

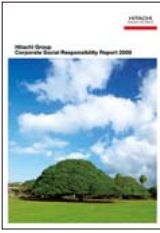





Hitachi Group Corporate Social Responsibility Report 2009 Digest



CSR Activity Reporting Policy

Reports on material issues	Reports on detailed activities	Latest information
 <div style="display: inline-block; vertical-align: middle; text-align: center;">  <p>This booklet</p> <p><i>Hitachi Group Corporate Social Responsibility Report 2009 Digest</i></p> </div>		
<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>PDF</p> <p><i>Hitachi Group Corporate Social Responsibility Report 2009</i></p> </div> <div style="text-align: center;">  <p>booklet</p> <p><i>Hitachi Group Environmental Sustainability Report 2009</i></p> </div> </div>		
<p>On Hitachi, Ltd. Web site</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>CSR (corporate social responsibility): http://www.hitachi.com/csr/</p> </div> <div style="text-align: center;">  <p>Environmental Activities: http://www.hitachi.com/environment/</p> </div> </div>		

Information about the Hitachi Group's CSR activities is available in two formats: this booklet, *Hitachi Group Corporate Social Responsibility Report 2009 Digest*, and *Hitachi Group Corporate Social Responsibility Report 2009*, a PDF version that can be accessed on the Web. This digest focuses on reporting areas of CSR activity that the Hitachi Group has particularly emphasized. In response to requests from stakeholders who are especially interested in the environmental field, we will publish a new booklet, the *Hitachi Group Environmental Sustainability Report* from 2009, providing detailed environmental transparency and information (scheduled to be published at the end of July 2009). In addition to the online publication of these two booklets (*Hitachi Group Corporate Social Responsibility Report 2009 Digest* and *Hitachi Group Environmental Sustainability Report 2009*), we will report further details and the latest information on CSR activities and environmental activities on our Web site.

Related Reports

We report on the financial performance of Hitachi, Ltd. in the "Financial Highlights" and Annual Report. Research and development and intellectual property (intellectual property rights and brands), which are major aspects of the technology management of Hitachi, Ltd. and its major subsidiaries, are covered in the *R&D and Intellectual Property Report*.

Period:	The main period covered is fiscal 2008 (April 1, 2008 through March 31, 2009)
Companies:	Companies covered under consolidated reporting of the Hitachi Group
Scope of data:	
Financial data	Hitachi, Ltd. and 944 consolidated subsidiaries (including modified entities to which the equity method of consolidated reporting applies) and 166 affiliated companies that use the equity method
Social data	Scope of data indicated under each item
Environmental data	Hitachi, Ltd. and 241 consolidated subsidiaries (including companies outside Japan) (accounting for 90% of the environmental load of the Hitachi Group for the amount of electricity used and wastes generated)

Guidelines Referred to in Preparing This Report

"Environmental Reporting Guidelines" (FY 2007 version), Ministry of the Environment, Japan
 "Environmental Reporting Guidelines 2001—With Focus on Stakeholders," Ministry of Economy, Trade and Industry, Japan
 GRI Sustainability Reporting Guidelines 2006, Global Reporting Initiative

*This CSR report is published on an annual basis.

Contents

- 2 **commitment** Message from the CEO
- 4 **vision** Hitachi's CSR Vision

Highlights 2009 **Toward a Sustainable Society**

- 6 Hitachi's Environmental Vision
 - Global Warming Prevention toward 2025
- 8 Hitachi's Environmental Technologies 1
 - Securing a Stable Electric Power Supply and Reducing CO₂ Emissions
- 10 Hitachi's Environmental Technologies 2
 - Contributing to Water Treatment Operations
- 12 Environmental Management in *Monozukuri*
- 14 Environmental Activity Topics
- 16 Extending Our Collaborative Projects Overseas

Hitachi's CSR Management

- 18 CSR Promotion Activities
 - Striving to Be a Global Leader in CSR / Self-Assessment of CSR Activities / European CSR Project
- 21 Respect for Human Rights
 - Human Rights Policy / Raising Awareness of Human Rights / Hitachi and the UN Global Compact
- 22 Compliance and Risk Management
 - Risk Management / Global Push to Stop Corruption / Preventing Recurrences of Antimonopoly Law Violations / Table Top Exercise to Prepare for Large-Scale Disaster

Hitachi: Living Together with Society

- 24 Improving *Monozukuri* and Service
 - Ensuring Product and Service Quality / Building Customer Feedback into Our Products / Universal Design
- 26 Working in Harmony with Local Communities
 - Finding Solutions for Social Issues / Educational, Environmental, and Social Welfare Activities
- 28 Employees: The Key to Hitachi's Future
 - Diversity: A Base for the Healthy Expression of Individuality / Promoting Employment for the Physically and Mentally Disabled / Fostering Women's Leadership / Employment
- 30 A Safe, Pleasant Workplace
 - Employee Health and Safety / Safety Policies of Hitachi Global Storage Technologies / Ensuring Better Work Hours / Training for Strengthening Communication Skills
- 31 Collaborative Creation with Suppliers
 - Formulation of Supplier Guidelines / Working with Suppliers to Promote CSR Activities
- 32 Company Profile
 - Economic Performance
 - Major Fields of Business and Products

Items Included Only in the *Hitachi Group Corporate Social Responsibility Report 2009* (PDF)

The following items can be viewed on the Web site:
<http://www.hitachi.com/csr/download/>

Corporate Governance

Strengthening Governance / Internal Control / Group Management

Compliance and Risk Management

Scope of Action regarding Corporate Ethics and Compliance with Laws and Regulations / Compliance Reporting System / Protecting Personal Information and Information Security / Export Control / Attaching Importance to Intellectual Property / Business Continuity Plan (BCP)

Communication with Shareholders and Investors

Policy on Information Disclosure / Proactive IR Approach / General Meeting of Shareholders / Basic Policy for Prevention of Takeovers / SRI Assessments in Fiscal 2008

Working in Harmony with Local Communities

Six Foundations Promote Diverse Activities / Support for Volunteer Activities / Other CSR Activities of the Hitachi Group

Employees: The Key to Hitachi's Future

Creating a Work-Friendly Corporate Culture / *Openness*: Promotes the Expression of Employees' Full Potential / *Challenge*: Supports Growth / Ensuring Enriched Lives for Employees and Their Families

Collaborative Creation with Suppliers

Sharing CSR Awareness / Promoting the Use of Environment Management Systems by Suppliers / Partnerships / Improving Supplier Relations with an Open-Door Policy

Comparative Table with GRI Guidelines

Symbol Marks Used in This Booklet

†: Technical terms, proper nouns, etc., in the text requiring explanation.

*: Additional explanation of terms, etc., in tables or diagrams.

PDF : Full texts of policies or guidelines, details of activities, numerical data, etc., are included in the *Hitachi Group Corporate Social Responsibility Report 2009* (PDF).

WEB : Indicates the title and URL of the Web page related to the article.

All pages can be accessed from <http://www.hitachi.com/csr/>

Remaining True to Hitachi's Founding Spirit, the Hitachi Group Will Enter the Next Era through Communication with Society



Communication with Stakeholders: Conducting Business with a New Sense of Values

The global business environment slowed in fiscal 2008, making it an extremely difficult year for us. This situation, combined with such factors as global warming and wildly fluctuating resource prices, has shaken people's belief in the supremacy of science and technology, and the pursuit of economic gain. I believe that future economic activity must be conducted under the constraints imposed by the fact that the earth's environment has limits. I also believe that, if society as a whole adopts a new sense of values that recognize these additional constraints, we can look forward to a prosperous future. It will take more than the commitment of national governments, however, to nurture this sense of values. It is essential for us to reach a "grass roots" consensus—through communication—that also includes private corporations, NPOs, NGOs, educational and research institutions, and other stakeholders, who have a range of perspectives. At Hitachi, we are committed to integrating into our business decisions full communication with stakeholders.

Using Hitachi's Strengths to Pursue Social Innovation Businesses

To overcome the current economic crisis, we are reforming the business structure of the Hitachi Group as a whole. Our strengths lie in two broad fields: social infrastructure such as power and industrial systems, and information and telecommunications systems, including financial systems and communications networks. By combining these two fields, we will dedicate the majority of our operating resources to "social innovation businesses."

Three areas in particular are important for improving our profit structure. The first is the fusion of our information and telecommunications systems with our power and electrical systems. We are working on several projects that combine the very latest technologies in information and telecommunications systems with the social infrastructure, including smart grids, smart transportation, smart logistics, and cloud computing for business applications.

The second area involves our transformation into a truly global corporation. This means connecting with local partners throughout the world and localizing our operations by employing people who are intimately

familiar with local conditions. In February of this year, we became a participant in the UN Global Compact, whose Ten Principles (including respect for human rights) we view as highly significant for globalizing our operations.

The third area involves expanding our environmental business activities. We are accelerating research and development programs centered on nuclear power generation, high-efficiency coal-fired power generation, environmentally friendly data centers, and lithium-ion batteries, among other programs.

Working under the constraint of a limited global environment, and setting our sights on the sustainable development of society, we can create new value that has not existed before. Through our social innovation businesses, we are committed to contributing to happiness tomorrow. I believe this is our mission, and that an approach such as this will satisfy the demands of all stakeholders.

July 2009



Takashi Kawamura
Chairman, President and Chief Executive Officer
Hitachi, Ltd.

Creating a Sustainable World through Innovation: Hitachi Is Tackling the Basic Issues Faced by Global Society

Exchanging Views on CSR and Corporate Management with BSR's* President

Global CSR management from a long-term perspective is more important than ever amid these challenging worldwide economic conditions



Aron Cramer
President and CEO,
Business for Social Responsibility (BSR)

Taking the lead with CSR at the core of corporate management

Furukawa: Since Hitachi was founded, we have pursued CSR according to our corporate credo of contributing to society through business, but initially we did not do much to promote a greater awareness of CSR in society at large. With the progress of globalization in recent years, I feel it has become important to conduct CSR activities not just by reflecting Japanese values but by positively incorporating a more global perspective.

Cramer: With the advance of globalization, transparency is expected of businesses worldwide, and as the points of connection between business and society change, many companies have begun doing business with CSR at the core of corporate management.

Furukawa: I think CSR is essentially a balance between sustainable development, the environment, and human welfare. While worldwide concern was focused on the environment, the global economy faced an unprecedented crisis beginning in fiscal 2008. This is exactly the time when companies must reconsider CSR from a long-term perspective.

Cramer: I completely agree. The business environment is becoming more challenging worldwide and the balance of power among countries and regions is changing. At a time like this, we need to look at longer term trends and reconsider what kind of value CSR brings to a company. In this context, CSR can add significant value if integrated fully into business strategy.

Furukawa: At the same time, at Hitachi we continue to have strong concerns about human rights, and we are tackling these issues, but different countries or regions approach this in different ways. I feel that we need a global perspective that goes beyond national borders.

Cramer: Yes, human rights are becoming a fundamental issue for companies. The challenge ahead is for companies to decide how they should be incorporated into basic CSR concepts, and how they can be applied within business operations globally. A thorough and successful approach to CSR depends on this.

Furukawa: We have to recognize the differences first, and then the new steps that are required will become apparent. On my business trips overseas, I have talked with people working in Hitachi's local offices. To my surprise, they include people my age who have just started working. I don't think we can solve problems by simply imposing our way of thinking on them unilaterally.



Kazuo Furukawa
Senior Corporate Adviser,
Hitachi, Ltd.

Crucial balance: sustainable development, the environment, and human welfare

Cramer: On the other hand, there are many global companies that are interested in making sure that they apply consistent policies and values worldwide.

Furukawa: At Hitachi too, we strive to share common ideals and values globally. Our aim is to be a company whose CSR activities are recognized throughout the world. We hope you will continue to give us various advice and support from a global perspective.

December 2008

*Business for Social Responsibility (BSR):
Founded in the United States in 1992, BSR is a
global network of member companies providing
advice and solutions related to CSR.

The Hitachi Group's CSR activities are based on the Fundamental Credo as well as the future of society that we pursue, as expressed in the Hitachi Group Vision. Since our founding, we have tackled and resolved the social issues that arose in each age. Recently, various global problems have emerged, such as climate change and energy resource scarcities. By fully utilizing the empirical knowledge and technologies accumulated over our almost one century, we will continue to solve global issues by optimizing group synergy.

Fundamental Credo

Adopted June 1983
Revised September 1996

Hitachi Group Vision



We will contribute to the solution of fundamental global issues, and pursue the realization of a better, more prosperous global society, in line with Hitachi's founding spirit, utilizing the group's knowledge and technology.

Adopted November 2006

CSR Policy of the Hitachi Group

1. Commitment to Corporate Social Responsibility (CSR)
2. Contribution to Society through Our Business
3. Disclosure of Information and Stakeholder Engagement
4. Corporate Ethics and Human Rights
5. Environmental Conservation
6. Corporate Citizenship Activities
7. Working Environment
8. Responsible Partnership with Business Partners

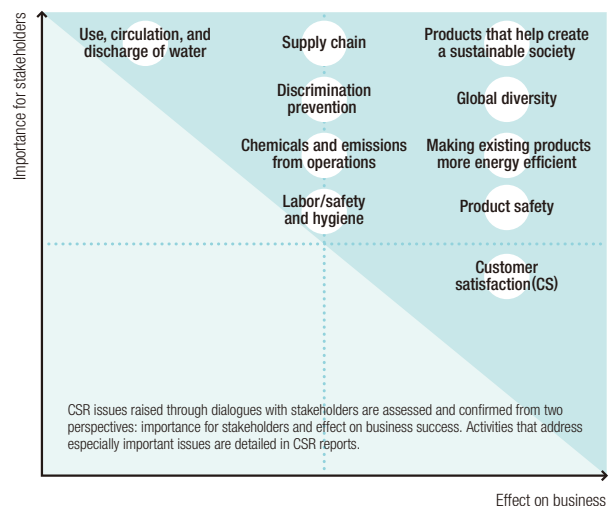
Adopted March 2005
(For the specific plans and achievements of each policy, see page 20)

 Fundamental Credo
 CSR Policy of the Hitachi Group

Method for Selecting Material Issues

At Hitachi, we view the participation of stakeholders as an essential part of the decision-making process for CSR materiality, in tandem with assessing the magnitude of issues from the viewpoints of management and social sustainability. In fiscal 2008, with the support of the global network BSR, we engaged in dialogues with stakeholders mainly on the themes of pressing global environmental problems and other issues that require high-level attention in our corporate business strategy. The chief executive officers of Hitachi and members of BSR also discussed global social issues and the long-term outlook of CSR activities. We report on the material issues defined through our analysis in our CSR reports and environmental reports. Various dialogues with external stakeholders are held regularly at a global level and, based on the deliberations of the CSR Promotion Committee—comprised of Hitachi executive officers—the most significant are then incorporated into CSR activities from the following fiscal year onward.

Summary of Issues That Hitachi Considers Important



Dialogue with Stakeholders in North America



Hitachi places environmental projects at the core of our business strategy. During dialogues with stakeholders on global environmental strategy held in New York in March

2009, a wide-ranging exchange of views was made on activities expected of Hitachi. We will use these views to refine our environmental vision, and the methods that we use to participate in global discussions. The issues emerging from these dialogues will be incorporated into future programs as vital issues in our CSR activities.

Participating stakeholders: Jason Morrison, Pacific Institute; Shin Furuya, Domini Social Investments; Peter Holzaepfel, The Climate Group; Leslie Cordes, The UN Foundation; Richard A. Liroff, Investor Environmental Health Network; Mark Cohen, Resources for the Future

Facilitators: Dunstan Hope, BSR; Raj Sapru, BSR

Key Suggestions from Stakeholder Dialogues

- Clearer explanations of criteria and measurement methods for environmentally friendly products, as well as environmental management
- Increasing transparency and full disclosure of globally integrated corporate environmental data
- Use of Hitachi's wide-ranging technologies and know-how for resolving high-priority sustainability challenges in regions throughout the world

Main Hitachi Group participants: Tadahiko Ishigaki, Senior Vice President and Executive Officer, Chief Executive for the Americas; Takashi Hatchoji, Hitachi Group Chief Environmental Strategy Officer; Kiyoshi Kinugawa, President, Hitachi America, Ltd.

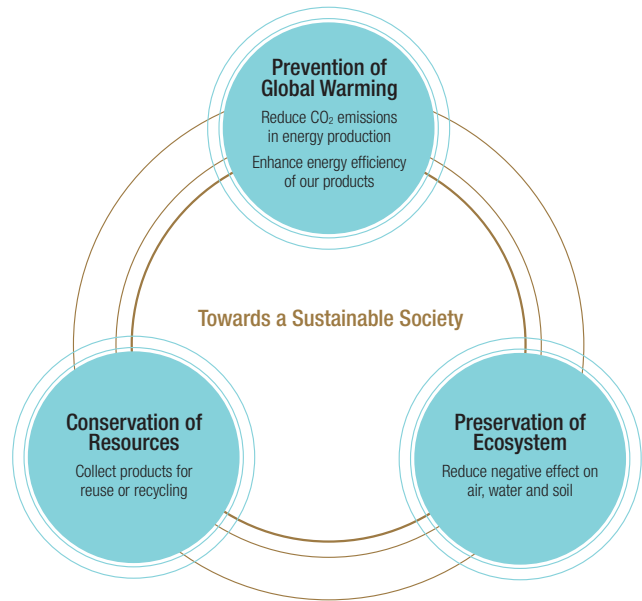
Toward a Sustainable Society

The Hitachi Group aims to realize a better global environment through innovation, business operations, and activities worldwide

Hitachi's Environmental Vision

The quest for a comfortable existence has led humankind to create a highly convenient society. Today's society, however, requires a vast amount of energy, and is causing problems, such as global warming, resource depletion, and environmental damage. We should challenge these common issues if we are to maintain a comfortable existence into the future.

We are committed to the prevention of global warming, the conservation of resources, and the preservation of the ecosystem as the three pillars of our vision. Our goal is to achieve a more sustainable society by promoting global production that reduces the environmental burden of a product throughout its lifecycle. We are working toward this goal by setting progressive targets for fiscal 2010, 2015, and 2025.



The Three Pillars of Hitachi's Environmental Vision

Global Warming Prevention toward 2025

We are setting specific goals intended to prevent global warming, which we view as a particularly urgent mission in realizing a sustainable society.

Fiscal 2010 Goal

- **12 percent reduction** in Hitachi Group CO₂ emissions (from FY 1990 for Japan domestically)
- 5 percent reduction in CO₂ emissions per unit of production (from FY 2003 for outside Japan)

To meet Japan's Kyoto Protocol commitment of a 6-percent reduction in greenhouse gases, the Japanese government has created the Kyoto Protocol Target Achievement Plan. In fiscal 2008, we raised our fiscal 2010 CO₂ emission reduction target from 7 to 12 percent. This is now in line with the industry target value laid out in the Achievement Plan that was revised in March 2008. For operations outside Japan, we are striving to achieve an annual reduction of 1 percent in CO₂ emissions per unit of production.

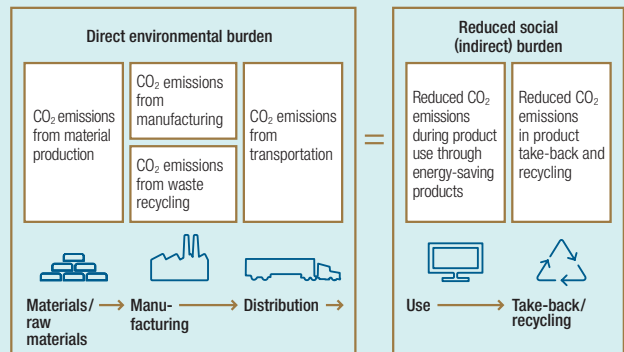
Fiscal 2015 Goal: Medium-Term Environmental Vision 2015

2015

Achieve emission neutral

We are working to achieve emission neutral by fiscal 2015 in the pursuit of *monozukuri* that reduces the environmental burden of products throughout their lifecycle.

The Emission Neutral Concept



The Emission Neutral Concept
Emission neutral means reducing CO₂ emissions from material production, manufacturing and distribution (the direct burden) and also reducing CO₂ emissions by making energy- and resource-saving products (the social burden) to make the two environmental burdens equal.

Fiscal 2025 Goal: Long-Term Environmental Vision 2025

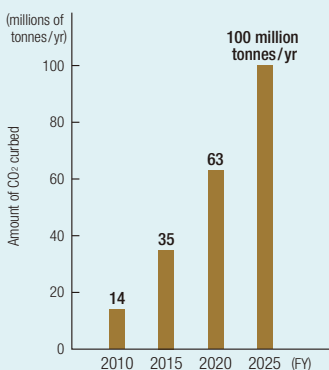
To help reduce annual CO₂ emissions by **100M tonnes** by 2025 through Hitachi products and services*

*With fiscal 2005 as the base year, Hitachi plans to produce more environmentally efficient products and services.

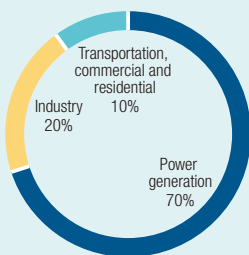
In 2007, we set a goal to reduce annual CO₂ emissions by 100 million tonnes by 2025 through Hitachi products and services. Seventy percent, or 70 million of that 100 million tonnes, comes from power generation and other aspects of energy supply, while 30 percent, or 30 million tonnes, is associated with energy consumption, including industry, transportation, commercial and residential use.

For power generation and energy supply, we will provide products that reduce CO₂ emissions by expanding the provision of nuclear power and renewable energy technologies, as well as further improving the efficiency of thermal power generation. For energy consumption, we are committed to pursuing high energy efficiency in industry, transportation and daily living, such as developing hybrid drive systems that use lithium-ion batteries and creating power-saving data centers that integrate ICT (information and communication technology) with air conditioning technology.

Plan for CO₂ Emission Reduction (base year FY 2005)



Breakdown of 2025 CO₂ Emission Reduction



Specific Steps to Help Reduce CO₂ Emissions by 100 Million Tonnes

Make all of our products Eco-Products

Pursue environmental efficiency of products through technology. Promote green technology, environmental business investment and collaborative projects in global markets.

Product Development for a Sustainable Society

To reduce the environmental burden of CO₂, we are building up the environmental efficiency of all products.

First, we intend to make all Hitachi Group products Eco-Products^{†1} by fiscal 2025. To achieve major improvements in environmental efficiency, we have also developed the Super Eco-Product classification. These are Eco-Products that have either an efficiency of global warming prevention^{†2} or a resource efficiency^{†3} at least 10 times greater than standard products (fiscal 2000 products), or when these products are industry leaders based on their achievement ratios of energy conservation standards^{†4} or other similar indicators, or are highly regarded outside the Hitachi Group. The intention is to boost the percentage of Super Eco-Products to Eco-Products to more than 30 percent by fiscal 2010.

We have identified the environment and energy as priority areas for channelling Group resources. We look forward to using our technology to meet the challenge of environmental protection, another step toward achieving a sustainable global environment.

WEB Eco-Products

<http://www.hitachi.com/environment/library/glossary/kj/ecoproduct.html>

†1 Eco-Products

Products that meet certain standards under the Assessment for DfE (Design for Environment) system, which uses criteria such as material reduction and longevity to provide a quantitative assessment of environmental burden.

†2 Efficiency of global warming prevention

When evaluating a product's value for function and life span, the ratio of that product's value to the quantity of greenhouse gases generated during its lifecycle.

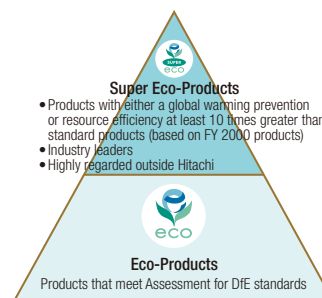
†3 Resource efficiency

When evaluating a product's value for function and life span, the ratio of that product's value to the amount of resources used during the product's lifecycle.

†4 Achievement ratios of energy conservation standards

Standard target values for energy efficiency have been established for home appliances and other products on the basis of the Law Regarding the Rationalization of Energy Use. The achievement ratio indicates the degree to which these standard target values have been met. The target values were determined with reference to the most energy-efficient products available in the market.

Hitachi's Eco-Product System



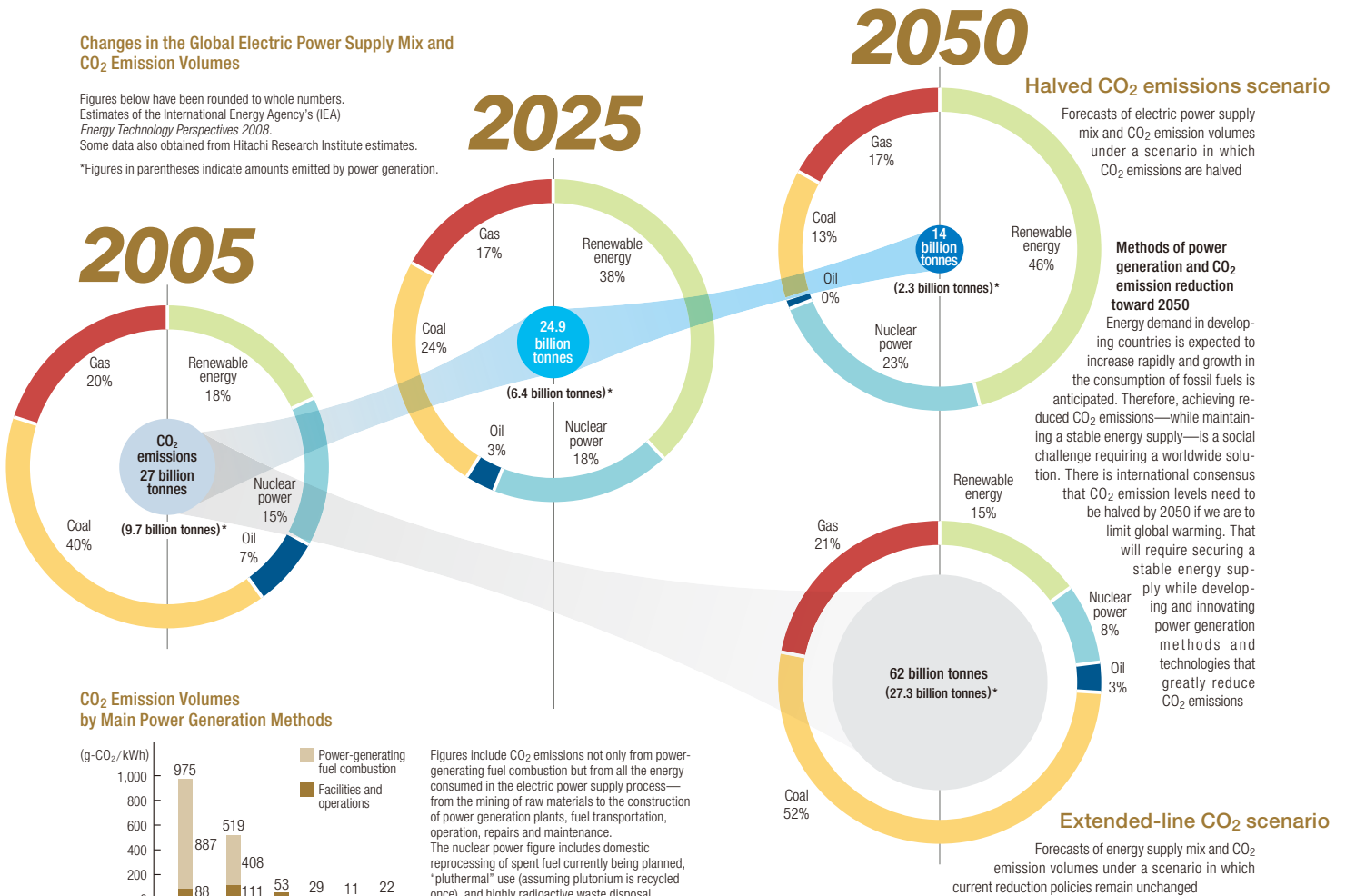
Hitachi's Environmental Technologies 1

Securing a Stable Electric Power Supply and Reducing CO₂ Emissions

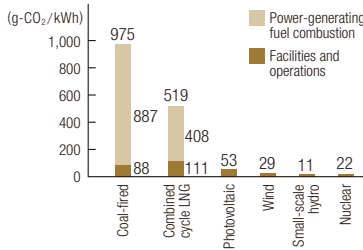
We are developing a range of power generation technologies that will help reduce CO₂ emissions

Changes in the Global Electric Power Supply Mix and CO₂ Emission Volumes

Figures below have been rounded to whole numbers. Estimates of the International Energy Agency's (IEA) *Energy Technology Perspectives 2008*. Some data also obtained from Hitachi Research Institute estimates. *Figures in parentheses indicate amounts emitted by power generation.



CO₂ Emission Volumes by Main Power Generation Methods



Figures include CO₂ emissions not only from power-generating fuel combustion but from all the energy consumed in the electric power supply process—from the mining of raw materials to the construction of power generation plants, fuel transportation, operation, repairs and maintenance. The nuclear power figure includes domestic reprocessing of spent fuel currently being planned, "plutothermal" use (assuming plutonium is recycled once), and highly radioactive waste disposal. Based on *Research Report Y99009* and *Research Report Y01006* (August 2001, Central Research Institute of Electric Power Industry).

The Hitachi Group's Power Generation Technologies

Current Group projects include cutting-edge nuclear power generation plants, more efficient coal-fired power generation, power systems using sources such as solar and wind power, grid connection control and battery storage technologies, as well as smart grids.^{†1} We are also conducting joint R&D with research institutes, universities and other companies on technologies for the future, including IGCC,^{†2} a promising candidate for next-generation high-efficiency power generation; CCS,^{†3} which isolates and recovers the CO₂ emitted from sources such as thermal power plants for storage underground and elsewhere; and next-generation nuclear power plants with more effective resource use.

†1 Smart grids: Next-generation power grids to optimize power transmission by utilizing information technology
 †2 IGCC: Integrated Gasification Combined Cycle (coal)
 †3 CCS: Carbon (dioxide) Capture and Storage

Main Power Generation Product and Technology Development Projects

CO ₂ emission reduction	Renewable energy power generation systems Grid connection control Battery technologies Smart grids CCS
High efficiency/effective use of resources	Advanced boiling water reactors High-efficiency coal-fired power generation IGCC Fast reactors



2,000 kW wind power generator developed jointly with Fuji Heavy Industries Ltd.



High-efficiency 600°C-class high-pressure turbine for thermal power generation

Hitachi's Nuclear Power Generation Technology: For High Reliability

Responding to Global Nuclear Power Needs

Nuclear power generation is currently undergoing a renaissance. This is due partly to the wide distribution of uranium—used for fuel—across politically secure regions and its potential contribution to energy supply stabilization, as well as the fact that no CO₂ is emitted. Even in the United States, where no new nuclear power plant has been built since 1973, plans are currently under consideration to build more than 30 new nuclear power plants. Nuclear power generation is expected to play a major role in reducing CO₂ emissions in the years ahead.

Since putting the Tsuruga-1 nuclear power plant into operation in 1970, we have participated in the construction of 20 nuclear power plants in Japan, amassing technological know-how while maintaining and fostering expert human resources. In July 2007, Hitachi-GE Nuclear Energy was established as a nuclear power joint venture between Hitachi and General Electric, a company with extensive construction experience in the United States. This strategic move positions us in the North American market with the technical capabilities and human resources that we have nurtured to respond to the expected boom in nuclear power generation.

High Reliability

A key feature of our nuclear power business is that we handle the entire process from plant design through to manufacture, installation and pre-operation by having many Hitachi Group companies work in collaboration. We are striving to improve quality control by building a comprehensive engineering database for centralized information management—from the drawings produced by our 3D CAD system to manufacturing plans and installation plans to progress monitoring during construction.

We also attach ultra-small RFID (radio-frequency identification) chips called μ -chips to pipes and cables shipped to construction sites, enabling detailed product and process management at new nuclear power plants.

Our interest in enhancing manufacturing and installation efficiency has led to putting aside the traditional approach of installing machinery and laying pipes on-site during construction. Instead, we have created a proprietary large-block modular construction method where plant components, such as machinery and pipes, are assembled off-site and finished modules are then shipped to the construction site. Using this method for nuclear

power plant construction makes it easy to build according to plan; it also ensures top-level quality and security control. Large-block modular construction will have a major impact on power plant construction in North America, as well as other regions.

Looking to Tomorrow

As a builder of power plants, we have constructed many boiling water reactors (BWRs), the most common type of nuclear power plant in Japan. Since 1995, we have also been building advanced boiling water reactors (ABWRs) which offer high reliability. Moreover, we are working with the Japanese government, electric power companies and other manufacturers on a national project to develop the next generation of light water reactors. These new reactors are intended to take advantage of the replacement reactor construction demand that will emerge around 2030, with an eye on the international market as well.

The reserves to production ratio for uranium is said to be around 85 years. To improve uranium use efficiency, we have been deeply involved in building a nuclear fuel reprocessing plant and in a government-led fast reactor development program.



(Left) Module assembly factory (Hitachi Works, Hitachi GE Nuclear Energy)
(Right) Nuclear reactor containment vessel being lifted into Unit No. 3 at Chugoku Electric Power Company's Shimane Nuclear Power Station in Japan



Enhancement in Next-Generation Power Generation Technologies

Yoichi Kaya

Director-General

Research Institute of Innovative Technology for the Earth

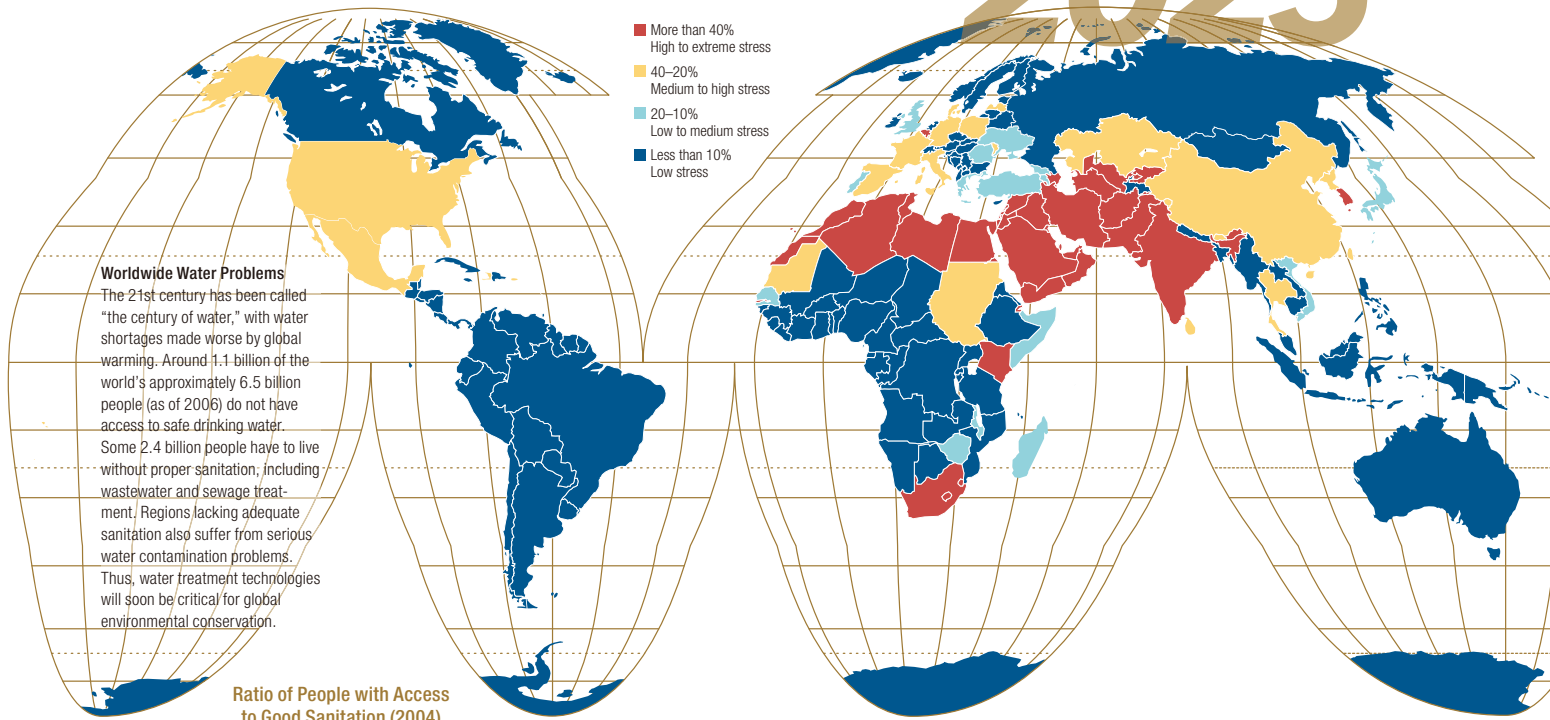
The keys to halving CO₂ emissions by 2050 are innovations and improvements in the supply of energy, which accounts for around 40 percent of CO₂ emissions and where demand will keep growing. While the base will be stable nuclear power plant operations, there are many areas where we can contribute, including improving the nuclear fuel cycle, using IGCC in particular to improve coal-fired power generation efficiency, and by creating battery technologies—vital in expanding renewable energy use. I strongly expect Hitachi to become even more involved in creating both a low-carbon society and greater power supply stability by developing practical, concrete, and innovative technologies from a long-term perspective.

Hitachi's Environmental Technologies 2

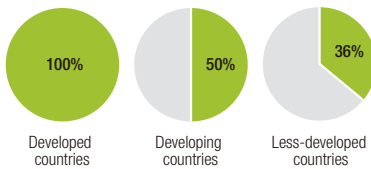
Contributing to Water Treatment Operations

Hitachi's joint global R&D
—researching the effective use of valuable water resources

World Water Stress in 2025*



Ratio of People with Access to Good Sanitation (2004)



Source: Health indices, *The State of the World's Children 2008* (UNICEF)

*Water stress refers to the ratio of water demand to renewable water resources. When this ratio tops 40 percent, it is said to be high. According to *Vital Water Graphics* (United Nations Environment Programme), four billion people are expected to face high water stress by 2025.

Hitachi Group Water Treatment Technologies

We contribute to global environmental conservation by offering water treatment systems and technologies for treating tap water and sewage, industrial wastewater and ship ballast water—for a safe and reliable water supply, the base of human existence.

Hitachi's Main Water Treatment Technologies

Sewage treatment Industrial wastewater treatment	Technology using microorganisms to efficiently remove nitrogen from sewage and industrial wastewater
Sewage reclamation and recycling Industrial water reclamation and recycling	Water treatment technology combining membrane separations and biological treatments
Ship ballast water purification	Water treatment technology combining flocculation and magnetic separation that avoids the use of disinfectants and protects marine environments



Water Stress and Safe Water

Taikan Oki
Professor, Institute of Industrial Science
The University of Tokyo

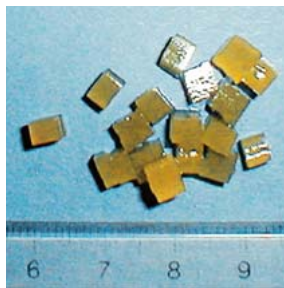
Pressure from population growth, economic development, urban concentration and climate change are squeezing world water supply and demand ever more tightly. This is less due to water shortages in arid areas than due to the lack of a social infrastructure for a stable supply. The Hitachi Group and other companies can contribute to solving the world's water problems in many ways, including creating the social mechanisms for maintaining a healthy water cycle and teaching skilful water use that minimizes water pollution, as well as the transfer of water treatment technologies and the supply of funds. Supporting access to water promotes good health, hygiene, and food production as well as energy, transportation, and education. This underpins sustained economic growth in the developing world and world stability; it also substantially contributes to Japan's national interests.

Solving Water Contamination

China's urbanization has gone hand in hand with severe water pollution. A prime example is TaiHu Lake, an area in the Yangtze River Delta known for its scenic beauty. Large amounts of blue-green algae now bloom there every summer, causing a strong odor in the tap water of coastal regions fed by the lake. This is thought to be due to nitrogen and other substances in domestic and industrial wastewater flowing into rivers, lakes, and marshes, causing eutrophication (when too many nutrients cause excess growth of plants and organisms).

To address this problem, we are looking to deploy a unique nitrogen removal system using immobilized microorganisms trapped in polymer gel cubes.

The most common sewage treatment method is the activated sludge process, where air bubbles are fed into a bioreactor, using the action of microorganisms for water purification. While this is an effective way to break down organic matter, it cannot completely remove contaminants such as nitrogen. With entrapped immobilized microorganism technology, microorganisms that can remove nitrogen are trapped in a polymer gel shaped into 3-mm cubic pellets. Injecting the pellets into the bioreactor substantially boosts the nitrogen removal rate. PEGASUS, a nitrogen removal system jointly developed with the Japan Sewage Works Agency, uses this technology. It is already performing well in sewage in Japan and private-sector industrial wastewater treatments.



Gel containing highly concentrated microorganisms

Joint Research Verifies Feasibility

To deploy this new technology in China, it was vital to use actual wastewater to verify the technology and win over the government and major design institutes that determine sewage plant specifications. We have demonstrated the effectiveness of entrapped immobilized microorganisms through joint research with a number of Chinese universities.

In conjunction with the Shanghai Jiao Tong University, under a joint research project, we set up a pilot plant for tests at a brewery in Guangdong Province. These tests produced good results and proved the effectiveness on wastewater containing high concentrations of ammonia. We also undertook on-site verification in sewage plants

in cities in the TaiHu Lake area. In our research with Nanjing University, we made an on-campus evaluation of entrapped immobilized microorganisms and also performed demonstration experiments at sewage plants.

Reusing Water Resources

We have also developed a system for water recycling and reuse in regions with serious water shortages. The PERSEUS system produces treated water suitable for reuse with a membrane bioreactor where a membrane is submerged in a bioreactor for solid-liquid separation.

The PERSEUS system is already in commercial use. Units began operating in 2007, for example, in Dubai in the United Arab Emirates, a city that is attracting attention for its large-scale urban development. In September 2008, a new company was set up with local investors to gather domestic city wastewater in tank trucks for advanced treatment using the PERSEUS system, where the treated water is sold for use in industry, toilets, irrigation and plantations.

At the same time, given that many areas with serious water shortages are in the developing world, increasing the market penetration of water recycling technologies will require a significant lowering of costs. We are jointly researching how to do this with leading universities around the world that have special technologies. In Singapore, which has the NEWater Plan for recycling wastewater as a drinking water resource, we have begun working with Nanyang Technological University to apply the university's leading-edge technologies to develop a system that is driven by a small amount of energy. We are also collaborating with China's Sichuan University to create a low-cost hollow fiber membrane that combines the university's polymer material and spinning technologies with our membrane treatment technologies.



A PERSEUS system installed at a construction workers' housing complex in Dubai processes wastewater for about 1,500 people.

Environmental Management in *Monozukuri*

We are set to reduce, from a long-term perspective, the environmental burden of products over the entire product lifecycle

Environmental Action

We have written the Hitachi Action Guidelines for Environmental Conservation, which outline the Group's environmental management policy based on Hitachi, Ltd. Standards of Corporate Conduct. Using these guidelines, we have adopted three pillars for our environmental vision: the prevention of global warming, conservation of resources, and preservation of the ecosystem. The target in our medium-term plan, Environmental Vision 2015 is to achieve emission neutral by fiscal 2015.

Drawing on the Sustainability Compass, which lays out directions for environmental activities, we have developed an Environmental Action Plan with specific targets for fiscal 2010. The GREEN 21 evaluation system is used to assess the progress of our activities, verify the results, and ensure continual improvement.

Hitachi Action Guidelines for Environmental Conservation (excerpt)

Purpose

In order to realize an environmentally harmonious and sustainable society through products and services, Hitachi is committed to meeting its social responsibilities by promoting globally applicable *monozukuri* (designing, manufacturing, or repairing of products), which is aimed at reducing environmental burdens of products throughout their entire lifecycle, ensuring environmental conservation.

This document lays out 10 specific guidelines that include a statement on meeting our social responsibilities through environmental protection activities, relevant business activities, and forging cooperative relationships with stakeholders.

Medium-Term Plan Environmental Vision 2015

To achieve emission neutral by fiscal 2015

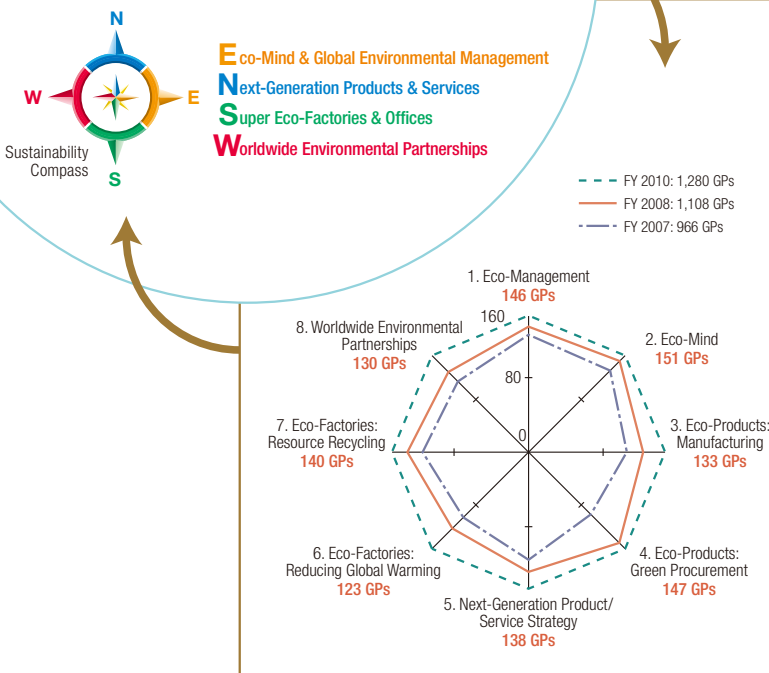
(see page 6)

Environmental Action Plan

Action items and targets have been set for each of the four axes of our Sustainability Compass. Action items encompass expanding our Eco-Product lineup, steps to counter global warming, efficient use of resources, and proactive communication on environmental issues. Environmental Action Plan targets are reviewed and optimized to reflect, for example, the state of the global environment, requests from stakeholders, and early target achievement.

The GREEN 21 Evaluation System

GREEN 21 is an evaluation system designed to ensure steady implementation of the Environmental Action Plan and continual improvements, and to raise the effectiveness of environmental activities. GREEN 21 is an evaluation tool that numerically assesses the degree to which that year's Environmental Action Plan goals have been achieved, then displays the results in radar charts for easy viewing and use in environmental management. Version 3 was created in line with the Action Plan and has 55 items in eight categories based on the four axes of the Sustainability Compass. Assessments are made for each plant and office, and the results are also reflected in the overall performance evaluation of each business group and company. This reveals weak points in environmental action and shows improvements needed in the next fiscal year. In fiscal 2008, a Group average score of 1,108 Green Points (GPs) was achieved, exceeding the target of 1,024 by 84 points. Regarding green procurement in particular, efforts are being made to improve GP scores by providing individualized, visiting advisors to the procurement divisions and environmental promotion divisions of group businesses and companies, coupled with support for the environmental activities of procurement transaction partners.





Design

Develop and design products with a low environmental burden



Procurement

Procure materials and products with a low environmental burden, share environmental information across the supply chain, and promote environmental protection with suppliers



Production

Promote environmentally conscious manufacturing through energy saving, effective resource use, and management of chemical substances



Distribution

Reduce the environmental burden of transportation with modal shifts and more efficient transportation



Use

Popularize products with a low environmental burden



Disposal and recycling

Resource recycling, proper treatment for disposal

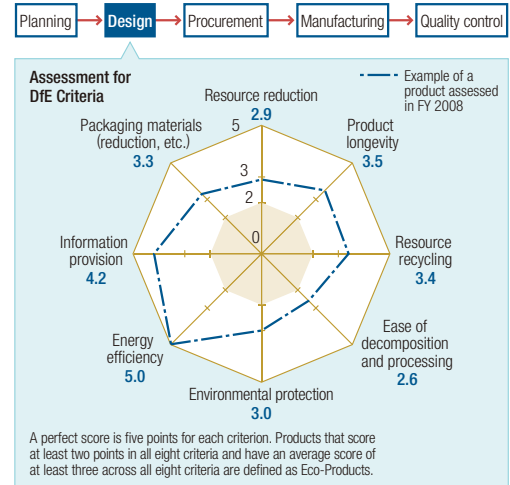
Reducing Environmental Burden throughout the Product Lifecycle

Our goal is to achieve emission neutral (see page 6) to help build a sustainable society. We are pursuing environmental protection based on actions designed to respond to environmental regulations and to reduce the environmental burden at all stages of the manufacturing process—from materials procurement, manufacturing, distribution, and product use, through to disposal.

Implementing Ecodesign

Minimizing the environmental burden of products to the greatest possible extent means focusing on the impact at every stage of the product lifecycle. We have integrated Assessment for DfE (Design for Environment) into product development: We evaluate environmental burden using eight criteria, including resource reduction and product longevity. Based on these criteria, products having better environmental performance than previous models (before the latest major design change) are called Eco-Products. To implement proper and efficient Eco-Product development not only design divisions but also every operational unit, including planning, procurement, manufacturing and quality control, is required to integrate environmental consideration into their work. We will achieve this by incorporating ecodesign into our existing management system. The system will enable prompt responses to environmental laws and regulations, as well as environmental information disclosure requirements, to make products with outstanding environmental performance.

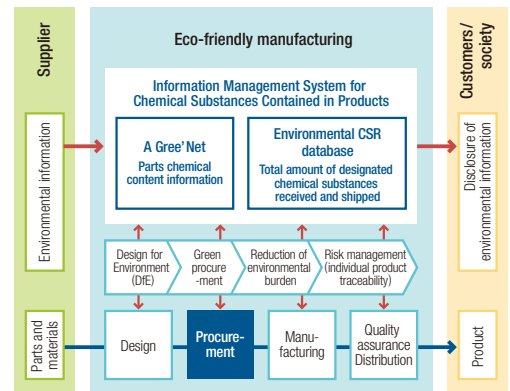
Integrating Ecodesign into the Existing Management System



Environmental CSR-Compliant *Monozukuri*

We have promoted environmentally conscious product manufacturing across the entire manufacturing process, through product design, parts/materials procurement, manufacturing, sales and providing service. Accordingly, we have developed common rules for environmental CSR-compliant *monozukuri* and a framework for managing chemical substances contained in products. Since 2005, we have employed the Information Management System for Chemical Substances Contained in Products. We now have information on the chemical composition of more than 624,000 parts (March 2009) to ensure green procurement. We are also improving our compliance with the REACH^{†1} regulation, the compulsory registration and notification for chemical substances used in the European Union (EU).

Managing Chemical Content of Products



Super Eco-Factory & Office Certification

We internally give Super Eco-Factory & Offices certification to facilities that achieve outstanding results and take pioneering steps in environmental burden reduction. By highlighting the initiatives taken by certified factories and offices, we are encouraging environmental action across the whole Group.

Assessment is based on six criteria, including energy efficiency, improvements in resource recycling and VOC^{†2} emission reduction to certify those facilities that achieve industry-leading environmental efficiency and a reduction in adverse environmental burden. Nine facilities have been certified as Super Eco-Factories & Offices up to fiscal 2008. Our goal is to raise this to 30 across the Hitachi Group by fiscal 2010.

Super Eco-Factory & Office Certification Criteria

1. Energy efficiency
2. Improvements in resource recycling
3. VOC emissions reduction
4. Water recycling
5. Renewable energy use
6. Other (special commendation or use of original technologies to meet targets)



^{†1} REACH: Registration, Evaluation, Authorisation, and Restriction of Chemicals (This EU regulation came into force on June 1, 2007.)

^{†2} VOC: Volatile organic compounds

Environmental Activity Topics

Here we present some of our environmental activities during 2008 based on the four axes of the Sustainability Compass



Eco-Mind & Global Environmental Management

Conferences of Staff in Charge of Environmental Issues in 4 Key Regions

Outside of Japan, the Hitachi Group is organizing environmental activities in these regions: the Americas, Europe, China, and the rest of Asia. In 2008, management in charge of environmental activities gathered in each region to understand Hitachi's policy and the world's environmental regulations, and to share information on their environmental activities, such as energy conservation. Through these conferences, regional networks were developed to deepen collaboration, clarify issues and provide encouragement for further action. We will continue to hold these events to develop our global environmental activities while reflecting regional characteristics.



Chinese Regional Conference in Suzhou, March 2009



European Regional Conference in Brussels, January 2009

Next-Generation Products and Services



46 Eco-Products Newly Registered

1,103 Hitachi Group products (6,961 models) were registered as Hitachi Eco-Products in 2008. These products have high external reputations.

Hitachi Energy Recovery System — Micro-Hydropower System

Hitachi Industrial Equipment Systems Co., Ltd.

- Winner of 2008 Promotion Council Chairman's Prize, 5th Eco-Products Award (2008)
- Winner of the Japan Machinery Federation Chairman's Prize, JMF Award for Energy-Conserving Machinery

Hitachi Industrial Equipment has developed a system that recovers surplus hydropower energy from buildings and factories as electrical energy. Optimizing rotation speed enables highly efficient energy recovery, and miniaturization increases the range of places where it can be installed.

Agricultural Information Management System: GeoMation Farm

Hitachi Software Engineering Co., Ltd.

- Winner of 2008 Promotion Council Chairman's Prize, 5th Eco-Products Awards (2008)
- Winner of Ministry of Internal Affairs and Communications Prize on Environment, u-Japan Award

A system adapting satellite image remote sensing technology and map information ensures crop quality through fertilizer management and reduces energy consumed in the drying process by optimizing the harvesting time of crops, such as wheat.

Hitachi Appliance's Drum-type washer-dryer (BD-V3100, BD-V2100)

Hitachi Appliances, Inc.

- Winner of METI Minister's award, Energy Conservation Grand Prize 2008

The product recovers heat emitted by the motor, etc., and reuses it to dry clothing. This energy-saving technology reduces power consumption.

Packaged Air Conditioner for Cold Regions (standard heating capacity of 8 kW–16 kW)

Hitachi Appliances, Inc.

- Winner of Environment Minister's Award for Activities to Fight Global Warming 2008 (Technology Development and Commercialization Category)

This product has a highly efficient inverter compressor and a heat exchanger for outdoor units that repel frost, improve heating capacity, and reduce energy consumption when the outside is cold. Individual operation of indoor units is also available for efficient air conditioning.



Satellite image—GeoMation Farm



BD-V3100, Drum-type washer-dryer



9 More Super Eco-Factories & Offices Certified

Based on their 2008 performance, nine more facilities have been certified as Super Eco-Factories & Offices. The performances of previously certified facilities are reassessed yearly to determine whether they will retain their certification. Up to now, 26 facilities are recognized as Super Eco-Factories or Offices. For example, Hitachi Industrial Equipment Systems' Narashino Division uses the business concept of "contributing to the environment and energy conservation." Accordingly, they develop and manufacture energy-saving products and actively implement energy saving at the plant. By introducing highly efficient amorphous transformers, inverter controls for production facilities, a power monitoring system, and ceramic metal halide lights, the Narashino Division has reduced annual CO₂ emissions by 1,720 tonnes. The plant exploits natural and renewable energies as well, including a photovoltaic power generation system and micro-hydropower generation that uses surplus energy.

Super Eco-Factories & Offices



Narashino Division, Hitachi Industrial Equipment Systems Co., Ltd.
(Above) The new production building uses high-insulation glass and energy-saving equipment.
(Left) Solar panels installed on the roof of the production building



Hitachi Booths at Eco-Products Exhibitions Attracted 34,000 Visitors

We introduced environmental activities and environmentally conscious technologies and products at exhibitions around the world. In 2008, we exhibited 31 products at Eco-Products 2008 in Tokyo—based on the theme of how Hitachi can contribute to protecting the earth. Outside of

Worldwide Environmental Partnerships

Japan, we showcased eight products, including home appliances and industrial machinery, at the Fifth Eco-Products International Exhibition in Manila, the Philippines. Visitors were invited to write messages about the global environment and Hitachi's environmental activities on cards, which were then pinned to a board to form an "eco tree." The Hitachi booths at these eco-products exhibitions in Japan and abroad attracted 34,000 visitors.



"Eco tree" covered with messages (Eco-Products International Exhibition)

Eco Badges for All 400,000 Hitachi Employees

To promote environmental awareness among Hitachi management and staff, in 2008 an eco badge displaying the Hitachi Tree was distributed to all of Hitachi's management and employees worldwide. Wearing these badges will encourage everyone to make the effort to achieve yearly targets based on Hitachi's Environmental Vision.



Extending Our Collaborative Projects Overseas

Our collaborative projects, where we join forces with our worldwide partner companies, government institutions, and universities to develop environmental technology, are contributing to environmental protection programs outside of Japan

Project

Japan-China Energy Conservation and Environmental Business Promotion Model Project

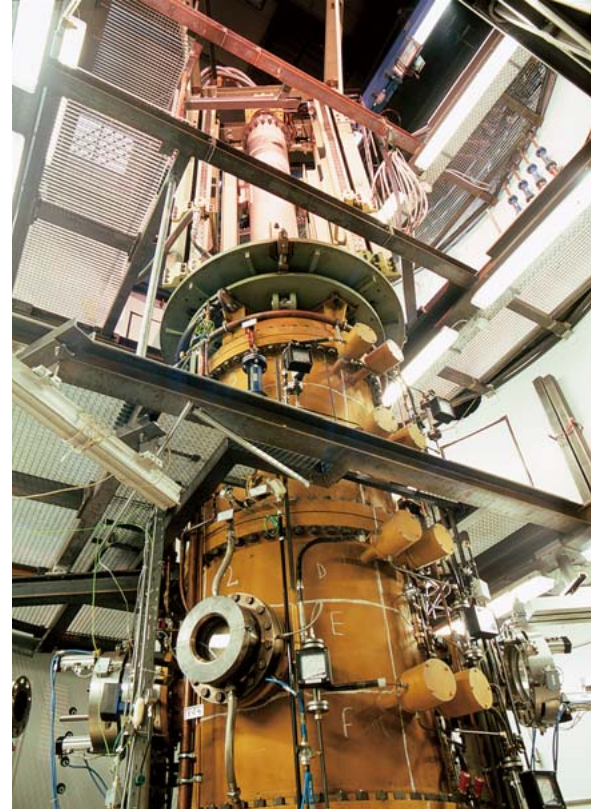
In Yunnan Province, China, we are active in the Model Project for Energy Saving and Utilization of Waste Heat/Pressure through Electrical Systems. This is a collaborative effort between Hitachi, the Energy Conservation Office of the People's Government of Yunnan Province, and the China Center for Business Cooperation and Coordination of the National Development and Reform Commission. The first phase of the project: operations in April 2008 of two sets of Hitachi high-voltage inverters at Kunming Iron & Steel Co. Ltd, one of Yunnan's major steelmakers. The company was able to reduce energy consumption by an average of 26 percent.

In addition, the high-voltage inverter for intake pumps that Hitachi provided for Tianda Chemical Industries Co., Ltd. and the high-voltage inverter for slurry pumps

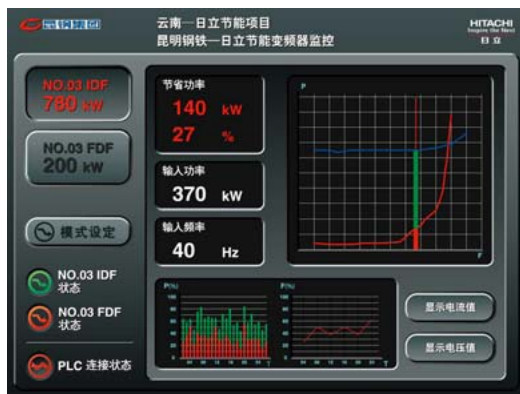
that we provided for Yunnan Three Circles Chemical Co., Ltd. began operating in July and September 2008 respectively. As a result, the Hitachi inverters were able to help these companies achieve immediate initial energy savings of 25.7 percent.

Hitachi's inverter units were used as the base for the inverter systems, while Dongfang Hitachi (Chengdu) Electric Control Equipments Co., Ltd. assembled them. Using our patented energy monitoring technology, these inverter systems allow energy savings to be clearly viewed on monitors. This cutting edge technology is based on energy-saving evaluation and monitoring technologies from Hitachi's motor drive energy conservation service, HDRIVE. Collaborative creation between Hitachi (China) Research & Development Corporation and Dongfang Hitachi (Chengdu) Electric Control Equipments worked together to develop the system.

Following up on the projects in Yunnan Province, Hitachi joined forces with the China Center for Business Cooperation and Coordination and the Ningbo Municipal People's Government to launch a second national-level project: the Cooperation Project for Energy-saving and Emission Reduction among SMEs in Ningbo. Thirty SMEs in Ningbo were selected to serve as model companies for this project. Plans are to conduct trial energy audits and to expand eligibility for the project once the results have been confirmed.



Oxy-fuel combustion testing equipment at Aachen University (Germany)
Photo courtesy of © Peter Winandy, RWTH Aachen University



A monitor showing how much energy is being saved



An energy audit of a model company in the city of Ningbo

Project

Joint Research on Coal Combustion Technology for CO₂ Reduction

The environmental burden of coal is not low, however it will not go away soon; it is an abundant and low cost source of energy, with infrastructure in place to support

its use. Therefore Hitachi realizes the best course of action is to help clean up the process and reduce the negative impact of coal energy in the short to medium term, while in the long term investing in and enabling alternative energy technologies and products that support a sustainable future. Since conventional coal-fired thermal power plants burn coal with air, it is necessary to separate nitrogen and CO₂ in the flue gas to recover CO₂. Using the oxygen-combustion method, the main components in the flue gas are water and CO₂, making it easier to recover CO₂. This system can be adapted to coal-fired power plants around the world by adding oxygen supply equipment. Requiring few major modifications, it is believed that practical application is close at hand. In Germany, in particular, there are plans

to test oxy-fuel combustion technology. Hitachi companies, especially Hitachi Power Europe, are participating in European projects, working on system design.

For basic research, we have exchanged joint statements with the German state of North Rhine-Westphalia on technology for reducing CO₂ from coal-fired plants. We are jointly researching with leading universities, as well. Our research project with RWTH Aachen University uses the university's own oxy-fuel combustion test furnace to compile data on combustion, and we are using more sophisticated numerical analysis techniques to improve the reliability of oxy-fuel combustion furnaces.

Forum

Ongoing Environmental Cooperation with the Chinese Government

In 2006, Hitachi set up the China Energy Conservation and Environment Commercialization Promotion Project Team. Since then we have cooperated by touring projects in Japan with representatives of China's central and provincial governments, including a film project with the China Environmental Protection Ministry and China Central Television (CCTV).

Due to strong support from the National Development and Reform Commission, we have held three joint Energy Conservation and Environmental Protection Technology Exchange Conferences since 2007, bringing together Japanese and Chinese companies, research institutions, and universities to exchange ideas and create alliances on environmental research. These meetings are making a contribution to China's environmental protection programs. In October 2008, the China-Japan High Level Forum on Energy Saving and Environmental Protection Policies, sponsored by the Development and Research Center of the State Council, was held in Beijing, with Hitachi, Hitachi



The China-Japan High-Level Forum on Energy Saving and Environmental Protection Policies

Research Institute, and Hitachi (China) as the supporting Japanese companies.

This forum had about 200 attendees from both countries' governments and industries, and featured four sessions: "Policies and Regulations for Energy Conservation and Reduction of Emissions," "Energy Conservation and Reduction of Emissions for Companies," "Societal Programs for Energy Conservation and Reduction of Emissions," and "Collaborations between Japan and China on Energy Conservation and Environmental Protection." Each session included lectures and discussions.

Forum

Environmental Events in the United States and Singapore

In March 2009, Hitachi held environmental seminars and exhibitions in the United States and Singapore, with gov-

ernment officials and other influential public figures as guests.

A climate change forum titled Meeting Energy Needs, Reducing Environmental Impact, attracting about 400 participants, was held in Washington, D.C. and was jointly organized by the American Association for the Advancement of Science and The Brookings Institution. In addition to a keynote address by U.S. Senator John Kerry, the forum featured panel discussions on climate change policy, research and development of the energy supply, and energy conservation, among other topics.

In Singapore, the Hitachi Eco Conference received the backing of the Singapore government, including the Ministry of the Environment and Water Resources and the Economic Development Board, and attracted about 280 government figures and other guests. Discussions covered energy and water resources, both pressing local issues.



Meeting Energy Needs, Reducing Environmental Impact, a forum held in the United States



The Hitachi Eco Conference held in Singapore

Hitachi's CSR Management

Hitachi's CSR activities worldwide are following a roadmap to a better, more affluent society for all humankind



For more information, please see the *Hitachi Group Corporate Social Responsibility Report 2009* (PDF), available at: <http://www.hitachi.com/csr/>

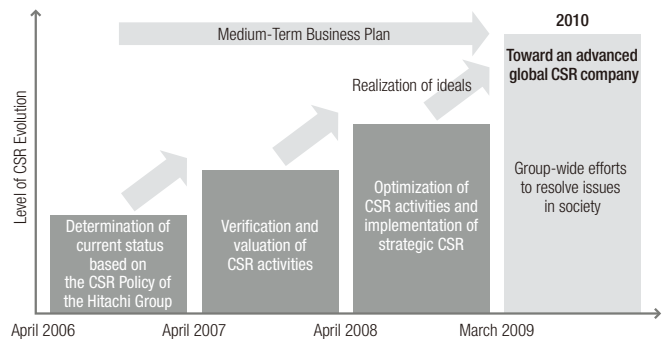
CSR Promotion Activities

Objective view to strengthening CSR management

Striving to Be a Global Leader in CSR

In 2006, we established the Three-Year CSR Roadmap, a medium-term plan for CSR activities. Based on this roadmap, we set fiscal year targets and activities that strengthen our CSR efforts over this period. Our objectives in fiscal 2008 were to optimize and carry out strategic CSR. Through dialogues with stakeholders, we prioritize material issues for the sustainable development of society and for business. We also applied CSR self-assessment tools to clarify challenges within each division. We are now incorporating these issues into our strategy, with the goal of becoming a global leader in CSR in 2010—the year of our company's centennial.

Three-Year CSR Roadmap Concept



Self-Assessment of CSR Activities

CSR Self-Assessment Tool

The CSR Self-Assessment Tool ("Tool") developed in fiscal 2008, was created with the aim to examine our position and the direction that we should be taking. With outside experts, we referred to the indices used by major SRI^{†1} and sustainability investor surveys, as well as global standards. We then summarized the elements required into 47 categories and set five levels to be reached for each category. Finally, by assembling and analyzing the results of self-assessments in eight policy areas that correspond to Hitachi's CSR Policy, we clarified our strengths, weaknesses and where we need to be heading, as well as the results we hope to achieve.

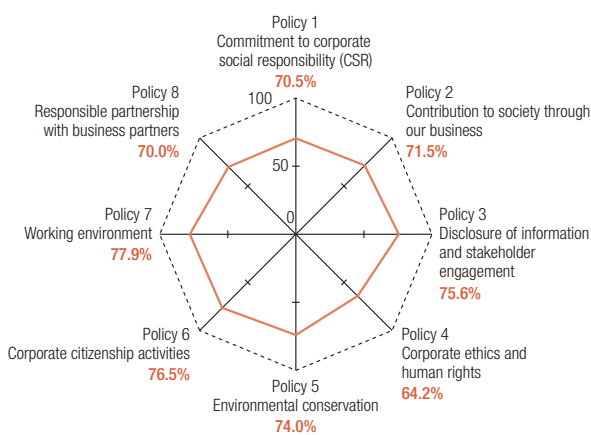
To ensure that all companies in the Hitachi Group use

this tool, discussions were held several times with major Hitachi Group companies during its development. Also, an application manual was created to demonstrate the effective use of the Tool. In addition, the manual lays out scoring criteria and explains how the Tool can be applied, depending on each individual Hitachi company's business area and scale of operations.

Fiscal 2008 Self-Assessment Results

By using the Tool, we found that the structures and systems required for effective CSR are mostly in place. We also discovered areas that need improvement: the link between CSR and the mid-term business plan, unified information disclosure within the Group, and the sharing of and education on global standards throughout the Group.

FY 2008 Self-Assessment Results (Hitachi, Ltd.)



Main topics covered in each policy of the CSR Self-Assessment Tool

- Policy 1: CSR vision; CSR education; risk management
- Policy 2: Coordination with business strategies; sustainable designs; customer satisfaction
- Policy 3: Information disclosure; dialogue with stakeholders
- Policy 4: Corporate governance structure; awareness of ethics; compliance; human rights
- Policy 5: Carbon management strategies; resource recycling; ecosystem conservation
- Policy 6: Strategic social contribution; participation in local communities; social enlightenment
- Policy 7: Respecting diversity; fulfilling work environments; work-life balance
- Policy 8: CSR procurement; communication with suppliers

The Tool is being applied at all 22 major Hitachi Group companies, including Hitachi, Ltd., and each company is drawing up an action plan that takes into account its industry, scale, management strategy, and other details.

European CSR Project

In order to implement CSR activities best suited for Europe, Hitachi's Regional Corporate Centre in Europe launched a CSR project that looked at what the Hitachi Group as a whole—as well as Hitachi Group businesses in Europe—must focus on, and the level of interest of stakeholders in the region. The main themes were promoting environmental projects, encouraging diversity, respecting human rights, and promoting CSR procurement. The project's working group pays close attention to trends in EU policy as it considers plans and measures for each theme. The European Corporate Office of Hitachi, Ltd., is also participating.

The focus in fiscal 2008 was on identifying common concerns of the Hitachi Group Europe, and identifying measures which the Group as a whole could implement. While working to develop these measures from fiscal 2009, we will also emphasize communications with European stakeholders.



A meeting on the European CSR Project

↑1 SRI (Socially Responsible Investment)

An approach to investing where shares are selected partly on the basis of criteria relating to CSR.



Mr. Pedersen joins the discussion with Hitachi Group companies

voices Enhancing CSR Management through Self-Assessment

Peter D. Pedersen

Chief Executive, E-Square Inc.

I find it extremely interesting and significant that the Hitachi Group has sketched out what it wants to do as a company and has developed and adopted self-assessment tools based on its eight CSR policies. I also think that it was excellent that even the process of deciding on the evaluation tools was itself carried out in participation with the main Group companies and entailed a thorough debate.

In many cases, expanding CSR management to the group becomes an issue. It is not uncommon for this to reach an impasse because issues within individual

group companies remain unresolved. The most effective aspect of Hitachi's CSR self-assessment tools is the common measure for the Hitachi Group as a whole. At the same time, it permits an evaluation that is appropriate to the unique business characteristics of each company within the Group.

I think we can expect to see in the future that each Hitachi Group company will no longer be "evaluating for the sake of evaluating," but will understand the direction for improvement indicated by these tools and will come up with their own ways to further enhance CSR management.

Results of CSR Activities in Fiscal 2008 and Goals/Plans for Fiscal 2009

This table summarizes the main CSR activities and results based on the Hitachi Group Three-Year Roadmap in fiscal 2008 as well as plans for future activities.

CSR Policy of the Hitachi Group	Activities in Fiscal 2008	Results in Fiscal 2008	Achievement Level	Page(s)	Fiscal 2009 Goals/Plans
1. Commitment to corporate social responsibility	<ul style="list-style-type: none"> Implement CSR e-learning courses in the Americas, and China and other Asian countries Continue holding CSR workshops and seminars overseas 	<ul style="list-style-type: none"> Implemented CSR e-learning courses overseas (attendance rate: North and South America 70%, China 90%) Held CSR workshops (in five Asian countries) Held CSR working group sessions in Europe 	◆◆	P. 19	<ul style="list-style-type: none"> Implement CSR e-learning courses in other Asian countries
	<ul style="list-style-type: none"> Engineer plan-do-check-act (PDCA) cycle through the adoption of Hitachi Group shared CSR visualization tools (tentative name) 	<ul style="list-style-type: none"> Developed Hitachi Group CSR self-assessment tools and implemented them throughout the Group (used at 22 companies) 	◆◆◆	PP. 18–19	<ul style="list-style-type: none"> Increase the number of companies where CSR self-assessment tools are applied, and implement tools overseas
2. Contribution to society through our business	<ul style="list-style-type: none"> Determine important themes for Hitachi Group CSR activities and have them reflect the concerns of society as well as management 	<ul style="list-style-type: none"> Determined important CSR issues for the Hitachi Group and themes for CSR activities Assessed important issues and business operations beneficial to society from management and stakeholders' perspectives 	◆◆	P. 5	<ul style="list-style-type: none"> Introduce materiality process¹ and incorporate it into corporate strategy, business operations, and management decision making
	<ul style="list-style-type: none"> Improve the PDCA cycle-driven work process 	<ul style="list-style-type: none"> Implemented process improvement measures (strengthened management of change points, etc.) in business divisions prioritized by the need for quality improvement 	◆◆	P. 24	<ul style="list-style-type: none"> Put a stop to serious accidents and foster global QA (quality assurance) leaders
	<ul style="list-style-type: none"> Develop skills of sales divisions in order to boost CS activities 	<ul style="list-style-type: none"> Conducted exchanges of opinions with business groups and Group companies (in four locations) on CS activities from customers' perspective 	◆◆◆	P. 25	<ul style="list-style-type: none"> Strengthen Group network of Web sites for general customer inquiries
3. Disclosure of information and stakeholder engagement	<ul style="list-style-type: none"> Send out more, and disclose more completely, information on priority initiatives Conduct dialogues with stakeholders in Japan and overseas Refine CSR Web site and improve searches 	<ul style="list-style-type: none"> Disclosed information two ways: through <i>CSR Report Digest</i> (booklet) and <i>CSR Report</i> (PDF) to provide more detailed information Conducted dialogues on environmental issues with stakeholders (in the U.S.) and held environmental forums, etc., (in China, the U.S., and Singapore) Improved both index for CSR Web site and Web page layout 	◆◆◆	Inside cover; and PP. 5, 17	<ul style="list-style-type: none"> Issue clear, concise <i>Environmental Report</i> Conduct dialogues with stakeholders in all overseas regions Improve transparency and disclose more information on CSR Web site
4. Corporate ethics and human rights	<ul style="list-style-type: none"> Implement corporate ethics and compliance education programs based on the <i>Corporate Ethics and Compliance Handbook</i> Continue implementing compliance education programs in Asia 	<ul style="list-style-type: none"> Used the <i>Corporate Ethics and Compliance Handbook</i> (English edition, Chinese edition) throughout Hitachi Group companies Implemented compliance education programs in Asia (five countries) and revised the employee notification system in the Philippines Established company regulations regarding the prevention of bribery Joined the United Nations Global Compact 	◆◆◆	PP. 21–23	<ul style="list-style-type: none"> Develop a global education program on human rights Implement e-learning compliance programs in Asian countries
5. Environmental conservation	<ul style="list-style-type: none"> Promote and expand integrated EMS certification program Boost Super Eco-Product ratio to 15% Register eight more Super Eco-Factories and Offices 	<ul style="list-style-type: none"> Four Hitachi Group companies acquired integrated EMS certification: Hitachi Metals, Ltd., Hitachi Plant Technologies, Ltd., Hitachi Maxell, Ltd., and Hitachi Medical Corporation. Achieved Super Eco-Product ratio of 18% Registered nine more Super Eco-Factories and Offices (bringing the total to 26) 	◆◆◆	PP. 12–15	<ul style="list-style-type: none"> Promote and expand integrated EMS certification Boost Super Eco-Product ratio to 22% Register eight more Super Eco-Factories and Offices
6. Corporate citizenship activities	<ul style="list-style-type: none"> Implement programs on global environmental themes 	<ul style="list-style-type: none"> Implemented programs in U.S.A., China, Singapore, Thailand, the Philippines, and Japan 	◆◆◆	PP. 26–27	<ul style="list-style-type: none"> Implement programs in emerging countries and markets Continue implementing programs on global environmental themes Expand educational support programs (further improve visiting lectures on Universal Design)
	<ul style="list-style-type: none"> Plan and deploy new social contribution programs to satisfy needs in emerging countries 	<ul style="list-style-type: none"> Planned programs in India and South Africa 			
	<ul style="list-style-type: none"> Incorporate aging and other important social issues into existing social contribution programs and deploy them 	<ul style="list-style-type: none"> Held the EU-Hitachi Science and Technology Forum on the theme of the aging society 			
	<ul style="list-style-type: none"> Expand educational support programs (increase regions for visiting lectures on Universal Design) 	<ul style="list-style-type: none"> Implemented educational support programs at 21 elementary schools, etc., mainly in the Tokyo metropolitan area 			
7. Working environment	<ul style="list-style-type: none"> Promote improved diversity awareness Group-wide Continue encouraging appointment of female managers Plan and deploy initiatives (development and trial implementation of training curriculum) to reaffirm Hitachi's founding spirit and ideals 	<ul style="list-style-type: none"> Held Women's Summit Tokyo 2008 (co-sponsored with other companies) Promoted diversity awareness in each business group (holding work-life balance seminars, etc.) Implemented community contribution activities (lectures on work-life balance in communities where business offices are located) and participated in the Ministry of Health, Labour and Welfare's Work-Life Balance Project Set up a diversity promotion Web site Implemented special executive and management training to reaffirm what Hitachi is 	◆◆	PP. 28–29	<ul style="list-style-type: none"> Promote diversity awareness in the Hitachi Group (encourage information exchange and development of shared tools through the Diversity Development Group Committee) Develop a training curriculum for confirming and learning through experience the values and conduct shared by all Hitachi employees
8. Responsible partnership with business partners	<ul style="list-style-type: none"> Information sharing about supplier monitoring results among Group companies Provide assistance for small and medium-sized suppliers to improve environmental management systems through MMM Club² activities 	<ul style="list-style-type: none"> Disseminated within the Hitachi Group the results of a survey on CSR promotion at Hitachi, Ltd.'s main suppliers, and implemented CSR monitoring at Group companies Conducted educational activities for suppliers (holding various lectures, etc.) through MMM Club activities 	◆◆◆	P. 31	<ul style="list-style-type: none"> Revise the Guidelines for Procurement Activities and publish <i>Hitachi Group Supply-Chain CSR Deployment Guidebook</i> and implement it among suppliers Expand the scope of monitoring of suppliers

¹ Materiality process: Activities, with the participation of stakeholders, to clarify the important issues influencing society and management

² MMM Club: Organization run primarily by suppliers who have acquired environmental certification through Hitachi's activities to support suppliers' environmental safety programs. The three Ms come from the first letter of *mottainai* in its use as an international environmental term.

◆◆◆ : Achieved

◆◆ : Partially achieved

Respect for Human Rights

“Cherish humanity”
—a global approach
to respecting human rights

Human Rights Policy

Basing our corporate activities on the concept of “cherishing humanity,” we respect stakeholders’ human rights throughout our business, including product safety, information disclosure, environmental conservation, and employment practices. We believe that new values are created by understanding and mutually recognizing the thinking and values of others. For the Hitachi Group, with our diverse businesses, our policy on human rights is a core management component that is directly tied to our Group synergy—given that we share new values that transcend our employees’ race and gender, or the company or division they work in.

Based on this view, in February 2009 we joined the United Nations Global Compact,^{†1} declaring to the international

The Ten Principles of the United Nations Global Compact

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
Principle 2: make sure that they are not complicit in human rights abuses.

Labour Standards

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle 4: the elimination of all forms of forced and compulsory labour;
Principle 5: the effective abolition of child labour; and
Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;
Principle 8: undertake initiatives to promote greater environmental responsibility; and
Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.



community that we are committed to enhancing our corporate activities using the UN principles as guidelines. We will share these principles with the entire Hitachi Group, and they will be reflected in our daily work.

Raising Awareness of Human Rights

Our human rights code of conduct is in our *Corporate Ethics and Compliance Handbook*, which is distributed to all employees. To improve awareness of the need to consider human rights, training is given at every level. In addition, in Europe we use cultural awareness training to deepen understanding of the cultures, customs, and values of other countries, and to help our employees adopt better methods of communication.

In fiscal 2008, a European working group was launched to consider human rights initiatives. Since Europe has a diverse history, many cultures and societies, we believe that the activities there will be instrumental in promoting human rights in the entire Group.

Regarding procurement, in fiscal 2007 we conducted a survey focusing on CSR—including the handling of human rights—on approximately 100 of our largest suppliers, using the Japan Electronics and Information Technology Industries Association (JEITA) guidelines. In fiscal 2008, we analyzed the results, while in Asia, we held procurement training courses with a specific focus on human rights for Group companies.



Procurement training course held in Malaysia

Hitachi and the United Nations Global Compact

Hitachi, Ltd. became a signatory of the United Nations Global Compact in February 2009, and we are now reviewing regulations, training, and other measures within the company.

We are carrying out surveys and supporting education on procurement based on our revised Guidelines for Procurement and Business Transactions. To ensure that our internal code of ethics permeates the entire Group, we are both clearly describing human rights issues and developing and reviewing training programs.

†1 The United Nations Global Compact

The United Nations Global Compact is an international initiative first proposed by former UN Secretary-General Kofi Annan and formally launched at UN Headquarters in New York in July 2000. With the goal of constructing a sustainable society, the Global Compact calls for companies, along with UN agencies, NPOs, NGOs, and other civil society organizations, to follow 10 principles on human rights, labor standards, the environment, and anti-corruption. As of March 2009, approximately 6,700 organizations have joined.

Compliance and Risk Management

Raising employee awareness and understanding to strengthen compliance

Risk Management

We identify financial and nonfinancial risks assessing how the company and its business divisions may be affected. We make basic information—including environmental, social, governance, legal trends and know-how—available to every business and all employees. This information is shared to prevent and treat the

Major Risks and Divisions in Charge

Risk	Division Responsible
Content of sales contracts and transactions with customers	Legal Affairs, Compliance
Worksite safety and health, labor management	Human Resources, Employee Relations
Management of the procurement process	Procurement
Information security	IT
Appropriate accounting and assets	Finance
Export management rules	Export Management
Transactions with antisocial individuals and organizations	General Affairs (inquiry)
Environmental protection	Environment
Ensuring employee safety and business continuity during natural disasters, political conflicts, crimes, etc.	Risk Management

problems from occurring or reoccurring. In addition, we audit areas of the business where problems have occurred in the past or where problems could occur, and divisions in charge use the information from the audits to improve their compliance and develop an emergency response, where appropriate.

Global Push to Stop Corruption

Controls on bribery by Japanese corporations abroad have been tightened, and more cases are being exposed through the U.S. Foreign Corrupt Practices Act. In August 2008, we created internal regulations for preventing corruption of public officials and others within and outside Japan. We also implemented detailed guidelines on entertaining and exchanging gifts. Every Group company set up similar regulations. In October 2008, an independent lawyer from the U.S. was invited to present on anti-corruption policies, and 212 employees in charge of promoting compliance in Group companies attended. We will further bolster our policies through audits and training.



Lecture on global compliance

Preventing Recurrences of Antimonopoly Law Violations

Since 2002, when we received administrative sanctions for bidding on government contracts, we have been working hard to improve compliance awareness.

From April 1999 to July 2003 we were involved in bid rigging on a Tokyo Bureau of Sewerage contract for a pump facility. In August 2008, we were ordered to pay an administrative fine, and in November 2008 we received a business

Expert Opinion on Hitachi's CSR Activities and Hitachi's Response



A Constant Effort to Observe the Laws

Hideaki Kobayashi
Attorney
Kobayashi & Associates Law Office

I believe that Hitachi, Ltd. and the Hitachi Group are in the vanguard of compliance. For example, their understanding of the risks and their responses, their *Corporate Ethics and Compliance Handbook*, setting up a Compliance Division, and creating an internal whistle-blower system show a very solid approach to the issue. Many of these measures were in response to past incidents or problems, but whenever those issues arose, they dealt with them head on. I feel that these measures reflect the lessons they have learned.

However, it is a shame that incidents and issues have continued, even recently, suggesting that compliance is never ending and that observing laws and regulations requires a constant effort. I think that even stronger, steadier action is needed to improve compliance awareness through daily monitoring, regular training, and other means.

I look forward to seeing how Hitachi further improves compliance.



Enhancing the Environment for Compliance

Toshiaki Kuzuoka
Vice President and Executive Officer in Charge of Legal & Corporate Communications, Corporate Brand Management, and Management Audit, Hitachi, Ltd.

It is extremely regrettable that, even recently, incidents and issues have arisen that have caused concern. As Mr. Kobayashi points out, we hope to use what we have learned from the past as we think about future measures. In particular, in order to respond to his indication that we must make a constant effort, we would like to systematically set the time and points at which we should reconfirm and reinforce our corporate ethics and compliance, and I hope to follow up on that.

In addition, we are trying to further improve our response to each type of risk and are systematically working to discover new risks and understand the risks throughout the entire Group. At the same time, we are devising ways to enhance the environment for compliance through such means as fostering the kind of legal mind that can constantly sense problems, and creating a system to check for risk.

suspension order. In addition, from April 2003 to December 2005 we were found to have violated the Antimonopoly Law when bidding on an electrical equipment construction project for a City of Sapporo sewage plant. Accordingly, in October 2008, we received an administrative fine order and a cease-and-desist order, and in March 2009 we received a business suspension order. We take these violations very seriously, and are engaging the entire company in complying with the Antimonopoly Law. When an issue arises, the Hitachi President and CEO will communicate with all employees, and the executive in charge will interview all the employees involved, asking them to submit a written oath to obey the law. In addition, we intend to strengthen compliance awareness—throughout the company—by enforcement through our audits and training.

Table Top Exercise to Prepare for Large-Scale Disaster

In February 2009, six major Group service companies^{†1} held a table top exercise based on an earthquake in Tokyo. These six companies provide essential products and services, including water and sewage equipment, elevators, computers, electrical machinery, and consumer electronics. Strengthening cooperation among these companies, this exercise underscored the need to quickly restore the infrastructure, such as the machinery and equipment that would be damaged by a major



The disaster simulation exercise

earthquake. The roughly 100 employees who participated took requests for assistance, provided information, and came up with responses. Through this emergency simulation, they learned to make decisions calmly and to act quickly.

Disaster simulation exercises have been held annually since 1998, so far at 17 sites throughout Japan. As well, we use a satellite communications system, and a function check of the system has also been done every month.

^{†1} Companies participating in the disaster simulation exercise
Hitachi Appliances, Inc.; Hitachi Engineering and Services Co., Ltd.; Hitachi Industrial Equipment Systems Co., Ltd.; Hitachi Electronics Services Co., Ltd.; Hitachi Building Systems Co., Ltd.; and Hitachi Consumer Marketing, Inc.

 Corporate Ethics and Compliance Handbook
http://www.hitachi.com/csr/csr_images/handbook_en.pdf

Violations on Bidding for Public Contracts and Initiatives for Prevention

Action (in Japan)	Period	Punishment	Steps for prevention
Bidding on contract for electrical instruments and construction of mechanical facilities for the Kohoku Water Supply Bureau's new Tamari waterworks	March 1999	Interference with competitive bidding. Court ruling: Sept. 2002 Business suspension order: Oct. 2002	Established Compliance Division / carry out audits and guidance on business activities / thorough sales education / improved work process / established advisory committee of outside members for oversight
Bidding on special pump facility construction for Tokyo Bureau of Sewerage	April 1999–July 2003	Violation of Antimonopoly Law. Order for payment of fine: Aug. 2008 Business suspension order: Nov. 2008	Established a compliance division within the Social Solutions Business Division to strengthen training and guidance
Bidding on construction of tunnel ventilation equipment on the Shinjuku route of the Metropolitan Expressway, Tokyo	2004	Violation of Antimonopoly Law. Order for payment of fine: Sept. 2006 Business suspension order: Feb. 2007	Expanded use of notebooks for recording compliance data, ^{*1} strengthened training and audits
Bidding on a City of Sapporo contract for electrical equipment construction related to a sewage disposal facility	April 2003–Dec. 2005	Violation of Antimonopoly Law Order for payment of fine Cease-and-desist order: Oct. 2008 Business suspension order: March 2009	Interviews conducted by executives of all sales employees involved / request for signed pledges / additional expansion of training and audits

*1 In these notebooks employees keep a record by themselves that they avoided situations that would have been illegal or that they suspected may have been illegal.

voices Preventing Corruption through a High Standard of Corporate Regulations

Richard Dean
Attorney, Baker & McKenzie LLP

In recent years, corruption has been increasing, especially in developing countries, and it has been defined as a crime in international conventions established by the United Nations, the OECD, and others.

Corruption wastes enormous resources, undermines the proper functioning of markets, and destroys confidence in legal systems. There is also evidence that corruption impacts national security interests.

The Hitachi Group is doing its part by providing training and monitoring systems to ensure compliance awareness, and by setting high standards for its employees in the areas of integrity, business conduct, and ethics.

The Hitachi Group has taken decisive steps to meet the challenge of global corruption, which is receiving increased attention from political and business lead-

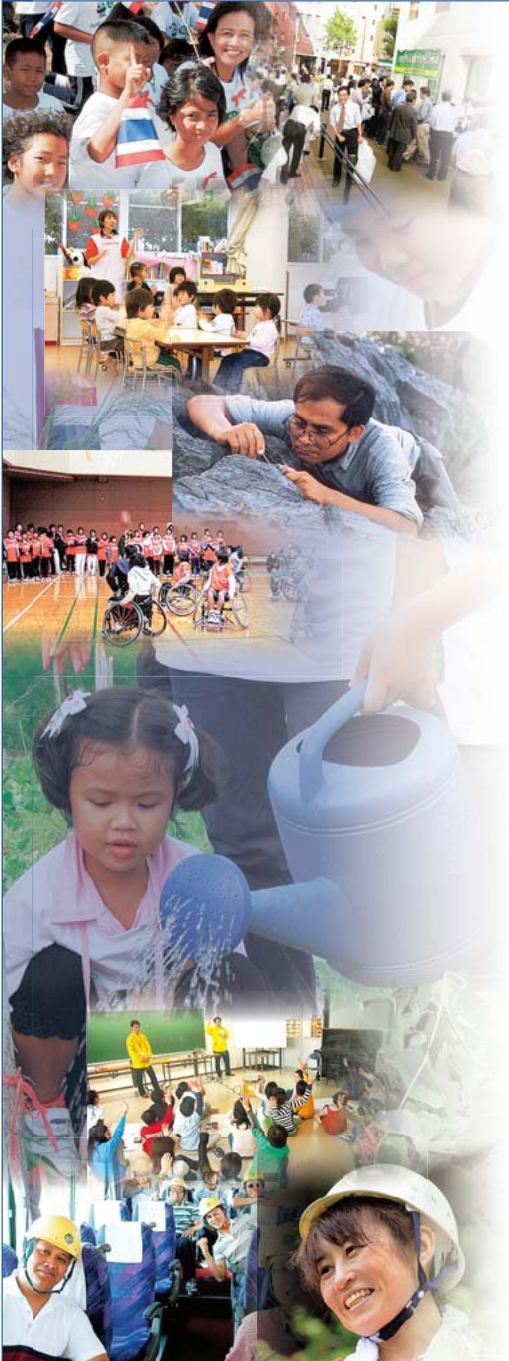
ers, as well as from law enforcement agencies.

The anticorruption regulations that Hitachi enacted in 2008 are being extended to Hitachi Group companies on a global basis, and Hitachi is playing a leading role among major Japanese corporations in the fight against corruption.



Hitachi: Living Together with Society

Working with customers, suppliers, employees, and local communities, our products and corporate activities help to create a better quality of life and a happy society



For more information, please see the *Hitachi Group Corporate Social Responsibility Report 2009* (PDF), available at: <http://www.hitachi.com/csr/>

Improving *Monozukuri* and Service

Protecting our tradition of *monozukuri* craftsmanship while improving product and service quality worldwide

Ensuring Product and Service Quality

Since we began, Hitachi's tradition of *monozukuri* craftsmanship has placed top priority on quality first. Using the slogan, *providing customers with the highest quality products and services*, our whole Group is immersed in quality assurance (QA)—from product planning and delivery to after-sales service. We are now focused on improving the quality of products and services made outside Japan, especially in China and the rest of Asia.

Strengthening Our Quality Assurance (QA) System in China

In China, Hitachi has about 80 subsidiaries, with a diverse array of products and services, working to train human resources and improve product quality. To add value and boost local production, we set up the Shanghai Product Quality Assurance Center in February 2007 to improve quality and create a unified QA system. Every year, the center holds the Conference for QA Managers at Hitachi Group Companies for quality awareness and to encourage information sharing. Also, to provide quality guidance, tough measures are being taken on approval systems for suppliers and other partners.



Conference for Quality Assurance Managers at Hitachi Group Companies (China)

Building Customer Feedback into Our Products

We made our Customer Satisfaction (CS) Management Guidelines one of the pillars of Hitachi's business management, and we continue to improve CS with the goal of "creating

innovation through collaboration with customers." We use CS surveys tailored to each business operation. In addition, we analyze customer opinions submitted to the Hitachi Customer Answer Center.

Customer Satisfaction Management Guidelines

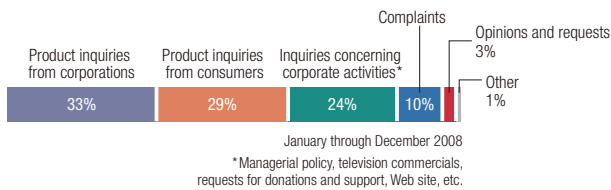
1. Our customers determine the value of products and services
2. Information from our customers is the source of improvement
3. Offer prices and quality that are competitive
4. Respond rapidly to keep our promises to our customers
5. Adopt systems that prevent accidents and minimize their impact

Formulated 1994

Web Site Customer Support

We established Customer Support on Hitachi's corporate Web site. From here, we are able to process information (customer inquiries, opinions, requests, complaints) and use it to improve products and services, through cooperation with customer support of relevant Hitachi Group companies. We will maintain and improve our Web site as an important point of contact, committing to timely, reliable and more accurate responses to customers while strengthening collaboration among Hitachi Group companies.

Breakdown of Inquiries Received from Hitachi Web Site Customer Support



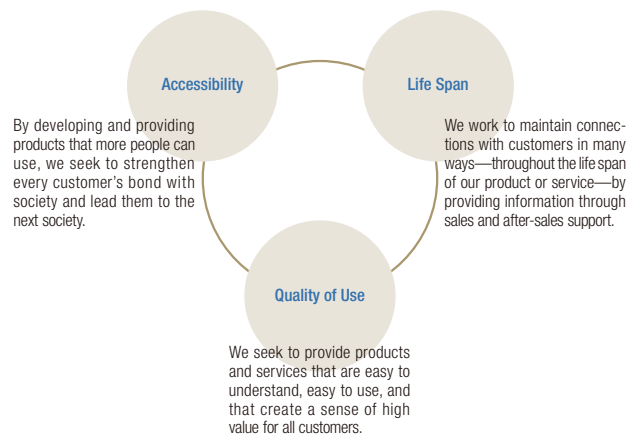
Universal Design

The Hitachi Group is involved in society and people's lives in a variety of fields and activities. We believe Universal Design

(UD) is one of our corporate social responsibilities for improving quality of use, accessibility, and product life span. UD is an approach that we believe can make products and services easy to use for everyone, regardless of age or ability.

Hitachi, Ltd., a founding member of the International Association for Universal Design,^{†1} is committed to creating a society where more people can live with peace of mind. The Hitachi Escalator VX Series was awarded the Chairman's Special Prize at the Kids Design Award 2008, sponsored by the Kids Design Association.^{†2} Five Hitachi products and services, such as the Active Walking Support System, were recognized with awards.

The Hitachi Group's Approach to UD



^{†1} International Association for Universal Design
 Founded in 2003, the International Association for Universal Design is dedicated to the healthy development of society and the enhancement of people's lives through the dissemination and application of UD.

^{†2} Kids Design Association
 Founded in 2006, the Kids Design Association was started by companies and other organizations in Japan dedicated to creating and disseminating designs that promote the safe, secure and healthy development and growth of children.

PDF Ensuring Product Quality
PDF Universal Design

topics Providing High-Quality Elevators for the World's Highest Observatory

In October 2008, the Shanghai World Financial Center opened in the Pudong District of Shanghai, China. Featuring an observatory at 474 meters,* this soaring tower uses Hitachi elevators. The setting required elevators that could safely and efficiently lift large numbers of people quickly and comfortably to the tower's upper floors. To answer this need, Hitachi's Mito Design & Production Division, research laboratories and Group companies worked together to develop vibration-dampening devices, as well as high-output, high-performance

traction machines and control systems, and other innovations that enhance both comfort, energy efficiency, and safety. To increase capacity, a double-deck design was adopted, making it possible to transport 48 passengers at a time. In this way, Hitachi elevators are used every day by many people, providing support for this popular landmark.

Noboru Arahori
 Division Manager, Mito Design & Production Div.,
 Urban Planning and Development Systems,
 Hitachi, Ltd.



(Left) Shanghai World Financial Center (Right) Double-deck elevator
 *Highest in the world in October 2008

Working in Harmony with Local Communities

Contributing to society through a broad range of activities and assistance for education, the environment, and social welfare

Finding Solutions for Social Issues

Grounded in the Hitachi Group's Social Contribution Philosophy and Policy, we are offering broad-based assistance in three prioritized fields: education, the environment, and social welfare. Making full use of human, material, financial and technological resources, we address social issues, including support for family education and the healthy growth of children and teens; fostering young researchers; sponsoring international student and teacher exchanges; educating people about the environment; assisting environmental NPOs; working to narrow the digital divide; and helping people with disabilities.

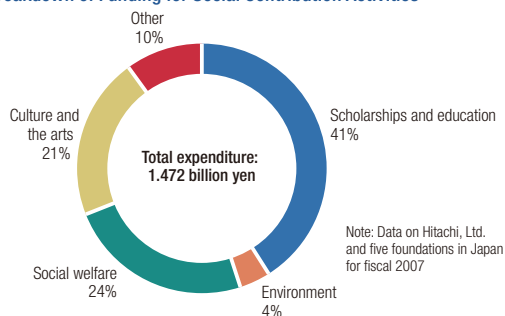
Social Contribution Philosophy and Policy

Philosophy The Hitachi Group strives to demonstrate its corporate citizenship in response to social needs and expectations, while endeavoring to enrich the quality of life and realize a better society.

Policy The Hitachi Group promotes various social contribution activities to build a vibrant society based on fostering leadership to implement reformation for the next era. This is achieved by making optimal use of our knowledge and information technology in three specific areas, namely education, the environment and social welfare.

Adopted February 2002

Breakdown of Funding for Social Contribution Activities



Educational, Environmental, and Social Welfare Activities

Education: Hitachi-DST Scholarship Program for South African Engineers

Hitachi, Ltd. assists young South African engineers working in the field of power generation and utilities by inviting them to Japan for technical training.

South Africa, a strategic emerging market, has electric



(Top) South African Engineers for the Hitachi-DST Scholarship Program
(Bottom) Planting commemorative trees in Thailand

power shortages and urgently needs young technicians. To help, we have partnered with South Africa's Department of Science and Technology (DST) to create a training program for young people with engineering degrees and a minimum of three years' work experience in the energy industry. Beginning in fiscal 2009, these engineers will receive practical on-site training—and gain engineering expertise—at Hitachi's electric power plants. After training, they will apply what they have learned to electric power utilities in South Africa, contributing to the development of their country's social infrastructure.

The Environment: Promoting Afforestation

In July 2008, Hitachi Group companies in Thailand took part in the opening ceremony and commemorative tree planting for the Billion Tree Campaign at Thailand's Sirindhorn International Environmental Park. The campaign, underway since 2007, is jointly run by the Sirindhorn International Environmental Park Foundation (under the Royal Patronage of Her Royal Highness Princess Maha Chakri Sirindhorn), the United Nations Environment Programme (UNEP), the Department of Environmental Quality Promotion of the Thai Ministry of Natural Resources and the Environment, and the Foundation for Global Peace and Environment. For the second year in a row, Hitachi has been a corporate sponsor. To date, Thai Hitachi Group companies have donated about 2.3 million baht (7.3 million yen), as well as two mini excavators from Hitachi Construction Machinery Co., Ltd.

In September 2008, working with the Green Network, a non-profit organization (NPO), Hitachi Group employees volunteered for an afforestation program in the Horqin Desert in China's Inner Mongolian Autonomous Region. In 2007, these volunteers, along with students from Inner Mongolia University for the Nationalities, planted 1,300 pine seedlings and cared for already planted shrubs and poplar trees.

Through these activities, we are deepening our friendships and relationships with other people and raising

awareness among Hitachi employees of the importance of volunteer work that helps to improve the quality of life of people in rural communities.

Environment: Kanagawa Children's Environmental Summit in Yokohama

In February 2009, the Yokohama branch of Hitachi, Ltd. joined *Kanagawa Shimbun* to sponsor the Kanagawa Children's Environmental Summit, raising children's awareness of energy and the environment. About 150 participants from eight elementary schools in Kanagawa Prefecture took part. Before the summit, the children visited production plants and environmental facilities to study energy and ecology, including a bird sanctuary at Hitachi, Ltd. Enterprise Server Division, the home appliance recycling operations at Tokyo Eco Recycle Co., Ltd., and a district heating and cooling system built by Hitachi. At the summit, children reported on what they had learned, talking about, for instance, high-efficiency thermal power generation, living in harmony with habitats of animals such as wild birds, and protecting the environment by growing eelgrass (*amamo*).†1 During the panel discussion, there was a lively exchange of ideas on what the children had learned and what they would like to see adults and corporations do. To build a better future, we will continue joining with children and our planet's future generations in thinking about local environmental activities.



Kanagawa Children's Environmental Summit

Social Welfare: Healthier Menus for Third World Children

We are enriching the quality of life and building a better society through social activities, including fostering the healthy growth of children and teens, and supporting the reintegration into society of the socially or economically isolated.

Today, as millions in developing countries suffer from starvation and malnutrition, in developed countries obesity and related lifestyle illnesses have become endemic. The cafeterias on the main campus of Hitachi, Ltd. have been participating since June 2008 in the TABLE FOR TWO†2 program, serving healthy meals to employees, with part of the savings going to developing countries. For example, when an employee has a smaller amount of rice—cutting calorie intake—the savings are passed on to children in developing countries for school lunches. In fiscal 2008, on average 55.5 percent of Hitachi, Ltd. main campus employees participated, as well as others from Hitachi Software Engineering Co., Ltd., Hitachi Construction Machinery Co., Ltd., and Nikkyo Create, Ltd. We will call on all employees to participate, broadening the reach as far as possible.



Hitachi Software Engineering employees' cafeteria

†1 Eelgrass (*amamo*)

A marine plant, growing in shallow waters, that purifies the water and provides habitat.

†2 TABLE FOR TWO

A program originating in Japan that addresses both hunger in the developing world, and obesity and other lifestyle-related diseases in the developed world.

WEB Hitachi's Activities
<http://www.hitachi.com/about/activity/index.html>

WEB Hitachi Group Foundations
<http://www.hitachi-zaidan.org/global/index.html>

topics Assisting Dongfang Electric Corporation after the Sichuan Earthquake

For a speedy recovery and to provide emergency aid to the victims of the Sichuan Earthquake that occurred in China on May 12, 2008, Hitachi contributed 245 million yen in the form of relief donations, construction equipment and other items for reconstruction. Manufacturing plants of Dongfang Electric Corporation that make turbines for thermal power plants were hard hit. At the Hanwang plant, where 90 percent of the buildings were demolished, making key parts, such as turbine blades and rotors, became impossible. So the Hitachi production plant in Hitachi City, Ibaraki Prefecture,

made substitutes for these critically needed parts, keeping delays in shipping electrical power equipment to a minimum while continuing to ensure the high level of product reliability and safety that the Hanwang plant was known for. Electric power shortages are a serious problem in China, so Wen Shugang, president of Dongfang Electric, expressed his gratitude that delays in China's plans for construction of new power facilities had been avoided, saying, "Thanks to Hitachi's cooperation, recovery from the damage caused by the earthquake has been very smooth."



(Top) Hitachi Construction Machinery excavators, important for earthquake recovery (Bottom) Earthquake damage at Dongfang Electric Corporation's Hanwang plant

Employees: The Key to Hitachi's Future

Respecting employees' individuality and promoting activities to achieve work-life balance

Diversity: A Base for the Healthy Expression of Individuality

At Hitachi, we believe that respect for people in all their diversity, respecting their ways of working, builds synergy among employees and helps to create new value.

To realize this goal, we have been encouraging diversity awareness at all group companies, mainly through the Diversity Development Project launched in August 2006, which reports directly to the President and CEO. From fiscal 2008, we also started promoting work-life balance as a key element of diversity. In "Strengthening The Base '08-'09 — For Sustainable Growth —,"^{†1} a project for all employees, we have been reforming our ways of working based on the themes "lively work styles," "enhancing physical and mental health," and "support for enlivening workplace communication."

The results so far: many business groups have come up with their own activities, and awareness of diversity and work-life balance in Japan and overseas has been gradually increasing. In fiscal 2009, we will continue these activities, based on the same themes, in cooperation with all Hitachi employees.

Co-sponsoring Women's Summit Tokyo 2008

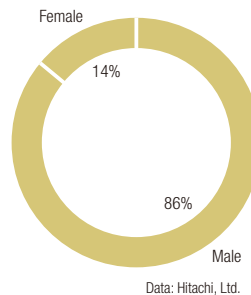
In October 2008, Hitachi co-sponsored Women's Summit Tokyo 2008 together with other companies that promote

diversity, contributing to the creation of a network of women working in many business fields. Two hundred women from 20 companies in a variety of businesses took part, engaging in a lively exchange of opinions on the theme of pursuing a career.

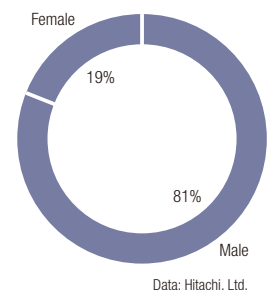
Participation in the Work-Life Balance Promotion Project

Hitachi is participating in the Work-Life Balance Promotion Project launched in 2008 by the Ministry of Health, Labour and Welfare. This project aims to foster a balance between work and life by publicizing specific activities and their results from 10 leading companies in different business fields based on the Charter for Work-Life Balance and the Action Policy for Promoting Work-Life Balance.

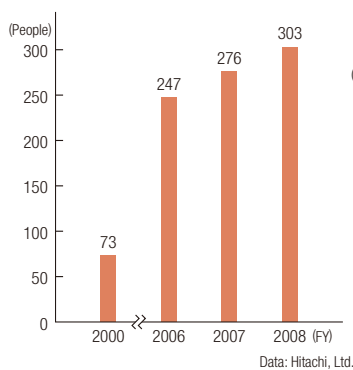
Male/Female Employee Ratio
(March 2009)



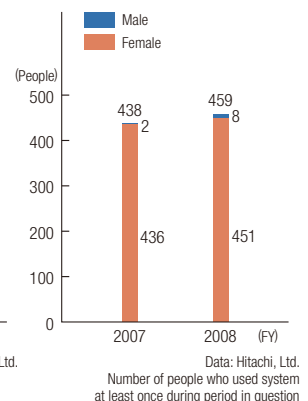
Ratio of New Male/Female Graduate Recruits in Fiscal 2008



Trend in the Number of Female Managers



Trend in the Number of Employees Taking Child Care Leave



voices Taking Child Care Leave with Understanding and Support in the Workplace

Daisuke Komaki

Researcher, Information Service Research Center, System Development Laboratory, Hitachi, Ltd.

In the 2nd Questionnaire Survey on Companies Facilitating Child-Rearing by Fathers, (by Fathering Japan and Daiichi Life Research Institute), Hitachi was the top company for the second consecutive year. According to our employee, Daisuke Komaki, who took six months' leave from July 2008, "The project I was in charge of was at a crucial stage, so I think everyone was surprised, but thanks to their understanding and support I was able to devote

myself to looking after my child. The person who took over for me upgraded his skills, and I think the entire experience promoted understanding for men taking child care leave."

Hitachi gained high marks for not imposing any restrictions on how many times employees can take child care leave, for expanding the system's scope to three years up to the end of the first year of school, and for understanding the work-life balance.

In July 2008, management executives of the participating companies issued the Declaration by Top Management, stating the aims of the project and implementation priorities. In March 2009, an action program was produced, outlining the results of implementation at each company, including Hitachi, and the activities they will conduct from fiscal 2009 onward.



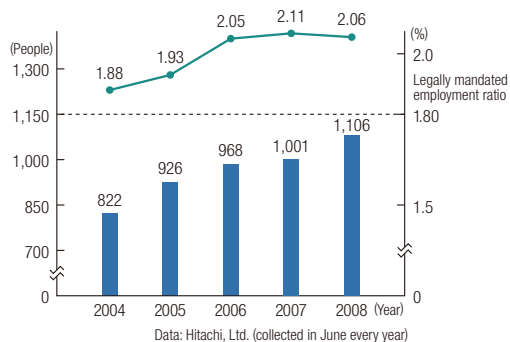
いい仕事しよう。
いい人生しよう。

"Working well, leading a good life"—Logo of the Work-Life Balance Promotion Project

Promoting Employment for the Physically and Mentally Disabled

We strive to meet the legally mandated ratio of physically and mentally disabled employees by holding employment fairs and consulting with Group companies. As of June 2008, 2,975 disabled people were employed in Japan, accounting for 2.06 percent of employees at Hitachi, Ltd. and 1.84 percent at Group companies. We will continue to create more opportunities for the disabled by improving the workplace and expanding the range of work.

Trend in the Employment Ratio for Physically and Mentally Disabled People



Fostering Women's Leadership

Together with other companies in the San Francisco Bay Area, Hitachi Data Systems (HDS) supports the Women's Leadership Network. To promote the leadership of working



Women's Leadership Network launch

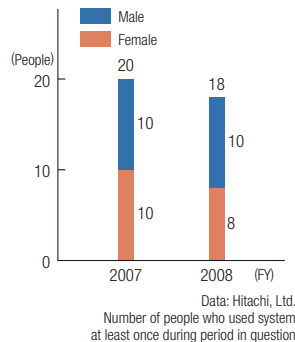
women, this network was launched in November 2008. Two HDS executives, Susan Lynch, Senior Vice President and CFO, and Nancy Long, Senior Vice President for Global Human Resources, spoke as network executives at the event. The network's activities have been widely recognized, being shortlisted for the 2008 Stevie Awards for Women in Business, which honors the achievements and social contribution of people and organizations around the world.

Employment

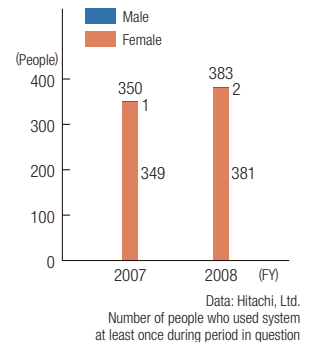
We believe that employment should be protected by government, employers, and employees. The continuation of employment is also an important management issue. In response to recent economic trends, and to ensure the most appropriate employment and allocation of personnel, we are striving to maintain and expand employment by transferring people from mature to growth businesses and by creating new businesses in environmental and other fields.

†1 Strengthening The Base '08-'09 —For Sustainable Growth—
Activities for all Hitachi Group employees to strengthen management foundations for future growth (April 2008–March 2009)

Trend in the Number of Employees Using Nursing Care Leave



Trend in the Number of Employees Working Shorter Hours



Individuals and the Team Create Dynamism Together

Kenji Ohno

Vice President and Executive Officer (Human Capital), Hitachi, Ltd.

The most important management task is to enhance corporate value by creating a vibrant work environment, while fully harnessing the abilities of every employee. At Hitachi, we try to make full use of diverse human resources and to reduce long working hours to improve work efficiency and communications. We have also established systems that combine work with child rearing or nursing care, and have been striving in each business group to create an atmosphere where these systems can be easily used. As a result of our efforts to change our way of working—by reducing overtime and encouraging employees to take all vacations—we reduced the statistics for long working hours by half compared with the previous year. In employee surveys, the percentage of those who feel that they have too much work has also decreased.

To emphasize diversity as well as further enhance our organizational strength, we will continue to promote business innovation and to reform employees' awareness of the way they work.

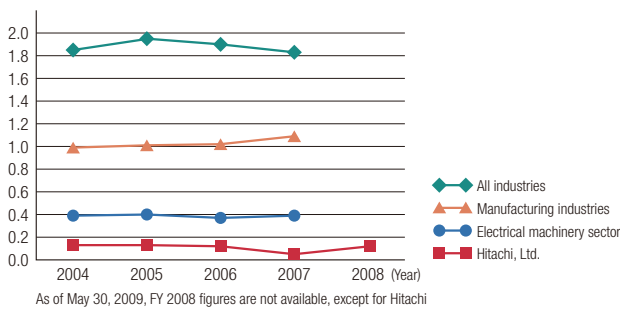
A Safe, Pleasant Workplace

Our wide range of policies, designed to make work easier for employees, cover workplace safety and health management

Employee Health and Safety

From many years of safeguarding employee safety and improving the work environment, we have acquired in-depth expertise on safety and health. We then apply this expertise to everyday operations, including health management, where employees are given guidance based on regular medical check-ups with company physicians.

Trends in the Occupational Accident Rate



Safety Policies of Hitachi Global Storage Technologies

Hitachi Global Storage Technologies (Hitachi GST) develops and implements worker safety and health policies, part of an action plan for all of its employees worldwide.

Programs are produced by an independent in-house team that takes into account divisional and regional effectiveness.



A training session for strengthening communication skills (Photo courtesy of Nikkei Information Strategy)



Hitachi Global Storage Technologies (Thailand)
 (Above) Members of the worker safety and health team
 (Below, left) On-site interviews conducted by team members
 (Below, right) On-site confirmation of safety and health

Policies range from monitoring chemicals and machinery in factories to managing hygiene in dormitories and cafeterias at factory locations. We are ensuring safer environments for workers both on the job and in private life. Work safety and health teams include employees and experts who receive individual guidance and Internet-based training. They work together to improve their safety knowledge, through electronic discussions or via telephone, and through outside courses. As a result, Hitachi GST currently has OHSAS 18001^{†1} certification at 10 global sites.

Ensuring Better Work Hours

To improve productivity and operational efficiency, we return to the basics in our reviews of how managers and other employees work. We encourage employees to reduce overtime and take annual holidays. In this way, we try to ensure appropriate work hours and help employees maintain a good work-life balance, which ultimately strengthens them and the organization as a whole.

Training for Strengthening Communication Skills

To revitalize workplace communications, we started a training program in 2008 for managers to strengthen their communication skills. To promote diversity and good interpersonal relations based on trust—as well as to achieve organizational goals—we stress respect for individuality and differences of opinion and culture, while seeking a full consensus. The hands-on training during the two-day program focuses on communication skills that are the basis for all interactive skills: active listening, essential for mutual understanding; and assertion, which allows people—after opinions and ideas are expressed—to reach a conclusion that all parties can accept.

^{†1} OHSAS 18001
 OHSAS (Occupational Health and Safety Assessment Series) 18001 is a certification based on a set of regulations and procedures for managing and controlling occupational health and safety risks.

Collaborative Creation with Suppliers

Working with suppliers to promote CSR through guideline formulation, active communication through surveys, and information sharing

Formulation of Supplier Guidelines

Hitachi, Ltd. formulates and publishes the *Hitachi Group Supply-Chain CSR Deployment Guidebook*,^{†1} conforming to the guidelines of the Japan Electronics and Information Technology Industries Association (JEITA). We have asked our suppliers to use this guidebook for self-evaluations, a process that allows us to deepen understanding and communication for CSR. Also, in line with the United Nations Global Compact, we revised our Hitachi Guidelines for Procurement Activities, effective June 2009.

Working with Suppliers to Promote CSR Activities

In fiscal 2008, we conducted surveys with more than 100 of Hitachi, Ltd.'s main suppliers, analyzed the results and provided them with feedback. The results showed that—compared with other categories, such as product quality and safety, and the environment—more attention needs to be paid to human rights, fair labor practices, fair trade and ethics, and social contributions. In this way, we are helping our suppliers to understand and improve their own performance. In addition, we are building a database of the survey results that will be shared throughout the Hitachi Group.

In fiscal 2009, we will add approximately 300 more

suppliers to the number of suppliers whose self-evaluation results we have monitored using the guidebook. We will also start monitoring suppliers to other group companies to promote CSR throughout our supply chain.

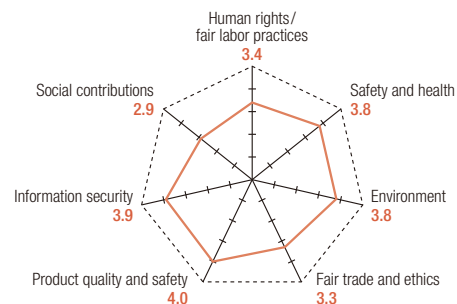
Guidelines for Procurement Activities (excerpt)

2. Hitachi shall maintain proper partnerships, mutual understanding, and reliable relationships with suppliers with a view to the long term results.
3. Hitachi develops suppliers to maintain competitiveness from a worldwide point of view.
4. Through a designated selection process, suppliers shall be evaluated by product quality, reliability, delivery, price, suppliers' business stability, technical development ability, fair and transparent information release, compliance with societies' rules, regulation compliance, respect for human rights, elimination of discrimination in respect of employment and occupation, elimination of all forms of forced and compulsory labor, environmental preservation activities, social contributions, good working environment, and recognition of social responsibilities with business partners.

Revised in 2009

Results of Surveys Conducted to Promote CSR among Suppliers

Maximum score for each category: 5 points



^{†1} *Hitachi Group Supply-Chain CSR Deployment Guidebook*

http://www.hitachi.com/ICSFiles/afiedfile/2009/03/12/SC_CSR_E.pdf

PDF Guidelines for Procurement Activities

WEB Green Procurement Guidelines

http://www.hitachi.com/environment/library/pdf/green_en.pdf

topics Green Procurement Overseas



Participants at the North American Procurement Conference

Taking advantage of regular procurement division meetings, we are training our procurement managers outside Japan to implement the Group's green procurement policies. In April 2008, a North American Procurement Conference was held in Dallas, Texas, where chemical substance regulations—an issue for corporate procurement divisions worldwide—were discussed. European companies have led the way, as exemplified by the REACH regulation. However, North American companies

are getting more involved in managing chemical substances in products, while maintaining relations with suppliers.

Participants receive more comprehensive information about environmental policies from the perspective of procurement management. In a practical sense, conferences are also an opportunity to explain registering and managing information on chemical substances using our Integrated Management System for Chemical Substances Contained in Products.

Company Profile

Corporate Name: Hitachi, Ltd.

Incorporated: February 1, 1920 (founded in 1910)

Head Office:

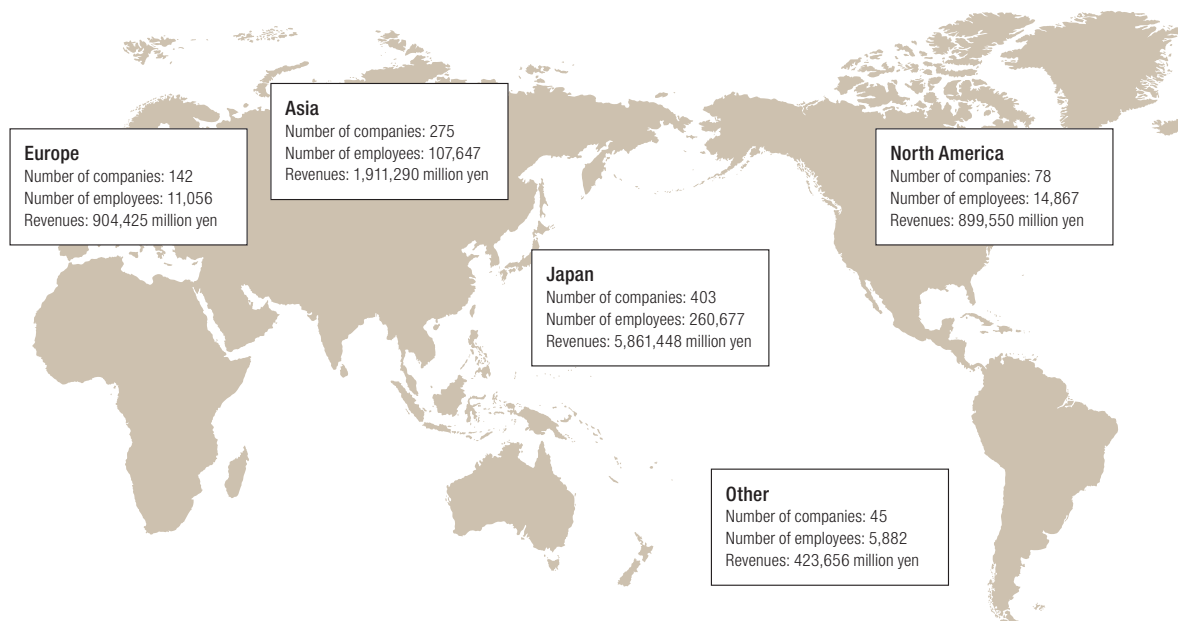
1-6-6 Marunouchi, Chiyoda-ku, Tokyo 100-8280, Japan

Representative:

Takashi Kawamura, Chairman, President
and Chief Executive Officer

Hitachi Group Profile

Hitachi, Ltd. and the Hitachi Group make up a corporate group consisting of 1,110 companies: 403 consolidated subsidiaries within Japan and 540 outside Japan, as well as 77 equity-method affiliates in Japan and 89 outside Japan. For business activities, there are seven business units, as indicated on the next page, with total revenues of about 10 trillion yen. The Group employs about 400,000 employees.



Economic Performance

As of March 31, 2009

Common Stock: 282,033 million yen

Number of employees (unconsolidated basis): 40,549

Number of employees (consolidated basis): 400,129

Number of consolidated subsidiaries:

943 (Japan: 403, outside Japan: 540)

Number of equity-method affiliates:

166 (Japan: 77, outside Japan: 89)

Period: Fiscal year ending March 31, 2009 (consolidated basis)

Revenues:

10,000.3 billion yen (89% compared with the previous year)

Operating income:

127.1 billion yen (37% compared with the previous year)

Capital investment:

788.4 billion yen (81% compared with the previous year)

R&D expenditure:

416.5 billion yen (97% compared with the previous year)

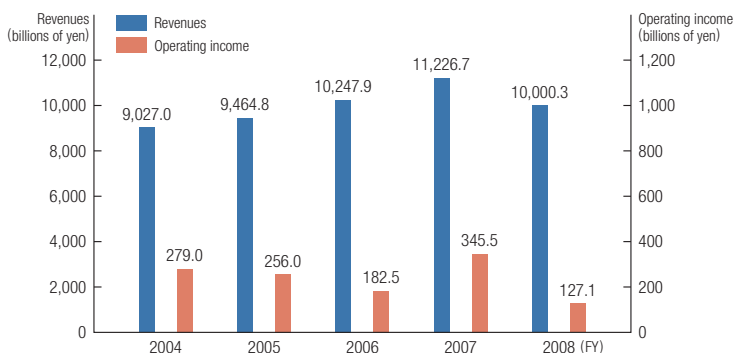
Overseas output as a percentage of consolidated net sales: 24%

See Web site for economic performance reports.

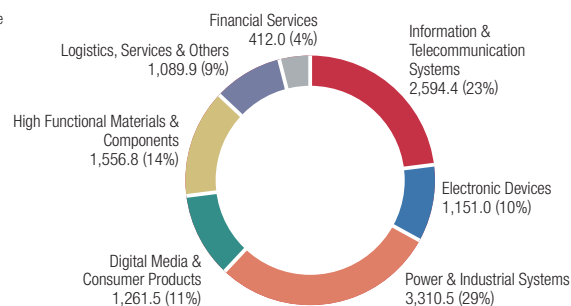
<http://www.hitachi.com/IR-e/>

Financial Results (consolidated basis)

Revenues and Operating Income



Revenues by Industry Segment in Fiscal 2008 (billions of yen)



Total Sales by Industry: 11,376 billion yen
Consolidated Net Sales: 10,000 billion yen

Major Fields of Business and Products

Information & Telecommunication Systems



Data center
(unification control center)



Hitachi Global Storage Technologies' 500-gigabyte 2.5-inch hard disk drive



Large disk array subsystem

- Systems integration, outsourcing services, software, hard disk drives, disk array subsystems, servers, mainframes, PCs, telecommunication equipment, ATMs
- Hitachi Communication Technologies, Ltd., Hitachi Kokusai Electric Inc., Hitachi-Omron Terminal Solutions, Corp., Hitachi Computer Products (America), Inc., Hitachi Computer Products (Europe) S.A.S., Hitachi Global Storage Technologies Netherlands B.V., Hitachi Electronics Services Co., Ltd., Hitachi Information & Control Solutions, Ltd., Hitachi Information Systems, Ltd., Hitachi Software Engineering Co., Ltd., Hitachi Systems & Services, Ltd., Hitachi Data Systems Corporation, Hitachi Information & Telecommunication Systems Global Holding Corporation

Electronic Devices



Hitachi Displays' 3.2-inch wide and IPS LCD for "One-Seg" compatible mobile phones



Hitachi High-Technologies' scanning electron microscope



Hitachi Medical's superconducting high-field open MRI machine

- Liquid crystal displays (LCD), semiconductor manufacturing equipment, testing and measurement, medical electronics equipment, semiconductors
- Hitachi Displays, Ltd., Hitachi High-Technologies Corporation, Hitachi Medical Corporation, Hitachi Display Devices (Suzhou) Co., Ltd.

Power & Industrial Systems



Monorail* in Dubai, UAE



Hitachi Construction Machinery's hydraulic excavator



Hitachi Vehicle Energy's square lithium-ion battery for hybrid vehicles

- Nuclear power plants, thermal power plants, hydroelectric power plants, industrial machinery and plants, automotive products, construction machinery, elevators, escalators, railway vehicles, power tools
- Babcock-Hitachi K.K., Clarion Co., Ltd., Hitachi Construction Machinery Co., Ltd., Hitachi-GE Nuclear Energy, Ltd., Hitachi Industrial Equipment Systems Co., Ltd., Hitachi Koki Co., Ltd., Hitachi Via Mechanics, Ltd., Hitachi Automotive Products (USA), Inc., Hitachi Elevator (China) Co., Ltd., Hitachi Building Systems Co., Ltd., Hitachi Engineering & Services Co., Ltd., Hitachi Mobile Co., Ltd., Hitachi Plant Technologies, Ltd., Hitachi Power Europe GmbH

Digital Media & Consumer Products



UT (Ultra Thin) LCD TVs



Hitachi Appliances' Drum-type washer-dryer



Hitachi Maxell's prismatic lithium-ion rechargeable batteries featuring thin type and high capacity

- Optical disk drives, Plasma TVs, LCD TVs, LCD projectors, mobile phones, room air conditioners, refrigerators, washing machines, information storage media, batteries, air-conditioning equipment
- Hitachi Appliances, Inc., Hitachi Maxell, Ltd., Hitachi Media Electronics Co., Ltd., Hitachi Plasma Display Ltd., Hitachi Home Electronics (America), Inc., Shanghai Hitachi Household Appliances Co., Ltd.

High Functional Materials & Components



Hitachi Chemical's Adhesive films for display



Hitachi Metal's neodymium magnet NEOMAX®



Hitachi Cable's halogen-free 150°C heat-resistant power supply harness for HEV

- Wires & cables, copper products, semiconductor materials, circuit boards and materials, organic/inorganic chemical products, synthetic resin products, display related materials, specialty steels, magnetic materials and components, high-grade casting components and materials
- Hitachi Cable, Ltd., Hitachi Chemical Co., Ltd., Hitachi Metals, Ltd.

Logistics, Services & Others



Hitachi Transport System's Keihin Distribution Center, a distribution center equipped with security systems

- General trading, logistics, property management
- Chuo Shoji, Ltd., Hitachi Life, Ltd., Hitachi Transport System, Ltd., Nikkyo Create, Ltd., Hitachi America, Ltd., Hitachi Asia Ltd., Hitachi (China) Ltd., Hitachi Europe Ltd.

Financial Services



Multifunctional IC card and electronic toll collection auto card

- Leasing, loan guarantees, insurance services
- Hitachi Capital Corporation, Hitachi Insurance Services, Ltd.

● Major Products & Services ■ Major Consolidated Subsidiaries (As of March 31, 2009) The products marked with an asterisk in the above table are those of Hitachi, Ltd.
(Notes) 1 Hitachi Kokusai Electric Inc. has become a consolidated subsidiary of Hitachi, Ltd. through a take-over bid to acquire its shares.
2 Hitachi Data Systems Corporation merged with Hitachi Data Systems Holding Corporation on March 31, 2009.
3 Hitachi Information & Telecommunication Systems Global Holding Corporation was established on April 1, 2008 to oversee Hitachi Data Systems, etc.
4 Hitachi Koki Co., Ltd. has become a consolidated subsidiary of Hitachi, Ltd. through a takeover bid to acquire its shares.
5 Hitachi Mobile Co., Ltd. changed its name to Hitachi Auto Parts & Service Co., Ltd. on April 1, 2009.
6 Fujitsu Hitachi Plasma Display Limited changed its name to Hitachi Plasma Display Limited on April 1, 2008.

HITACHI

Inspire the Next

Inquiries:

Hitachi, Ltd.

CSR Promotion Department, Corporate Communications Division (For inquiries on this report or CSR activities overall)

1-6-6 Marunouchi, Chiyoda-ku, Tokyo, 100-8280, Japan

Tel: +81-3-3258-1111 Fax: +81-3-4564-1454 <http://www.hitachi.com/csr/>

Environmental Strategy Office (For inquiries on environmental activities)

1-6-1 Marunouchi, Chiyoda-ku, Tokyo, 100-8280, Japan

Tel: +81-3-3258-1111 Fax: +81-3-4564-5835 <http://www.hitachi.com/environment/>

On the cover: The cover photo is from Moanalua Garden Park (Monkey Pod tree), Oahu Island, Hawaii.

This tree has become known as the "Hitachi Tree" through television commercials over many years.

It represents the qualities that we like to emphasize at Hitachi—synergy, growth, and strength. (Photo: Tor Johnson)



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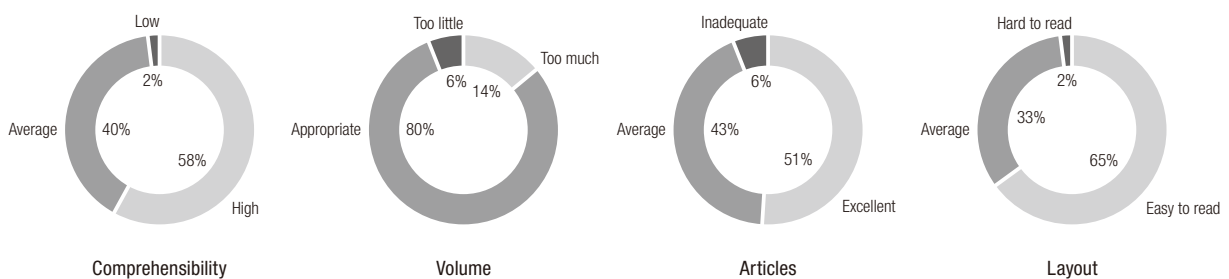
Printed in Japan(H)

What were your impressions when reading the report on the Hitachi Group's CSR activities, *Hitachi Group CSR Report 2009 Digest*? Please answer the questionnaire on the other side of this page. We consider readers' opinions very important and want to ensure that this feedback is reflected in our various CSR activities.

Contact:
CSR Promotion Department
Corporate Communications Division
Hitachi, Ltd.
1-6-6 Marunouchi, Chiyoda-ku, Tokyo 100-8280 Japan
Tel: +81-3-3258-1111 Fax: +81-3-4564-1454
<http://www.hitachi.com/csr/>

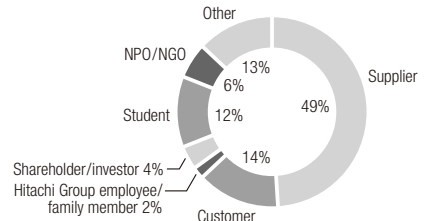
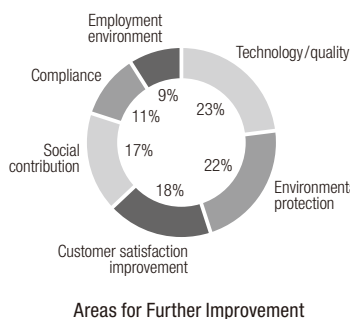
Results of Responses to Questionnaire on *Hitachi Group CSR Report 2008* (Total respondents: 51)

CSR Report 2008



CSR Activities

Breakdown of Responses



Main Feedback and Our Responses

Praise

- Bearing in mind that the number of pages has been reduced, I think it's very well put together. For further details, you can consult the PDF file.
- The business areas Hitachi is focusing on are outlined with the environment as the main theme, which made it easy for me to understand the connection to social issues.
- The good balance between articles, charts/tables, and photographs and the opinions of various stakeholders and staff participating in activities made it easy to read.

Suggestions

- I would like Hitachi to show the process of selecting important social issues.
- For a global corporation, there are too few case studies of activities outside Japan.
- There is not enough data or content about policies regarding the main theme of the environment.

Our Responses

- We have now outlined the evaluation and process for determining the important social issues for Hitachi.
- To incorporate an objective viewpoint, we conducted more dialogues with a range of stakeholders.
- We increased the number of case studies of activities outside Japan.
- We have compiled details of activities and data in the environmental field, in which readers have a particular interest, in the separately published *Environmental Sustainability Report*.

Please answer the questionnaire overleaf

Questionnaire on *Hitachi Group CSR Report 2009 Digest*

Please complete the questionnaire and mail or fax it to the address below

CSR Promotion Department, Hitachi, Ltd.
1-6-6 Marunouchi, Chiyoda-ku, Tokyo 100-8280 Japan

Fax: +81-3-4564-1454

Q1. What were your impressions of *Hitachi Group CSR Report 2009 Digest*?

(Please select one only in each of the following)

- | | | | |
|-----------------------|---------------------------------------|--------------------------------------|---------------------------------------|
| (1) Comprehensibility | <input type="checkbox"/> High | <input type="checkbox"/> Average | <input type="checkbox"/> Low |
| (2) Volume | <input type="checkbox"/> Too much | <input type="checkbox"/> Appropriate | <input type="checkbox"/> Too little |
| (3) Layout | <input type="checkbox"/> Easy to read | <input type="checkbox"/> Average | <input type="checkbox"/> Hard to read |
| (4) Articles | <input type="checkbox"/> Excellent | <input type="checkbox"/> Average | <input type="checkbox"/> Inadequate |

- Please explain the reasons for your selections

Q2. Which articles in the report did you find valuable? (You may select more than one)

- Message from the CEO Hitachi's CSR Vision

Highlights 2009

- | | |
|---|---|
| <input type="checkbox"/> Hitachi's Environmental Vision | <input type="checkbox"/> Global Warming Prevention toward 2025 |
| <input type="checkbox"/> Securing a Stable Electric Power Supply and Reducing CO ₂ Emissions | <input type="checkbox"/> Contributing to Water Treatment Operations |
| <input type="checkbox"/> Environmental Management in <i>Monozukuri</i> | <input type="checkbox"/> Environmental Activity Topics |
| <input type="checkbox"/> Extending Our Collaborative Projects Overseas | |

CSR Management

- CSR Promotion Activities Respect for Human Rights Compliance and Risk Management

Living Together with Society

- Improving *Monozukuri* and Service Working in Harmony with Local Communities
 Employees: The Key to Hitachi's Future A Safe, Pleasant Workplace Collaborative Creation with Suppliers

Other

- Company Profile

- If any of the above articles particularly interested you, please explain why

Q3. What is your opinion of the Hitachi Group's CSR activities and initiatives?

(You may select more than one in each of the following)

- | | | | |
|-----------------------------------|---|---|--|
| (1) Areas of Excellence | <input type="checkbox"/> Compliance activities | <input type="checkbox"/> Technology/quality | <input type="checkbox"/> Customer satisfaction activities |
| | <input type="checkbox"/> Social contribution activities | <input type="checkbox"/> Employment environment | <input type="checkbox"/> Environmental protection activities |
| | <input type="checkbox"/> Other () | | |
| (2) Areas for Further Improvement | <input type="checkbox"/> Compliance activities | <input type="checkbox"/> Technology/quality | <input type="checkbox"/> Customer satisfaction activities |
| | <input type="checkbox"/> Social contribution activities | <input type="checkbox"/> Employment environment | <input type="checkbox"/> Environmental protection activities |
| | <input type="checkbox"/> Other () | | |

- Please write below any other comments you have regarding the Hitachi Group's CSR activities

Q4. Which of the following best describes you or your relationship to Hitachi? (Please select one only)

- Customer Shareholder/investor Supplier Government/public administration employee
 Research/education institution employee News/media employee Student NPO/NGO representative
 Resident near Hitachi Group facility Hitachi Group employee/family member Other ()

Q5. How did you find out about this CSR report? (Please select one only)

- Newspaper Magazine Web site Seminar Exhibition From a Hitachi employee
 Other ()

Q6. Please write below any other comments or requests you have regarding the *Hitachi Group CSR Report* or the Group's CSR activities and initiatives

Thank you for your cooperation

We will use your feedback to improve the *Hitachi Group CSR Report* and our CSR activities