

Continuous Enhancement of Environmental Governance

Hitachi's Approach

Establishing and continuously improving systems to promote environmental management are vital to fully reducing the environmental burden of the Hitachi Group toward the goal of achieving our Environmental Vision.

We are enhancing environmental governance through a global environmental management system—covering Hitachi, Ltd. and 879 consolidated subsidiaries (a total of 880 companies)—under the direction of the Executive Sustainability Committee, chaired by the president and CEO of Hitachi, Ltd. Based on a number of certifications and guidelines, including ISO 14001, we have developed a Group-wide environmental management system that allows us to gauge our environmental burden in a uniform manner despite the broad range of our business activities and to steadily implement a PDCA cycle to reduce that burden. We apply Environmentally Conscious Design Assessments during the design and development stages of the products and services we offer in order to reduce our environmental burden across the value chain.

We will make a Group-wide effort to achieve the goals of Hitachi Environmental Innovation 2050 and the Environmental Action Plan for 2018 through a global environmental management system and a framework for keeping track of the environmental performance of the broad range of our business

activities, enabling us to reduce our environmental burden across the value chain.

Environmental Management

Environmental Management Framework

We are enhancing environmental governance through our global environmental management system, supporting environmental decision making and implementation at Hitachi, Ltd. and 879 consolidated subsidiaries (a total of 880 companies).

The Sustainability Promotion Division is responsible for developing Group-wide environmental policies. Important items related to environmental initiatives are deliberated by the Executive Sustainability Committee, established in 2017; it is chaired by the president and CEO of Hitachi, Ltd., and its members include top Hitachi executives. The environmental strategy officers from business units (BUs) and major Group companies ensure that the Hitachi Group Environmental Action Plan approved by the executive officer in charge of environmental concerns is implemented throughout the Group. Eco-Management Meetings, reorganized in 2017, promote long-term targets, set goals for the Environmental Action Plan, develop ways to achieve them, and endorse initiatives to be carried out by the Group as a whole. Outside Japan, we assign regional specialists to report on the progress of the Environmental Action Plan and share information on the latest environmental regulations while exchanging views on local environmental issues during meetings held once or twice a year in each region.

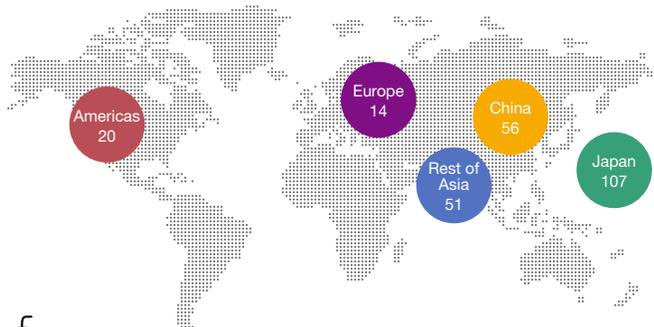
▶ Building Environmental Management Systems

We have established environmental management criteria to ensure efficient management of each business site's environmental load. There are approximately 200 business sites that meet these criteria, and these, together with the Sustainability Promotion Division, have developed and implemented the Hitachi Group Environmental Promotion Organization EMS (environmental management system) to promote the consistent implementation of environmental policies. At the same time, every business site meeting the aforementioned criteria for environmental management continues to maintain ISO 14001 certification. Certification is also being pursued at business sites that do not yet meet the criteria. In conjunction with the issuance of ISO 14001:2015, business sites that acquired certification prior to this version have been working to align their environmental management systems with the 2015 update. As of March 2018, approximately 82% of business sites have completed this task. The transition will be steadily promoted with an eye to meeting the 2018 deadline.

**Status of ISO 14001 Certifications
(Hitachi Group, as of March 31, 2018)**

| | Total |
|---------------------------------|-------|
| Number of certified companies*1 | 248 |

*1 Including companies with at least one certified business site.



List of ISO 14001-Certified Companies

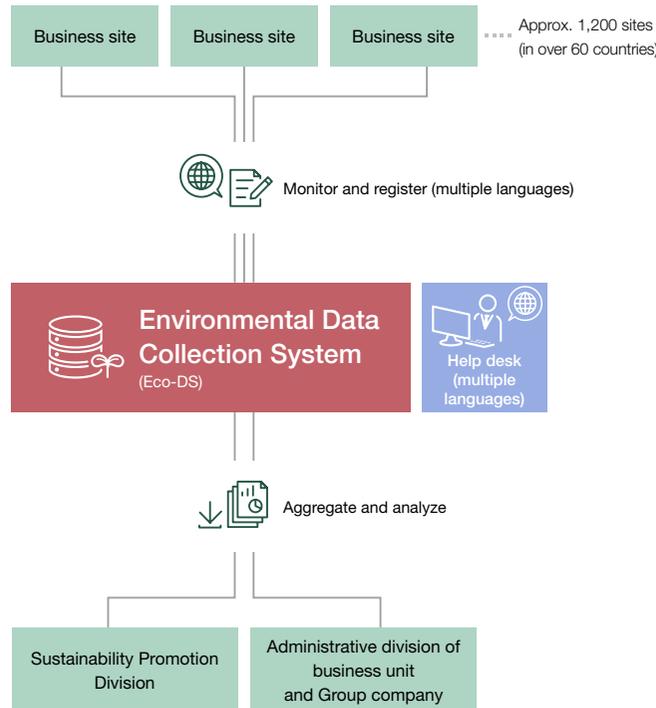
Monitoring Environmental Performance Data

For effective environmental management, we collect data on the environmental performance of business operations using the Environmental Data Collection System. The system supports multiple languages and enables some 1,200 Hitachi business sites in over 60 countries to monitor and register environmental load data on items such as energy use, water use, and waste generation, as well as whether an item falls under relevant environmental laws and regulations. We also set up an international help desk to promote understanding of environmental performance at each business site.

The collected data is aggregated and analyzed by the Sustainability Promotion Division, as well as by the administrative division of each business unit and Group company, and is used to identify environmental management issues, share instructive examples within the Group, and improve environmental practices.

At the approximately 200 Hitachi business sites that meet the environmental management criteria, we aggregate and analyze data on such key items as energy, waste materials, and water on a monthly basis so that the environmental management levels can be further increased.

Environmental Data Collection System



Environmental Activity Evaluation System

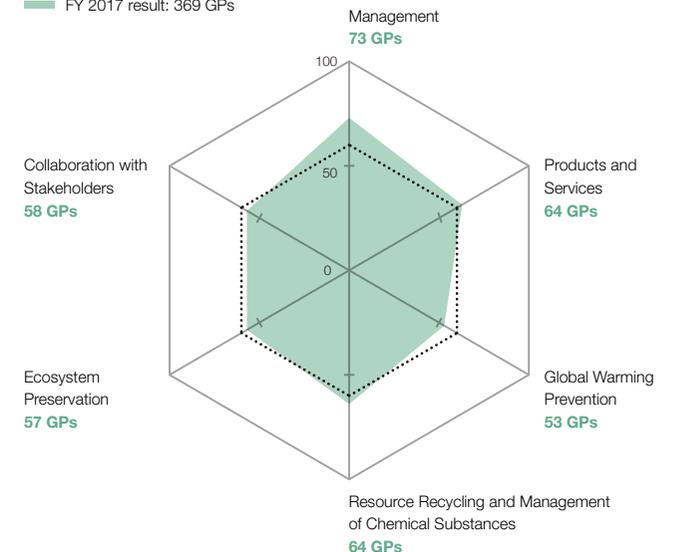
We use our own evaluation system, GREEN 21, to improve the level and quality of our environmental activities. It divides the targets of the Environmental Action Plan into six categories and evaluates achievements. A perfect score for any category is 100 green points (GPs), and each item is assessed on a scale from 1 to 5.

Starting in fiscal 2016, activities reflecting an eagerness to stimulate environmental action have been taken into consideration as an additional scoring criterion. Our fiscal 2017 comprehensive evaluation was 369 GPs against the target of 360 GPs. For fiscal 2018, we will continue to promote environmental activities to achieve the target of 480 GPs.

Key Indicators

- Green Point (GP) Average: FY 2017 Targets and Results (Hitachi Group)

..... FY 2017 target: 360 GPs
 — FY 2017 result: 369 GPs



Developing Environmentally Conscious Products and Services

We conduct Environmentally Conscious Design Assessments for all products and services involving a design process to ensure environmentally conscious design and development. Thirty environment-related areas are assessed for their impact on climate change, resource depletion, and environmental pollution (ecosystem degradation) at each stage of the product life cycle with a view to reducing the environmental burden. To meet the IEC 62430*1 criteria for environmentally conscious design, in addition to implementing these assessments, we are integrating environmentally conscious design and development into our existing management system, including by meeting environmental regulatory requirements and ascertaining the environment-related needs of our stakeholders. We conduct Life Cycle Assessments (LCAs) focusing on our main, priority products to quantitatively evaluate their burden on the global environment in such areas as the consumption of mineral resources, fossil fuels, and water resources, as well as their impact on climate change and air pollution. The results of such LCAs are disclosed to our stakeholders and utilized in improving the design of next-generation products.

*1 The standard developed by the International Electrotechnical Commission concerning environmentally conscious design for electrical and electronic products.

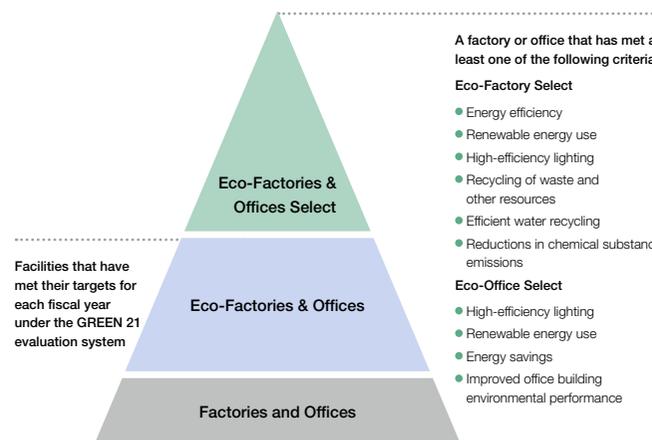
Creating Eco-Factories & Offices Select

To reduce the environmental burden of our business activities, since fiscal 2011 the Sustainability Promotion Division has implemented an Eco-Factories & Offices Select certification program for business sites 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. Superior policies from certified factories and offices are shared with the entire Group, with other locations encouraged to implement them as well. 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 2017, 6 facilities were newly certified and 67 facilities had their certifications renewed. The total number of certified factories and offices was 73.

Eco-Factories & Offices Select Certification Criteria



Environmental Compliance

Environmental Compliance Response

Hitachi considers the environmental burden of all business activities and sets voluntary management criteria that are more stringent than regulatory requirements. We regularly monitor water quality, noise levels, and other conditions at each business site and work to minimize environmental risks. In addition, we share information on environmental laws and regulations, as well as examples of infringements, throughout the Group, and in the event we find a violation, we take every possible step to prevent a recurrence. We also conduct multifaceted internal environmental audits to ensure full compliance with environmental requirements throughout the Group and to strive to attain even higher standards.

Actions and Achievements

To enhance Group-wide compliance with environmental requirements globally, each business unit and Group company, as well as the Sustainability Promotion Division, conducts internal environmental audits, in addition to carrying out internal audits as set forth under ISO 14001. In fiscal 2017, the Sustainability Promotion Division, together with the Internal Audit Office, conducted internal audits at 34 business sites globally. BUs and Group companies conducted their own audits at 65 overseas business sites in accordance with their respective three-year (fiscal 2016 to 2018) internal environmental audit programs. The business sites identified as needing improvements were requested to submit action plans and provided with follow-up and advice until the plans were fully implemented. In these ways we will comprehensively implement and enhance our compliance framework.

In fiscal 2017, we received a worldwide total of 13 notices

concerning water quality, air quality, or waste matter and complaints about noise or odors. Of these, 5 were complaints from nearby residents regarding noise, but they were all promptly addressed.

Hitachi continues to implement enhanced environmental management in order to prevent repeated or new contamination occurrences.

Global Notices and Complaints (Hitachi Group)

| | Water quality | Air quality | Waste matter | Complaints | Other (petition, notification, etc.) |
|-------------------|---------------|-------------|--------------|------------|--------------------------------------|
| Fiscal 2017 cases | 3 | 1 | 0 | 5 | 4 |

As part of our measures to address the pollution of soil and groundwater, we are examining the soil and water for any contamination at business sites where hazardous chemical substances have been used. In case contamination is found, we will conduct cleaning and monitoring activities until decontamination has been completed.

Environmental Education Initiatives

Promoting Environmental Education

Promoting greater environmental awareness and understanding among our employees is essential to Hitachi's efforts to energize its environmental activities. Toward that end, we are advancing environmental education. Hitachi Group training is being implemented for all Group employees, from newly hired workers to working-level employees. They are provided with basic environmental education, as well as courses on environmental risks and compliance with environment-related laws and regulations.

Actions and Achievements

At Hitachi, we provide basic environmental management courses for employees working in air, water, and waste management, as well as training in recent amendments to laws and operational procedures. In fiscal 2017, we offered legal compliance education for internal environmental auditors and working-level employees; 123 people from 39 companies attended courses in Japan (September 2017), and 52 people from 31 companies attended courses in Beijing, China (September 2017), to deepen understanding of regulatory amendments.

With China's environmental regulatory requirements growing more stringent, an environmental management training program—attended by 44 people from 68 companies—was held in Shanghai, China, in March 2018 to reduce environmental risks and raise the knowledge of working-level employees.

In addition to Hitachi Group training, individual companies and units provide education tailored to their own business area. For general education, we offer Internet-based e-learning courses in Japanese, English, and Chinese to familiarize all employees with our Environmental Vision and long-term environmental targets called Hitachi Environmental Innovation 2050. To date, 143,694 employees worldwide have taken this course.

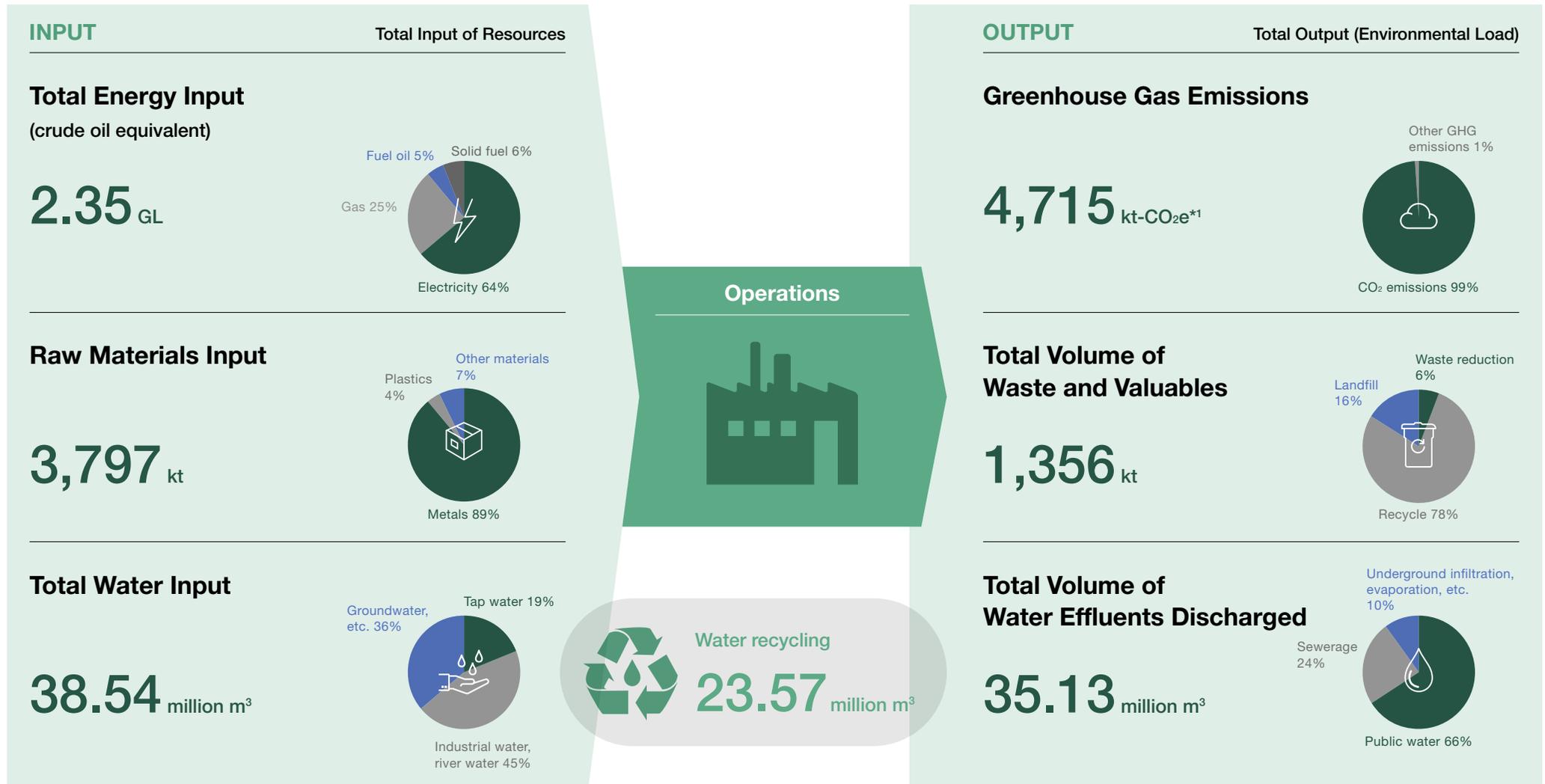
Environmental Education and Training System

| Target | Introductory | Beginning | Intermediate | Advanced |
|--|--|---|--|---|
| General education All employees | Introductory training for new employees | | | |
| | Online e-learning: Eco-Mind education (General topics: Global environmental issues, environmental law, etc.) | | | |
| Specialized education Working-level employees | Basic environmental management course for working-level employees (management of waste; air/water quality; hazardous materials; development & operation of management systems; etc.) | Online e-learning: Eco-Mind education (Hitachi Group topics: Environmental policy, Environmental Action Plan, etc.) | | |
| | | Education for Eco-Factories | | |
| | | Eco-Product development training | | |
| | | Risk communicator training | | |
| Specialized education Internal environmental auditors | | | ISO 14001 auditor brush-up training | |
| | | | ISO 14001 auditor certification training | |
| | | | | ISO 14001 senior auditor certification training |

Environmental Load

Data on Environmental Load from Operations (Hitachi Group, FY 2017)

The data below shows the resource inputs and the environmental load for Hitachi Group operations in fiscal 2017.



*1 CO₂e: CO₂ equivalent.

Click here for detailed information.

Detailed Data on Resource Input and Environmental Load Output

▶ Total Input of Resources

Total resources input from Hitachi Group operations.



Total Energy Input

Energy consumption: (crude oil equivalent) 2.35 GL

| | | FY 2016 | FY 2017 | |
|----------------------|--------------------------------------|---------------------|-------------------------------|-------------------------------|
| Renewable energy | Electricity | 2.9 GWh (29 TJ) | 3.2 GWh (32 TJ) | |
| Non-renewable energy | Electricity | 5,903 GWh (57.4 PJ) | 6,020 GWh (58.4 PJ) | |
| | Gas | Natural gas | 0.18 Gm ³ (8.1 PJ) | 0.19 Gm ³ (8.6 PJ) |
| | | LPG, LNG, etc. | 241 kt (13.0 PJ) | 269 kt (14.5 PJ) |
| | Fuel oil (heavy oil, kerosene, etc.) | 149 ML (5.6 PJ) | 117 ML (4.5 PJ) | |
| | Solid fuel (coke) | 173 Mt (5.2 PJ) | 179 Mt (5.4 PJ) | |



Raw Materials Input

Materials: 3,797 kt

| | | FY 2016 | FY 2017 | |
|--------------------------|---------------------------------------|--------------------------|----------|----------|
| Materials | Metals | | 2,710 kt | 3,388 kt |
| | | New materials | 1,497 kt | 1,571 kt |
| | | Recycled materials, etc. | 1,213 kt | 1,817 kt |
| | Plastics | | 169 kt | 151 kt |
| | | New materials | 167 kt | 150 kt |
| | | Recycled materials, etc. | 2 kt | 1 kt |
| | Other materials | | 314 kt | 258 kt |
| New materials | | 308 kt | 250 kt | |
| Recycled materials, etc. | | 6 kt | 8 kt | |
| Chemicals | PRTR substances* ¹ handled | 189 kt | 205 kt | |
| | Ozone-depleting substances handled | 208 t | 77 t | |
| | Greenhouse gas substances handled | 3,425 t | 3,656 t | |

*1 PRTR substances: The 462 chemicals designated in Japan's Pollutant Release and Transfer Register (PRTR) Law.



Total Water Input

Water use: 38.54 million m³

| | | FY 2016 | FY 2017 |
|--|-------------------------------|------------------------------|------------------------------|
| Water provided by municipality or other sources | Tap water | 7.77 million m ³ | 7.40 million m ³ |
| | Industrial water, river water | 18.41 million m ³ | 17.46 million m ³ |
| Groundwater | | 14.92 million m ³ | 13.56 million m ³ |
| Rain water | | 0.03 million m ³ | 0.02 million m ³ |
| Recycled water (recycled from the wastewater of other organizations) | | 0.21 million m ³ | 0.10 million m ³ |

► Total Output of Environmental Load

Environmental load output from Hitachi Group operations.



Greenhouse Gas Emissions

Greenhouse gases: 4,715 kt-CO₂e

| | | FY 2016 | FY 2017 |
|---------------------------|--|--------------------------|--------------------------|
| CO ₂ emissions | | 4,577 kt-CO ₂ | 4,663 kt-CO ₂ |
| Other GHGs | SF ₆ (sulfur hexafluoride) | 56 kt-CO ₂ e | 40 kt-CO ₂ e |
| | PFCs (perfluorocarbons) | 4 kt-CO ₂ e | 4 kt-CO ₂ e |
| | HFCs (hydrofluorocarbons) | 16 kt-CO ₂ e | 7 kt-CO ₂ e |
| | N ₂ O, NF ₃ , CH ₄ (dinitrogen monoxide, nitrogen trifluoride, methane) | 1 kt-CO ₂ e | 1 kt-CO ₂ e |

Notes:

- The CO₂ electrical power conversion factor uses the 2005 emission coefficients for individual countries published by the International Energy Agency (IEA) in the 2010 edition of *CO₂ Emissions from Fuel Combustion*.
- The gas and fuel oil conversion factor is based on the list of emissions and calculation methods published by Japan's Ministry of the Environment.



Total Volume of Waste and Valuables

Waste and valuables generation: 1,356 kt Nonhazardous: 1,320 kt (hazardous*1: 36 kt)

| | | FY 2016 | FY 2017 |
|-----------------|---|------------------------|------------------------|
| Waste reduction | | 68 kt (0.4) | 83 kt (9.0) |
| Recycling | Reuse | 1 kt (0.4) | 1 kt (0.4) |
| | Materials recycled | 1,001 kt (21.5) | 1,038 kt (20.2) |
| | Thermal recovery | 12 kt (2.4) | 11 kt (1.4) |
| Landfill | | 254 kt (2.0) | 223 kt (5.2) |
| Chemicals | PRTR substances discharged or transferred | 4.7 kt | 4.2 kt |
| | SO _x (sulfur oxides) | 101 kNm ^{3*2} | 107 kNm ^{3*2} |
| | NO _x (nitrogen oxides) | 488 kNm ³ | 469 kNm ³ |
| | Ozone-depleting substances emitted (CFC-11, etc.) | 1 t (0 t-ODP*3) | 1 t (0 t-ODP*3) |

*1 Waste materials that pose a threat to human health or the living environment. We dispose of all such materials in accordance with the laws and regulations of each country and region.

*2 Includes SO_x generated by a materials company that became a consolidated member of the Hitachi Group in fiscal 2016.

*3 ODP (ozone depletion potential): A coefficient indicating the extent to which a chemical compound may cause ozone depletion relative to the depletion for CFC-11 (trichlorofluoromethane, ODP = 1.0). The emissions factor uses the ODP and global warming potential of Japan's Ministry of the Environment.



Total Volume of Water Effluents Discharged

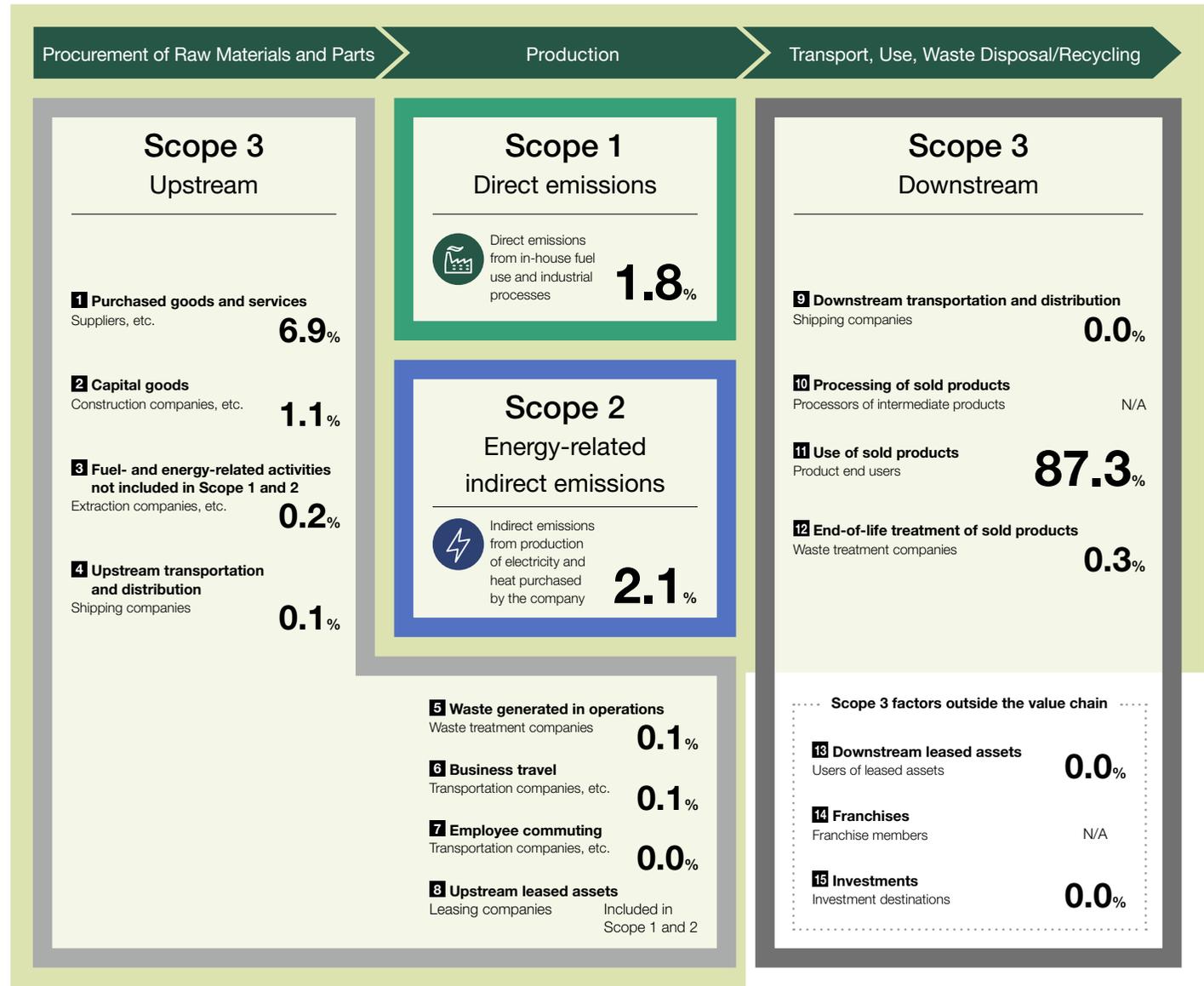
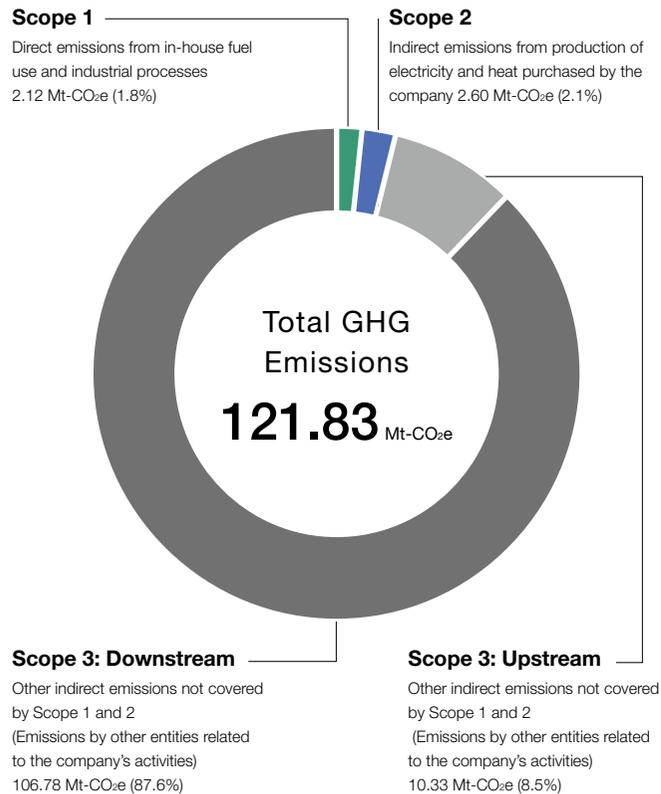
Water effluents discharged: 35.13 million m³

| | | FY 2016 | FY 2017 |
|---|---------------------------------|------------------------------|------------------------------|
| Public water | | 26.16 million m ³ | 23.12 million m ³ |
| Sewerage | | 8.93 million m ³ | 8.62 million m ³ |
| Underground infiltration, evaporation, etc. | | 3.68 million m ³ | 3.39 million m ³ |
| Water quality | BOD (biochemical oxygen demand) | 346 t | 392 t |
| | COD (chemical oxygen demand) | 531 t | 617 t |

Environmental Load Through the Value Chain

Calculation of GHG Emissions Throughout the Value Chain

We calculate greenhouse gas (GHG) emissions throughout the entire value chain in conformance with GHG Protocol standards to more effectively reduce these emissions. As a substantial amount of emissions comes from use of the products we sell, we make an ongoing effort to reduce emissions by enhancing the efficiency and energy-saving features of our products and services during their use.



In-house: Within the scope of the company's organizational boundaries. In principle, the scope of all business activities of the company itself and activities within or controlled by its consolidated subsidiaries.
 Upstream: In principle, activities related to purchased products and services.
 Downstream: In principle, activities related to sold products and services.

GHG Emissions Throughout the Hitachi Value Chain (Hitachi Group)

| Category | Description | Calculation Results (Mt-CO ₂ e) |
|--|---|--|
| Scope 1¹ | | |
| Direct emissions | Direct emissions from in-house fuel use and industrial processes | 2.12 (1.8%) |
| Scope 2² | | |
| Energy-related indirect emissions | Indirect emissions from production of electricity and heat purchased by the company | 2.60 (2.1%) |
| Scope 3: Upstream (other indirect emissions) | | |
| 1 Purchased goods and services | Emissions from the resource extraction stage to the manufacturing stage, including raw materials, parts, supplied products, and sales | 8.43 (6.9%) |
| 2 Capital goods | Emissions generated in the construction, manufacture, and shipping of the company's own capital goods, such as equipment, devices, buildings, facilities, and vehicles | 1.31 (1.1%) |
| 3 Fuel- and energy-related activities not included in Scope 1 and 2 | Emissions from procuring fuel necessary for electricity and other energy production, including resource extraction, production, and shipping | 0.24 (0.2%) |
| 4 Upstream transportation and distribution | Emissions from distribution of raw materials, parts, supplied products, and sales prior to delivery of materials to the company, as well as other distribution activities of products for which the company bears the expense | 0.10 (0.1%) |
| 5 Waste generated in operations | Emissions from transportation, disposal, and treatment of waste generated in the company's operations | 0.11 (0.1%) |
| 6 Business travel | Emissions generated from fuel and electric power used by employees for business travel | 0.08 (0.1%) |
| 7 Employee commuting | Emissions generated from fuel and electric power used in employee commuting | 0.06 (0.0%) |
| 8 Upstream leased assets | Emissions from the operation of assets leased by the company, excluding those counted in Scope 1 and 2 | Included in Scope 1 and 2 |
| Scope 3: Downstream (other indirect emissions) | | |
| 9 Downstream transportation and distribution | Emissions from transportation, storage, loading and unloading, and retail sales of products | 0.01 (0.0%) |
| 10 Processing of sold products | Emissions by downstream companies during processing of intermediate products | N/A ³ |
| 11 Use of sold products ⁴ | Emissions from use of products by end users, such as consumers and businesses | 106.33 (87.3%) |
| 12 End-of-life treatment of sold products ⁴ | Emissions from transportation, waste disposal, and treatment of products by end users, such as consumers and businesses | 0.35 (0.3%) |
| 13 Downstream leased assets | Emissions from operating assets owned by the reporting company as lessor and leased to other entities | 0.03 (0.0%) |
| 14 Franchises | Emissions by franchises under Scope 1 and 2 | N/A |
| 15 Investments | Emissions related to management of investments | 0.06 (0.0%) |
| Total | | 121.83 (100%) |

Note: Figures in parentheses are percentages of GHGs emitted throughout the value chain.

¹ Includes SF₆, PFC, HFC, N₂O, NF₃, and CH₄. The gas and fuel conversion factor is based on the list of emissions and calculation methods published by Japan's Ministry of the Environment.

² The CO₂ electrical power conversion factor used to calculate emissions is based on the 2010 edition of *CO₂ Emissions from Fuel Combustion*, published by the International Energy Agency (IEA).

³ Cannot be determined due to insufficient information on processing.

⁴ CO₂ emissions per unit is based on the Inventory Database for Environmental Analysis (IDEA), developed by the National Institute of Advanced Industrial Science and Technology (AIST) and the Japan Environmental Management Association for Industry (JEMAI).

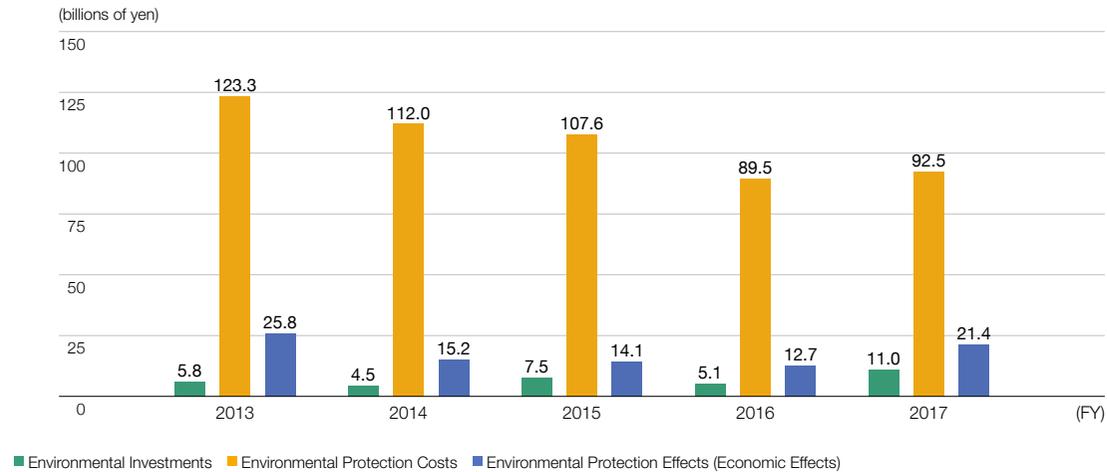
Environmental Accounting

Overview of Environmental Accounting

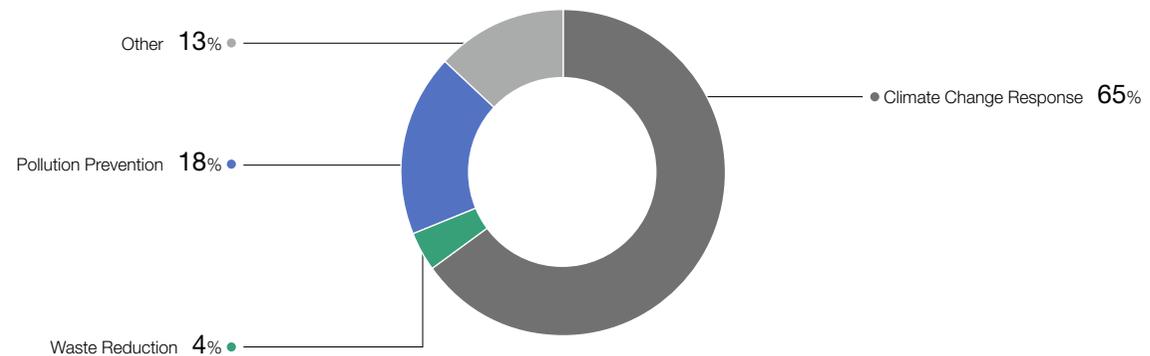
Hitachi has adopted and made public a set of environmental accounting procedures conforming to the Japanese Ministry of the Environment's Environmental Accounting Guidelines 2005. We have used the results of these procedures to raise the efficiency of our environmental investments and activities, more effectively allocating management resources to our ongoing environmental efforts.

Achievements

Environmental Investments, Environmental Protection Costs, and Economic Effects (Hitachi Group)



Fiscal 2017 Environmental Investments by Countermeasure (Hitachi Group)



Environment > Continuous Enhancement of Environmental Governance

Environmental Investments

| | | (billions of yen) | | | | |
|------------------|--|-------------------|---------|---------|---------|---------|
| | Description | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 |
| Total investment | Investment in energy-saving equipment and equipment that directly reduces environmental load | 5.81 | 4.46 | 7.50 | 5.12 | 10.99 |

Environmental Protection Costs

| | | (billions of yen) | | | | |
|---------------------------|---|-------------------|---------|---------|---------|---------|
| Item | Description | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 |
| Expenses | | | | | | |
| Business area | Maintenance costs for equipment with low environmental load, depreciation, etc.*1 | 38.63 | 26.90 | 24.22 | 19.19 | 22.17 |
| Upstream/downstream | Green procurement expenses, recovery and recycling of products and packaging, recycling expenses | 1.27 | 1.09 | 0.97 | 0.63 | 0.72 |
| Administration | Labor costs for environmental management, implementation and maintenance of environmental management system | 6.77 | 6.47 | 5.97 | 5.12 | 5.69 |
| Research and development | R&D to reduce environmental burden caused by products and production processes, product design expenses | 75.62 | 76.12 | 75.71 | 63.31 | 62.55 |
| Social activities | Planting, beautification, and other environmental improvement expenses | 0.51 | 0.36 | 0.45 | 1.21 | 1.00 |
| Environmental remediation | Environmental mitigation costs, contributions, and charges | 0.53 | 1.03 | 0.27 | 0.22 | 0.33 |
| Total | | 123.33 | 111.97 | 107.59 | 89.51 | 92.46 |

*1 Equipment depreciation costs are calculated using the straight-line method over five years.

Environmental Protection Effects

• Economic Effects*1

| | | (billions of yen) | | | | |
|--------------------------|---|-------------------|---------|---------|---------|---------|
| Item | Major FY 2017 Activities | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 |
| Net income effects | Recovering value from waste by sorting and recycling | 15.98 | 7.54 | 7.27 | 4.96 | 6.90 |
| Reduced expenses effects | Installing high-efficiency equipment (lighting, power supply) | 9.82 | 7.65 | 6.78 | 7.77 | 14.54 |
| Total | | 25.80 | 15.19 | 14.05 | 12.72 | 21.44 |

*1 Economic effects include:

- Net income effects: Benefits with real incomes, including incomes from the sale of resalable materials and incomes from environmental technology patents.
- Reduced expenses effects: Reduction in electricity, waste treatment, and other expenses through environmental load reduction activities.

• Physical Effects*1

| | | (million kWh) | | | | |
|--|---|---------------|---------|---------|---------|---------|
| Item | Major FY 2017 Activities | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 |
| Reduction in energy used during production | Installing LED lighting, upgrading air-conditioning equipment, etc. | 70 | 68 | 59 | 51 | 58 |

*1 Equipment depreciation costs are calculated using the straight-line method over five years.

Environmental Liability

We have appropriated 8.2 billion yen in expenses for the disposal of PCB-containing waste and 830 million yen to clean up contaminated soil as the amounts that we can reasonably project as of March 2018 as future environmental liabilities.