

Hitachi High-Tech

HITACHI



Corporate Social
Responsibility Report
2009

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Website

This booklet is an abridged and translated edition of our complete CSR report, which is available in Japanese on our Japanese website. 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 2009 is published to update our stakeholders about our current CSR activities. The feature section, entitled “Contribution to Society through High-Tech Solutions,” explains how the business of the Hitachi High-Technologies Group contributes to health, safety, peace of mind, social infrastructures, and preservation of the environment. 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 2008 to March 2009

Next Scheduled Publication:

June 2010

Reference Guides:

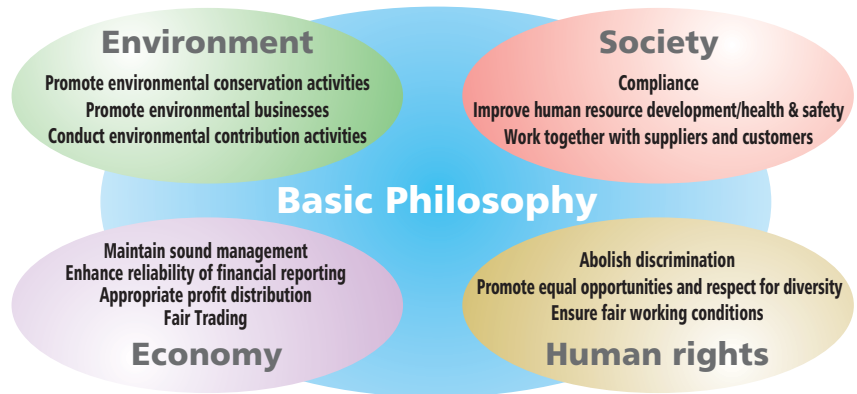
“Environmental Reporting Guidelines 2007”, Ministry of the Environment, Japan

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 (China) Co., 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. Dalian Naka Instruments Co., Ltd.

Hitachi High-Technologies' CSR Vision

To Hitachi High-Technologies, CSR means that all employees share the group's Basic Philosophy, putting it into practice in their business activities. The philosophy advocates contributing to social progress through business activities that emphasize value creation through high-tech solutions. Further, when putting this philosophy into practice, we will fulfill our corporate social responsibility with regard to the environment, society, human rights, and the economy, among other considerations.



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.

Corporate Vision

To consistently aim to be Global Top in high-tech solutions

Business Policy

1. To place the customer first, growing with our customers by providing the best solutions, consistently a step ahead of market needs.
2. To contribute to value creation in the global community through synergies between our strengths in cutting-edge technologies and our capabilities as an established trading company.
3. To aim for reliability and excellence based on our core assets of talent and technical resources, and to maximize our corporate value.

Corporate Culture Policy

1. To respect the abilities of every employee and inspire confidence to tackle new challenges.
2. To build a vibrant, enterprising company that is open to new ideas.
3. To encourage speedy and efficient performance through teamwork.

Management Policy

1. To aggressively disclose information and conduct business in a highly transparent manner.
2. To exercise social responsibility as an environmentally aware corporate citizen.
3. To conduct legally and ethically sound business activities.

Winning Respect through Employee Practices as a Company with Integrity and High Aspirations

Renewed Recognition of Corporate Social Responsibilities

The worsening of the global economic environment that began with the financial crisis in the United States has adversely affected business activities in a number of ways. At the same time, the public's trust in business has been shaken by a series of accidents related to quality control and by scandals that have cast doubt on corporate ethics. In difficult times such as this, I believe that corporations owe it to their stakeholders to return to basic principles and demonstrate a renewed recognition of their obligations to society.

At Hitachi High-Technologies, we intend to meet these obligations through stronger corporate governance, sound management informed by a spirit of compliance, and communication with all of our stakeholders. As advocated in our Basic Philosophy, we will contribute to social progress through business activities that emphasize value creation through high-tech solutions.

Contributing to Social Progress and Preservation of the Environment

As a company that combines design and manufacturing functions with trading company functions, leveraging cutting edge technologies and providing global solutions, Hitachi High-Technologies contributes to health, safety, and well-being, to

enhanced social infrastructures, and to preservation of the environment. Specific examples described in this report include clinical chemistry analyzers that enable speedy and precise reporting of clinical tests, and contaminant detection systems that help make food safer. Like our other products and services, they contribute to society through innovative solutions to the problems facing the world today.

One of our most important responsibilities is responding to environmental imperatives. To reduce the environmental impact of our business activities, we have formulated and executed an Environmental Action Plan for the group as a whole, and included environmental awareness in Quality Policy of our ISO quality management systems. As a leader in measurement and analysis technologies, we provide products that help control hazardous substances, and through our solar and fuel cell technologies we are working to enable clean energy solutions. At the same time, solutions to environmental problems must come from action on the personal level as well as from commitment on the corporate level. Throughout the group, we are working to encourage environmental awareness and individual action to preserve the environment.

Ensuring Ethics and Integrity

I think that one factor behind recent corporate scandals has been the pursuit of profit above all else and an unquestioning faith in

market principles. At Hitachi High-Technologies, we work to install a spirit of strict observance of the law, through training programs and measures taken on the basis of group-wide compliance surveys. To ensure that rules are followed in all corporate activities, we make it clear that all employees are expected to act on the basis of high ethical standards. We recognize that our business is founded on the trust of our stakeholders and society as a whole. Even under adverse operating conditions, our daily work is guided by the principles of “ethics and integrity” and “right and wrong before profit and loss”.

While striving to increase the value of the company, we recognize that integrity is the key to winning the respect of society. Under the leadership of management, including myself, the Hitachi High-Technologies Group will work to gain the trust of society by demonstrating a spirit of integrity in the actions of every employee, in every business situation.

A Company Faithful to High Aspirations

The core values of CSR at Hitachi High-Technologies are expressed in our Basic Philosophy. Our goal is for each employee to faithfully put those high aspirations into practice, working to find solutions to the issues faced by society. Mindful of the growing impact of corporate activities on society, we will engage in a dialog with our stakeholders as we carry out our daily business, fulfilling our responsibilities in the areas of the environment, society, the



A handwritten signature in black ink, reading "H. Obayashi".

Hidehito Obayashi, Ph.D.
President,
Chief Executive Officer and Director

economy, and human rights.

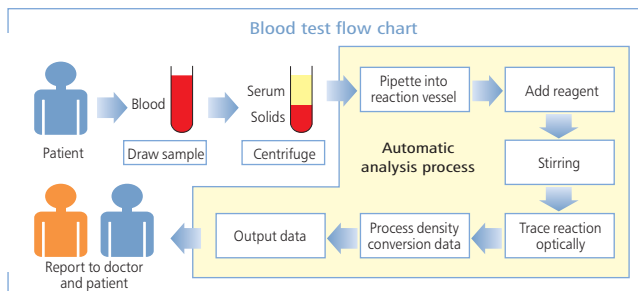
By faithfully advancing these policies throughout the group, we will contribute to preservation of the environment, provide our customers with products and services they can count on, work closely with local communities, and seek to win the trust of society as a company that is helping to make the world a better place.

June 2009

Contributing to Health Care through Clinical Chemistry Analyzer Technology

Higher Efficiency through Automatic Sample Analysis

Blood tests are an important part of periodic check-ups and comprehensive physical exams. These tests measure the levels of cholesterol, proteins, enzymes, and other biochemical components in blood serum to provide an indicator of the patient's health. The serum is prepared by using a centrifuge to separate the fluid part of a blood sample from the solid elements. Next, reagents are added to the serum to obtain a test sample, which is stirred and subjected to chemical analysis. The data for the target component is obtained by measuring the results of a chemical reaction undergone by the reagent. An automatic clinical analyzer is a machine that carries out all steps in this process automatically, instead of relying on manual processing by laboratory personnel. Automatic analyzers enable high-



Hitachi LABOSPECT 008 Automatic Analyzer

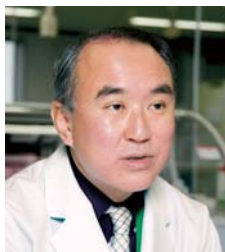
throughput and more efficient testing, because they can measure a large number of test items in a short time.

Delivering Rapid Test Results

In April 2008, the Japanese government introduced a national health exam for lifestyle diseases, popularly known as the “metabolic exam”^{*1}. Blood tests are an important part of this exam, and there is a need to improve the quality of test results. In addition to the standard test items, laboratories are often required to perform a wide range of special tests as requested by physicians. Testing is becoming more complex, and reports are wanted quickly. Automatic clinical analyzers are capable of satisfying all of those requirements.

At clinics and hospitals, rapid testing means that test results are delivered to physicians within 30 to 60 minutes after drawing of the blood samples. The Hitachi LABOSPECT 008 Automatic Analyzer delivers rapid reports thanks to processing performance that ranks in the top class among all systems available in Japan. When eight test items are measured per patient, one LABOSPECT 008 unit can handle the tests for 250 patients per hour. This high processing performance, one of the most important specifications of clinical chemistry analyzers, is made possible by advanced mecha tronics. For example, the high-

Customer voice



Masaharu Suzuki

Japanese Red Cross Tokyo Metropolitan
Blood Center Manager, Testing Section 2

Public awareness regarding blood transfusion safety is increasing. At the Metropolitan Blood Center, we welcome advances that improve the efficiency and precision of blood tests.

The LABOSPECT 008 is easy to maintain and has significantly improved our processing speed. It allows the Metropolitan Blood Center to perform blood tests for 4,000 donors every day. The quality of our test data is higher because the dedicated reagent system is more efficient than our previous reagent management system. We are happy to be able to provide our many generous donors with high-quality test results.

VOICE

Naomi Hotta

Marketing Department
Medical Systems Sales & Marketing Division
Hitachi High-Technologies

Rapid reporting of test results is not only a form of support for diagnosis by physicians but also a service to patients. It is an added value that we would like to realize wherever it can improve the quality of care at medical institutions.



throughput pipette system utilizes robot technology, and the contactless reaction sample stirring system utilizes ultrasonic waves. These advanced technologies ensure higher efficiency and highly reliable analytical data.

Technology and Services for High Reliability

Devices from Hitachi High-Technologies currently account for about a third of the clinical chemistry analyzers sold in Japan. When overseas markets are included, the company is one of the world's top manufacturers. Our success in this demanding market is due to our traditional strengths in both analytical technology and support services.

For the LABOSPECT 008, Hitachi High-Technologies cooperates with reagent manufacturers who have developed dedicated reagents especially for this machine, to enable even higher performance. These specially developed reagents are registered and marked with bar codes that enable precise management of the manufacturer, test item, expiration date, lot, and other information, for higher reliability and greater ease of use. As of March 2009, we are cooperating with 15 reagents manufacturers in Japan and two manufacturers overseas. Maintenance services are handled by Hitachi Fielding Corporation. In addition to normal maintenance, customers in Japan can obtain enhanced support through LABOSPECT Net^{*2}, an online remote support service.

^{*1}: These health exams are available to persons aged 40 to 74 who are covered by national health insurance. In addition to waistline measurements, blood tests for items such as cholesterol and blood sugar are required.

^{*2}: The LABOSPECT Net service is available only in Japan.

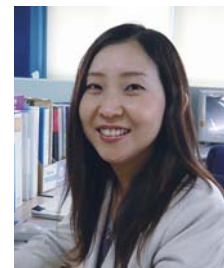
Donation of Three Units in Sichuan Earthquake Region

The Sichuan earthquake of May 2008 damaged many medical institutions. Our company, which up to now has delivered 3,500 clinical chemistry analyzers throughout China, donated three LABOSPECT 008 units to the disaster region via the China Charity Federation. We decided to donate the units immediately after the earthquake. With staff from our Chinese affiliate handling the delivery procedures, we were able to deliver the units under difficult circumstances to hospitals where they could be put to use in the medical relief effort.

VOICE

Kumiko Kamihara

Medical Systems 1st Design Department
Naka Division
Nanotechnology Products Business Group
Hitachi High-Technologies



By testing reagents provided by reagent manufacturers, and registering them as compatible with our machine, we make it easier for users to know that they have selected the right reagents. Our system makes the machine easier to operate, prevents handling mistakes, and allows users to be confident in the reliability of the analytical data.

VOICE

Koichi Kawashima

Medical Devices Department
1st Service Division
Hitachi Fielding Corporation



If any trouble should develop in a customer's system, our 24-hour LABOSPECT Net remote operation monitoring system allows us to detect it in real time and correct it quickly, so that rapid reporting of analytical data is always available for patient care.

VOICE

Yang Jun

Medical Marketing & Technical Department
Life Science Sales & Marketing Division
Hitachi High-Technologies (Shanghai) Co., Ltd.



Together with my colleagues, I stayed in contact with hospitals in the Sichuan region to assess the latest news about conditions in the disaster area. We selected three hospitals where we thought the units could be put to use most effectively, and also handled backup support. As one of those involved in this effort, I am proud that the LABOSPECT 008 was able to deliver precise measurement results even under emergency conditions and to contribute to timely medical care for the disaster victims.

Contributing to Safer Food through Clinical Chemistry Analyzer Technology

Solutions to Ensure the Safety of Food Products

As the distribution system for food products becomes more extensive and more international, rising concerns over contaminants and harmful substances in food have become a major issue in the food industry. The Hitachi High-Technologies Group develops inspection and analysis systems to support every stage in the food delivery chain, from production to research, development, processing, and packaging.

HPLC System for Analysis of Harmful Substances

High performance liquid chromatograph (HPLC) systems are used in pharmaceutical, food, chemical, and environmental laboratories. Especially in the food industry, HPLC systems are used to detect residual agricultural chemicals in vegetables and grains, as well as residual antibiotics in meat. HPLC systems are also useful for analyzing additives and other substances in processed foods. In 2008, we shipped about 2,000 units to laboratories all over the world, with food laboratories accounting for 25% of the total. In Japan, our HPLC systems help ensure safety and quality at inspection offices, public health centers and many other public organizations as well as at food processing companies.



Hitachi LaChrom Elite HPLC System

VOICE

Keiko Abe

Marketing Dept., Analytical Instruments
Analytical Systems Sales Div.
Hitachi High-Technologies

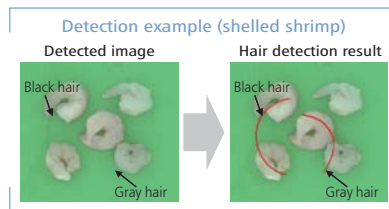
All over the world, increasingly strict regulations require food producers and processors to disclose more information about the substances contained in food. The speed and precision of our HPLC systems make them effective solutions to this challenge.



Detecting Contaminants in Food Products

Small strands of human hair, measuring only 70 microns* in width, are one of the most common and most troublesome contaminants in food products. They are difficult for existing systems to detect because hair consists of the same proteins that are found in food. This has forced food and food product suppliers to rely on visual and tactile inspections by human inspectors. The hair detector (KD-1000) delivers a solution to this problem by enabling automatic, highly reliable detection of hair strands on the surface of food products. The system is also capable of detecting animal hairs (such as cow or pig hairs) and small fish bones. It can contribute to higher quality and greater efficiency in the processing of food and food products.

*: One micron is equal to 1/1000 of a millimeter.



KD-1000
Hair Detector

VOICE



Masao Haritaya (right)
Instruments & Control Systems
2nd Dept.
Hitachi High-Tech Trading
Corporation

At food processing companies, hygiene management is an expensive, labor-intensive task. We thought that with our technological resources we should be able to help, so we proposed the development of this contaminant detection system. We hope that it can help increase trust in the safety of food products all over the world.

Yoshimi Takagi

Control Measurement System Development Center
Hitachi High-Tech Control Systems Corporation

The KD-1000 uses optical spectroscopy and image analysis technology to detect hairs automatically, which has been a goal for many years in the food processing industry. Our mission is to apply advanced technologies like these to help make the world a safer and better place.

Infrared Night Vision Cameras for Enhanced Security

Recognizing Objects That Are Hidden from Unassisted Vision

We are working to enable greater safety and security by importing and distributing a line of high-precision infrared cameras developed in the United States.

These cameras are at work in various ways throughout the social infrastructure that we depend on every day, for example by increasing security at nuclear power plants and transportation facilities. Fire departments use them for rescue work in smoke-filled buildings and in heat imaging systems that show whether fires have been completely extinguished.

An everyday example is the night-vision cameras installed in some cars, which can issue a warning to the driver if the camera detects a pedestrian ahead.

*: THERMAL-SIGHT™ is the name of a line of infrared night vision cameras made by L3 Communications Infrared Products of the United States.



THERMAL-SIGHT™* high-vision cameras detect the infrared radiation that is constantly emitted from physical objects. This advanced technology has a wide range of application, because it does not require light sources, is not affected by light, and can penetrate smoke.



Image of car ahead as seen by an automotive night vision camera

VOICE

Takashi Okamura
Automotive Systems Dept.
Hitachi High-Technologies

We hope that our night-vision cameras can increase security and help stop accidents before they happen at private and public facilities.



Video Conferencing System for Enhanced Communication Environment

Sharing High Definition Video and Clear Audio Between Multiple Locations

We provide original solutions for customer requirements, configured with optimal components procured from around the world.

The High-Tech Vision™ video conferencing system is connecting people in many fields that support our everyday lives. For example, if a natural disaster should occur, video conferencing systems will connect the disaster response centers at electric and gas companies to disaster sites, delivering realistic video in real time to enable speedy decisions and rapid restoration. They are also being used for lectures in distance education.

Video conferencing is expected to contribute to solving social issues by enabling teleworking and remote medicine in areas plagued by shortages of doctors. By eliminating the need to travel, it will reduce CO₂ emissions and lighten the burden on the environment.



High-Tech Vision™ is the realization of a value creating business model that combines the business capabilities of Hitachi High-Technologies and the solution development expertise of Hitachi High-Tech Solutions. It enables realistic face-to-face communications between remote locations.

VOICE

Tadao Kondo (left)
Net Solutions Department
Hitachi High-Technologies

Hisao Shida (right)
High-Tech Vision Techno Center
Hitachi High-Tech Solutions Corporation

We provide total support, from consultation before installation to developing/marketing of easy-to-use software, and operation and maintenance of the system.



Developing New Business Models for Recycling

Preventing Global Warming through Fluorocarbon Recycling

Hitachi High-Tech Materials Corporation is working to develop ecology-oriented technologies and business models that contribute to preservation of the earth's environment.

One example is fluorocarbon recycling. In Japan, the 2001 Home Appliance Recycling Law requires recycling of certain home appliances, such as refrigerators and air conditioners. These appliances must be dismantled in a recycling factory, and any fluorocarbon gasses they contain must be recovered and without allowing them to escape into the atmosphere. Normally they are destroyed, but this requires a great deal of energy and generates waste products that must be disposed of in landfills.

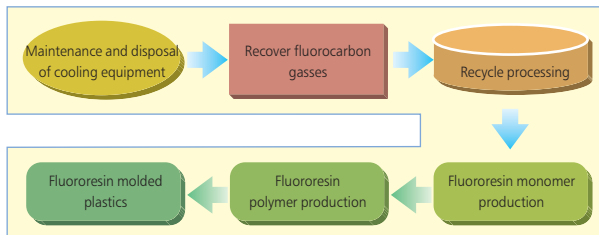
Against this background, Hitachi High-Tech Materials is cooperating with fluororesin manufacturers to develop a business model based on chemical reactions that recycle fluorocarbon into fluororesins. Compared to incineration, recycling releases only about one tenth

as much CO₂ into the atmosphere. It also generates less industrial waste, for a twofold contribution to the environment.



Fluorocarbon gas breakdown and recycling equipment

Flow of Recycling



VOICE



Satoshi Ohira

Functional Materials Department
Hitachi High-Tech Materials Corporation

Working with fluororesin manufacturers, we have developed a business that both protects the environment and benefits our customers. We would like to make further contributions to the environment by extending this business model to other materials in addition to Fluorocarbon.

Recycling Lubricating Oil for Effective Resource Utilization

The Yasugi Office (Shimane Prefecture) collects used machine oil from supplier factories for processing and resale on the market. In 2008, it recycled about 40,000 liters of used hydraulic oils, gear oils, and other oils, all of which were formerly discarded as waste. In addition to reducing waste, this contributes to the environment by making effective use of limited resources. As a trading company, we look forward to working with our suppliers and customers to develop more new businesses that help to preserve the environment.



Mixer used in recycling process

VOICE



Hisaharu Otsuka

Yasugi Office
Hitachi High-Tech Materials Corporation

Our customers are interested in energy saving lubrication solutions, and we are working to develop new products that meet an expanding range of requirements.

By collecting and recycling used industrial oils from supplier factories, we can help preserve the environment at the same time that we help our customers cut their operating costs.

Managing Chemical Substances Used in Company Products

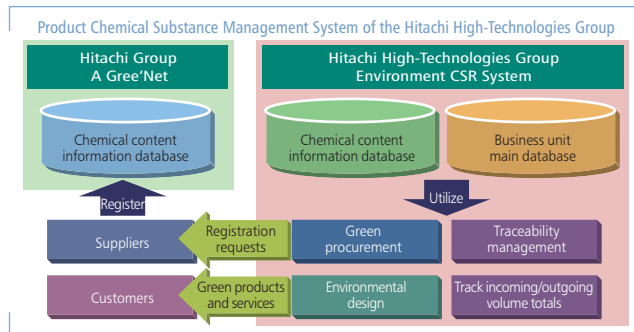
Contributing to Preservation of the Ecosystem

When used improperly, chemical substances can pollute the natural environment and disturb the earth's ecosystem. Whether they are contained in products or used in the production process, chemical substances must be handled accurately and correctly. Regulations to govern the use of chemical substances are being adopted in markets around the world. Companies that use chemical substances are expected to comply with those regulations or with even stricter voluntary guidelines. To meet these requirements, Hitachi High-Technologies has developed a comprehensive chemical substance management system.

Chemical Substance Management System of the Hitachi High-Technologies Group

As part of its effort to control environmental risks, the Hitachi Group has developed a traceability system for products containing chemical substances. Using its Internet-based green procurement system A Gree'Net ^{*1}, it also collects information from its suppliers about the chemical composition of parts and materials. This information is registered in the group's Environment CSR Management System. Together, these systems allow the group to manage the chemical substances used in its products.

The Hitachi High-Technologies Group has also developed its own Environment CSR System, which likewise utilizes the A Gree'Net system and is designed especially for the business operations of the group. This system is updated regularly for greater efficiency and ease of use. Trading divisions also cooperate with customers and suppliers to provide safe products that do not contain harmful substances.



VOICE



Koji Yamazaki

Information System Administration Department
Fine-Technology Products Business Group
Hitachi High-Technologies

The Environment CSR System is our main tool for dealing with regulated chemical substances, which are becoming more numerous every year. Currently we are working with our suppliers and users within the company to

make the system more comprehensive, for example by supporting the REACH regulations, and to make it more efficient and easier to use.

Establishing a global compliance system

We have built a global system to ensure compliance with environmental legislation of every country where we operate. Especially, in regard to RoHS Directive^{*2} and REACH^{*3} Regulation, we conduct periodical TV conferences with Hitachi High-Technologies Europe GmbH in order to establish effective and timely response to customers' inquiry concerning the presence of certain substances within our products as well as registration of chemical substances.

^{*1}: A Gree'Net is the name of the Hitachi Group's green procurement system.

^{*2}: The RoHS (Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic equipment) directive took effect on 1 July 2006 and restricts the use of six hazardous substances in manufacturing of electronic and electrical equipment put on the EU market.

^{*3}: REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) is a European Union regulation on chemicals and their safe use that came into force on 1 June 2007. Approximately 30,000 substances are within the scope of the regulation and are expected to be registered.

VOICE

Johannes Stamou

Administration Department
Hitachi High-Technologies Europe GmbH



REACH regulation came into force and it requires high attention and specific actions regarding the necessity of further steps, such as registration or notification of substances of very high concern. I will do my best in gathering the necessary information, improving communication routes and undertaking other measures in order to support our sales divisions.

Environmental Activity

Evaluation of the Fiscal 2008 Environmental Action Plan and Environmental Accounting / Fiscal 2009 Environmental Action Plan

Evaluation of fiscal 2008 performance
●: Target achieved ▲: Needs improvement

Category	Subcategory	Main initiatives and results in fiscal 2008	Achievement Rating	Cost of Environmental Protection Activities			
				Fiscal 2007		Fiscal 2008	
				Cost	Investment	Cost	Investment
Establishment of a corporation that creates environmental values	1. Nikkei Environmental Management Survey	• Ranked first for six consecutive years in the trading company category of the Nikkei Environmental Management Survey conducted by Nikkei Inc.	●	–	–	–	–
	2. Environmental activities	• Green 21 result: 1,071 points, including affiliated companies (target: 1,024 points)	●				
Eco-mind & Global Environmental Management	1. Environmental management	• Quarterly assessment of progress and implementation of improvements	●	502	–	514	–
	2. Environmental management system	• Improved management system based on the integrated environmental management system of the Hitachi Group • Acquired ISO14001 certification for five overseas sites and supported preparations for certification by other sites	●				
	3. Environmental accounting	• Expanded environmental accounting at main affiliated companies in Japan, and promoted implementation by new companies	●				
	4. Environmental education	• Implemented environmental e-learning for entire group • Implemented environmental education in rank-specific training programs	●	83	–	58	–
Next generation Products & Services	1. Eco-products	• Registered 10 new products (including 6 Super Eco-Products) • Achieved Eco-Product ratio of 100% for new products (target: 80%, Naka site)	●	1,283	–	1,078	–
	2. Control of hazardous substances used in products and Environmentally CSR-compliant Monozukuri	• Operated and improved chemical substance information management system • Began environmentally CSR-compliant Monozukuri activities at overseas sites	●				
	3. Sustainable business	• Definition of environmental impact and planning of business models to reduce impact on next generation	●				
Super Eco-factories & Offices	1. Global warming prevention	• Reduced CO ₂ emissions per unit of domestic production by 9% from fiscal 1990 base level, compared to target of 21%	▲	134	472	184	229
	2. Resource recycling promotion	• Reduced waste by 17% from fiscal 2000 base level, compared to target of 16% • Achieved resource recycling targets at all target sites (6% increase from fiscal 2005 base level)	●	152	22	169	17
	3. Chemical substances management	• Continued implementation of plan to reduce VOC emissions	●				
	4. Eco-factories & offices	• Implemented measures to reduce waste at model worksites	●	149	32	159	175
Worldwide Environmental Partnership	1. Environmental communication	• Published CSR Report 2008 (Japanese/English/Chinese); distributed to all stockholders and employees • Issued Naka Division Environmental Site Report • Set up environmental corners at factory open days, responded to survey and tour requests	●	17	–	19	–
	2. Global citizenship activities	• Business units implemented environmental activities in local communities • Undergrowth thinning in the Hitachi High-Tech Yasato Forest by employees and their families	●				
Total				2,327	526	2,181	421

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

● Environmental accounting tabulation standards

1) Scope: Hitachi High-Technologies Corporation (headquarters, domestic branch offices and divisions), domestic manufacturing companies and several sales companies.

2) Reporting period: April 1, 2008–March 31, 2009

3) Costs: Includes labor, R&D, depreciation, etc. (Compound costs, which include costs for environmental protection and costs for other purposes, are included by extracting the parts specific to environmental protection.)

4) Results: Real income = income obtained through activities related to environmental protection; Cost reduction = cost reduction due to the environmental impact reduction plan (not including estimated reduction activities)

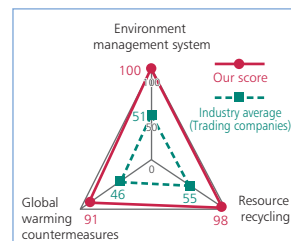
(Unit: million yen/year)

Fiscal 2008 Results		Main environmental initiatives in fiscal 2009
Real Income	Cost Reduction	
—	—	<ul style="list-style-type: none"> • Maintain a high rank in the Nikkei Environmental Management Survey • Achieve a Green 21 rating of 1,152
—	—	<ul style="list-style-type: none"> • Complete implementation of environmental management system in line with tightened environmental regulations • Proactively incorporate environmental management into business strategy • Continue working within the integrated environmental management system of the Hitachi Group • Extend environmental management systems to overseas affiliated companies • Ensure that environmental accounting is firmly established and functioning
—	—	<ul style="list-style-type: none"> • Foster environmental consciousness in employees and their families • Increase use of Hitachi Group e-learning tools
—	—	<ul style="list-style-type: none"> • Achieve Eco-product qualification rate of 80% for new products • Register more products as Super Eco-products • Ensure ongoing rigorous management of harmful chemical substances • Ensure ongoing compliance with national and regional laws and regulations (EU RoHS, REACH, other) • Strategically promote business models to reduce environmental impact on next generation
—	48	<ul style="list-style-type: none"> • Increase reductions in CO₂ emissions per unit of domestic production
37	5	<ul style="list-style-type: none"> • Reduce industrial waste by 16% (from fiscal 2000 base level) • Increase ratio of recycled resources by 10% (from fiscal 2005 base level) • Reduce emissions and strengthen management of chemical substances • Strengthen PCB management
—	—	<ul style="list-style-type: none"> • Promote eco-factories (industrial wastewater management) and eco-offices
—	—	<ul style="list-style-type: none"> • Ongoing promotion of communication with stakeholders • Publish CSR Report and Environmental Site Report • Explain environmental activities at factory open days, respond to survey and tours requests • Consider product exhibitions at Eco-Products Tokyo and other international exhibitions • Help to plan volunteer activities and encouraging employees to volunteer in local community environmental projects
37	53	

Environmental Activity Highlights

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

In the 12th Environmental Management Survey conducted by the Nikkei Inc., we ranked first in the trading company category for six years in a row. This ranking recognized the overall accomplishments of the Hitachi High-Technologies Group, including the achievement of zero emissions at major domestic operating facilities and awards for environmental activities.



Our score

Environmentally Friendly Factory And Office

In February 2008, Hitachi High-Tech Instruments Co., Ltd. completed a new factory with energy-saving air conditioning and lighting and a centralized climate monitoring and control system, for lower power consumption. The parking area is paved with porous asphalt that absorbs rainwater instead of forcing it into the public sewer system. Tree planting was also carried out using trees donated by the employees.



New factory



Tree planting

Forest Planting and Beautification Projects

Our group carries out various volunteer activities to contribute to environmental preservation. In 2008, volunteers from offices in eastern Japan participated in the Hitachi High-Tech Yasato Forest project and in a Jonanjima beach cleanup on Tokyo Bay. At Hitachi High-Tech Fielding, volunteers from eastern, central and western offices participated in the HISCO Forest project. Kasado Division volunteers participated in the Hanaguri/Shirahama Beautiful Beach Project and other local cleanup projects.



Tree planting (Yasato Forest)



Beach beautification (Kasado Div.)

Initiatives at Company Offices and Group Companies

Support for Science Education

Observing Nature through Electron Microscopes

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

Tokyo, Japan

Head Office, Hitachi High-Technologies

Tabletop Microscope Experience Program

Since May 2008, the head office has been lending a Hitachi High-Technologies Tabletop Microscope to universities and other organizations, which devise special programs aimed at supporting scientific study at schools. At regular events organized by these universities, Tabletop Microscope is used to allow elementary, junior-high and high school students to experience science at first hand. Since there's a concern that today's children are uninterested in natural sciences, we hope this program will expose more children to the wonders of science and make them want to learn more about science and engineering.



Tabletop Microscope

Osaka, Japan

Kansai Branch Office, Hitachi High-Technologies

Parent-Child Microorganism Observation Seminar

In August 2008, the office provided an electron microscope, other equipment, and meeting space for a parent-child seminar led by university professors. The seminar is a regular event. It is held every year to introduce children and their parents to the fascinating world of science.



Parent-child observation seminar

Tokyo, Japan

Hitachi High-Tech Fielding Corporation

Support for Environmental and Science Education

Since 2001, Hitachi High-Tech Fielding has cooperated with local primary schools to implement an educational support program that allows children to experience and enjoy science and technology, and to appreciate the importance of our natural environment. In August 2008, the program gave students a chance to experience learning with an electron microscope.



Children with electron microscope

Enhancing Quality and Environmental Management Systems

Singapore Head Office, Ang Mo Kio Office, India Office, Philippines Office

Hitachi High-Technologies (Singapore) Pte. Ltd.

Integrated ISO 14001/ISO 9001 Certification at Four Sites



India office staff



Philippines office staff

In September 2008, four sites under Hitachi High-Technologies (Singapore) simultaneously acquired integrated certification for the ISO 14001 (environment management) and ISO 9001 (quality management) standards. The purpose of the certification program is to ensure that products and services are provided quickly and in an appropriate and environmentally conscious manner, to an even greater extent than before.

Amid the trend toward globalization, certification will allow Hitachi High-Technologies (Singapore) to be trusted as a company that complies with laws and regulations and that cares about quality and the environment.

Promoting Diversity

Tokyo, Japan
Hitachi High-Tech Support Corporation
Kawasaki city, Kanagawa Prefecture, Japan
Hitachi High-Tech Solutions Corporation

Workplaces to Empower the Disadvantaged



Ayako Murota, with gold medal
recognizing skills honed on the job



Chiaki Nakazato handling
in-house mail deliveries

The policy of the Hitachi High-Technologies Group is to realize workplaces where individuals with varying skills and abilities can work together to achieve common goals.

Through training and on the job experience, all employees are encouraged to develop their skills and contribute each according to their abilities.

In fiscal 2008, two disadvantaged employees won awards in national and regional skill contests. Ayako Murota won a gold medal in the computer skills event at the National Abilympics in October 2008, and Chiaki Nakazato won a gold medal in the office assistant event at the Tokyo Abilympics in February 2009.

Community Relations

Hitachinaka city, Ibaraki Prefecture, Japan
Naka Division, Hitachi High-Technologies

Open Day and Community Participation

The Naka Division interacts with the local community by hosting open events and becoming involved in a variety of public activities.

In August 2008, the division held its Midsummer festival, with open workplace tours that were attended by about 400 residents, both children and adults.

Many volunteers from the division also turned out to assist with the national Katsuta Marathon, which passes nearby. Their responsibilities included directing traffic, handling registration and data entry, and issuing finisher certificates.



Computer demonstration at Summer festival



Volunteers issuing finisher certificates at
Katsuta Marathon

Dallas Office

Hitachi High Technologies America, Inc.

Contributions Led by Community Activity Committee

The Community Activity Committee of Hitachi High Technologies America coordinates a number of ongoing community involvement activities, and also supports Japanese-American cultural exchanges.

In 2008, in cooperation with the local educational committee, the Dallas office recommended a local teacher to the Hitachi Japanese-American Teacher Exchange Program. The teacher was sent to the city of Hitachi, Ibaragi Prefecture, to learn about the Japanese education system by visiting schools, observing classrooms and interacting with teachers. He also experienced the blending of the modern and traditional in Japanese life through a homestay with a host family.



Classroom instruction in Japan

Management

To enhance the transparency of our management structure, we have adopted a committee-based 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” style 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 reinforce the supervision of business execution.

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 Corporation Law, the Financial Instruments and Exchange Law, and the SOX Act^{*1} of the United States. The Audit Committee monitors the execution of business activities through this internal control system, performs audits according to its audit plans, and reports the results to the Board of Directors. The Audit Committee cooperates closely with independent auditors to ensure proper accounting.

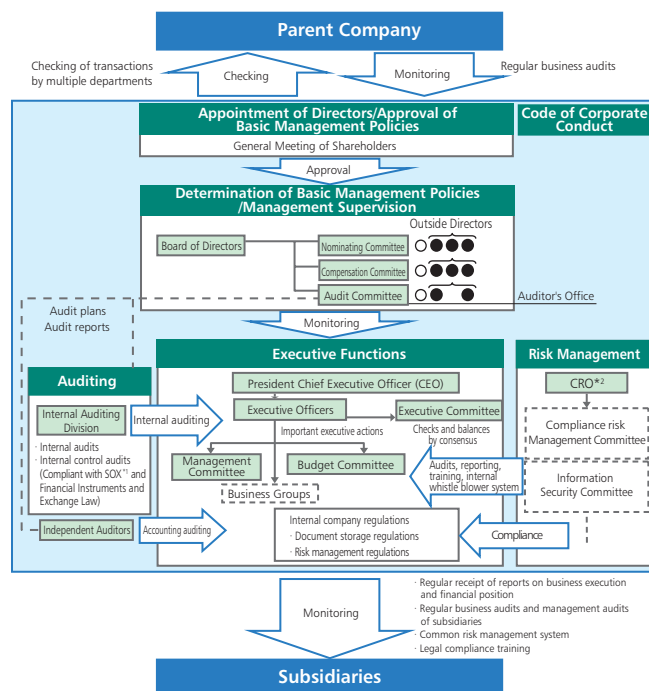
*1: The Sarbanes-Oxley (SOX) Act of 2002 set new standards for accounting controls and corporate governance. We are required to comply with this law because our parent company, Hitachi Corporation, is registered on the New York Stock Exchange.

*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.

Compliance risk Management

Hitachi High-Technologies has established a Compliance risk Management Committee. Under the leadership of the CRO, this committee conducts regular 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 case study workshops and encourage all employees to perform their own information security audits.

Business Execution, Management Oversight and Internal Control System (As of April 1, 2009)



In fiscal 2008, we conducted group-wide compliance training based on the results of a fiscal 2007 compliance questionnaire. First, 125 people responsible for compliance in each Division attended training sessions led by outside instructors. Next, about 2000 management level employees attended study sessions to identify, assess, and prioritize risks in each department and to formulate action plans, which were communicated to all employees. In fiscal 2009, we intend to conduct another compliance questionnaire of all employees to gauge the effectiveness of these actions.

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

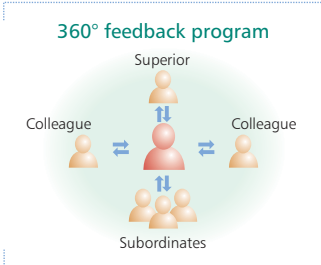
Main Achievements in Fiscal 2008
<ul style="list-style-type: none"> · Implement 360° feedback program* · Began reassessment of internal human resource system to respond to changes inside and outside the company
Future Challenges
<ul style="list-style-type: none"> · Continue reassessment of internal human resource system · Development of internationally proficient personnel

In response to major changes inside and outside the company, we began a reassessment of our overall internal human resource system in fiscal 2008. Taking a practical approach, we intend to deepen and extend this reevaluation, aiming for a system that allows all employees to develop their skills and feel motivated and satisfied with their work.

In order to actively support career development of each and every employee, we conduct training programs that are centered around four themes: rank-specific training, internationalization, business and engineering. We also put a special emphasis on developing personnel with the skills required for international business.

The results of action taken as a result of this reevaluation will be checked in our biannual survey of all employees.

*: The 360° feedback program entails receiving feedback regarding management methods not only from superiors, but also from others in the same office including colleagues and subordinate staff.



Education System of Hitachi High-Technologies						
Chief manager	Executive officer					
Manager	Manager					
Section chief	Section chief	Global manager	Marketing, presentation skills	Common skills and technology	Specialized skills and technology	
	Newly assigned controller					
Unit leader	Management strategy	Global business				
	Basic management training					
Person in charge	Middle class training	Overseas training				
	Follow-up training					
New-comer	General training for newcomers	English for newcomers				
	Rank-specific training	Internationalization	Business	Technology/Skills		
Rank	Training course					

Safety and Health

Main Achievements in Fiscal 2008
<ul style="list-style-type: none"> · Implemented safety patrols, safety training and other steps toward zero accidents · Created earthquake response manual and implemented training
Future Challenges
<ul style="list-style-type: none"> · Promote health management keyed to employee life patterns · Measures to reduce risk from large-scale natural disasters

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 are leading the effort to enhance work safety, for example by ensuring that manufacturing equipment is fundamentally safe. Initiatives to safeguard employee health include regular medical check-ups (including the new “metabolic exam” for employees aged 35 and older) as well as measures to promote good mental health.



Fire extinguisher training at head office

Customer and Business Partner Relations

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

Global ISO 9001 Certification

Main Achievements in Fiscal 2008

- Acquired ISO certification in China and the ASEAN region
- Promoted procedures for certification of the Fine Technology Products Business Group

Future Challenges

- Promote acquisition of certification at overseas group companies

As part of our effort to ensure customer satisfaction, we are working toward certification of more sites within the group. Certification has already been acquired by the head office (2005), nationwide sales and corporate divisions (2006), the Lexington Office of Hitachi High Technologies America (2007), and four sites in China (2008), as well as sites in the ASEAN region (see page 13). In April 2009, certification was acquired by

the Fine Technology Products Business Group, following on the Naka and Kasado Divisions and giving us even stronger integration between manufacturing, sales, and service divisions.

To evaluate our initiative for greater customer satisfaction, each division listens to its customers and reports their opinions to top management. The sales divisions commission annual third-party customer satisfaction surveys, which allow us to reflect frank customer opinions in our business activities. This commitment to ongoing improvements based on customer opinions is an important part of our effort to improve the quality of our business endeavors.



QMS awareness poster

Cooperating with suppliers to meet common CSR objectives

Main Achievements in fiscal 2008

- Implemented survey in regard to chemical substances contained in suppliers' products (registered in A Gree'Net*)
- Requested our suppliers to comply with information security rules

Future challenges

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

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

It is our vital importance to set up a favorable partnership with our suppliers of component parts, materials and products.

In order to conform to the common procurement guidelines specified for the Hitachi group, we are maintaining fair trade relationship with both domestic and overseas companies, conducting

adequate quality evaluation, selecting suppliers through proper procedures, and ensuring information security related to business transactions.

Twice a year our suppliers are invited to a meeting, which we hold in order to promote information exchange and better communication.

Our trading divisions also strive to ensure timely and high-quality procurement, including compliance with the green procurement requirements of our customers.

With the cooperation of our suppliers and other business partners,

we intend to strengthen our management of harmful chemical substances in accordance with the Hitachi Group's environmentally CSR-compliant Monozukuri policies (see page 10).



Meeting with suppliers at
Fine Technology Products Business Group

Corporate Profile



Company Name

Hitachi High-Technologies Corporation

Headquarters Address

24-14, Nishi-Shimbashi 1-chome, Minato-ku, Tokyo

105-8717, Japan

Net Sales

775.0 billion yen (fiscal 2008, consolidated)

Number of Employees

Entire Group: 10,508, Hitachi High-Technologies: 4,629

Subsidiaries and Affiliates

10 in Japan, 17 overseas

Offices

25 in Japan, 59 overseas in 27 countries, as of March 31st, 2009

Financial Report (as of March 31, 2009)

Net Sales by Business Segment

Advanced Industrial Products

Steel Products / Special Steel Products / Nonferrous Metals / Electronic Materials & Components for Semiconductors / Plastic Resins and Engineering Plastics / Electronic Materials / Optical Device & Materials / Raw Materials for Optical Disk / Construction Equipment / Automotive Components / Oil • Oil Products • Gas



Silicon



Solar cell materials

Information Systems and Electronic Components

Measuring Equipment / Chip Mounters / Automated Assembly Systems / Vehicle Test Systems / Electric Power Systems / Advanced Research Facility for National Science Project / Computer Systems / Printer and Computer Peripherals / Semiconductor Products and Related Products / TFT Displays / Electronic Products and Devices



High Definition Video Conferencing System



Chip Mounters

Electronic Device Systems

Semiconductor Process Equipment (Etching Systems) / Semiconductor Metrology and Analysis Equipment / Electron Microscopes / Liquid Crystal Display-related Production Equipment / Hard Disk Drive-related Production Equipment / Railway Inspection Equipment



Large Glass Substrate Exposure System

Scanning Electron Microscopes

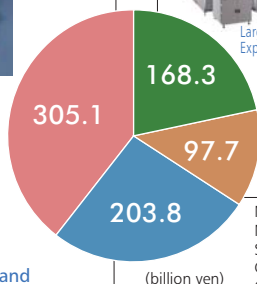
Life Sciences

Mass Spectrometers / Nuclear Magnetic Resonance Equipment / Spectrophotometers / Chromatographs / DNA Sequencers / General-Purpose Analysis Equipment / Automatic Clinical Chemistry and Immunodiagnostic Analyzers

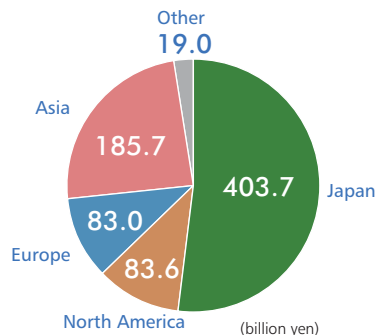


Ultrahigh-speed Liquid Chromatograph

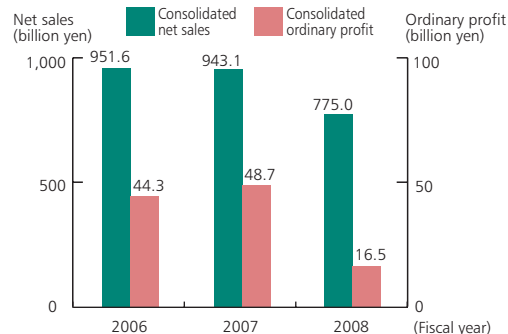
Automatic Clinical Chemistry Analyzer



Net Sales by Region



Net Sales and Ordinary Profit



Cover Photo

"Warmth" by Akiko Kawano, winner of the Hitachi High-Technologies Award in the Earth Photo Contest 2009, sponsored by President Co., Ltd. Hitachi High-Technologies Corporation is among the contest's co-sponsors.

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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