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Environment Responding to Environmental Risks and Opportunities,
Reducing the Environmental Burden of Our Business Operations (Fiscal 2015 Results)

Water-Related Risks and Opportunities

Activities for Water-Related Risks and Opportunities

The serious crisis confronting water—the source of all life—is said to stem from increasing demand, rather than a decrease in supply. The growth in the human population has pushed up water consumption, and people have adopted lifestyles that lead to more water being wasted. Other factors behind the crisis include the supplies of products whose manufacture requires a large amount of water consumption. For all of these reasons, people today are using far greater quantities of water than their predecessors.

Along with water shortages due to rising populations and other human causes, water-related risks also include shortages stemming from natural disasters or flooding. But whatever the causes, once such water-related problems

emerge and worsen, they can seriously hinder the continuity of business activities. Hitachi surveys the locations of our various business sites to make sure that our businesses operate in areas with few water-related risks. We have ascertained the water consumption levels of around 700 of our business sites and have continued to implement measures to reduce water consumption in order to minimize these risks.

Hitachi has positioned its Water Solutions business as a key area within our Social Innovation Business. This business is contributing to preserving and improving the global water environment and creating business opportunities through activities including seawater desalination, the development of drinking water and sewage treatment systems, and the building of pumping stations to foster vegetation in desert areas.

Reducing the Environmental Burden of Our Business Operations (Fiscal 2015 Results)

Hitachi's Approach

We systematically promote efforts to reduce the environmental burden of our business activities while adhering to a PDCA cycle in line with our Group-wide environmental management system. The targets and achievements of these efforts are consolidated into our Environmental Action Plan, based on which we strive for continuous improvements in priority areas.

The Environmental Action Plan for 2013 to 2015 encompassed many themes, such as promoting Eco-Products, reducing CO₂ emissions, and using resources efficiently. Three years of improvement activities were concluded in fiscal 2015 with many positive results. In fiscal 2016 we are moving on to the Environmental Action Plan for 2018. We will further engage in environmental activities under the plan, not only taking into account the achievements made over the previous three years but also incorporating a more global perspective.

Environmental Action Plan for 2018

Environmental Action Plan for 2013 to 2015

Environmental Action Plan for 2013 to 2015: Achievements

In fiscal 2015, the final year of the Environmental Action Plan for 2013 to 2015, we were able to achieve our targets for all items.

Shown in the tables below are the main indicators for Hitachi's environmental activities. Initiatives corresponding to each indicator are introduced in the following pages.

Establish Environmental Management Systems

Items	Indicators	Fiscal 2015 targets	Fiscal 2015 results	Achievement level
Raise the level of environmental activities	GPs (green points) in GREEN 21 Environmental Activity Evaluation System	640 GPs	646 GPs	◆◆◆
Ecosystem (biodiversity) preservation	Implementation of ecosystem preservation assessment	Completion of ecosystem preservation assessment	Completed ecosystem preservation assessment	◆◆◆

Promote Eco-Products

Items	Indicators	Fiscal 2015 targets	Fiscal 2015 results	Achievement level
Expand Hitachi Eco-Product lineup	Percentage of Hitachi Eco-Product sales	90%	95%	◆◆◆
	Number of models in Eco-Products Select program	340 models	409 models	◆◆◆
Contribute to the reduction of CO ₂ emissions through products and services	Volume of contribution to CO ₂ emission reductions through products and services	35.0 million metric tons (100 million metric tons by 2025)	36.49 million metric tons	◆◆◆

Build Industry's Most Advanced Factories and Offices

Item	Indicator	Fiscal 2015 target	Fiscal 2015 results	Achievement level
Promote Eco-Factories & Offices Select certification	Eco-Factories & Offices Select certification	Average of at least 1 certification per in-house or Group company	New certifications: 15 Renewed certifications: 58 Total: 73	◆◆◆



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Prevent Global Warming

Item	Indicator	Fiscal 2015 target	Fiscal 2015 results	Achievement level
Reduce energy use per unit	Reduction in energy use per unit (base: FY 2005, global)	15%	16%	◆◆◆

Use Resources Efficiently

Items	Indicators	Fiscal 2015 targets	Fiscal 2015 results	Achievement level
Reduce waste and valuables generation per unit	Reduction in waste and valuables generation per unit (base: FY 2005, global)	23%	28%	◆◆◆
Reduce water use per unit	Reduction in water use per unit (base: FY 2005, outside Japan)	30%	41%	◆◆◆

Manage Chemical Substances

Item	Indicator	Fiscal 2015 target	Fiscal 2015 results	Achievement level
Reduce volatile organic compound (VOC) atmospheric emissions per unit	Reduction in VOC atmospheric emissions per unit (base: FY 2006, global)	40%	50%	◆◆◆

Global Citizenship Program

Item	Indicator	Fiscal 2015 target	Fiscal 2015 results	Achievement level
Make social contributions through environmental activities	Promotion of flagship environmental communication activity at each in-house and Group company	Implementation of at least 1 flagship environmental communication activity per company	Implemented at least 1 activity per company	◆◆◆

◆◆◆ : Achieved ◆◆ : Partially achieved

Environmentally Conscious Products and Services

Increasing the Ratio of Eco-Products

We promote the development of environmentally conscious products called Eco-Products as part of our initiative to reduce the environmental burden of our products and services as much as possible.

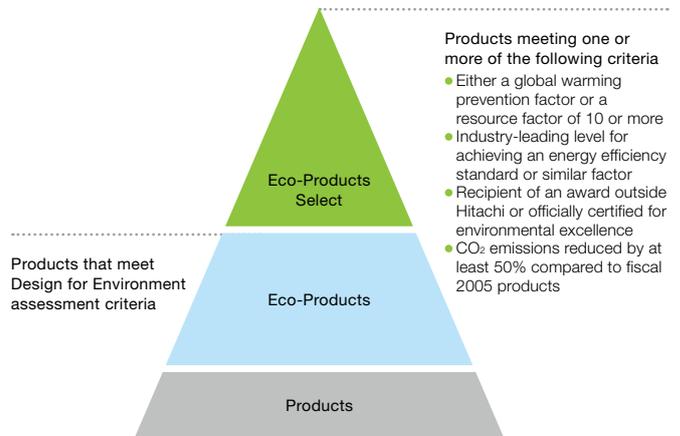
Eco-Products must meet criteria used in the design and development stages, when we evaluate the extent to which their environmental burden can be reduced. In addition, Eco-Products that meet even more demanding requirements are designated as Eco-Products Select. Until fiscal 2015, we promoted the development of Eco-Products by setting targets for raising the Eco-Product sales ratio, a figure measuring Eco-Product sales against total product sales. In fiscal 2016, we will launch new initiatives with the aim of

helping to resolve environmental issues by developing and expanding the use of products and services with high environmental value.



Environmental Action Plan for 2018, Products and Services

Hitachi's Framework for Environmentally Conscious Products



Products that meet Design for Environment assessment criteria

Designation of Eco-Products

Designation of Eco-Products Select

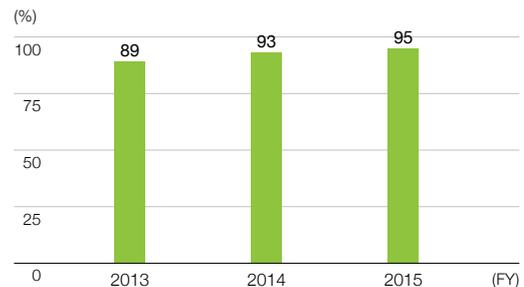
Actions and Achievements

In fiscal 2015, our Eco-Product sales ratio reached 95%, and we increased the number of Eco-Products Select models by 66, bringing the total to 409 products.

At business sites outside Japan—now with new design and development functions—we went ahead with a planned approach to expanding the lineup of Eco-Products. This included improving the eco-design skills of our designers.

Key Indicators

● Eco-Product Sales Ratio*1



*1 The ratio of Eco-Product sales to sales of all products, excluding elements whose environmental impact Hitachi cannot control or influence, such as patent income.



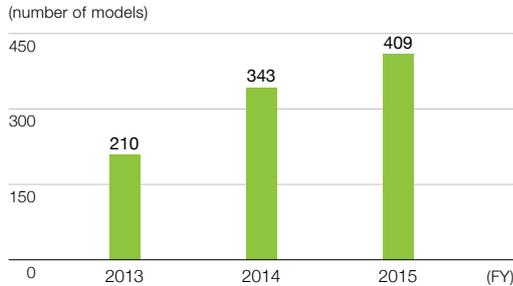
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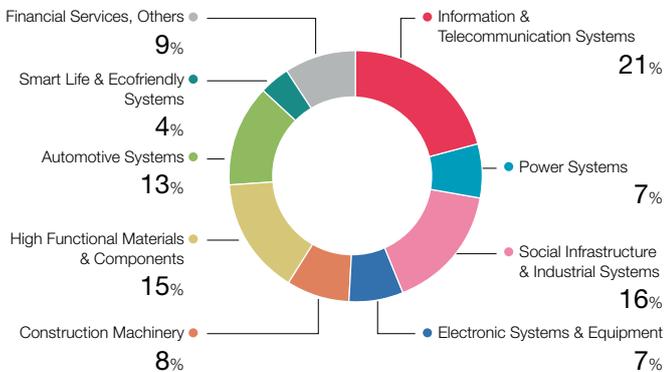
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Environment Reducing the Environmental Burden of Our Business Operations (Fiscal 2015 Results)

● Eco-Products Select



● Eco-Products by Business Segment (FY 2015 Sales Ratio)



Hitachi Products Helping to Reduce CO₂ Emissions

In fiscal 2015, we expect to achieve a reduction in CO₂ emissions through products of 36.49 million metric tons, better than our target of 35 million metric tons. Major contributions to this achievement came from the products and services of our Power Systems Company, Infrastructure Systems Company, Information & Telecommunication Systems Company, Hitachi Appliances, and Hitachi Construction Machinery. We plan to continue working harder to develop and popularize other products that contribute to CO₂ emission reductions.

Calculation Methods for Environmental Load Data/Contribution of Hitachi products and services to the reduction of CO₂ emissions

Addressing Our Carbon Footprint

The carbon footprint of products (CFP) is the CO₂ equivalent of the total amount of greenhouse gases (GHGs) emitted over the entire life cycle of a product or service—from procurement of materials through to disposal and recycling. Making the GHG emission amount visible in this way encourages efforts to reduce the amount of carbon emitted by products over their whole life cycle. A number of countries around the world use the CFP approach.

Hitachi launched CFP assessment in 2009. We participate in the Carbon Footprint Communication Program of the Japan Environmental Management Association for Industry (JEMAI) and are working to expand the number of approved CFP Products.*1 In fiscal 2015, our midrange storage systems, IP-PBX communication systems, and OCR (optical character reader) scanners were verified and approved by the JEMAI CFP Program. In addition to visualizing CO₂ emission amounts, we quantified the rate of CO₂ emission reductions per function*2 from previous models, publishing the quantitative effect of their energy efficiency in our catalogs and on our website and offering explanations at product shows. We will make efforts to capitalize on CFP as an added value for our products in the future.

*1 Approved CFP Product: A product subjected to testing according to the CFP quantification rules of the Carbon Footprint Communication Program, which also passes the CFP quantification verification and undergoes the application process for registration and public announcement.

*2 Specifically, the "life cycle GHG emissions per unit function amount," calculated by dividing "life cycle GHG emissions per sales unit" by "function amount of applicable product" as specified by performance (or performance characteristic) and/or use period.

Products authorized to display the CFP label in fiscal 2015

Product	Midrange storage	IP-PBX communication systems	OCR scanners
Model	Hitachi Virtual Storage Platform G200	MX-01 CCUB	HT-4165-48
Product appearance	 Single unit (above) and multiple units in rack. (Not intended to show standard system configuration.)		
[Previous model]	Hitachi Unified Storage 130	MX900IP CCUB	HT-4139-48U
Rate of reduction in CO ₂ emissions (compared to previous model)	-48%	-13%	-27%

Working with European Environmental Footprint Initiatives

The Product Environmental Footprint (PEF) and Organisation Environmental Footprint (OEF) initiatives develop methodologies for measuring the life cycle environmental burden of products and organizations in up to 15 areas. Three-year pilot studies were started in November 2013 to establish assessment methods in multiple product and organization fields.



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Hitachi, drawing on experience with Japan's Carbon Footprint Communication Program and the knowledge gained from calculating and visualizing CO₂ emissions in the IT product life cycle, is participating in a European Environmental Footprint pilot study in the IT equipment field, for which it serves as the technical secretariat.

In fiscal 2015, we established methods for evaluating the environmental burden of IT products, which were approved by the European Commission. We also reviewed possible means of disclosing and communicating the evaluation results to our stakeholders. At an October 2015 mid-term conference organized by the European Commission for members of industry, government, nongovernmental organizations, and the general public, we reported on developments and challenges in the pilot study and took part in discussions toward their application to European environmental policy.

Next Steps

Having achieved an Eco-Product sales ratio of 95%, our next step in fiscal 2016 and beyond will be to develop and popularize products with high environmental value through our eco-design activities. We will enhance the environmental performance of our products and services by promoting reductions in CO₂ emissions and resource use. Our aim in fiscal 2016 will be to achieve 30% reductions in CO₂ emissions from the use of products and services compared to fiscal 2010 levels. Moreover, we will maintain the environmental consciousness of our products by conducting an Environmentally Conscious Design Assessment, created in compliance with IEC 62430, on products and services that involve a design process. Through these activities, we will strive to ensure that the environmental value of our products and services leads to added value in ways that will help our business to grow, as well as work to contribute to the global environment by offering products and services with low environmental burden.

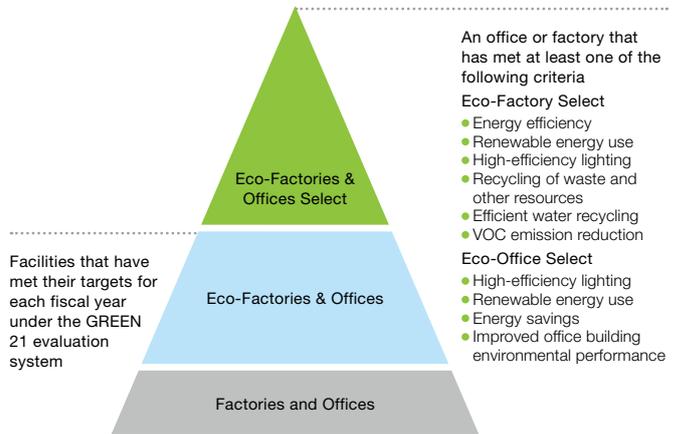
Environmental Considerations at Business Sites

Creating Eco-Factories & Offices Select

To reduce the environmental burden of our business activities, since fiscal 2011 we have implemented an Eco-Factories & Offices Select certification program for locations that promote activities demonstrating a high level of environmental consciousness and produce notable results in that area. This helps raise the environmental awareness of employees and promote environmentally conscious business activities.

Based on certification criteria that were developed for our manufacturing (factory) and nonmanufacturing (office) divisions globally, we certify existing factories that actively engage in improvements to achieve efficient production and new offices that have been environmentally designed from the start. To maintain and raise the level of environmental awareness through Eco-Factories & Offices Select, certified factories and offices are re-evaluated every fiscal year to confirm that their performance continues to meet requirements. In fiscal 2015, at least one factory or office was certified at each in-house and Group company, with 15 facilities obtaining new certifications and 58 facilities having their certifications renewed.

Eco-Factories & Offices Select Certification Criteria



Eco-Factories & Offices



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Next Steps

In fiscal 2016 and beyond, we will continue our efforts to expand the Eco-Factories & Offices Select program by promoting more efficient energy use, waste recycling, and other measures in Group factories and offices, thereby reducing the environmental burden of our business activities.

Environmental Action Plan for 2018, Factories and Offices

Global Warming Countermeasures

Promoting Global Warming Countermeasures

We are promoting ways to use energy more efficiently and reduce GHG emissions during production and transportation, in both manufacturing and nonmanufacturing divisions, to help prevent global warming.

Actions and Achievements

We are working to reduce the energy use per unit as one way to use energy more efficiently. In fiscal 2015, we achieved a reduction of 16% (from fiscal 2005, the base year), surpassing the target of 15%. We are systematically working to improve the energy efficiency of individual lighting equipment and facilities by installing high-efficiency equipment and devices, from LED lighting to inverter air conditioners. In pursuit of more efficient energy use, moreover, we are actively harnessing the control technologies and IT systems that are our forte to conserve energy at our factories and offices.

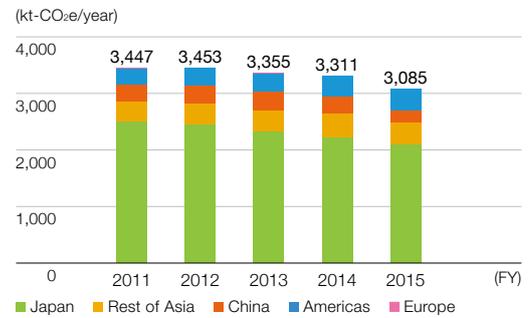
Key Indicators

- Reduction in Energy Use per Unit



*1 A value closely related to the emission factor numerators (environmental burden) of energy use from business activities (for example, production quantity, output, building floor space, and number of employees).

• CO₂ Emissions



Breakdown by Region (kt-CO₂e/year)

	2011	2012	2013	2014	2015
Europe	7	4	4	8	7
Americas	295	316	321	358	375
China	287	315	332	305	211
Rest of Asia	357	381	375	423	402
Japan	2,501	2,437	2,323	2,217	2,090
Total	3,447	3,453	3,355	3,311	3,085

Notes:

- Emissions are calculated based on the 2005 CO₂ emission coefficients for electric power by country published by the International Energy Agency in *CO₂ Emissions from Fuel Combustion (2010 edition)*.
- Energy-related CO₂ emissions were 660 kt-CO₂e (Scope 1) and 2,425 kt-CO₂e (Scope 2).

Introducing Renewable Energy

We are promoting the use of solar, wind power, and other forms of renewable energy. During the 2015 fiscal year, Hitachi produced 3,914 MWh of renewable energy for its own use. Hitachi Computer Products (America), Inc. proactively uses renewable energy to power its factory, purchasing 7,242 MWh during fiscal 2015. In Japan, we also contracted for Green Power Certifications for 1,000 MWh/year through Japan Natural Energy Company Limited, using these to cover power generated for offices, showrooms, and exhibitions.



Green Power logo for Green Power Certification.

Reducing Transportation Energy Consumption

Reductions in transportation energy consumption per unit are reflected in the individual targets of each business unit and Group company. This allows additional actions to be taken to further reduce energy consumption. Business sites are promoting a modal shift to highly efficient transportation methods, improving truck loading ratios and taking other measures to reduce transportation energy consumption, and switching to the use of eco-cars. Hitachi is actively utilizing rail transport for surface freight shipments of 500 km or more, for which we have earned the Ministry of Land, Infrastructure, Transport, and Tourism's Eco Rail Mark.*1 CO₂ emissions from transportation inside Japan for the Hitachi Group in fiscal 2015 were 114 kt-CO₂e.



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The Mito Works, a building systems business unit, is taking a range of measures to cut transportation energy usage. These include improving the efficiency of its shipping and delivery network and reducing the distances and frequency of transportation. In fiscal 2015, CO₂ emissions per unit were reduced by 69% compared with fiscal 2006.

*1 A mark conferred on products and businesses when a designated share of freight shipments are made by rail transport, which has low CO₂ emissions.



About the Eco Rail Mark

Next Steps

As suppliers of products and services, Hitachi business sites will continue to promote efficient energy usage and consistently maintain a high level of improvement activities. We will also contribute to the reduction of energy-related emissions of CO₂ and other GHGs by making maximum use of renewable energy. In pursuit of these targets, Hitachi continually implements a PDCA (plan, do, check, act) cycle and works to reduce GHG emissions.

Efficient Use of Resources

Reducing Waste Generation and Promoting Product Recycling

Resource-related problems arising from economic development and population growth are universal challenges, and measures are needed to cope with the mass consumption of resources and mass generation of waste. To address these issues, Hitachi is working to reduce the volume and improve the recycling rates of waste generated during production. We also promote the efficient use of resources by collecting end-of-life products and reusing or recycling them.

Actions and Achievements

For fiscal 2015, we set a target of a 23% reduction (from the fiscal 2005 base year) for waste and valuables generated per unit, bettering this by achieving a 28% reduction. Every business site is reducing waste through onsite recycling of byproducts and scrap from the production process and efforts to curb use of packing materials during transport. Under the Zero Emission initiative, which seeks to minimize landfill disposal, 111 business sites achieved their zero emission goal*1 as of fiscal 2015.

*1 Defined as a final disposal rate (landfill disposal/waste and valuables) of less than 0.5% in any given fiscal year.

Zero Emission Sites

Key Indicators

• Reduction in Waste and Valuables Generated per Unit

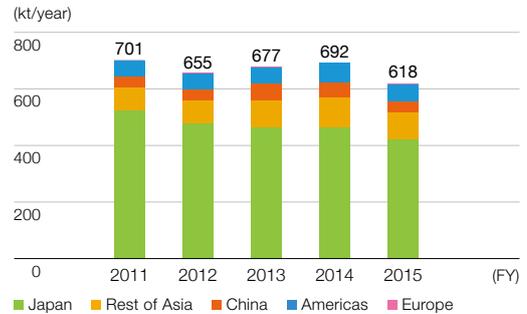


• FY 2005 (base year)

• FY 2015

$$\frac{\text{Amount generated 782 kt}}{\text{Activity amount}} = 100\% \rightarrow \frac{\text{Amount generated 618 kt}}{\text{Activity amount}} = 72\%$$

• Waste and Valuables Generated



Breakdown by Region (kt/year)

	2011	2012	2013	2014	2015
Europe	3	1	1	2	1
Americas	55	58	56	67	63
China	40	38	62	54	36
Rest of Asia	80	80	93	106	98
Japan	523	478	465	463	420
Total	701	655	677	692	618

Using IT for Managing Waste

Hitachi has developed a waste management system aimed at more efficient processes and reduced compliance risk. In Japan, we visualize the generation and disposal of waste produced at our factories, offices, and contract operations and manage data on waste contractors so that we can keep accurate track of our progress in waste recycling. In fiscal 2015, entries were made to the system regarding waste generated at approximately 2,600 locations in Japan. This information is being put to use in measures to reduce waste volume and improve recycling rates.

As of fiscal 2015, the e-manifest system*1 registration rate for Hitachi Group business sites was 95%, surpassing our target of boosting the registration rate to at least 90% by fiscal 2015.

*1 The e-manifest is a document that waste generators must issue when commissioning a disposal company to handle waste disposal.



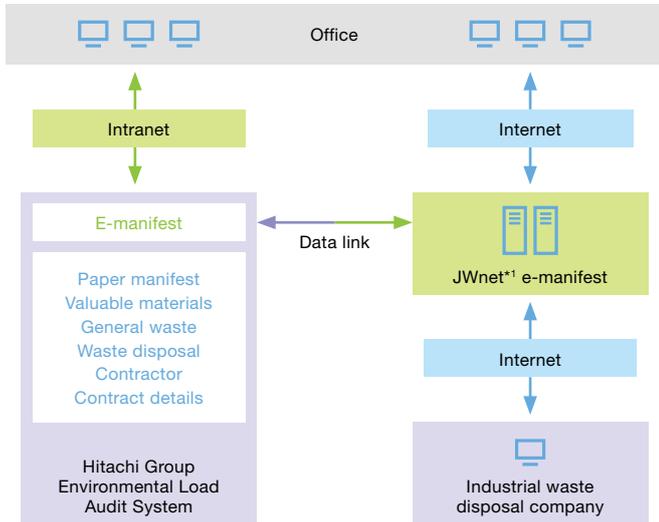
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Waste Management System



*1 JWnet: The Japan Waste Network is an electronic manifest system operated by the Japan Industrial Waste Information Center under the auspices of Japan's Ministry of the Environment.

Product Collection and Recycling

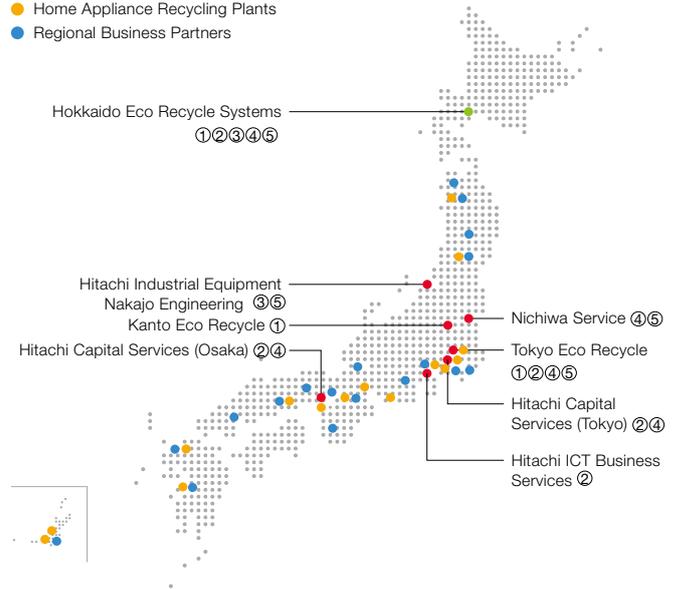
In order to comply with the 2001 Home Appliance Recycling Law, Hitachi has taken part in cooperative efforts by five companies*1 in the same industry while recycling air conditioners, televisions, refrigerators, and washing machines at 18 recycling plants nationwide. In fiscal 2015, we recycled around 56,000 metric tons of the roughly 63,000 tons of end-of-life products we collected.

Today we are building on our know-how in recycling home appliances by creating a recycling network and expanding collection and recycling programs to include IT products like personal computers, servers, and communication equipment; industrial equipment including pumps, motors, distribution boards, transformers, refrigeration equipment, and machine tools; and industrial air conditioners and medical equipment. In fiscal 2015, we recycled more than 9,000 tons of the roughly 10,000 tons of the end-of-life IT products, industrial equipment, and other items we collected.

*1 Hitachi Appliances, Inc., Sharp Corporation, Sony Corporation, Fujitsu General Limited, and Mitsubishi Electric Corporation.

Product Recycling Network

- Hitachi Group Companies
- Hitachi Group (Equity-Method Affiliates)
- ① Home Appliance Recycling
- ② IT Product Recycling
- ③ Financial Equipment Recycling
- ④ Industrial Equipment Recycling
- ⑤ Medical Equipment Recycling
- Home Appliance Recycling Plants
- Regional Business Partners



Next Steps

With a focus on reducing the volume of waste generated, Hitachi will take a range of measures to address waste-related issues, such as conserving resources and reducing product volume from the design stage, recycling waste, and promoting use of recycled resources. To counteract the cross-border movement of hazardous waste materials, moreover, we will enhance our management of waste contractors.

We will also promote the effective use of resources at both the production and disposal stages of the product life cycle by expanding our recycling network for end-of-life products as well as the range of products that we collect.



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Reducing Water Use

Water Conservation

Issues related to water resources are diverse. They include shortages of domestic- and agricultural-use water due to population growth, land subsidence from overuse of groundwater, and ecological destruction from wastewater.

Hitachi uses water in such production processes as cleaning, cooling, and painting. To reduce water use through greater efficiency, we are enhancing our level of water management by installing flow meters at more locations, introducing wastewater treatment devices to increase the use of recycled water, and upgrading water supply facilities at our business sites.

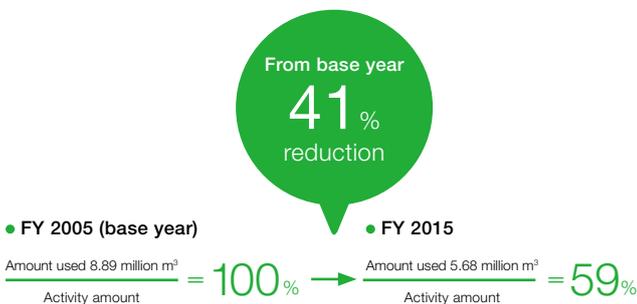
Different countries and regions are affected by water-related issues in different ways. Recognizing the importance of devising measures suited to each region, we will tackle these issues by establishing region-specific targets.

Actions and Achievements

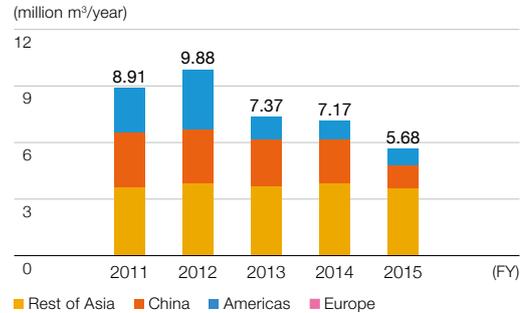
In fiscal 2015, we set a target for our business sites outside Japan of a 30% reduction (over the fiscal 2005 base year) for water use per unit and achieved a 41% reduction. A growing portion of our production takes place outside Japan, and we are promoting efficient use of water through conservation worldwide. To accurately grasp water-related risks in each region, we conducted surveys at 283 business sites around the world on levels of water stress (an index of scarcity of water relative to demand), water intake volume per source, and wastewater volume per discharge destination.

Key Indicators

- Reduction in Water Use per Unit (Outside Japan)



Water Use Outside Japan



Breakdown by Region (million m³/year)

	2011	2012	2013	2014	2015
Europe	0.03	0.03	0.02	0.02	0.01
Americas	2.35	3.15	1.20	0.98	0.89
China	2.92	2.85	2.50	2.32	1.22
Rest of Asia	3.61	3.85	3.65	3.85	3.56
Total	8.91	9.88	7.37	7.17	5.68

Next Steps

Hitachi will continue appropriately managing its water usage related to business activities, promoting effective use of this resource. We will also ascertain water-related risks on an ongoing basis in each region and take measures that are appropriate for that region's water environment.

Chemical Substances

Managing Chemical Substances

In fiscal 2005, Hitachi formulated the Regulations for Environmental CSR-Compliant Monozukuri to manage the chemical substances contained in its products at all stages—from development and design, procurement, and production to quality assurance and sales. With regard to chemical substances used in our business operations, we manage risk by assigning three ranks to the use of such substances: prohibition, reduction, and control. We also reduce risk by educating chemical substance handlers and managers on laws and regulations and on proper risk assessment.

Managing Chemical Substances in Our Products

To ensure compliance with European REACH*1 and other regulations, we continuously revise the list of chemical substances in our products that are to be managed. In October 2015, we modified the list of Voluntarily Controlled Chemical Substances so that now 18 prohibited substances (Level 1) and 27 controlled substances (Level 2) are listed. In compliance with Europe's REACH regulation, we submitted reports on the use of particular substances in parts and final products by the June and December 2015 deadlines.

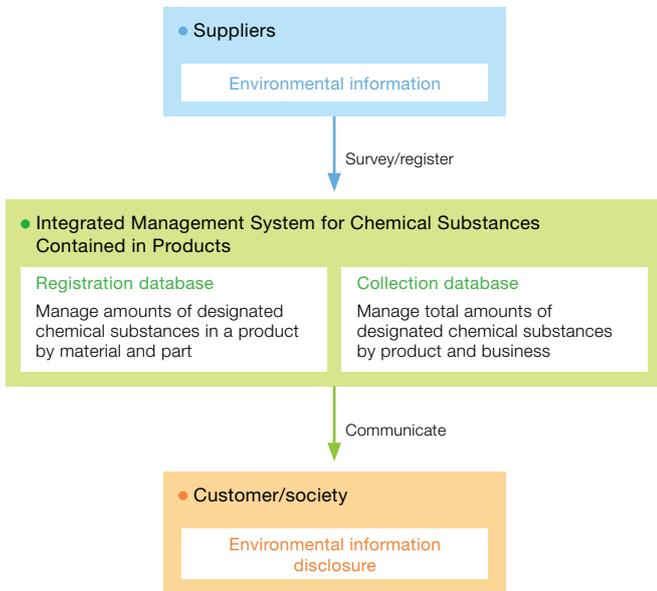
*1 REACH regulation: The European Union regulation on Registration, Evaluation, Authorization, and Restriction of Chemicals.



Working with the Supply Chain to Manage Chemical Substances

Working closely with suppliers and customers, we gather and make available information on chemical substances across the supply chain via the Integrated Management System for Chemical Substances Contained in Products, which has been in operation since fiscal 2005. As of March 31, 2016, chemical substance information for more than 1.27 million parts and products was registered under this integrated management system.

Integrated Management System for Chemical Substances Contained in Products



Managing Chemical Substances in Our Business Operations

As for the management of chemical substances emitted from our factories and other sites, we are cutting emissions of 41 volatile organic compounds (VOCs) that we have designated with an eye to preventing air pollution. Initiatives in fiscal 2015 to reduce VOC emissions included switching from paints containing VOCs to water-soluble and powder paints, expanding the use of stainless steel requiring no coating and plated sheet steel chassis, and altering washing processes. We successfully achieved our targets through these initiatives. Information on successful efforts is translated into English and Chinese and shared globally with Hitachi Group members. We also monitor and manage emissions of sulfur oxides (SOx) and nitrogen oxides (NOx),*1 which are required to be measured under the laws and regulations applicable at our business locations.

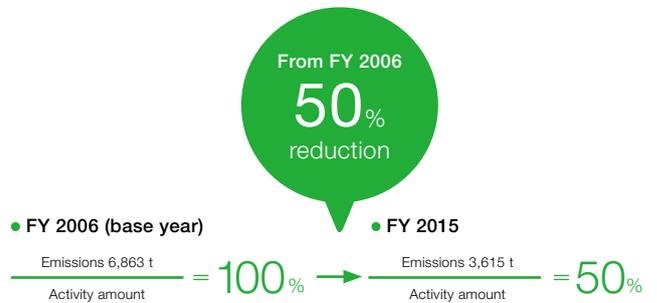
We comply with Japan's Pollutant Release and Transfer Register (PRTR) Law through Group-wide monitoring of chemical substances released into the atmosphere or into public waters, removed outside our plants as waste, or discharged into sewage systems, reporting the results to

local governments for each office or plant. Although some substances are exempt from reporting due to their small quantities, our policy is to keep data on the handling, emission, and transfer of all PRTR substances of 10 kilograms or more per year, recognizing the need to control these substances as well.

*1 Emissions of SOx and NOx: Calculated as the product of concentration and exhaust air-flow rate.

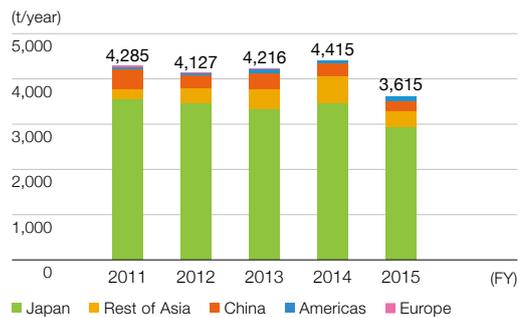
Key Indicators for Chemical Substance Management

- Reduction in VOC Atmospheric Emissions per Unit



	Japan	Outside Japan	Overall
FY 2015 (from base year)	29%	21%	50%

Reducing VOC Atmospheric Emissions



Breakdown by Region (t/year)

	2011	2012	2013	2014	2015
Europe	28	6	8	12	9
Americas	62	53	76	66	113
China	427	273	372	281	199
Rest of Asia	232	346	447	604	373
Japan	3,536	3,449	3,313	3,452	2,921
Total	4,285	4,127	4,216	4,415	3,615



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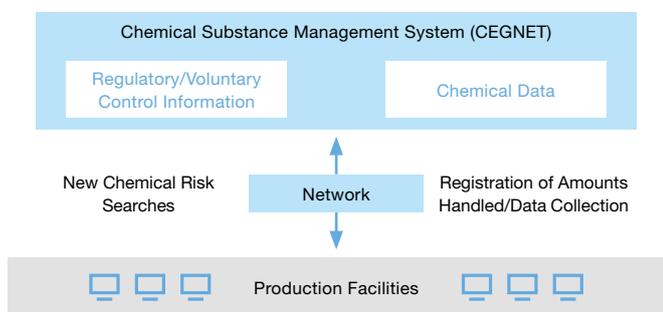
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Environment Reducing the Environmental Burden of Our Business Operations (Fiscal 2015 Results), Preserving Ecosystems

The CEGNET Chemical Substance Management System

To ensure the proper management of chemical substances used in its business operations, since 1998 Hitachi has operated a database for chemical substance management called CEGNET to keep track of the latest laws and regulations and the company's own voluntary regulations.

CEGNET also collects and aggregates data on the amount of chemical substances handled, emitted, and transferred in our operations, helping to reduce the volume of chemicals that we handle.



Managing Storage of Equipment Containing PCBs

In Japan, we gather and manage information on storing and handling equipment that uses polychlorinated biphenyls (PCBs) every year and promote the efficient and thorough treatment of these units. Waste materials with high PCB concentrations are subject to a treatment program based on requirements set by the national government of Japan, and waste materials with low PCB concentrations are also processed by treatment companies that have been certified and have the capacity to handle them. Thanks to these efforts, we are successfully reducing the stored amount of

PCB-containing waste. Waste materials containing PCBs stored at 39 business sites were treated in fiscal 2015; we are aiming to complete the treatment process ahead of the 2027 deadline set by Japan's Act on Special Measures Concerning Promotion of Proper Treatment of PCB Wastes.



Disposing of waste materials (large transformers) containing PCBs.

Next Steps

In fiscal 2016, with our shift to a new Environmental Action Plan, we will review our list of targeted substances and continue with our emission-reduction initiatives.

In connection with Europe's REACH regulation, we will continue our checks and preparations in the lead-up to the next round of notification deadlines.

Preserving Ecosystems

Hitachi's Approach

Various forms of development accompanying economic growth and urbanization around the world have led to environmental degradation and pollution, the overuse of natural resources, and threats to biodiversity. Hitachi believes that preserving ecosystems for diverse living organisms is vital to ensuring that biodiversity—a precious asset—will remain intact for future generations. We are reducing the burden on the ecosystem from the perspective of the entire life cycle of products and striving to produce things in a way that does not damage the ecosystem. We are also promoting Group-wide activities that contribute to preserving ecosystems.

Preserving Ecosystems

Initiatives to Preserve Ecosystems

An important aim of our Environmental Action Plan for 2013 to 2015 was to carry out the Business Assessment on the Preservation of Ecosystems. We were also active outside the company, such as participating in the biodiversity working group of four Japanese electrical and electronic industry associations*1 and the Japan Business Initiative for Biodiversity (JBIB). We continue to raise awareness and knowledge within Hitachi and to promote ecosystem