

Overview of the environmental impact associated with business operations

Our group constructively promotes the effective use of resources and the reduction of emissions of materials having a negative effect on the environment. The following are the resources input and emissions at manufacturing establishments and sales and service establishments for FY2006.

INPUT

Materials

428,000 t

Hitachi Construction Machinery	256,000 t
Group (Japan)	172,000 t
Group (overseas)	-

Energy

Electricity **151,220,000 kWh**
Fuel **13,351 kℓ**

	Electricity	Fuel
Hitachi Construction Machinery	76,600,000 kWh	5,273 kℓ
Group (Japan)	52,270,000 kWh	5,745 kℓ
Group (overseas)	22,350,000 kWh	2,333 kℓ

Water

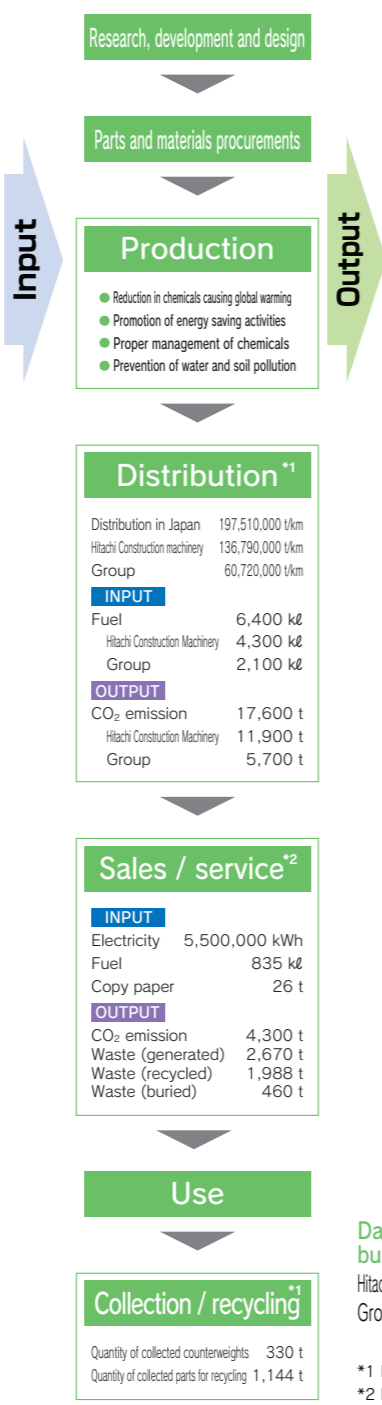
887,000 t

Hitachi Construction Machinery	362,000 t
Group (Japan)	376,000 t
Group (overseas)	149,000 t

Chemicals

1,331 t
Subject to PRTR

Hitachi Construction Machinery	751 t
Group (Japan)	580 t
Group (overseas)	-



OUTPUT

Emission in the air

CO₂ **102,500 t**
Chemicals Subject to PRTR **983 t**

	CO ₂	SO _x	NO _x
Hitachi Construction Machinery	41,200 t	479 t	0.24 t
Group (Japan)	34,600 t	504 t	1.36 t
Group (overseas)	26,700 t	-	-

Emission into water

Drainage **842,000 t**
Chemicals **6.60 t COD, 4.00 t BOD**

	排水	COD	BOD
Hitachi Construction Machinery	324,000 t	0.11 t	1.38 t
Group (Japan)	369,000 t	1.01 t	2.18 t
Group (overseas)	149,000 t	5.48 t	0.44 t

Waste

Waste generated **47,217 t**
Waste recycled **42,830 t**
Waste buried **1,008 t**

	Waste generated	Waste recycled	Waste buried
Hitachi Construction Machinery	13,655 t	12,190 t	18 t
Group (Japan)	12,490 t	10,290 t	267 t
Group (overseas)	21,072 t	20,350 t	723 t

Data counting business establishments
Hitachi Construction Machinery: two business establishments in Japan
Group companies: eight business establishments in Japan and two business establishments overseas

*1 Data of business establishments in Japan
*2 Data of 15 business establishments in Japan

Aiming for harmonization of economy, environment and society

Our group is making various efforts to establish a sustainable business model in which the economy, the environment and society are well balanced.

Rental business and used machines sales business

In our group are eight companies in rental business linked with sales and which provide services all over Japan, including REC Kanto and REC Kansai OKG. We reduce energy consumption through a reduction in the production of new machines because many customers can share the use of one machine. Hitachi Construction Machinery Trading sells used machinery. The company's parade-type auctions at their auction sites in Kobe and Furukawa attract buyers from all over the world. An auction in Kobe in February attracted 196 people (including 71 from overseas), selling 614 of the 641 units on sale. This business of selling used machinery responds to customers' demands for them, reduces waste through reuse, and cuts energy consumption through the reduction in production of new machines.



Auction in Kobe

Start of counterweights recycling

A trial collection and recycling of plate working counterweights performed in collaboration with another construction machinery manufacturer in FY2005 revealed that the cost of transportation impedes recycling. In September 2006, we started the collection and recycling of counterweights with transportation costs borne by us. Hitachi Kenki Logistics Technology accepts requests for the recycling of counterweights and transports the weights. A counterweight manufacturer is assigned to break up collected counterweights for reuse of the steel and the contents. We collected and recycled about 140 counterweights weighing 330 t in FY2006.

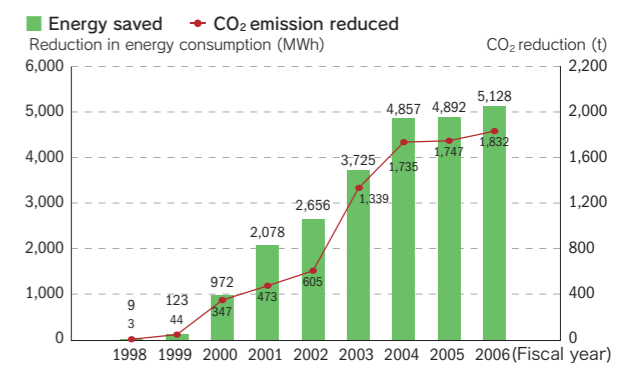


Recycling counterweights

Recycled parts business

In 1998, We started a recycled parts business, whereby we collect parts no longer functioning and recycle them into good parts, for effective use of resources, to reduce waste and to raise customer satisfaction by providing inexpensive parts. In FY2006, we expanded engine recycling business to our group companies, helping to save 5,100 MWh which would have been used in the production of new parts if the old parts had not been recycled. This is equivalent to reducing CO₂ emissions by 1,800 t.

Trends of energy saved by recycling business and CO₂ emission reduction



Soil purification business

We purify polluted soil after demolition of factories, etc., including soil contaminated with VOCs (Volatile Organic Compounds), oil and even heavy metals. We mix chemicals into soil contaminated with heavy metals (for example, lead, arsenic, fluorine) to stabilize the heavy metals so that they do not leach into underground water. We purify soil at site. Compared with soil purification methods which require the transfer of polluted soil to another place using dump trucks, our method requires less cost and significantly reduces CO₂ emissions.



Soil remediation at site