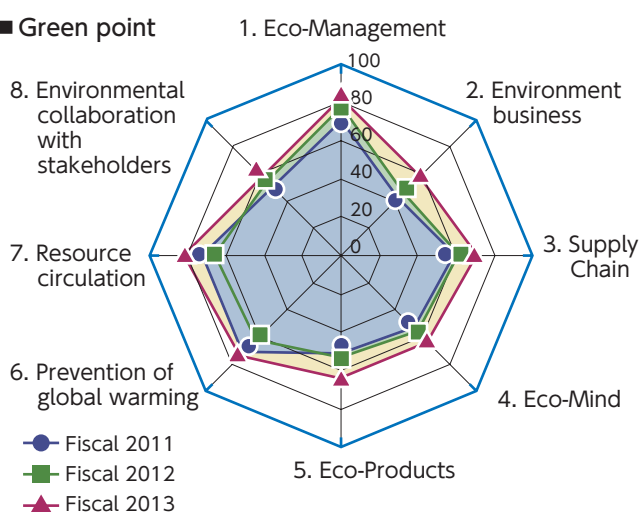
During the period from fiscal 2011 to 2015, we intend to add contributions to management by expanding environmental activities, preserving ecosystems, and conducting activities to collect and convey environmental information through the supply chain as pertaining to the evaluation items, and make efforts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

In achieving the target, our result for fiscal 2013 was 547GP as compared to 512GP; the target common to Hitachi Group companies. Especially, we achieved the goal of curbing CO<sub>2</sub> emissions, and our environment business was highly evaluated.

### 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 <sub>2</sub> 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 <sub>2</sub> 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 Environmental Accounting Guidelines specified by the Ministry of the Environment, 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 2011	FY 2012	FY 2013	Overview
Business area costs	204.4	187.9	141.7	Costs of maintenance of equipment with low environmental burden, depreciation, etc.
Upstream/downstream costs	0.1	0.3	0	Costs for greenprocurement and recycling
Management activity costs	43.8	51.5	68.0	Personnel expenditures for environmental management, maintenance costs for environmental management system
Research and development costs	215.6	216.5	205.4	R&D for the reduction of environmental burden caused by products and production processes, product design expenses
Social activity costs	1.9	1.5	1.0	Environmental improvements such as afforestation and beautification, PR, and publicity expenses
Environmental damage costs	0	0	0	Environment-related measures, contributions, and levies
Total	465.9	457.7	416.1	—

Investments (in millions of yen)

Item	FY 2011	FY 2012	FY 2013	Overview
Investments in environmental conservation	57.4	20.4	131.1	Direct investments in environmental load reduction facilities such as energy conservation facilities

### Economic effects of environmental conservation

Economic effects (in millions of yen)

項目	2011年度	2012年度	2013年度	主要内容
Net income effects	9.7	9.0	12.7	Profit on sale of recycled waste, etc.
Expenditure reduction	10.3	0.6	4.9	Cost-saving effects, etc. by saving energy
Total	20.0	9.6	17.6	—

## The Company participates in the Hitachi Group's environmental working-level conference in Brazil

The Company participates in the Hitachi Group's environmental working-level conference in Brazil

The Hitachi Group holds environmental working-level conferences lead by four axes of America, Europe, Asia, and China with the purpose of strengthening environmental governance in overseas operations.

In July 2013, the Hitachi Group companies in Brazil got together and held the first environmental working-level conference in Brazil. From the Group, Hitachi Kokusai Linear Equipamentos Eletrônicos S/A has participated in this conference.

In Rio de Janeiro in 1992, the United Nations Conference on Environment and Development (Earth Summit) was held, adopting "Rio Declaration on Environment and Development" and "Agenda 21," which is the action plan for actualizing the Rio Declaration. In addition, the Framework Convention on Climate Change and the Convention on Biological Diversity were signed. These were the incidents which have significantly influenced the way of thinking about the protection of today's earth environment and sustainable development.

At that conference, we shared a variety of information regarding the difficulty of Brazilian legal systems, taxes, climates, etc.

The Company will continue support for improving environmental governance in overseas Group companies.



Environmental working-level staff of the Hitachi Group in Brazil



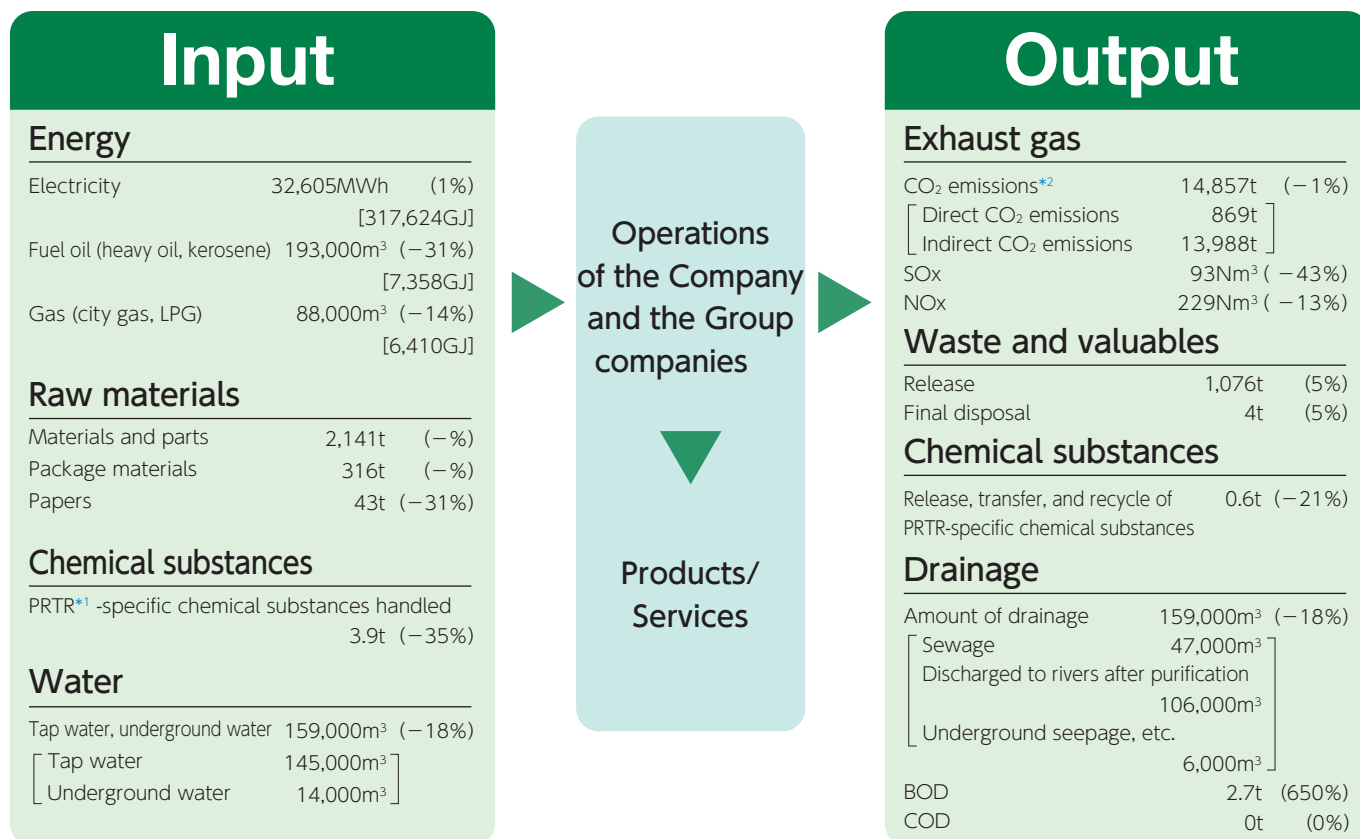
## Eco-Factories & Offices

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

### Operations and Environmental Loads

In conducting its operations, our Group expends resources and energy to provide products and consequently discharges CO<sub>2</sub> and wastes. The production sites of the Company and the Group 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 "Promoting CSR Activities in Our Supply Chain" and "Providing Next-Generation Products and Services," respectively.



\*1 PRTR: Pollutant Release and Transfer Register

\*2 CO<sub>2</sub> emissions: Emissions were calculated based on the 2005 emission coefficients for electric power by country published by IEA.

The values in parentheses show the changes from fiscal 2012.

### Reduction of wastes

At production sites of the Company and the Group companies, we have strived to reduce Waste and Valuables Generation per Unit since fiscal 2011, one of the revised indices according to the activities of the Hitachi Group in fiscal 2013, and set a goal of improving it by 38% in fiscal 2015 comparing to that in fiscal 2005.

While we had the goal of improving the Waste and Valuables Generation per Unit between fiscal 2005 and 2013 by 17%, we actually improved it by 35%, through making the cardboard boxes for reusable package materials, simplifying packages, and reducing the packing materials for transporting overseas products, thus achieving the goal.



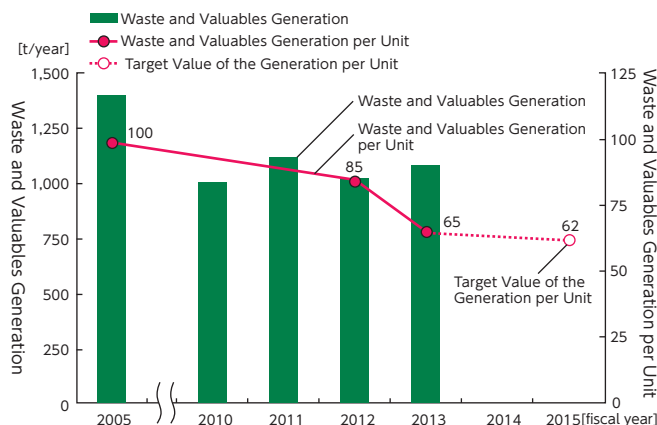
Sorting carts set in the Toyama Works



Instruction for sorting

The "e-learning about wastes" is conducted at the Toyama Works, to promote the separation of trash and the proper method of disposing of wastes. The illustrations of wastes are attached to sorting carts to prevent mistakes. For foreign visitors, the instructions are written in English, Korean, and Chinese in addition to Japanese.

#### Improvement in the amount of Waste and Valuables Generation and that per Unit



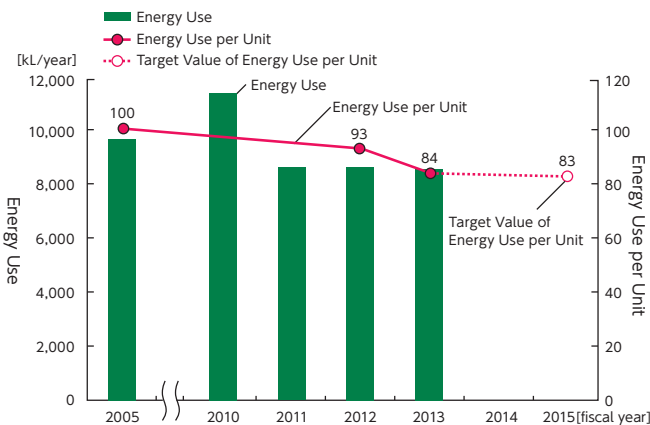


## Prevention of Global Warming (Energy-saving Efforts)

The production sites of the Company and the Group companies conduct activities to reduce the energy used at the product manufacturing stage. In fiscal 2013, we revised indices according to the activities of the Hitachi Group, and set a goal of improving Energy Use per Unit by 17% in 2015 comparing to that in fiscal 2005. In fiscal 2013, we made efforts to attain a goal of improving Energy Use per Unit by 7% from fiscal 2005, and succeeded in improving it by 16%, due to the effects of the operation of the newly constructed energy-saving factory.

As efforts regarding facilities in fiscal 2013, we implemented the renewal of high-efficiency air-conditioning equipment and switched mercury lamps to LED lamps. With regard to operations, supporting the National Campaign Against Global Warming promoted by the government from 2005, we implemented "Cool Biz" and "Warm Biz" at all our business establishments, and continued our participation in the "Light Down Campaign."

### Improvement in Energy Use and that per Unit

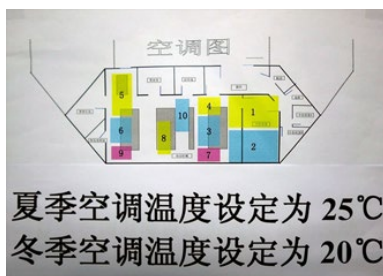


## Appropriate control of the set temperatures of air conditioners in overseas offices

Kokusai Electric Korea Co., Ltd. and Hitachi Kokusai Electric (Shanghai) Co., Ltd., which are our Group companies, indicate set temperatures on the temperature control panels for air conditioners, to control air-conditioned temperature appropriately, in order to curtail air-conditioning energy in offices.



Indication of set temperatures for air conditioners at Kokusai Electric Korea Co., Ltd.



Indication of set temperatures for air conditioners at Hitachi Kokusai Electric (Shanghai) Co., Ltd.

## Environmental care for the construction of new buildings

The Tokyo Works of the Company built the new building West-Wing, in order to streamline operation through the integration of production sites, and started operating it in July 2013. Under the concept of "environmental care," we installed 100-kW solar power generation equipment, adopted LED lamps fully, adopted air-cooled heat pump package air-conditioners, etc. for saving energy.

In addition, Goyo Electronics Co., Ltd. of the Group built the new building V-Wing for enlarging production area, and started operating it in December 2013. Under the concept of "environmental care" like the Tokyo Works, it used solar-powered LED street lamps for outdoor lighting, adopted LED lamps fully, and adopted air-cooled heat pump package air-conditioners, etc. for saving energy.

From now on, we will operate the installed energy-saving equipment effectively.



New building West-Wing of the Tokyo Works



Solar-powered LED street lamp of the new building V-Wing of Goyo Electronics Co., Ltd.

## Proper control of PCB-incorporating equipment

Operators owning transformers, capacitors, fluorescent lamp stabilizers, or similar equipment containing polychlorinated biphenyls (PCBs) are obligated to strictly store and control such items, and properly dispose of them by fiscal 2026 as per the Act for Special Measures for PCBs.

Our Group properly performs continuous control in locked storage facilities and conducts periodic inspection, in order to prevent loss and leakage.

In fiscal 2013, we entrusted the Hokkaido Office of Japan Environmental Safety Corporation with the processing of the capacitors for fluorescent ballasts, including PCBs, which had been stored by Goyo Electronics Co., Ltd. of the Company's Group, and the processing to make them harmless was completed.

The devices including PCBs, which had been held by the Hamura Works of the Company and Omiya Works of Hitachi Kokusai Yagi Solutions Inc., were gathered to the Tokyo Works of the Company, for managing them under collective control.



PCB-containing equipment being carried out



## Next-Generation Products and Services

Throughout the product lifecycle from raw material production, manufacturing and customer use to final disposal, we work to reduce the impact of products on the environment.

### Eco-Products (Hitachi Eco-Products)

#### Hitachi Eco-Products for fiscal 2013

Our Group develops our products so as to minimize product impact on the environment through a product's life cycle. In fiscal 2013, we newly registered Eco-Products in 43 models and twelve services. Followings are representative Hitachi Eco-Products registered in fiscal 2013.

#### Products

##### Digital in-vehicle receiver for fire-fighting and rescue communication

###### EMR-00JFV

- (1)CO<sub>2</sub> emission (whole life cycle)  
50 kg-CO<sub>2</sub> : 43% down
- (2)New resource level : 58% down
- (3)Annual power consumption: 33% down
- (4)Warming prevention factor : 2.1
- (5)Recyclability factor : 2.5  
(compared with EMM-05JFW marketed in 2011)



##### FOMA Ubiquitous Module® Eco-Products Select FOMA® UM03-KO

- (1)CO<sub>2</sub> emission (whole life cycle)  
2 kg-CO<sub>2</sub> : 11% down
- (2)New resource level : 1% down
- (3)Annual power consumption: 13% down
- (4)Warming prevention factor : 21.1
- (5)Recyclability factor : 18.9  
(compared with FOMA® UM01-KO marketed in 2005)



Note: FOMA® and FOMA Ubiquitous Module® are the registered trademarks of NTT Docomo, Inc.

##### HDTV camera

###### Z-HD6000

- (1)CO<sub>2</sub> emission (whole life cycle)  
4,967 kg-CO<sub>2</sub> : 28% down
- (2)New resource level : 14% down
- (3)Annual power consumption: 67% down
- (4)Warming prevention factor : 1.6
- (5)Recyclability factor : 1.4  
(compared with SK-3200P marketed in 2001)



##### Network camera

###### KP-IP1000SL

- (1)CO<sub>2</sub> emission (whole life cycle)  
263 kg-CO<sub>2</sub> : 24% down
- (2)New resource level : 87% down
- (3)Annual power consumption: 4% down
- (4)Warming prevention factor : 2.3
- (5)Recyclability factor : 13.7  
(compared with KP-IP110 marketed in 2008)



#### Services

##### Maintenance of products

We support the maintenance of monitor camera systems while considering the environment.

We prevent human errors by furnishing with procedure manuals, and improve work efficiency and save resources.

- (1) Resource saving : 10% reduction in the duration of maintenance work
- (2) Long-term use : Suggestion of periodic replacement of parts
- (3) Recyclability : 10% increase of the ratio of the recycled maintenance materials usage
- (4) Maintenance : Edition of procedure manuals for preventing accidents
- (5) Energy-saving : Adoption of energy-saving devices and technologies
- (6) Information provision : Notification of the timing of the replacement of consumables



##### Repair of products

We repair the device for a broadcasting system while considering the environment.

We regularly revise repair manuals, to prevent mistakes and improve work efficiency and reliability.

- (1) Resource saving : 20% down in the duration of repair work
- (2) Long-term use : All repaired products undergo a specified temperature test. Suggestion of periodic replacement of parts
- (3) Recyclability : Adoption of reusable containers, and reuse of buffering agents
- (4) Maintenance : Edition of procedure manuals for improving repair quality
- (5) Energy-saving : Use of energy-saving devices
- (6) Information provision : Notification of the timing of the replacement of consumables



#### Eco-Products Select

Eco-Products Select refers to a product (falling under Hitachi Group Eco-Products) that offers particularly high environmental efficiency in terms of the extent of reducing greenhouse gas emission and consumption of resources, thereby raising the value of said product.

Specifically, any product that satisfies at least one of items 1 to 4 below is the candidate for an Eco-Product Select.

1. Global Warming Prevention Factor or Resource Factor of 10 or higher
2. Top class in the industry
3. Awarded an external commendation or public certification
4. CO<sub>2</sub> reduction ratio of 50% or higher as compared to products in fiscal 2005

In fiscal 2013, we certified the FOMA Ubiquitous Module® shown above as Eco-Products Select.



## Collaboration with Our Stakeholders for the Environment

We strive to disclose information to our stakeholders and communicate closely with them on environment.

### The Toyama Works recognized as an eco-friendly business establishment

Toyama Prefecture recognizes the business establishments that proactively conduct environmentally friendly business activities, such as the curtailment and recycling of wastes, as "eco business establishments." The Toyama Works was recognized in 2010, but it was expiring in 2013. Accordingly, we applied for update, passed the screening based on documents and on-site examination, and made the Works recognized again.

We continuously engaged in the recyclability of silica glass, wafers, and chemical substances (waste acid and alkali), which are used for the process evaluation of semiconductor production equipment, reduction of waste cutting oil and waste cleansing liquid, which are produced through the cutting process of machine parts, and the decrease in total waste amount and final disposal (landfill) amount. All of these efforts were recognized.

Also, they evaluated the reduction in CO<sub>2</sub> emissions through the promotion of the development of eco-friendly products and the modal shift (We changed transportation means from aircrafts and trucks to ships, and then the Company was granted with the eco-ship mark in 2012) for product transportation, as well as the environmental conservation activities including forestation by voluntary employees and the green curtain project, thus recognizing the Toyama Works again.



Mark granted to the "eco business establishment recognized by Toyama Prefecture"

### The Sendai Works of Goyo Electronics Co., Ltd. accepts internship

On September 11, 2013, the Sendai Works of Goyo Electronics Co., Ltd. accepted 5 second-year students of Funabasama Junior High School in Shibata Town as interns. This internship is carried out with the purpose of "nurturing desirable views of work and occupation, and fostering an attitude of considering one's own career paths seriously, through the interaction with local residents and the experience at a workplace."

As for the work experience schedule, we briefly described our company, introduced our products, and guided students in the works in the morning, and then explained the sorting of wastes at manufacturing sites as an environmental measure. Around noon, students had lunch with employees at the cafeteria, and in the afternoon, they assembled electronic devices with the testing materials for skill examination as mock work. In the mock work, they faced difficulty in attaching a tiny part, probably because of wearing unfamiliar gloves, but when the devices a student produced worked well, the student shouted, "I did it," savoring a sense of achievement.

We will keep actively contributing to local communities.



Diligent assembly work

### Introduction of environment activities at the Spring Festival of the Hamura Works and the Family Day of the Tokyo Works

At the "Spring Festival of the Hamura Works (April 21, 2013)" and "Family Day of the Tokyo Works (November 30, 2013)," which were held as events for employees and their families, we introduced and exhibited the environment activities of the Group as part of the efforts for contributing to the environment and society. As interactive attractions, we held a game of experiencing trash sorting and offered the opportunity to experience the "Hitachi Kids' Site" (world of the environment) with PCs.

Many people, including the families of employees, visited the environmental booth, and increased their interests in environment activities through interactive games. In the trash sorting game, children enjoyed themselves while being a little confused in the unfamiliar way to separate trash. During the experience-based learning with PCs, fathers were seen teaching the environment to their children earnestly.

We will keep actively introducing our environment activities by utilizing the opportunities of events.



Trash sorting game at the Spring Festival of the Hamura Works



Environmental booth of the Family Day of the Tokyo Works

### Participation in the voluntary tree-planting activity at "Sennen-Kibo-no-Oka (the Hill of Thousand-Year Hope)" in Iwanuma City, Miyagi Prefecture

As part of the voluntary activities of Hitachi Aobakai, we participated in the "Hill of Thousand-Year Hope Project: Memorial Tree Hope Ceremony 2013 (Tree-Planting Festival)" held in Iwanuma City, Miyagi Prefecture on June 9, 2013. The Memorial Tree Hope Ceremony 2013 is the first stage of the scheme for planting trees on the hill (the Hill of Thousand-Year Hope) produced from the rubble collected around coastal areas in the wake of the Great East Japan Earthquake. In order to plant 30,000 seedlings, about 4,500 volunteers joined this activity from around Japan. From the entire Hitachi Group, 465 people participated, out of which 104 people were from our Group.

The weather on that day was fine and sweltering, but the voluntary tree planting activity was fulfilling.

Also in 2014, the tree planting festival with an enlarged scale was held on May 31, and we joined the efforts again desiring rapid restoration of the devastated region.



Participants from our Group



Senior and young people joined hands to plant trees.



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This report, issued only as a pdf file, is not printed or available as a booklet.

<http://www.hitachi-kokusai.co.jp/global/csr/er/>

or

## Editor's Postscript

As the environment surrounding companies changed rapidly, the reform of our Group progressed, and the contents of this report have changed accordingly. On the other hand, the layouts, etc. of this report have not changed significantly, following the policy of narrowing down themes which we think are material and communicating them in a plain and comprehensible manner. The contents that are considered to be worth repeated or continued are included again. We would like you to read through, finding both revised and unchanged parts, then fill in and send the questionnaire, to help us listen to your opinions and comments.

The latest information of the Group is timely notified through the internet. We hope that you will use the links in each section of this report and easily call on our website at any time.