

Corporate Social Responsibility

The Hitachi Group believes corporate social responsibility (CSR) is founded on the understanding and actions of each individual employee. A common CSR Policy of the Hitachi Group has been instituted to support practical implementation of this approach across the Hitachi Group. With the aim of being an advanced global enterprise in this field, we have also created the Hitachi Group Three-Year CSR Roadmap as a medium-term CSR action plan.

The Hitachi Group's Approach to CSR

The corporate credo is to contribute to society through the development of superior, original technology and products, and we have long cherished Hitachi's founding spirit encapsulated by the words "Wa," "Makoto" and "Kaitakusya-seishin."*

As defined by the Hitachi Group, CSR means promoting activities that increase social, economic, environmental and human value. This requires a clear commitment from top management and ongoing efforts to strengthen corporate governance, based on a culture of compliance and high ethical values.

Our vision and mission is to harness the Hitachi Group's collective knowledge and technologies to address fundamental issues affecting the global community with the aim of providing a safer and more pleasant life for all. To realize this philosophy and mission and fulfill society's expectations,

we formulated the CSR Policy of the Hitachi Group in March 2005 as a common policy platform to support the global CSR promotion framework for the Hitachi Group.

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)



President participates in voluntary classes
President Furukawa also attended this voluntary class for Hitachi Group employees on the theme of universal design.

* Wa: harmony, trust and respect
Makoto: sincerity, fairness, honesty, integrity
Kaitakusya-seishin: pioneering spirit, challenge

Achieving the Three-Year Roadmap

The Hitachi Group Three-Year CSR Roadmap was formulated as a medium-term CSR action plan starting in April 2006. The plan specifies goals and challenges in each policy area identified by the CSR Policy of the Hitachi Group. Various efforts are underway to promote activities targeting these goals.

The main areas where we focused in fiscal 2007 were: educational activities to raise CSR-related awareness at Hitachi Group companies outside Japan; the revision of Hitachi's *Corporate Ethics and Compliance Handbook*; and surveys of compliance awareness and compliance training activities within the Asia region. In addition, in preparation for strategic CSR activities in fiscal 2008 and beyond, we identified some common themes for the Hitachi Group and evaluation criteria for the development of CSR activity visualization tools.

We also continued our program of corporate citizenship activities, focusing on the three axes of education, environment and social welfare. Aiming to promote harmonious relations with society, these activities represent our attempt as a corporate citizen to address some of the social issues that affect the global community.

In fiscal 2008, we plan to promote broad-based dialogue with stakeholders so that we can incorporate feedback from many parts of society into the way that we manage and operate our business. This will promote our ongoing efforts to engage in CSR activities that are tailored to social trends.



Corporate Social Responsibility Report
Digest 2008

This report outlines the Hitachi Group's overall stance and specific activities and measures regarding CSR.

Hitachi's Environmental Activities

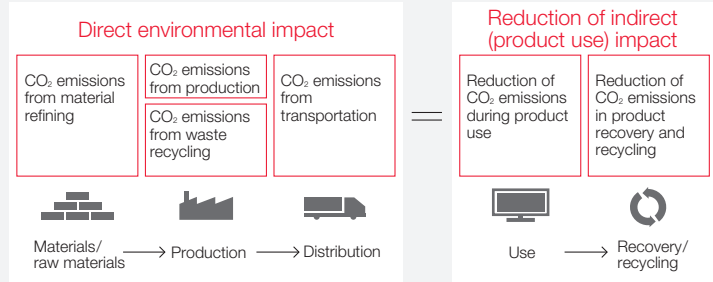
The Hitachi Group developed Environmental Vision 2015 as a medium-term program of environmental activities beginning in April 2006. The program targets the three goals of the prevention of global warming, the sustainable use of resources, and conservation of the ecosystem. The core objective of Environmental Vision 2015 is to make the business activities of the Hitachi Group "emission neutral" by fiscal 2015. Our strategy for achieving this status is to reduce by the same amount "direct environmental impact"^{*1} imposed from the sourcing of raw materials to production and distribution, and "indirect impact"^{*2} arising once products are in the hands of users.

In fiscal 2007, we introduced a system to assess environmental impact quantitatively so that we can gauge progress in achieving "emission neutral" status by measuring reductions of "indirect impact" for parts and materials in each business field. As part of realizing Environmental Vision 2015, we also set a new goal for sales of "Eco-Products."^{*3} We aim to increase annual sales of these products by fiscal 2010 to ¥6,600 billion, approximately double the fiscal 2006 figure.

Adopting the longer-term perspective, in fiscal 2007 we formulated Environmental Vision 2025 as a long-term plan for developing and supplying solutions that will help to create a sustainable society, while also promoting the realization of Environmental Vision 2015. Expanding the "emission neutral" approach that targets reductions in "indirect impact," Environmental Vision 2025 sets the goal of contributing to reducing CO₂ emissions from the use of Hitachi products by 100 million tons in at least one year before 2025. In addition, by leveraging the technical expertise of the Hitachi Group, our goal is for Eco-Products to account for all Hitachi Group products by fiscal 2025 through the pursuit of environmental efficiency from various angles. At the same time, as part of Environmental Vision 2025, we will strengthen and develop environmental businesses, such as energy-efficient products, environmental equipment and recycling operations.

To help realize Environmental Vision 2025, a senior manager was appointed to the new post of Hitachi Group Chief Environmental Strategy Officer ("CEnO") on December 1, 2007. The Environment Strategy Office was also set up on January 1, 2008. Work is underway to develop a program of activities to realize this new long-term vision.

The "Emission Neutral" Philosophy



^{*1} Direct environmental impact: energy used in production activities, such as the acquisition of basic materials and processing and refining of parts; greenhouse gases emitted from factories; and energy used for recycling waste and for transportation.

^{*2} Indirect impact: electricity consumed by products and energy used for recycling end-of-life products, among other items.

^{*3} "Eco-Products refer to products with superior environmental performance in which efforts are made at each stage of the product life cycle to minimize the product's environmental impact over its entire lifespan.

Key Points of Hitachi's Environmental Vision 2025

Strengthening Measures to Counter Global Warming

- Contribute to reducing CO₂ emissions from the use of Hitachi products by 100 million tons in at least one year before 2025

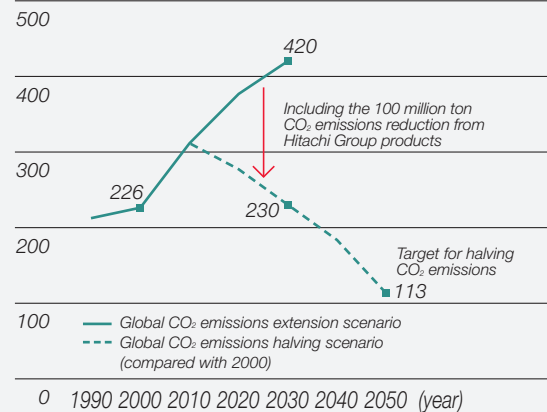
Strengthening Hitachi's Environmental Businesses

- Work to make all Hitachi Group products Eco-Products by 2025
- Use the Hitachi Group's total technological strengths to pursue environmental efficiency for all aspects of our business including materials, parts, components, products, systems, services and solutions
- With the global market in mind, develop global warming prevention technologies, invest to strengthen businesses, and promote collaborative projects with other organizations

Reinforcing overall CSR activities by integrating environmental efforts with other aspects of social contribution activities

Hitachi's Approach to Achieving the 2025 Emissions Reduction Target

(100 million tons per year)



[Source] IEA (International Energy Agency), World Energy Outlook 2007.