

Hitachi High-Tech

HITACHI



Corporate Social
Responsibility Report
2011

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Visit Our Website

This booklet is available on our website in pdf format. For more information about our general corporate activities, please visit our global site at:

<http://www.hitachi-hitec.com/global/>



Editorial Policy

The CSR Report 2011 is published to update our stakeholders about our current CSR activities. The feature section, entitled "Contributing to Society through High-Tech Solutions," explains how Hitachi High-Technologies Group draws on the unique features of our business to contribute to health and peace of mind and the creation of new value. This report also provides a comprehensive account of the group's CSR-related activities, including achievements and future challenges in each area.

Scope of this Report

Organizations:

Hitachi High-Technologies Corporation and its affiliated companies

Report Period:

Primarily from April 2010 to March 2011

Next Scheduled Publication:

June 2012

Reference Guides:

"Environmental Reporting Guidelines 2007," Ministry of the Environment, Japan

Affiliated Companies

Area	Types of Businesses	Company Name
Domestic	Sales	Hitachi High-Tech Trading Corporation Hitachi High-Tech Materials Corporation Hitachi High-Tech Solutions Corporation Hitachi High-Tech Support Corporation Giesecke & Devrient Kabushiki Kaisha
	Service & Manufacturing	Hitachi High-Tech Fielding Corporation Hitachi High-Tech Engineering Service Corporation Hitachi High-Tech Control Systems Corporation Hitachi High-Tech Manufacturing & Service Corporation Hitachi High-Tech Instruments Co., Ltd.
Overseas	Sales & Service	Hitachi High Technologies America, Inc. Hitachi High-Technologies Canada, Inc. Hitachi High-Technologies do Brasil Ltda. Hitachi High-Technologies Europe GmbH Hitachi High Technologies Ireland Limited H.H.T.A. Semiconductor Equipment Israel, Ltd. Hitachi High-Technologies (Singapore) Pte. Ltd. Hitachi High-Technologies IPC (Malaysia) Sdn. Bhd. Hitachi High-Technologies (Thailand) Ltd. Hitachi High-Technologies (Shanghai) Co., Ltd. Hitachi High-Technologies Hong Kong Limited Hitachi High-Technologies (Shenzhen) Co., Ltd. Hitachi High-Technologies Korea Co., Ltd. Hitachi High-Technologies Taiwan Corporation
	Manufacturing	Hitachi Instrument (Suzhou), Ltd. Hitachi Instruments (Dalian) Co., Ltd.

Hitachi High-Technologies' CSR Vision

The basic philosophy of Hitachi High-Technologies involves "contributing to social progress through business activities that emphasize value creation through high-tech solutions." Shared by all employees and implemented in the workplace, this philosophy constitutes the cornerstone of our CSR activities.

It entails a commitment to fulfilling our corporate social responsibilities in all areas, including the environment, society, human rights and the economy.



Basic Philosophy

Hitachi High-Technologies Corporation aims to be a successful enterprise trusted by all our stakeholders and contributing to social progress through business activities that emphasize value creation through high-tech solutions. We are committed to open, transparent, and reliable business practices. As we continue to grow, we will value the environment and strive to build a prosperous community, fulfilling our social responsibility and contributing as a corporate citizen with passion and pride in our work.

CSR Policy of the Hitachi High-Tech Group

CSR policy of the Hitachi High-Tech Group, applicable across the whole group, embodies our basic CSR philosophy and allow us to fulfill our role as a socially-responsible company.

- | | |
|--|--|
| 1 Commitment to Corporate Social Responsibility (CSR) | 5 Environmental Conservation |
| 2 Contribution to Society through Our Business | 6 Corporate Citizenship Activities |
| 3 Disclosure of Information and Stakeholder Engagement | 7 Working Environment |
| 4 Corporate Ethics and Human Rights | 8 Responsible Partnership with Business Partners |

Creating New Value and Conducting CSR Initiatives as a “Business Creation Enterprise”

A United Group Response to Foster Recovery

On behalf of the company, I would first like to express our heartfelt sympathies with everybody affected by the Great East Japan Earthquake. We pray that all of the areas that were devastated in the disaster recover quickly.

Some Hitachi High-Tech Group facilities were damaged in the disaster, including our manufacturing and service operations in Hitachinaka, Ibaraki Prefecture, and our sales bases in the prefectures of Ibaraki and Miyagi. We created a disaster recovery headquarters at our headquarters to coordinate a Group response to the disaster and to provide assistance to business partners. We repaired the damage at each of our business sites and checked the integrity of our IT infrastructure. Functional capacity at all Group operations was restored to pre-disaster levels. We are focusing our efforts on maintaining stable supplies to customers, rebuilding supply chains where necessary, and saving energy.

This unprecedented disaster has provided Japan with one of its sternest challenges since the end of WWII. The nuclear power plant situation is yet to be resolved, and the resulting power shortages have caused rolling blackouts. This is a time when the whole of Japan needs to unite and do everything we can to foster recovery.

These events have allowed us to reaffirm the social responsibilities of the Hitachi High-Tech Group. We hope to make a collective contribution to the nation’s rebirth.

Creating New Value through Business Creation Expertise

The disaster caused major damage to production facilities across a range of industrial sectors. The affected firms included many of the Group’s business partners. Across the Group, we have striven to

provide whatever assistance and cooperation we can to help these business partners restore normal working operations.

I believe our strength lies in our ability to create business based on the twin functional capabilities of a manufacturer and trading company. Our business creation expertise is based on our technical skills, manufacturing and service capabilities, together with a global sales network. I see the role of the Group as one of establishing new business models by leveraging this business creation expertise.

As a “business creation enterprise,” I believe that one of the things we can do in this difficult time is to grasp quickly what our stakeholders will need in the near future and to deliver new value accordingly. We will also continue to implement our program of CSR initiatives to help address various economic, environmental and social issues.

A Consistently Proactive Environmental Approach

The global environment is an important management issue that we cannot avoid. As part of actively promoting an eco-conscious management approach, we are upgrading our efforts to restrict CO₂ emissions by expanding our range of eco-products. We have also upgraded our commitment to augment our eco-friendly products and environmentally-aware operations. In particular, we see the environment and renewable energy sectors as areas where we can generate high rates of growth using our business creation expertise. Specific examples of related Group offerings include a wide range of solar power generation solutions and automotive devices such as lithium-ion batteries, which can help to realize a low-carbon society.

Each year we formulate a Group Environmental Action Plan containing programs of environmental measures and related improvements. We have ranked first for eight consecutive years in the trading company category of Nikkei Inc’s Environmental Management Survey, now in its 14th year. We will continue to

work to upgrade the level of our environmental efforts.

In addition, as part of promoting ecosystem (biodiversity) conservation within our business and environmental activities, we revised our Guidelines for Environmental Action in April 2011.

A Solid Commitment to CSR from a Global Enterprise

If we are to work with stakeholders to achieve sustainable development, it is essential that we earn the understanding and trust of society through our commitment to ethics and integrity. That means we must always be trustworthy as individuals, as an organization, and as a company.

In January 2011, we formulated the Hitachi High-Tech Group Code of Conduct as a set of rules governing the business conduct of all Group executive officers and employees, and implemented it in April. With these principles in mind, we will be guided by our commitment to ethics and integrity in all our business decisions and actions.

We first began incorporating CSR principles directly into our management approach in 2006, when we established the CSR Promotion Division to infuse this thinking into all Group business activities. We set up a new CSR Division in April 2011 to reaffirm our commitment to promoting CSR-based management as a global enterprise.

From April 2011, based on the CSR policy of the Hitachi High-Tech Group, we have formulated a medium-term plan covering all aspects of CSR-based management. We plan to use PDCA cycles to promote our deeper engagement with CSR initiatives across the entire Group.

October 2011 marks the tenth anniversary of the creation of the Hitachi High-Tech Group. We plan to make a fresh start amid the



A handwritten signature in black ink, appearing to read 'Masao Hisada', with a horizontal line underneath.

Masao Hisada
President,
Chief Executive Officer and Director

challenging operating conditions that prevail in Japan today. Across the Group, we shall strive to earn the trust of all of our stakeholders. In the recognition that we are all individual members of society, we shall fulfill our social responsibility to be an enterprise that is truly guided by CSR principles. In doing so, we will also work to realize the revival of Japan.

June, 2011

Labor-saving Solution for Boosting the Efficiency of Diabetes Testing

A New Medical Role for Clinical Analyzers

Hitachi High-Technologies was the first Japanese company to sell clinical analyzers* in 1970. The development of a wide range of high-precision models during the past 40 years has resulted in the adoption of these products by many medical and research institutions worldwide. The medium-sized 7180 clinical analyzer has recorded strong growth in sales, proving popular with small- and medium-sized hospitals, where its size makes it easy to integrate, and large university hospitals alike (where it is used in conjunction with larger models).

“Metabolic exams”, a health exam for lifestyle diseases, started in Japan in 2008. The number of diabetics has been growing in recent years due to changing dietary habits and more sedentary lifestyles. Blood testing has become more common to enable early detection of the disease.

Responding to these trends, Hitachi High-Technologies has developed a function to measure Hemoglobin A1c (HbA1c) as an optional feature for the popular 7180 clinical analyzer. HbA1c is an important test item in diabetes testing. This function is sold in combination with special testing reagent.

Analyzers Consolidated into a Single Instrument

The amount of HbA1c tends to increase in diabetes because it binds to hemoglobin and blood glucose. HbA1c is regarded as a more



HbA1c measurement function

The optional HbA1c measurement function (left) developed for the 7180 clinical analyzer (pictured below) allows this testing to be measured at the same time as other clinical test items.



7180 clinical analyzer

appropriate clinical indicator in the management of diabetes because its concentration reflects blood sugar levels over the past 2–3 months, rather than the level on the day of, or prior to, testing.

In the past, HbA1c measurement required a dedicated piece of equipment occupying additional space. The introduction of metabolic testing in Japan has increased the need to conduct tests, quickly, for multiple clinical test items across large and rising numbers of samples, but within a restricted space. This prompted Hitachi High-Technologies to develop a general-purpose clinical analyzer capable of testing for HbA1c and other clinical test items in a single instrument.

Development focused in particular on reducing the labor involved in manual sample preparation steps wherever possible. Hitachi High-Technologies succeeded in developing an automated preparation process in conjunction with a Japanese reagent manufacturer. This has cut the amount of labor required and boosted testing process efficiency, making it easier for users to process samples quickly.

Amid downward pressure on healthcare costs through medical system reforms, there is an increasing emphasis in Japan on using preventative medicine to stop people from becoming ill in the first place, such as through self-testing. In response to this change, we aim to increase our mutual understanding with customers working on the medical frontline, and promote this trend while delivering health and peace of mind to more people.

* Automated instruments for analyzing biochemical markers in the serum (such as cholesterol, proteins and enzymes)

VOICE

Katsunori Oigawa (left)
Yuko Hamazumi (right)
 Marketing Dept.
 Hitachi High-Technologies Corp.

Selling the analyzer and reagent in combination has opened up new dialogues with users about measurement data. We continue to explore various possibilities for partnering with customers to increase their trust in our products.



Opening the Door to Varied Fields through Genetic Analysis

New Applications in Everyday Fields

In December 2010, a black kokanee, a Japanese subspecies of freshwater fish was found in Lake Saiko in Yamanashi Prefecture some 70 years after it was believed to have become extinct. The instrument used to identify the species was a DNA sequencer, which determine the nucleotide order of deoxyribonucleic acid (DNA) – sometimes called the “blueprint for life.” DNA sequencers also played a major role in the Human Genome Project, which was completed in 2003. Hitachi High-Technologies is developing DNA sequencers in collaboration with US-based partner Life Technologies Corporation.

Principally used by academic research to date, genetic information are now being utilized in many applied market such as food safety, animal breeding and plant cultivation, drug manufacturing and forensic science. Analytical instruments such as DNA sequencers are expected to find more and more new applications in the future across a wide range of fields.

Designing Easy-To-Use Sequencers

The primary focus for Hitachi High-Technologies in developing DNA sequencers, now used widely in various fields, is to design models that anyone, even laymen, can use easily.

Due to their large power consumption, conventional models required special installations to provide power and extract heat. Hitachi High-Technologies has tackled this problem by replacing the gas laser with a solid-state laser. This allows the DNA sequencer to run off conventional mains power and also eliminates the need for heat extraction.

Hitachi High-Technologies has shortened the sequencing process by simplifying related handling procedures for analysis. The use of fewer consumable supplies, one-touch reagent strips and special packaged sets also helps to eliminate sequencing errors. RFID tags help to automate the management of analytical supplies while preventing errors in usage. The 3500 Series Genetic Analyzers achieves all these advances in a medium-sized device.

DNA Sequencers Supplied for Use in Clinical Fields

A recent trend involves the increasing use of DNA sequencers for genetic diagnosis. Analyzing an individual’s DNA to yield personalized

VOICE

Takamichi Muramatsu

Bio Systems Design Dept.
Hitachi High-Technologies Corp.

Our work has limitless potential – it’s the stuff of dreams!
Our development process tries to identify the underlying needs of customers so that we can help create happier and healthier communities.



genetic information could help to prevent or treat diseases to which that person is genetically predisposed, or else help to determine whether a designated drug is likely to be effective (an approach known as “personalized medicine”). Genetic analysis can also help to estimate probabilities of organ rejection in transplant cases. In addition, the adoption of this approach could even help to reduce the incidence of drug side effects in patient populations.

Hitachi High-Technologies is working with Life Technologies to develop new technical advances that can be employed in DNA sequencer models to optimize this equipment for emerging clinical applications. In this way, we expect our technology in this area to enhance the health and safety of many people around the world.



3500 Series Genetic Analyzers and related supplies

New Organization Management Capabilities Using World-First Technology

Enabling Visualization of Face-to-Face Communications

Hitachi Ltd. has developed Business Microscope®, the world's first system that visualizes face-to-face communication, utilizing its proprietary name tag sensor devices. Hitachi High-Technologies is now offering the Organizational Revitalization Solution, which employs this system.

In the Business Microscope® system, workers wear a tracking device equipped with infrared and high-speed sensors around their neck. This device automatically tracks the time workers spend talking with each other, combined with how they move about in the workplace. This enables the quantification of face-to-face communication within an organization and the portrayal of who is communicating with whom, when and how as substantive data, instead of having to rely on human perception for analysis.

Addressing Workplace Communication Issues

Many workplace bottlenecks are believed to originate in communications, especially in the design or software development fields. Reform goals may be to reduce delays in the development phase, reinforce interdivisional links, or improve project management capabilities. Using questionnaires or interviews to address such issues is often not that effective because of the time required to gather feedback or analyze quantitative data.

By contrast, the Organizational Revitalization Solution offered by



Name tag sensor device



Data analysis for individual

Hitachi High-Technologies uses the Business Microscope® system to help gather data for analyzing issues such as people's connectedness within the organization, relations up and down the chain of command, workplace cohesion, conversational balance, working styles, productivity factors or the functional status of an office. This service provides customers with a customized program for improving communications within an organization.

Supporting Continuous Business Process Improvement

Since 2010, Hitachi High-Technologies has offered customers a service that allows round-the-clock access to communications activity data for the organization as well as individual employees using the Internet and touch-screen displays. The data can be analyzed and studied by business processes or by business divisions, enabling subscriber companies to identify and address communication-related issues quickly. It is also possible to use the system to analyze results for individuals to study time distribution between tasks or conversational balance. This helps workers to examine activity patterns and make related productivity improvements.

The purpose of this technology is not simply to visualize face-to-face communications in the workplace with IT graphics, but rather to support ongoing business process improvements based on the data. The service aims to help firms raise productivity, strengthen organizations and teams, or else help individual employees build a sense of personal fulfillment in their work. All of these elements help to create more value within the organization.

* Business Microscope® is a registered trademark of Hitachi, Ltd.

VOICE



Syutatsu Shibata (right)
System Solutions Dept.
Hitachi High-Technologies Corp.

We hope this service will become a standard analytical tool for businesses, supporting personnel organizational reform across various industries.

Naoyuki Asada (left)
Systems Integration Dept.
Hitachi High-Tech Solutions Corp.

We are involved in name tag sensor devices purchasing, analytical software development and data management. We take care to provide our customers with the precise information that they want.

We aim to address social issues and help forge a sustainable society by developing new services.

Solution Developed to Help Graduating Students Choose a Future Employer

Furnishing Students with Specialist Information

In 1994, Hitachi High-Technologies began offering an on-line information service on securities reports listed companies file with the Japanese government, to provide subscribers with PDF versions of these reports. Such reports were only available in printed form at that time. Electronic publication of these securities reports were later made mandatory, allowing Hitachi High-Technologies to build up a large database relating to financial reporting of Japanese firms, including the financial results they file with the securities exchanges. Today, Hitachi High-Technologies markets a service named *NEXT Yuho Kakumei* that delivers this data online, edited and processed to serve the purpose of each customer.

Specialists such as institutional investors, analysts and accountants were the principal audience for this financial accounting information. To make the information accessible and useful for society at large, Hitachi High-Technologies decided to make the data available to a general audience. To this end, it developed *Kigyo Scoring*, an on-line assessment and scorecard of Japanese companies launched as a solution to help students about to graduate from higher learning look for a job.

Easy to Use and Understand

Accessible and searchable online, *Kigyo Scoring* analyzes Japanese firms based on six performance indicators including stability, growth and profitability. The evaluations are objective and based purely on data taken from securities reports, which are statutory filings.

Companies have diversified the range and complexity of their business contents in recent years. And the information these companies disclose has grown in volume and complexity, also. The limited time available for job seekers to research and make choices about firms and industries can also lead to mismatches between graduating students and employers.

Hitachi High-Technologies recognized that providing such a financial information distribution service to job-seeking students could help them make better and more informed choices



Company data screen

VOICE

Keita Imai (center)
Net Solutions Dept.
Hitachi High-Technologies Corp.

We hope to create a service that can help many young people secure a bright future and fulfill their potential.

Yoshiyuki Nakayama (left)
Kohei Imamura (right)

Systems Integration Dept. Hitachi High-Tech Solutions Corp.

As systems developers, we had prior experience of how tough finding a job can be. Based on this perspective, we aim to develop a service that students will want to use.



while also saving them both time and effort. The database has been combined with the latest analytical methods in financial engineering. Such tools created for the system compare companies in financial terms using presentation methods that are easy for the non-specialist to use, including radar charts, scores out of 100 and deviations. Students can also look up the products and business contents of individual companies, as well as a varied range of other information about potential employers.

The Opportunity to Find the Right Company

Getting sufficient numbers of students to enroll has become an important management challenge for many universities and other institutions of higher learning in Japan amid a long-term decline in birth rates. Some schools of higher learning are now competing for the attention of parents and guardians by promoting their ability to take care of students until they latter secure a job. In this context, *Kigyo Scoring* offers a solution to a rising need among educators.

The service currently enables users to view evaluations of around 4,500 companies that publish securities reports, including tens of thousands of consolidated subsidiaries. Going forward, Hitachi High-Technologies plans to continue upgrading the service in terms of meeting such job-placement needs on the part of the schools and by expanding the number of firms covered. Our aim is to offer support to these graduating students, by providing as many of them as possible with a window of opportunity in starting a career with the company they want.

Environmental Action Plan

Evaluation of the Fiscal 2010 Environmental Action Plan / Environmental Action Plan Phase 3 (Fiscal 2011 to Fiscal 2015)

Evaluation of fiscal 2010 performance
●: Target achieved ▲: Needs improvement

Category	Main initiatives and results in fiscal 2010		
	Subcategory	Main initiatives	Achievement Rating
Establishment of a corporation that creates environmental value	1. Nikkei Environmental Management Survey	Ranked first for eight consecutive years in the trading company category of the Nikkei Environmental Management Survey conducted by Nikkei Inc.	●
	2. Environmental activities	Green 21 result: 1,290 points, including affiliated companies (target: 1,280 points)	●
	3. Conservation of ecosystem (biodiversity)	Revised Guidelines for Environmental Action to include conservation of ecosystem (biodiversity)	●
Eco-mind & Global Environmental Management	1. Environmental management	<ul style="list-style-type: none"> Strengthened Group environmental management, including by continuing to hold Environment Officer Block Meetings Set common standards for monitoring reductions in CO₂ emissions associated with eco-products, and budgeted for CO₂ emissions Identified and budgeted for environmentally-aware operations as part of our environment business strategy 	●
	2. Environmental management system	<ul style="list-style-type: none"> Maintained and improved the integrated environmental management system of the Hitachi Group Acquired ISO 14001 certification, the first for an overseas manufacturing base in the Group, and supported preparations for certification by other sites 	●
	3. Environmental accounting	Continued to ensure that environmental accounting is firmly established and functioning at major Group companies in Japan	●
	4. Environmental education	<ul style="list-style-type: none"> Encouraged employees to take Hitachi Group e-learning course Held lectures and quizzes on environmental themes for employees and their families participating in environmental contribution activities 	●
Next Generation Products & Services	1. Eco-products	<ul style="list-style-type: none"> Registered 7 new products manufactured at the Naka area, achieved target Eco-Product ratio of 100% (target: 80%) Registered 2 Super Eco-Products 	●
	2. Control of hazardous substances used in products and environmentally CSR-compliant Monozukuri	<ul style="list-style-type: none"> Guidance for Existing Chemical Substance Nomination (Labor Safety and Health Law): Completed registration for existing chemical substances CLP Regulation (Classification, Labelling and Packaging of substances and mixtures): Completed registration for hazardous chemicals 	●
Super Eco-factories & Offices	1. Global warming prevention	<ul style="list-style-type: none"> Reduced total domestic CO₂ emissions by 16% (compared to total of individual site targets of 12% reduction from fiscal 1990 base level) Reduced CO₂ emissions per unit of domestic production : Almost all sites achieved individual targets 	●
	2. Resource recycling promotion	<ul style="list-style-type: none"> Reduced waste by 37% (compared to target of 20% reduction from fiscal 2000 base level) Improved resource recycling rate by 35% (compared to target of more than 10% improvement from fiscal 2005 base level) 	●
	3. Chemical substances management	Reduced VOC emissions by 61% (compared to target of 52% from fiscal 2000 base level)	●
	4. Eco-factories & offices	<ul style="list-style-type: none"> Promoted industrial waste water management, soil contamination countermeasures and reduction in water usage Reduced electricity use at Hitachi High-Technologies headquarters building by 6%: (compared to target of 2% from fiscal 2008 base level) 	●
Worldwide Environmental Partnership	1. Environmental communication	<ul style="list-style-type: none"> Published CSR Report 2010 (Japanese/English/Chinese); distributed Japanese edition to all shareholders Issued Naka Area Environmental Site Report Responded to survey and tour requests for our bases 	●
	2. Global citizens' activities	<ul style="list-style-type: none"> Business units implemented environmental activities in local communities Undergrowth thinning in the Hitachi High-Tech Yasato Forest and beach clean-up at Jonanjima Seaside Park by employees and their families 	●

• We incurred no violations of environmental laws and regulations. We responded appropriately to comments and complaints from outside the company.

Environmental Action Plan Phase 3

Subcategory	Main initiatives	Fiscal 2011 Targets	Fiscal 2015 Targets
Establishment of a corporation that creates environmental values / Environmental Management	Maintain top spot in the trading company category of the Nikkei Environmental Management Survey conducted by Nikkei Inc.	Ranked 1st	Ranked 1st
	Increase green points under Green 21-2015 assessment	384 points	640 points
	Support conservation of ecosystem (biodiversity)	Raise awareness of revised Guidelines for Environmental Action	Establish contribution targets
	Contribute to reduce CO ₂ emissions by Eco-products (The Hitachi Group total reduction targets: 35 million tons in fiscal 2015 and 100 million tons in fiscal 2025)	Cumulative 120,000 tons	Cumulative 400,000 tons
	Strengthen Group environmental management by continuing to hold Environment Officer Block Meetings		
	<ul style="list-style-type: none"> • Maintain and improve the integrated environmental management system of the Hitachi Group • Execute plans for extending environmental management systems to overseas subsidiaries, continue to utilize overseas networks 		
	Provide environmental information to supply chains	Strengthen partnerships with suppliers (Ongoing support to procurement divisions)	
Eco-mind	<ul style="list-style-type: none"> • Encourage employees to take Hitachi Group e-learning course • Develop environmental experts, implement environmental education in rank-specific training programs 	Participation rate of 90% or more -	Participation rate of 95% or more -
Promote Eco-products	<ul style="list-style-type: none"> • Expand Eco-products (improve ratio to in-house product sales) • Register 1 Eco-products Select model by FY2015 	69% Promote plans	70% More than 1 product
Eco-factories (Global warming prevention)	<ul style="list-style-type: none"> • Reduce domestic CO₂ emissions by (compared to fiscal 1990 base level): Manufacturing companies • Reduce CO₂ emissions per unit of domestic production by (compared to fiscal 2005 base level): Manufacturing companies • Reduce CO₂ emissions by investments in introduction of renewable energy 	20% reduction 20% reduction Initiate introduction	16% reduction 39% reduction Expand introduction
	<ul style="list-style-type: none"> • Formulate plans and promote SF6 emission reduction • Formulate plans and promote PFC emission reduction 	Promote plans Promote plans	Reduce by 50% in fiscal 2013 (compared to fiscal 2003 base level) Reduce by 10% in fiscal 2013 (compared to fiscal 1995 base level)
	<ul style="list-style-type: none"> • Reduce waste per unit of domestic production by (compared to fiscal 2005 base level) • Reduce waste 	7% reduction Consider and promote initiatives	34% reduction Consider and promote initiatives
Eco-factories (Resource recycling)	<ul style="list-style-type: none"> • Promote eco-factories (industrial wastewater management and soil contamination countermeasures, etc.) • Promote new zero emission standards* (Lower final disposal rate) 		
Environmental communication	<ul style="list-style-type: none"> • Publish Corporate Social Responsibility Report and Environmental Site Report • Respond to survey and tour requests for our bases 		
Global citizens' activities	<ul style="list-style-type: none"> • Help to plan volunteer activities and encourage employees to volunteer in local community environmental projects • Promote reforestation activities at Hitachi High-Tech Yasato Forest as part of our policy for the conservation of biodiversity 		

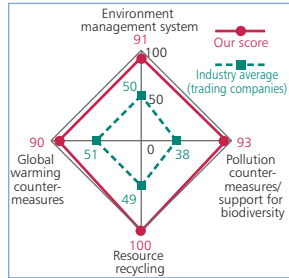
* Final disposal rate of less than 0.5%

Environmental Activity Highlights

Ranked First for Eighth Consecutive Year in the Trading Company Category of the Nikkei Environmental Management Survey

In the 14th Environmental Management Survey conducted by the Nikkei Inc., we ranked first in the trading company category for eight years in a row. This year's top ranking can be attributed to the high marks given to the Company for its efforts to reduce generation of waste and recycle the waste generated based on the Hitachi Group's Zero Emissions Standard* and for achieving this standard at its major bases in Japan. It can also be attributed to the Environmental Action Plans we update every year, and the countermeasures to global warming and other environmental problems we have steadily implemented in accordance to those plans.

Going forward, we will maintain and improve the Group's level of environ-



* A final disposal rate of under 1% of the waste generated and a final disposal quantity of less than 5 tons in a given fiscal year

Hitachi High-Technologies Europe Begins Using Renewable Energy

Hitachi High-Technologies Europe GmbH has signed a contract with Stadtwerke Krefeld AG to receive "green energy" generated by renewable energy sources, such as hydro, solar, and wind power. This energy supplier

has been certified by an inspection agency as providing only electric power based on renewable energy sources. Using this type of electric power will contribute to reducing emissions of substances that have a harmful impact on the environment, such as carbon dioxide and sulfur dioxide. Going forward, the subsidiary intends to implement environmental protection activities that will further reduce the impact of its operations on the environment.



Jorg Peters, staff in charge, with the "green energy" certificate

Revised Guidelines for Environmental Action to Include Conservation of Ecosystems

Our Group's Hitachi High-Technologies Guidelines for Environmental Action helps steer our overall environmental conservation activities. The guideline pursues progressive improvement in the Group's environmental management, which places high value on the "harmony with the environment" mentioned in the basic philosophy of the Code of Corporate Conduct and in our Corporate Vision. Recently, we revised the Guidelines for Environmental Action to include supporting the conservation of the ecosystem (biodiversity). This goal is part of the Hitachi Group's environmental vision and one that deserves high priority in our own group's policies. Based on our Guidelines for Environmental Action, we will give consideration to the conservation of ecosystems in our overall business operations and work to preserve the global environment through our reforestation, local beautification, and other activities.



Reforestation activities at Hitachi High-Tech Yasato Forest

Hitachi Instrument (Suzhou) Receives ISO 14001 Certification

In August 2010, Hitachi Instrument (Suzhou), Ltd., became the first overseas Group manufacturing company to acquire ISO 14001*1 certification.

The subsidiary had been operating under ISO 9001/13485*2 certification that it received in January 2004. However, it decided to acquire a higher certification to step up its environmental conservation and product quality ratings in response to heightened awareness of environmental issues in China. In the certification acquisition process, the subsidiary placed high importance on establishing strong in-house energy conservation, industrial waste, and effluent treatment processes. For the future, Hitachi Instrument (Suzhou) plans to further raise awareness of environmental protection throughout the company and to continue to improve its environmental activities.



You Jian (right) and Tang Jinping (left), two staff in charge, with the registration certificate

*1: International environmental management system standard

*2: International quality management system standard for medical devices

Management

To enhance the transparency of our management structure, we have adopted the Company with Committees System of corporate governance. Through continual improvement of our compliance risk management, and internal control systems, we are working to earn the trust of society and our stakeholders.

Corporate Governance

Hitachi High-Technologies has adopted the so-called Company with Committees System of corporate governance. In a committee-based company, most of the authority for business operations is largely delegated from the Board of Directors to the Executive Officers. This enables speedy decision making and rapid execution, but also makes it essential to enhance business execution oversight.

At Hitachi High-Technologies, the most important management issues are dealt with by the Executive Committee, enabling mutual checks by executive officers. The role of the Board of Directors is to decide basic management policy and supervise the execution of business activities. In its supervisory role, the Board receives reports from the Nominating Committee, the Audit Committee, the Compensation Committee, and the executive officers.

To reinforce the group's management foundation, we have established an internal control system in accordance with the Company Law, the Financial Instruments and Exchange Law, and the SOX Act*¹ of the United States. The Audit Committee monitors business execution through this internal control system, conducts on-the-spot inspections based on independent plans, and reports the results to the Board of Directors. Furthermore, based on close cooperation with the independent auditors, the Company ensures the appropriateness of matters related to accounting.

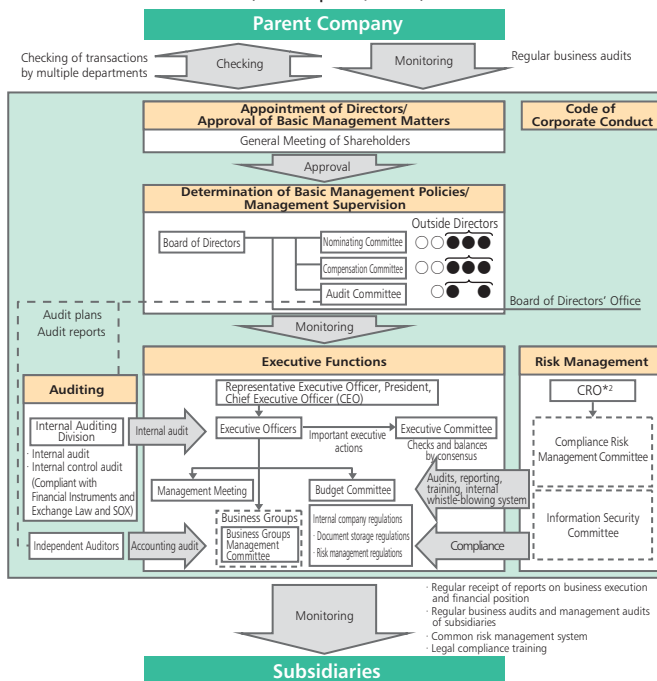
*1: The SOX Act is the Sarbanes-Oxley Act, instituted in 2002. Since the Company's parent company, Hitachi, Ltd. is listed on the New York Stock Exchange, it is required to comply with the U.S. Sarbanes-Oxley Act.

Compliance Risk Management

Hitachi High-Technologies has established a Compliance Risk Management Committee. Under the leadership of the CRO, this committee conducts semi-annual assessments of risks that affect the company as a whole. In particular, we regard information security as a high risk issue. To ensure that all employees are aware of the importance of information security, we hold e-learning courses and encourage all employees to perform their own information security audits.

In fiscal 2010, we formulated a Hitachi High-Tech Group Codes of Conduct that sets out detailed guidance for the behavior of all officers

Business Execution, Management Oversight and Internal Control System (As of April 1, 2011)



*2: CRO: The Chief Risk management Officer, who is an executive officer responsible for compliance and risk management. The CRO is appointed by the Board of Directors.

and employees of the Group. In addition, each business section of the Group pursued a plan-do-check-act (PDCA) cycle for their compliance risk reduction activities under the direction of representatives chosen from each business section. Each business section annually formulates a plan to reduce any possible compliance risks they face, implement reduction measures, evaluate results, and roll the plan forward to the next year.

In fiscal 2011, we plan to conduct our fourth compliance questionnaire targeting all Group employees in Japan and overseas.

Employee Relations

A policy set forth in our corporate vision is to respect the abilities of every employee and to inspire the confidence to tackle new challenges. We are working to enhance our HR systems and training programs, and to improve safety and health.

Work Environment

Fiscal 2010 Challenges

- Further enhance global human resource cultivation measures
- Provide more comprehensive support for diverse human resources and working styles

Main Achievements in Fiscal 2010

- Expand overseas job-transfer training program, mainly for young employees
- Expand support systems for employees to balance work with childcare and nursing care

We are actively increasing the number of young employees the Company transfers overseas to quickly develop human resources that can work internationally. We have set a current goal of having 50% or more of our employees experience working overseas within seven years of joining the Company. In fiscal 2010, in addition to our regular overseas training program, we introduced an overseas job-transfer program for young employees. The program enables them to flexibly choose the transfer period and location of their overseas job. Based on this program, we plan to double the number of people we second to overseas operations starting in fiscal 2011. From the perspective of establishing an environment where diverse people can work, we are actively working on support systems for employees at work and for their

families. In April 2010, we implemented various measures based on the revision of Japan's Child Care and Family Care Leave Act that exceed the requirements of the revised law. Some of those measures include expanding the family sickness care leave system, establishing a new nursing care leave system and expanding the restrictions and exemptions on overtime or night work for employees who must take care of children or elderly people. We continue to improve our systems to establish and maintain a happy and motivated work environment. On alternating years, we monitor how well the systems are established and operating through an awareness survey targeting all employees.

Major Work and Family Support Systems

Category	System	Treatment details
Work related	Child Care	The following shortened work hours may be chosen up until the child graduates from elementary school. Seven, six, five or four hour work days (An ordinary work day is seven hours 45 minutes).
	Nursing care	The following shortened work hours may be chosen when nursing a family member. Seven, six, five or four hour work days (An ordinary work day is seven hours 45 minutes).
	Restrictions and exemptions on overtime and night work	Employees may request the following work conditions to raise a pre-elementary school child (Under special circumstances until the child graduates from elementary school) or nurse a family member. -Limit overtime to 24 hours/month or 150 hours/year or be exempted from overtime work. -Exempted from night work.
Leave related	Family sickness leave	Five days annually, provided that if the sick person is an pre-elementary school child, five days may be taken irrespective of whether time has already been taken off to care for another family member.
	Nursing care leave	Five days annually for each person being nursed.
	Husband maternity leave	Taken using accumulated paid holidays. A minimum of five days can be taken irrespective of number of remaining paid holidays.
Long-term leave related	Child raising leave	Time considered necessary but limited to a total of three years up to the end of the first year of elementary school (March 31).
	Nursing care	Time considered necessary but limited to a total of one year for each person being nursed.

Safety and Health

Fiscal 2010 Challenges

- Enhance and vitalize various measures to ensure a safe and comfortable work environment
- Further enhance mental health measure to ensure effective emotional health for employees

Main Achievements in Fiscal 2010

- Promote Group-oriented measures through information exchange and other cooperation at meetings of persons in charge
- Approach mental health as a Group-wide initiative and promote it, including by means of providing team leaders with training in maintaining it

Based on the fundamental policy that safety and health come first, we are working to prevent accidents at work and safeguard the health of our employees. Manufacturing divisions lead the effort to enhance work safety, for example by ensuring that manufacturing equipment is fundamentally safe. Initiatives to improve and promote employee health include various regular medical check-ups, as well as measures to promote good mental health.



KY Trainer training session (on-site person in charge of activities to thoroughly predict dangerous situations at work)

Customer and Business Partner Relations

The entire Group is working to enhance customer satisfaction. We also cooperate with our suppliers and other business partners to meet our mutual social responsibilities.

■ Improving Quality of Operations by Measuring Customer Satisfaction

Fiscal 2010 Challenges

- Promoted acquisition of QMS certification by sales operations of overseas Group companies

Main Achievements in Fiscal 2010

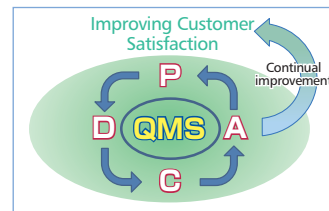
- Work toward acquiring new certifications and improving customer satisfaction in North America

The Group is aiming to raise the quality of its operations by introducing Quality Management Systems (QMS), and thereby improving customer satisfaction. In addition to having domestic manufacturing, sales and service divisions maintain QMS certification, we are working on having the sales divisions of our overseas Group companies newly acquire certification. In fiscal 2010, the Advanced Materials Division

of Hitachi High Technologies America, Inc., (Chicago and Silicon Valley offices) acquired QMS certification and began operating their systems.

We are also establishing a system that leads to improvements

in operations by understanding how customers evaluate our business operations by understanding customer satisfaction. All of the opinions received from customers by our call centers, sales personnel, service personnel and others are shared with related staff. We then take rapid response and problem resolution action. In conjunction with this system, our sales divisions conduct surveys once a year to measure customer satisfaction. Each sales division analyzes related data from the results of the survey and takes action to boost customer satisfaction.



■ Cooperating with Suppliers to Meet Common CSR Objectives

Fiscal 2010 Challenges

- Exchange chemical substances information with suppliers throughout the entire supply chain
- Support our suppliers to acquire environmental management certificates such as ISO14001

Main Achievements in Fiscal 2010

- Implemented survey in regard to chemical substances contained in suppliers' products (registered in A Gree'Net*)
- Encourage suppliers to voluntarily acquire environmental certification and renew such certification
- Continual improvement with management of chemical substances contained in products at overseas sales offices

* A Gree'Net is the name of the Hitachi Group's green procurement system

The Hitachi High-Technologies Group is working to build favorable partnerships with its procurement sources and suppliers, and to maintain and enhance a relationship of mutual trust and understanding with them. Based on a common procurement policy for the Hitachi Group, we carefully select suppliers and procurement sources regardless of whether they are domestic or overseas companies. We go through an appropriate procedure to adequately assess quality, delivery time, price, technology development capabilities, environmental certification and other features as well as whether the



An information meeting for the second half of fiscal 2010 held for business partners in the Naka area

suppliers and procurement sources have fulfilled their social responsibilities. Going forward, we will endeavor to achieve a common awareness of our corporate social responsibilities by holding regular information meetings for our suppliers and by providing them with information and maintaining mutual communications. At an information meeting held in the Naka area in October 2010, the Procurement Department explained our Group policies, such as sticking thoroughly to ethics and integrity, strictly preventing information leakage and promoting green procurement activities. Suppliers voiced their understanding and agreement with these policies.

Our trading divisions are also striving to ensure timely and high-quality procurement, as well as giving consideration to the environment by, for example, implementing green procurement that complies with our customers' requests, and voluntarily developing rules.

In fiscal 2010, we had our overseas bases carry out self-audits to determine whether their policies were becoming well established. The audits covered the rules set up by overseas bases and the systems for managing chemical substances contained in products.

Collaborating with Local Communities and Society

■ Observing Nature Through Electron Microscopes

As part of our support for science education in schools, Group companies participate in several ongoing projects that introduce students to the wonders of nature as viewed through electron microscopes.

■ Tabletop Microscope Wins Top Prize in Kids Design Awards

The TM-3000, a tabletop microscope produced and sold by Hitachi High-Technologies, won the Minister of Economy, Trade and Industry (METI Minister) Award in the Kids Design Award 2010. The award was the top prize in the future products category.

Sponsored by the Kids Design Association, the Kids Design Award is an award program that aims to achieve the following three kids' design principles of benefit to children. Those principles are designs to contribute to the security and safety of children, to develop creativity and develop the future, and designs to comfortably raise children. In giving the award, one of the judges commented that the Company showed a wonderful development stance in achieving a compact and affordable product that goes beyond the concept of traditional electron microscopes. The judge said, "giving young people the opportunity to experience the micron world in the classroom will surely further their interest in doing science."

At Hitachi High-Technologies, we are also hoping that the TM-3000 will play a role in halting the trend away from science among schoolchildren.



Tabletop Microscope TM-3000

■ Tabletop Microscope Exhibited at Yongster's Science Festival

On November 6 and 7 of 2010, the Japan Science Foundation sponsored a science festival for the young at the General Gymnasium and Athletic Park in Hitachinaka, Ibaraki Prefecture. The festival brought visitors together under one roof to enjoy a day of workshops and experiments in science, mathematics and technology.

Hitachi High-Technologies exhibited its tabletop microscope TM-3000, giving young people a chance to experience the micron world.

We continue to contribute in such events in support of children's science education.

■ Science Radio Show Hosts a Summer Vacation Event

On August 28, 2010, the radio show Masaki Omura's Science Kids held an event to celebrate its 200th broadcast. Hitachi High-Technologies sponsors the radio show as part of its science education support program. Approximately 50 groups of children and their parents were invited to participate in three activities at the event. In the first activity, The Science of Light Show, children got a close up look at the world of light. The next activity was a talk show on the enigma of recent weather abnormalities called The Secrets of Weather. The final activity was a hands-on learning experience using the Company's tabletop microscope. Using items brought by the children as "something I'd like to see under an electron microscope," children learned how to magnify things using the electron microscope. They enthusiastically observed the items they brought, which included some unusual things, such as a tooth, a lizard, and bath salts.



Children operating the Tabletop Microscope



Children observing the micron world

As a good corporate citizen, we fulfill our social responsibilities by utilizing the special operational features of the Hitachi High-Technologies Group to support science education and contribute to local communities.

■ Giving Middle School and High School Students Job Site Experience

From December 2010 to January 2011, the Fine Technology Systems Business Group headquarters in Saitama Prefecture held tours and a job site experience program for local high school students. A total of 20 students visited the headquarters. Among group companies, Hitachi High-tech Instruments Co., Ltd., also in Saitama, invited two middle school students to its facilities as part of its job site experience program during June 2010.

During the plant tours, students observed places they usually would not get to see, such as clean rooms and computer-aided design (CAD) and other design floors. In the job site experience program, students took part in such tasks as receiving and inspection, pre-assembly, and procurement operations. While the time spent in this program was short, it gave students a sense of the value of work and its degree of difficulty. We hope what students learned from the experience will prove useful in their studies and in choosing their future occupation.

We plan to continue offering these visitation programs for students.



Scenes of students getting job site experience

■ Corporate Certification in Cheerleaders of Childrearing in Kanagawa

In November 2010, Hitachi High-Tech Solutions Corp. received certification as a Cheerleader of Childrearing in Kanagawa Prefecture. The certification system was set up under a prefectural ordinance to promote employee benefits in support of childrearing in Kanagawa. Being certified indicates that a company has a system of employee benefits for offering parents and guardians assistance in childrearing. Certified companies may use the official logo of the prefecture's initiative on their websites or other company items, such as business cards. In addition, the names of the certified companies are listed on the prefecture's website and in the initiative's posters.

As a certified company, Hitachi High-Tech Solutions Corp. will redouble efforts to offer a way of working that allows employees to also play an active role in raising their children.



Mark certifying Cheerleaders of Childrearing in Kanagawa

■ Gift Wrapping Event for Raising Charity Donations

Hitachi High Technologies America, Inc. holds a variety of ongoing social contribution activities led by its Community Activities Committee (CAC). During the 2010 Christmas season, the Chicago head office initiated a new CAC drive to raise funds for the Humanitarian Service Project (HSP*). Inviting the local community at large to get involved, the Chicago head office held a Gift Wrapping for Donations event. Setting up on the first floor of the head office building, the company provided the wrapping materials for volunteers to wrap people's Christmas presents in return for donations to HSP.



Employees in the U.S. wrapping presents and receiving donations

* HSP is an organization providing food and basic necessities to alleviate the pain and suffering that poverty brings to needy seniors and children

Fiscal 2011 CSR Activities Plan

Beginning with fiscal 2011, the Hitachi High-Technologies Group is creating annual plans for each of its CSR activities based on its CSR activities policies. At the end of each fiscal year, we will evaluate results to ensure that our CSR activities are being implemented effectively and efficiently.

Fiscal 2011 CSR Activities Plan

CSR Policy of the Hitachi High-Tech Group		Main Initiatives in Fiscal 2011
1	Commitment to Corporate Social Responsibility (CSR)	Create CSR activities plans and implement PDCA (plan-do-check-act) cycles
		Establish risk management systems at overseas Group companies
2	Contribution to Society through Our Business	Introduce priority CSR items into the budget and medium-term plan of each business section
		Confirm and evaluate the development and progress of policies regarding quality improvement activities throughout the year
		Continually implement and improve customer satisfaction surveys
		Encourage overseas sales divisions to acquire ISO 9001 (QMS) certification
3	Disclosure of Information and Stakeholder Engagement	Provide information disclosure on CSR activities by publishing a CSR report and an annual report and posting information on the Company website
		Maintain dialogue with institutional investors, employees and other stakeholders
4	Corporate Ethics and Human Rights	Establish internal whistle blowing systems at overseas Group companies
		Implement education program for all Group officers and employees on the code of conduct
		Systematically conduct human rights awareness-raising training programs
5	Environmental Conservation	Create roadmap for CO ₂ emission reduction plan
		Work on a Companywide level to introduce the use of renewable energy and other environmental measures
		Promote the public disclosure of information on the calculation of the amount of CO ₂ emission reduction achieved by using eco-products
		Disseminate information on our Guidelines for Environmental Action, which incorporate the goal of conserving biodiversity, to all Group officers and employees
6	Corporate Citizenship Activities	Promote business activities that contribute to the advancement of science education
7	Working Environment	Promote diversity management
		Promote support for the balancing of work and family
		Expand and enhance measures to cultivate global human resources
		Continually hold safety officer meetings and promote safety information sharing
8	Responsible Partnership with Business Partners	Revise and publically disclose the Hitachi High-Technologies procurement activities guidelines based on internationally accepted standards
		Continually provide guidance and support to suppliers for technology and quality improvements, including with regard to the environment

Corporate Profile



- **Company Name**
Hitachi High-Technologies Corporation
- **Headquarters Address**
24-14, Nishi-Shimbashi 1-chome, Minato-ku, Tokyo
105-8717, Japan
- **Net Sales**
653.4 billion yen (fiscal 2010, consolidated)
- **Number of Employees**
Entire Group: 10,100, Hitachi High-Technologies: 4,325
- **Subsidiaries and Affiliates**
10 in Japan, 16 overseas
- **Offices**
22 in Japan, 58 overseas in 27 countries, as of March 31, 2011

Financial Report (as of March 31, 2011)

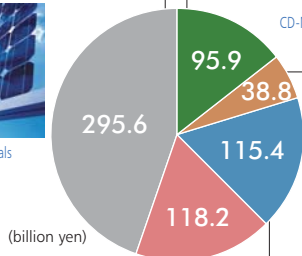
Net Sales by Business Segment

Advanced Industrial Products

Steel Products / Nonferrous Metals / Electronic Materials & Components for Semiconductors / Plastic Resins and Engineering Plastics / Solar Cell Materials / Automotive Components / Electric Power Systems / Silicon Wafers / Optical Devices & Materials / Raw Materials for Optical Disks / Semiconductor Products / Electronic Products / Oil Products



Solar Cell Materials



Industrial & IT Systems

Lithium-ion batteries Assembly Systems / Hard Disk Drives / Design and Manufacturing Solutions / TV Conferencing Systems / Telecommunications Equipment / Measuring Equipment



TV Conferencing System

Electronic Device Systems

Semiconductor Manufacturing Equipment (Etching Systems / CD-Measurement SEM / Inspection Systems / Die Bonders) / Chip Mounters and other Surface Mounting Systems



CD-Measurement SEM

Fine Technology Systems

FPD Manufacturing Equipment / HD Manufacturing Equipment / Railroad Inspection Equipment



Exposure System for Large Glass Substrate

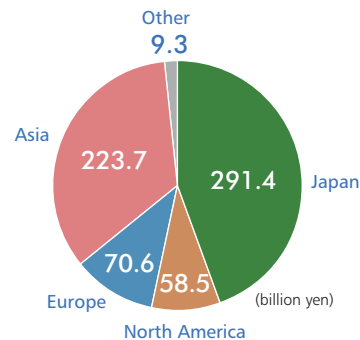
Science & Medical Systems

Mass Spectrometers / Spectrophotometers / Chromatographs / Electron Microscopes / Biotechnology Equipment / Clinical Analyzers

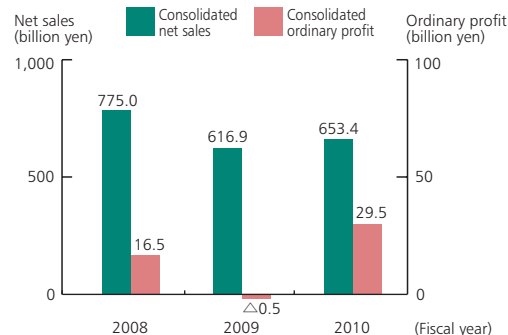


Clinical Analyzer

Net Sales by Region



Net Sales and Ordinary Profit



* Eliminations such as intersegment transactions etc. are included in the totals

Cover Photo

“The whole world” by Kouji Abe, winner of the top prize in the Hitachi High-Technologies Award. This award is part of the Earth Photo Contest 2011, sponsored by PRESIDENT Inc. and co-sponsored by Hitachi High-Technologies Corporation, among others. The photo was used on the cover of this report to express our desire to contribute to creating a sustainable society and to leave a rich natural legacy to the children who will follow after us in the future.

Publisher / Inquiries

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