

Promoting CSR activities by the PDCA cycle

Our group started surveying the situation of CSR activities at Hitachi Construction Machinery and other companies in the group in 2005, and has been promoting CSR activities according to the plans based on the results of the survey. The survey at all of the group companies was completed in fiscal 2007. From fiscal 2008, the entire group will promote the CSR activities by the PDCA* cycle.

*PDCA (Plan-Do-Check-Act): CSR activities will be planned, done, checked and acted.

CSR report available on the website

In addition to the booklet version, the CSR report was published on the website from October 2007. Stakeholders can write their opinions and impressions at the site. Twenty-five opinions and impressions were posted by the end of March 2008. We will refer to these for future activities. More than half concerned the development of demining equipment.

CSR training and activity survey for our group companies outside Japan

We provided training in CSR to our fourteen group companies outside Japan because CSR activities should be promoted globally. Also, the situation of CSR activities was surveyed using questionnaires and interviews. In fiscal 2008, above group companies will plan CSR activities based on the results of the survey, and promote them.



CSR training at Hitachi Construction Machinery (Shanghai)

Trial of the CSR report reading meetings

Although CSR activities are promoted by the PDCA cycle, front-line employees working in development, designing, manufacturing, sales and service sections, etc., still lack sufficient awareness of CSR. We organized meetings to read CSR reports eight times as one of the measures to raise employee awareness of CSR. About eighty employees participated in the



CSR report reading meeting

meetings. Some of them realized a new aspect of our group through reading the CSR report, and some of them told other participants enthusiastically about CSR activities they had actually participated in. We will hold more CSR report reading meetings in fiscal 2008 because the meetings provide opportunities to communicate about CSR.

CSR training at Hitachi Sumitomo Heavy Industries Construction Crane, etc.

Hitachi Sumitomo Heavy Industries Construction Crane provided CSR training at ten of their offices around Japan to promote awareness of CSR. REC Koshin-etsu (the current Hitachi Construction Machinery REC) also provided CSR training at 28 offices. Opinions expressed at CSR training are considered in future CSR activities.



CSR training at Sumitomo Heavy Industries Construction Crane

◆ CSR activity plans for fiscal 2007, and their results and plans for fiscal 2008

☆:Partly achieved ☆☆:Mostly achieved ☆☆☆:Achieved

Policy	Plan	Do	Check		Act
			Evaluation	Relevant Page	
1. Commitment to Corporate Social Responsibility(CSR)	<ul style="list-style-type: none"> Publishing CSR report. CSR training and activity survey for 14 group companies in the world except Japan Creation of "Kenkijin spirit" 	<ul style="list-style-type: none"> Published Japanese version (June 2007), Chinese version (Aug 2007) and English version (Sept 2007). Executed. created and distributed to all employees. 	☆☆☆	p22	<ul style="list-style-type: none"> Execution to continue. CSR activity plan and promotion for group companies outside Japan Dissemination and embedding of Kenkijin Spirit.
2. Contributing to Society through our Business	<ul style="list-style-type: none"> Continuous quality improvement. Introducing a system to use customer information. Demonstration of demining equipment in mine-ravaged countries. Developing environmentally friendly products. Developing products for recycling 	<ul style="list-style-type: none"> "Quality gleaning" at 8 offices of 7 companies, global production examinations at 6 companies. Sharing of know-how for use of Global e-Service promoted. Completion of products for use in demonstrations. 10 models to be commercialized 5 models including wood recycler and double-shaft shredder to be commercialized 	☆☆☆	p28	<ul style="list-style-type: none"> Execution to continue, raising global engineers. Sales progress management system used in China and Australia. Demonstrations in mine-ravaged countries. Execution to continue. Execution to continue.
3. Disclosure of Information and Stakeholder Engagement	<ul style="list-style-type: none"> CSR report (in Japanese, English, Chinese) and disclosing information of CSR activities on the website Commencing operation of security platform. Personal information protection audit for 6 group companies. 	<ul style="list-style-type: none"> CSR report disclosed in PDF and html (Japanese only). Activities contributing to society also disclosed. Preparations were made, but problems prevented start up. Performed at 4 group companies. 	☆☆☆	p22	<ul style="list-style-type: none"> Enhancement of CSR activity information on the website. Solving problems and start up. Audits at 6 group companies.
4. Corporate ethics and Human Rights	<ul style="list-style-type: none"> Compliance training for managers of group companies, questionnaires concerning compliance to employees. Compliance audit at 6 group companies. Export management training for related departments, export management audits at 4 companies. Provision of support to group companies in Japan for measures to prevent disclosure of technology-related information. Determination of company risks 	<ul style="list-style-type: none"> Performed at 13 companies (451 managers trained). Performed at 4 companies. Export management training provided. Export management audit performed at 6 offices of 5 companies. Measures to prevent disclosure of technology-related information explained at Hitachi Construction Machinery Camino and Hitachi Construction Machinery (China). Decided to address in the BCP (Business Continuity Plan). 	☆☆☆	p27	<ul style="list-style-type: none"> Training for employees of group companies in Japan, surveys at group companies outside Japan Compliance audits at 6 group companies. Training at 5 group companies, audits at 6 companies. Revision in rules concerning provision of 3D drawings. Creation of BCP for the head office and Kasumigaura Works.
5. Environmental Conservation	<ul style="list-style-type: none"> See p40. 	<ul style="list-style-type: none"> See p40. 		See p40	<ul style="list-style-type: none"> See p40.
6. Corporate Citizenship Activities	<ul style="list-style-type: none"> Support for the NPO, Good Earth Japan. Special sponsorship for Kasumigaura Marathon. 	<ul style="list-style-type: none"> Requesting employees to be members. Executed. 	☆☆☆	p18	<ul style="list-style-type: none"> Execution to continue. Execution to continue.
7. Working Environment	<ul style="list-style-type: none"> Expansion of training for international business, raising capable people for rental business and group companies. Employee awareness survey. Rise in the percentage of employees who receive 3C interviews*, aiming for 100%. Introduction of EAP (Employee Assistance Program). 	<ul style="list-style-type: none"> The 4th overseas management training session held at Kasumigaura Institute Executed. Executed more than 90%. Executed. 	☆☆☆	p34	<ul style="list-style-type: none"> Execution to continue. Implementation of measures based on the survey results. Mental health management training, safety and health assessment by a third party.
8. Responsible Partnership with Business Partners	<ul style="list-style-type: none"> CSR training to suppliers. 	<ul style="list-style-type: none"> Revised material procurement policy explained, CSR activity promotion requested. 	☆	p32	<ul style="list-style-type: none"> CSR training to suppliers.

*3C interviews: Interviews using a challenge program, career advancement report and communication sheets.

CSR activities of group companies in Japan

Group companies in Japan promoted CSR activities by a CSR activity plan for fiscal 2007 which was based on the results of the fiscal 2006 survey of CSR activities. Achievements are made by setting familiar targets.

Employee health support

Hitachi Kenki Business Frontier implemented mental health care measures sooner than other companies in our group, considering the features of the IT business, and started EAP* in fiscal 2006. They provided EAP training to all their employees in fiscal 2007.

Hitachi Construction Machinery Operators Training Center and REC Tohoku (the current Hitachi Construction Machinery REC) make efforts every year

* EAP (Employee Assistance Program)
The mental health of employees is supported by counseling and other services provided by external organizations contracted by the company.

to ensure that all employees receive health checks. All employees of the companies received health checks in fiscal 2007.

Lecture on demining

Okinawa Hitachi Construction Machinery invited Mr. Amemiya, the president of Yamanashi Hitachi Construction Machinery to present a lecture on demining at Ishimine Elementary School, Matsushima Junior High School (see the picture on p2) and elsewhere in Naha, in May 2007.

◆ CSR activity plans of the group companies in Japan for fiscal 2007, and their results and plans for fiscal 2008

☆:Partly achieved ☆☆:Mostly achieved ☆☆☆:Achieved

Category	Company name	Plan	Do	Check		Act
				Evaluation	Relevant Page	
Manufacturing companies	Hitachi Construction Machinery Tierra	<ul style="list-style-type: none"> Using BDF (bio diesel fuel) forklifts. Holding a summer festival. 	<ul style="list-style-type: none"> One unit operated for testing. Collected waste cooking oil. Executed by Shiga factory (Aug. 4), Osaka head office (Sept. 4). 	☆☆☆	p43	<ul style="list-style-type: none"> Execution to continue. Increase one unit. Factory open day for employees' families.
	Hitachi Construction Machinery Camino	<ul style="list-style-type: none"> Participation in the Higashine environmental exhibition. Accepting Indonesian trainees. 	<ul style="list-style-type: none"> Participated in November. Execution in progress. Accepted 16 trainees to date. 	☆☆☆	—	<ul style="list-style-type: none"> Execution to continue. Participation in November. Execution to continue. Accepting 12 trainees.
	Niigata Material	<ul style="list-style-type: none"> Recycling slag from forging scale and shot blasting. Clean and weed the path in front of the main gate of the factory 	<ul style="list-style-type: none"> Recycled 244.9t of slag. Executed in November and March. 	☆☆☆	p44	<ul style="list-style-type: none"> Execution to continue. Execution to continue. Twice a year.
	Hitachi Kenki FineTech	<ul style="list-style-type: none"> Reduce energy consumption (economical operation of manufacturing machinery, appropriate air conditioning, etc.) with a target of 2.79kWh/month (2.88kWh/month in the previous year). Reduce solder waste from 73kg/month to 51kg/month. 	<ul style="list-style-type: none"> 2.46kWh/month (15% down from the previous year). 35.5kg/month of waste: cut of 51%. 	☆☆☆	—	<ul style="list-style-type: none"> Develop lead-free controller for large excavators. Execution to continue.
	Hitachi Sumitomo Heavy Industries Construction Crane	<ul style="list-style-type: none"> CSR training. Install energy-saving lights in Nagoya factory. 	<ul style="list-style-type: none"> Provided at 10 offices. Changed lighting to ceramic metal halide lighting. 	☆☆☆	p23	<ul style="list-style-type: none"> Providing CSR training at remaining 3 business premises. Promoting employment of people with disabilities.
	Tadakiko	<ul style="list-style-type: none"> Determining risks. Replacing current forklifts with battery forklifts. 	<ul style="list-style-type: none"> Determining risks relating to infrastructure, production and ethics. Bringing 11 battery forklifts into service. 	☆☆☆	p27	<ul style="list-style-type: none"> Introduction and use of EAP from April. Execution to continue.
	TCM	<ul style="list-style-type: none"> Raising sales of battery forklifts. Introducing career plans. 	<ul style="list-style-type: none"> Increased unit sales by 17% compared with the previous year. career plan submission and the execution of interviews 	☆☆☆	p43	<ul style="list-style-type: none"> Execution to continue. Deciding compliance hotline flow.
Software / service companies	Hitachi Construction Machinery Trading	<ul style="list-style-type: none"> Increase reuse of construction machinery: target of 6,500 units Raise sales of "Be Next", air conditioning controller. 	<ul style="list-style-type: none"> 6,740 units reused. 62 units sold, 7 more than 55 units sold in the previous year. 	☆☆☆	—	<ul style="list-style-type: none"> Execution to continue. Increase sales of energy-saving equipment.
	Hitachi Construction Machinery Comec	<ul style="list-style-type: none"> Training in the Worker Dispatch Law. Participate in local events related to Hitachi Construction Machinery 	<ul style="list-style-type: none"> Five people attended a seminar for managers at staffing and job agencies. Participated in 7 events. 	☆☆☆	p27	<ul style="list-style-type: none"> Worker Dispatch Law study meeting Execution to continue.
	Hitachi Kenki Logistics Technology	<ul style="list-style-type: none"> Use of battery forklifts Installing digital tachometer on trailers 	<ul style="list-style-type: none"> Bringing 22 battery forklifts into service. Increasing fuel consumption by about 15%. 	☆☆☆	p43	<ul style="list-style-type: none"> Execution to continue Diffusion to business partners
	Hitachi Kenki Business Frontier	<ul style="list-style-type: none"> Installing latest security tools on PCs. EAP training for all employees. 	<ul style="list-style-type: none"> Mostly done. (Some will be implemented in FY2008) Provided on January 7. 	☆☆☆	—	<ul style="list-style-type: none"> Execution to continue. Aiming for completion in May. Checking NPO activities in Ibaraki Prefecture
	Hitachi Construction Machinery Operators Training Center	<ul style="list-style-type: none"> Improving the management system Health check received by all employees. 	<ul style="list-style-type: none"> Creating work regulations All 71 relevant employees received health checks. 	☆☆☆	—	<ul style="list-style-type: none"> Providing risk compliance seminars at training centers Execution to continue.
	Hitachi Construction Machinery Leasing	<ul style="list-style-type: none"> Responding to revisions in regulations of leasing accounting Supporting an NPO, Good Earth Japan 	<ul style="list-style-type: none"> Completing modification of accounts settlement system. Becoming a company supporting member 	☆☆☆	—	<ul style="list-style-type: none"> Checking customers' identification in compliance with the Money-Lending Business Control and Regulation Law. Execution to continue. Making donations
Sales / service companies	Okinawa Hitachi Construction Machinery	<ul style="list-style-type: none"> Holding lectures on demining given by Mr. Amemiya, president of Yamanashi Hitachi Construction Machinery Sponsoring the Nago festival 	<ul style="list-style-type: none"> The lectures presented in May at an elementary school, etc. Executed. 	☆☆☆	p25	<ul style="list-style-type: none"> Execution to continue. Holding lectures in Okinoerabujima Island, Ishigakijima Island and elsewhere. Execution to continue.
Rental companies	REC Hokkaido	<ul style="list-style-type: none"> Checking environmental facilities Safety study meeting for the entire Hokkaido 	<ul style="list-style-type: none"> Listing up environmental facilities at 49 business establishments Safety study meeting for 7 branches on August 3. 	☆☆☆	—	Plans of Hitachi Construction Machinery REC (Eight REC companies merged)
	REC Tohoku	<ul style="list-style-type: none"> Ensuring all of the employees receive health checks Maintenance of the oil-water separation tank. 	<ul style="list-style-type: none"> All 110 relevant employees received health checks. Performed twice a year 	☆☆☆	p25	
	REC Kanto	<ul style="list-style-type: none"> Building a warehouse for dangerous goods, and submitting reports on the warehouse Thorough management of industrial waste 	<ul style="list-style-type: none"> Investigating necessity of a warehouse for dangerous goods, and making installation reports as required. Determination of industrial waste treatment procedures, and assigning the same industrial waste treatment companies 	☆☆☆	—	
	REC Koshin-etsu	<ul style="list-style-type: none"> Provision of CSR training. Checking and improving environmental facilities 	<ul style="list-style-type: none"> Provided at all 28 business establishments in July and August Completing checks of 16 business establishments, and improving environmental facilities at 10 business establishments 	☆☆☆	p23	
	REC Chubu	<ul style="list-style-type: none"> Training new office managers, sales staff, female staff and mid-career staff Unifying treatment of surplus soil and sludge 	<ul style="list-style-type: none"> Provided all training except for female staff Clarifying standards, and transporting and treating sludge by assigned companies 	☆☆☆	—	
	REC Kansai OKG	<ul style="list-style-type: none"> Report on the so-called "36 agreement" (an agreement concerning overtime work and work on holidays which exceeds statutory working hours) to the Labor Standards Inspection Office. Creating guide for statutory compliance concerning loading for transportation, and holding study meetings. 	<ul style="list-style-type: none"> Executed. Creating guide, and holding study meetings 	☆☆☆	—	
	REC Shikoku	<ul style="list-style-type: none"> Making a contract concerning waste batteries Holding a construction machine sketching event 	<ul style="list-style-type: none"> Head office made a contract with assigned companies. Carried out at local nursery schools and elementary schools 	☆☆☆	p37	
	REC Nishi Nihon	<ul style="list-style-type: none"> Ensuring basic work to follow sales work flow (compliance) Local community coexistence activities 	<ul style="list-style-type: none"> Ensuring for all 47 sales staff in August and September Assisting in grounds-keeping for boys' baseball team 	☆☆☆	p37	