

FOR IMMEDIATE RELEASE

Hitachi Reports on the Promotion of Group Environmental Management

—Publishes “Hitachi Group Environmental Sustainability Report 2009,”
Reports 14% Reduction in CO₂ Emissions and
10.5% Reduction in Energy Used in Transportation—

Tokyo, July 30, 2009 --- Hitachi, Ltd. (NYSE:HIT / TSE:6501) today announced that on July 31 it will release the “Hitachi Group Environmental Sustainability Report 2009,” highlighting the progress made with environmental management in the Hitachi Group. The report, a separate report from the “Hitachi Group Corporate Social Responsibility Report,” is designed to introduce in detail management’s stance on global environmental issues and the Hitachi Group’s environmental initiatives. In fiscal 2008, the year ended March 31, 2009, the Hitachi Group achieved a 14% reduction in CO₂ emissions in Japan, compared with fiscal 1990: CO₂ emissions declined 259 kiloton year over year to 2,844 kiloton. This accomplishment also means that the Hitachi Group achieved its fiscal 2010 target of reducing CO₂ emissions by 12% compared with fiscal 1990 two years ahead of schedule. In addition, by improving load efficiency and promoting a modal shift in product transportation, the Hitachi Group achieved a 1 percent year-over-year improvement in energy used in transportation per real unit output^{*1}, reducing this by 10.5% compared with fiscal 2006.

The Hitachi Group is aiming to build a more stable earnings base by strengthening the Social Innovation Business, which comprises social infrastructure supported by highly reliable and highly efficient information and telecommunications technology. It is placing emphasis on three key areas in this regard: fusing information and telecommunication systems and power and industrial systems, transforming into a truly global company, and expanding environmental businesses.

In order to create a more sustainable society that protects the global environment through the strengthening of the Social Innovation Business, the Hitachi Group has

formulated “Environmental Vision 2025,” a long-term plan. This plan sets forth the fiscal 2025 goal of helping reduce annual CO₂ emissions by 100 million tonnes through Hitachi products and services. Hitachi plans to cut 70 million tonnes in electric power generation, and 30 million tonnes in energy consumption, including industry, transportation, and daily living (commercial and residential use). With regard to energy consumption, reductions of 20 million tonnes are targeted in industry, while reductions of 10 million tonnes are targeted in transportation and daily living.

In order to achieve this plan going forward, the Hitachi Group intends to promote environmental businesses underpinned by highly reliable, high-quality technologies. In specific terms, it plans to expand businesses that provide highly efficient coal-fired thermal power generation and nuclear power generation, as well as related maintenance and services businesses, in addition to expanding businesses that provide renewable energy by drawing on storage batteries, smart grids^{*2} and other technologies. Moreover, the Hitachi Group will globally develop “green mobility” that includes hybrid railway systems and hybrid automotive systems, distribution services, and eco-conscious data centers, all with the aim of lowering environmental burden. In tandem with this, the Hitachi Group will strengthen the key devices that support these systems. These key devices include high-efficiency inverters and transformers for industry, and lithium-ion batteries for industrial and automotive use. Improving the energy efficiency of household appliances is another theme. In these and other ways, the Hitachi Group seeks to create environmental value on a global basis.

In fiscal 2008, the Hitachi Group stepped up efforts to cut CO₂ emissions, raising its fiscal 2010 target for CO₂ emission reductions across all business sites in Japan from 7% to 12%, compared with the fiscal 1990 level. Furthermore, the targeted reduction for energy used in transportation per actual output was raised from 4% to 11% compared with fiscal 2006.

The Hitachi Group invested approximately 10.2 billion yen for reducing its environmental burden. Of this amount, 7.7 billion yen was allocated to energy conservation. While systematically promoting the adoption of other fuels, particularly in the basic materials and materials fields, which account for around 60% of the Hitachi Group’s total CO₂ emissions, steps were taken to save energy at all production facilities. As a result, the Hitachi Group cut CO₂ emissions by 50 kiloton. As an example, at the Takasago Works of Hitachi Cable, Ltd. in Hitachi City, Ibaraki Prefecture, engineers

used PLCs^{*3} to develop a proprietary system for automatically controlling air-conditioning that responds to load changes. This system helped cut annual clean room CO₂ emissions by approximately 800 tonnes, or around 30%. In product transportation, initiatives focused on improving load efficiency and promoting the use of rail and other forms of transportation as part of a modal shift. These efforts resulted in a 10.5% reduction in transportation energy consumption per actual output, compared with fiscal 2006. The transportation in sections, or modules, of tubes and other products used in nuclear power plants, for example, reduced annual CO₂ emissions from transport by approximately 38 tonnes.

The three pillars of the Hitachi Group's environmental vision are the prevention of global warming, the conservation of resources, and the preservation of the ecosystem. Based on this environmental vision, the Hitachi Group's goal is to achieve a more sustainable society by promoting global production that reduces the environmental burden of a product throughout its life cycle.

Main Contents of the “Hitachi Group Environmental Sustainability Report 2009”

(1) Achieving the Target of Reducing CO₂ Emissions Through Products

The Hitachi Group's Environmental Vision 2025 sets the fiscal 2025 goal of helping reduce annual CO₂ emissions by 100 million tonnes through Hitachi products and services. To achieve this goal, the Hitachi Group plans to cut 70 million tonnes in electric power generation, and 30 million tonnes in energy consumption, including 20 million tonnes in industry, and 10 million tonnes in transportation and daily living. In the power generation field, reductions will be achieved by increasing the efficiency of coal-fired thermal power generation and constructing nuclear power plants, as well as expanding related maintenance and services, in addition to promoting the uptake of renewable energy based on the utilization of storage batteries, smart grids and other technologies. For industry, the Hitachi Group will focus on supplying high-efficiency inverters and transformers, and creating power-saving data centers. For transportation and daily living, the Hitachi Group will develop lithium-ion batteries for industrial and automotive use, and reduce the energy consumption of home appliances.

(2) Expanding the Eco-Product Lineup

At Hitachi, products are assessed on a five-point scale^{*4} in terms of eight criteria relating to environmental burden at each stage of a product's life cycle, including energy efficiency and recycling. An Eco-Product is an environmentally conscious product that

scores at least equal to or more than level 2 (the reference level before the latest major model change) in all eight criteria and its average over all the criteria is level 3 or more. In fiscal 2008, the number of Eco-Products increased by 46 products (745 models) from the previous fiscal year, to 1,103 products (6,961 models). Eco-Products in fiscal 2008 accounted for 47% of revenues, a 9 percentage point increase from the previous fiscal year. These Eco-Products helped reduce energy consumption during use in fiscal 2008 by approximately 1.0 billion kWh^{*5}. The Hitachi Group aims to raise the share of revenues accounted for by Eco-Products to 50% in fiscal 2010. By fiscal 2025, the goal is for all Hitachi products to be Eco-Products.

(3) Controlling Chemical Substances Included in Products

In fiscal 2008, the Hitachi Group upgraded its management systems and drew up procedural guidelines for controlling substances to comply with REACH^{*6}, a chemical substance regulation in Europe. Furthermore, the Hitachi Group improved its integrated management system for chemical substances contained in products by developing it as an information platform for communicating information relating to chemical substances across the supply chain. In January 2009, the Hitachi Group initiated a trial of the information flow throughout the supply chain.

(4) Reducing CO₂ Emissions

In fiscal 2008, the Hitachi Group invested 7.7 billion yen in energy-saving measures, systematically promoting a switch to other fuels and energy-saving initiatives at all production facilities. These initiatives reduced CO₂ emissions in Japan by 50 kiloton. CO₂ emissions for all of the Hitachi Group's facilities in Japan were reduced by 259 kiloton year over year, or 14% compared with fiscal 1990; the Hitachi Group's goal was a 7% reduction. Outside Japan, CO₂ emissions increased 97 kiloton year over year, due mainly to the construction of new factories. However, CO₂ emissions per unit production declined 3.3% compared with fiscal 2003; the target was for a 3% reduction. In product transportation, by improving load efficiency and promoting a modal shift, the Hitachi Group achieved a 10.5% reduction compared with fiscal 2006 in energy used in transportation per unit actual output, versus a target of 2%.

(5) Using Resources Efficiently

In fiscal 2008, the Hitachi Group achieved a 16% reduction in total volume of waste generated at factories and offices in Japan and overseas compared with fiscal 2000 through measures to curb waste including reusable resources. These measures included

improving production processes and recycling more waste inside factories. In Japan, the Hitachi Group is employing the resource recycling rate as an indicator to assess promotion of the 3Rs^{*7} for reducing environmental burden further by incorporating an LCA^{*8} approach. In fiscal 2008, the resource recycling rate improved 11 percentage points compared with fiscal 2005, versus a target of an 8 percentage point improvement.

(6) Reducing VOC Emissions

In fiscal 2008, VOC^{*9} emissions in Japan were 4.0 kiloton, a reduction of 1.3 kiloton from the previous fiscal year. A reduction of 62% compared with fiscal 2000, versus a target of 44%, was achieved by installing exhaust gas treatment systems and continuing to switch coating materials. Outside of Japan, the Hitachi Group reduced the ratio of VOC emissions to the volume used by 24% compared with fiscal 2005, compared with a goal of a 6% reduction.

The Hitachi Group reports on its CSR activities by publishing the “Hitachi Group Corporate Social Responsibility Report Digest” and providing more detailed information in the form of the “Hitachi Group Corporate Social Responsibility Report” on Hitachi’s website.

*1 The rate of transportation energy consumption per actual output is the crude oil equivalent energy volume (kl) of transportation as defined in the Act on the Rational Use of Energy of Japan divided by actual output.

Real unit output = production / domestic corporate goods price index of Bank of Japan
(fiscal 2003 = 1)

*2 Smart grids: Power distribution grids that integrate the conventional power infrastructure and ICT technology to include renewable energy and other dispersed power sources efficiently while maintaining reliable supply.

*3 PLC (Programmable Logic Controller): a system for sequence control that uses PCs and dedicated input equipment to program the desired sequence in advance.

*4 5 assessment levels: Level 1 = worse than previous product; Level 2 = same as previous products, Level 3 (better than previous product), Level 4 (action targets achieved); and Level 5 (industry leader).

*5 comparison between product prior to a major design change and the applicable Eco-Product

*6 REACH (Registration, Evaluation, Authorisation and restriction of CHemicals): a EU regulation relating to the registration, evaluation, authorisation and restriction of chemical substances.

*7 3Rs (Reduce Reuse Recycle): Refers to the reduction, reuse and recycling of waste.

*8 LCA (Life Cycle Assessment): a method for assessing the environmental impact at every stage in a particular product's lifecycle from manufacture, use and to disposal or reuse.

*9 VOC (Volatile Organic Compounds)

About Hitachi, Ltd

Hitachi, Ltd., (NYSE: HIT / TSE: 6501), headquartered in Tokyo, Japan, is a leading global electronics company with approximately 400,000 employees worldwide. Fiscal 2008 (ended March 31, 2009) consolidated revenues totaled 10,000 billion yen (\$102.0 billion). The company offers a wide range of systems, products and services in market sectors including information systems, electronic devices, power and industrial systems, consumer products, materials, logistics and financial services. For more information on Hitachi, please visit the company's website at <http://www.hitachi.com>

Information contained in this news release is current as of the date of the press announcement, but may be subject to change without prior notice.
