

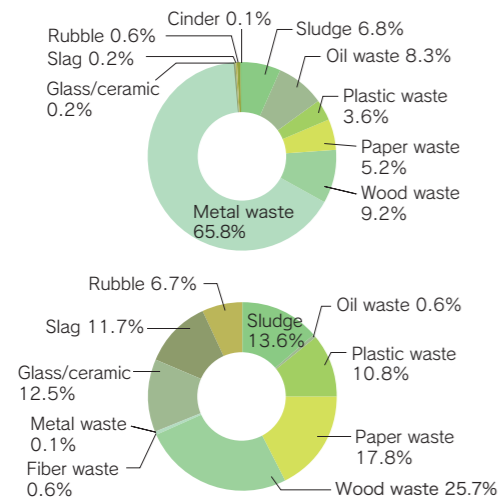
Constantly reducing the amount of final disposal waste

Our group is implementing measures to reduce waste centered on plants in Japan and overseas. The base of the measures is the 3Rs (reduce, reuse, recycle). We have set a high target for zero-emission activities which aim to reduce final disposal waste.

Aiming for zero-emission

Our group acts based on a definition of zero-emission in common use within the entire Hitachi Group. The definition is that final disposal waste shall not exceed 1% of all of the waste generated (including valuable resource) and less than 5 t a year. "Waste" as defined includes not only industrial waste but also ordinary wastes such as paper, lunch containers and rubbish collected during cleaning. Therefore, this goal requires strict separation of waste materials and thorough recycling. As shown in the following circle graph, further recycling efforts are required for wood and paper waste.

◆Waste generated by type (top) / Final disposal waste by type (bottom)

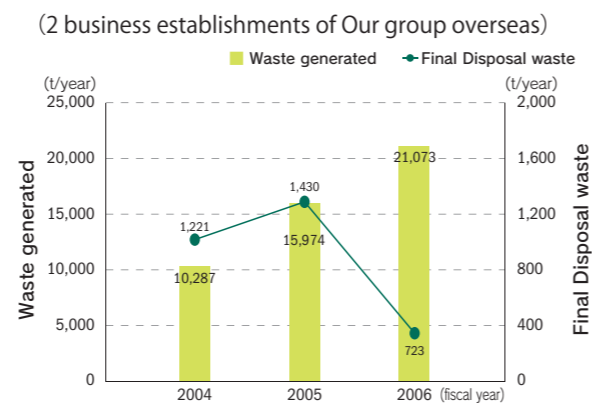
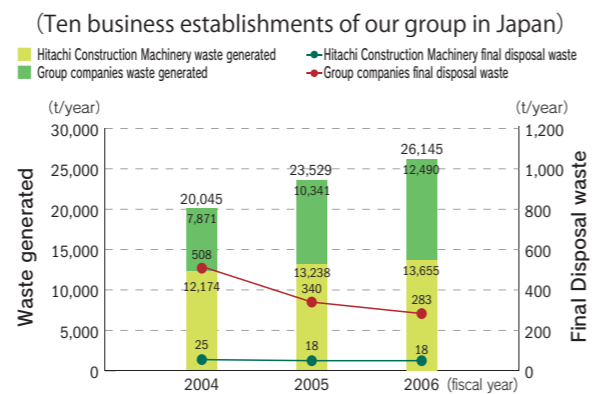


In FY2006 our Tsuchiura Works and Kasumigaura Works, Hitachi Construction Machinery Tierra Shiga Plant, Tadakiko and Hitachi Construction Machinery (China) met the target of "final disposal waste of 1% or less of entire waste". However among these five plants and companies, only our Kasumigaura Works, Tierra Shiga Plant and Tadakiko met the target of "less than 5 t a year".

Reduction of final disposal waste

Waste is rising because of recent rises in production. Waste rose 7,665 t (Japan: 2,566 t; overseas: 5,099 t) in FY2006 compared with the previous year. However, the quantity of final disposal waste is continuously declining because of the various efforts that group companies are making to separate and recycle waste (a total reduction of 779 t with 72 t in Japan, and 707 t overseas). Our group is not satisfied with simply fulfilling the target for final disposal waste of 1% or less, because under this target, the amount of final disposal waste increases as the amount of waste generated increases.

◆Trends in generated waste and final disposal waste



Minimizing environmental impact through appropriate management

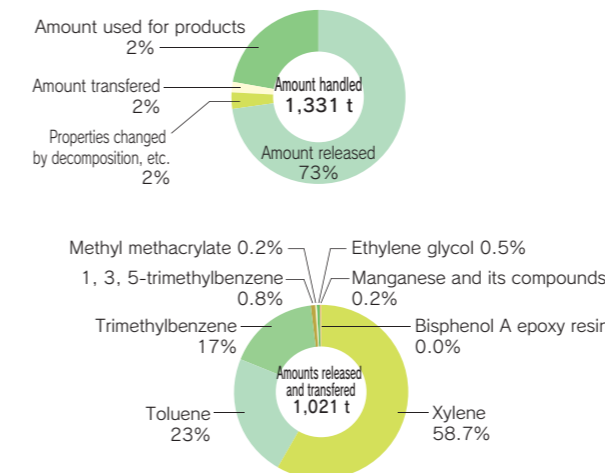
Our group is striving to conserve the global environment by evaluating the safety of chemicals prior to use and by managing chemicals, wastewater, etc.

Management of substances subject to the PRTR Act

For substances subject to the Pollutant Release and Transfer Register (PRTR) Act, we properly manage the quantities of these substances we release¹ and transfer² and make efforts to reduce their use. Most of the PRTR substances we release are volatile organic compounds (VOCs) in paint, solvents, etc., which we are replacing with substances containing less VOCs to reduce the release of such substances.

¹ Substances released: total amount of substances released into the air, public water and into soil at, or buried in, the premises.
² Substances transferred: total amount of substances transferred to drainage and outside of the premises.

◆Amount of substances handled, released and transferred (top) / Detail of substances released and transferred (bottom)



* 10 business establishments handling 1 t/year or more in Japan

Soil contamination survey

Our group checks for soil contamination caused during previous use, to prevent destruction of the environment and injury to health, when we construct buildings and purchase or sell land. We surveyed one site in FY2006, making a total of twenty sites surveyed to date.

Management of industrial wastewater (prevention of water pollution)

Tsuchiura Works, one of our major plants, uses about 1,000 t of water a day. Tsuchiura Works has one of the best comprehensive wastewater treatment facilities in Ibaragi prefecture, equipped with denitrification equipment and an activated carbon adsorption tower. Highly sophisticated treatment control is performed for wastewater to prevent the pollution of water because wastewater from the plant is released into Kasumigaura Lake.

We control wastewater discharged by the plant by setting our own standards which exceed those agreed with the local government to prevent pollution. We perform stringent control with daily water examinations and automatic measuring equipment which constantly monitors water quality.



Wastewater treatment facility

Providing a counseling service for asbestos health problems

Our group did have sections handling asbestos, but asbestos was not airborne. To take particular care, in October 2005, we informed current and former employees of our previous use of asbestos and provided a counseling service for asbestos related problems at each business establishment. To date, our current and former employees have not made any report of health problems caused by asbestos.

Lead-free controller

Hitachi Kenki FineTech produces a wide range of testing equipment for the semiconductor and machinery industries. The company used their know-how to develop lead-free controllers for construction machinery. Lead-free controllers were first installed in the ZAX-IS-3 series in FY2005 and then, in FY2006, 17,406 units were applied to 47 models of construction machinery.