

Hitachi High-Tech

Corporate Social
Responsibility Report
2013



Hitachi High-Technologies' CSR Vision

Corporate social responsibility (CSR) at the Hitachi High-Tech Group is guided by a our group's basic philosophy shared by all officers and employees, and implemented in corporate activities.

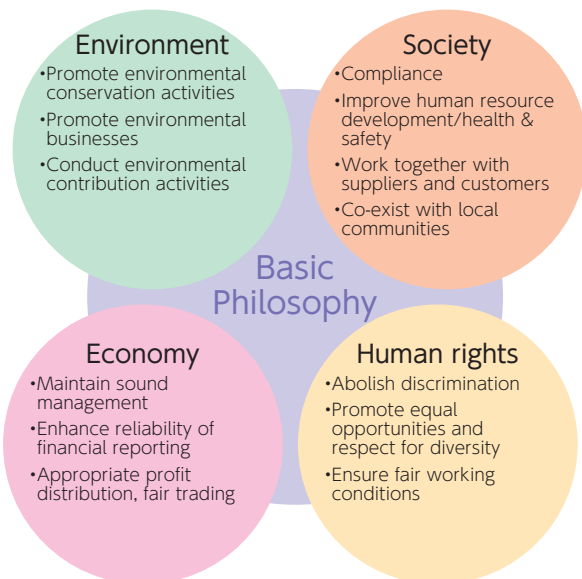
Based on the CSR policy of the Hitachi High-Tech Group, we promote CSR activities on a Group-wide basis, paying close attention to the themes of "Environment," "Society," "Economy," and "Human Rights," in fulfilling our social responsibilities as a corporation.

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.

Themes in Fulfilling Our Social Responsibilities

The Hitachi High-Tech Group positions four specific fields as themes for implementing its basic philosophy and fulfilling its responsibilities to society.



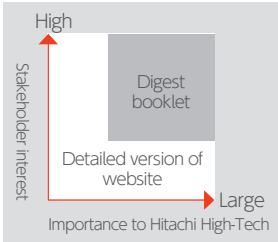
CSR Policy of the Hitachi High-Tech Group

The CSR policy of the Hitachi High-Tech Group, applicable to CSR efforts across the entire Group, embodies activities designed to put our basic CSR philosophy and mission into practice.

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

Editorial Policy

The purpose of this report is to promote better understanding among stakeholders of the Group’s basic approach to CSR, achievements in this area in fiscal 2012, and future initiatives. The website now features a comprehensive posting of CSR activities. The booklet, meanwhile, will be a digest version, and will consist of readable prose that intuitively lays out information that the Hitachi High-Tech Group wants to convey to readers.



- CSR Report 2013 Digest Booklet → Report of key examples of CSR activities
- Detailed website “CSR Initiatives” → Report of data and updated information on CSR activities
- Annual reports → Report of financial information, primarily

Scope of this Report

This is a report of activities primarily for fiscal 2012 (from April 2012 to March 2013). Please note that some content reported may fall beyond this scope.

Organizations

Although the primary focus is the reported activities of Hitachi High-Technologies, the activities of the Hitachi High-Tech Group as a whole or individual Group companies are also reported for certain categories.

*Note regarding subject expressions
When Hitachi High-Technologies alone is indicated, the expressions “Hitachi High-Tech,” “the Company” or “non-consolidated” are used. In contrast, the expressions “the Hitachi High-Tech Group,” “the Group,” and “consolidated” are used to refer to the Hitachi High-Tech Group as a whole.

Date of publication

June 2013 (Next report to be published in June 2014, previous report was published in June 2012)

Expected readership of the report

This report was produced for readership by all stakeholders, including customers, procurement sources and suppliers, shareholders and investors, employees, and local communities and society members, as well as by CSR research institutions and other specialists.

Reference guidelines

- Sustainability Reporting Guidelines version 3.1
- “Environmental Reporting Guidelines 2012,” Ministry of the Environment, Japan
- ISO26000

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Affiliated Companies

Area	Type of Business	Company Name
Domestic	Sales	Hitachi High-Tech Solutions Corporation Hitachi High-Tech Materials Corporation Hitachi High-Tech Support Corporation Giesecke & Devrient Kabushiki Kaisha
	Service & Manufacturing	Hitachi High-Tech Fielding Corporation Hitachi High-Tech Fine Systems Corporation Hitachi High-Tech Control Systems Corporation Hitachi High-Tech Manufacturing & Service Corporation Hitachi High-Tech Instruments Co., Ltd. Epolead Service Inc.
Overseas	Sales & Service	Hitachi High Technologies America, Inc. Hitachi High-Technologies Science 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. PT. Hitachi High-Technologies Indonesia Hitachi High-Technologies India Private Limited 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 Instrument (Shanghai), Co., Ltd.

(As of April 2013)



Bringing the Value High-Tech Solutions Create to Bear on the Advancement and Development of Society

President and Chief Executive Officer

A handwritten signature in black ink, appearing to read 'Shirada', with a long horizontal flourish extending to the right.

A Year for Stepping Up Our Fulfillment of CS11

Allow me to begin by thanking our shareholders and other stakeholders for their continued support and understanding.

Back in 2011, the Hitachi High-Tech Group formulated a long-term management strategy named Corporate Strategy 2011 (CS11) for culmination in fiscal 2013, the year ending March 2014, with a view toward fulfilling our corporate vision of “Becoming a Global Top in high-tech solutions.” In fiscal 2012, our employees took ownership of CS11, and rose to the challenge of planting the seeds for the next 10 years.

We established the Omuta Center—a BCP¹-ready manufacturing base in Omuta City, Fukuoka Prefecture for ensuring a stable supply of disposable medical and life science products—along with bolstering our manufacturing capabilities in Dalian and Suzhou, China in fiscal 2012. New investments included SII NanoTechnology Inc., which we acquired as a subsidiary and renamed Hitachi High-Tech Science Corporation in January 2013. This company was integrated into our Group in a deliberate attempt to enhance our analytical and measurement instruments business and make steady progress actualizing CS11.

The Great East Japan Earthquake remains deeply en-

grained in the challenging and trying business conditions we still face in Japan. But even in these uncertain and wavering times, we have seen stirrings of change that have the potential of giving rise to new business paradigms. I firmly believe that we can use these fledgling times to our advantage in growing strong as a company, and that these are the times when the greatest opportunities for growth can be found. With this in mind, we intend to make fiscal 2013 the year for stepping up our fulfillment of CS11.

1. Business continuity plan

Extensive Dialogue with Stakeholders

Our unique capabilities in the area of high-tech solutions underpin the significance of the Hitachi High-Tech Group’s social existence: creating value through such solutions and thereby contributing to the advancement and development of society. In January 2012, Hitachi High-Tech, together with Hitachi Corporation, received an IEEE Milestone² from the Institute for Electrical and Electronics Engineers (IEEE)³ for developing the world’s first practical Field Emission Scanning Electron Microscope. This is but one testament of the new value we continue to provide society.

We do business in next-generation next-generation electronics, life sciences, environment and new energy, and social innovation, fields that are subject to rapid change in which it is extremely difficult to foresee future prospects. To stay on top of the competition, each employee working for Hitachi High-Tech strives to never lose sight of 1) knowing their stakeholders and 2) what their stakeholders need.

By listening in earnest to the views and ideas of stakeholders through extensive dialogue, Hitachi High-Tech will grasp social issues and society's unmet needs. Based on this understanding, we will take swift actions while rigorously giving top priority to market-oriented development, with the view to demonstrating our business creation capabilities. This process will allow us to generate high-tech solutions unique to the Hitachi High-Tech Group and thereby provide society with creative and innovative forms of new value.

2. The IEEE Milestone honors historical technical achievements from among innovations in the electrical, electronics, information and communications engineering fields that have contributed substantially to the advancement of society and industry. The IEEE Milestone is awarded only after at least 25 years have passed since the relevant technological development.
3. Headquartered in the U.S.A., the IEEE (pronounced "eye-triple-E") is the world's largest professional association of electrical, electronic, information, and communication engineers, with more than 400,000 members in 160 countries worldwide.

Understanding Diverse Values and Cultures

Having proclaimed we will improve our overseas sales ratio, our frontlines for seizing business opportunities extend globally from developed countries to emerging markets. We intend to boldly tackle the business opportunities we have grasped on the frontlines of our operations. Measures include collaboration with cutting-edge customers in developed countries, shifting procurement and production resources overseas, and accelerating new business development initiatives originating overseas.

Meanwhile, in the course of developing business globally, Hitachi High-Tech must also address human rights and supply-chain issues based on an international code of conduct, which we had not have face directly until now. Among these issues are child labor problems and checking whether or not suppliers are using conflict minerals. We must address these new issues in earnest from a CSR perspective, in addition to

complying with the law. Considering the multitude of values and cultures that exist in the global market, we believe that the first step is to understand the differences between our thinking and these values and cultures.

Embracing these differences as a basic premise, all executives and employees will share a common philosophy, values, and strategy as a group. This is essential to achieving our corporate vision and capitalizing on our comprehensive strengths and synergies. This was precisely why we devoted so much energy to the Hitachi High-Tech WAY, a worldwide internal communication program, in fiscal 2012.

Trusted Individuals Create Trustworthy Companies

The Hitachi High-Tech Group must continue to constantly prove trustworthy in the eyes of the public to achieve sustainable growth in step with society. Companies are first and foremost built on people. Accordingly, each one of us must strive to be trustworthy individuals by remaining aware of ethics and integrity and putting right and wrong before profit and loss. In view of this, during corporate ethics month every October, we send a message on compliance to all employees in an effort to rigorously instill awareness.

Furthermore, given that the Hitachi High-Tech Group has grown into a global enterprise with over 30 Group companies and around 10,000 employees, we must have a risk management system in place spanning the entire organization. In fiscal 2012, we established the Internal Control Management Committee to strengthen internal controls. Under this framework, we are also working to prevent compliance breaches, through such means as overseeing compliance and risks throughout the Group.

The Hitachi High-Tech Group will continue to engage in dialogue with stakeholders in order to realize its corporate vision. To this end, each and every member of the Group will remain ever mindful of their role as a member of society. And while giving consideration to the environment and human rights, the Group will rigorously conduct risk management and proper disclosure of information. At the same time, we will work to solve various issues through our core businesses, with the aim of contributing to a sustainable society.

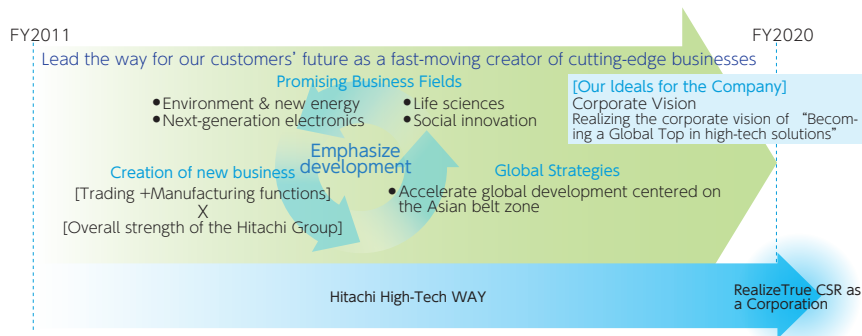
June 2013

Long-term Management Strategy and Business Activities

CS11 Long-term Management Strategy for Realizing Our Corporate Vision

In October 2011, the Hitachi High-Tech Group's tenth anniversary of its founding, the Group formulated a Long-term Management Strategy (CS11: Corporate Strategy 2011). Serving as a roadmap for its next decade, CS11 is designed to realize the Group's corporate vision of "Becoming a Global Top in high-tech solutions." With CS11 shared by all of its members, the Hitachi High-Tech Group is working to realize a sustainable society.

Overview of Long-term Management Strategy (CS11: Corporate Strategy 2011)



TOPICS

Hitachi High-Tech Science Launched

In January 2013, SII NanoTechnology Inc. (SII NanoTech), a company with advanced technological capabilities in cutting-edge analytical and measuring instruments fields, joined the Hitachi High-Tech Group, and made a fresh start as Hitachi High-Tech Science Corporation. Hitachi High-Tech Science will establish a stable earnings base as a comprehensive manufacturer in the scientific instruments field, while upgrading and expanding analysis and inspection solutions tailored to customer needs in growing fields such as the environment and new energy, and life sciences.



Hitachi High-Tech Science Corporation, Oyama Plant

Local Development and Production Commences in Dalian, China

In August 2012, Hitachi Instrument Dalian Co., Ltd. commenced shipments of Hitachi High Performance Liquid Chromatograph Primaide, a model designed for emerging markets. This was the Group's first product for which all processes, from R&D to manufacturing, were undertaken overseas. The Group will establish an integrated business framework spanning marketing, development, production and other operations in China, where growth is expected to continue going forward. Our goal is to launch competitive new products in China in a timely manner.

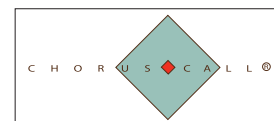


Hitachi High Performance Liquid Chromatograph Primaide

Entry Into the Communications Cloud Business

On April 1, 2013, Hitachi High-Tech jointly established Chorus Call Asia Corporation with Chorus Call, Inc., a company based in the U.S. with a communications cloud* business that already spans 10 countries around the world. By fusing Chorus Call's expertise and development capabilities with Hitachi High-Tech's sales and marketing capabilities, Hitachi High-Tech will make inroads into the communications cloud business in Japan and the rest of Asia.

* A catchall term encompassing video conferencing, audio conferencing, and web conferencing services.

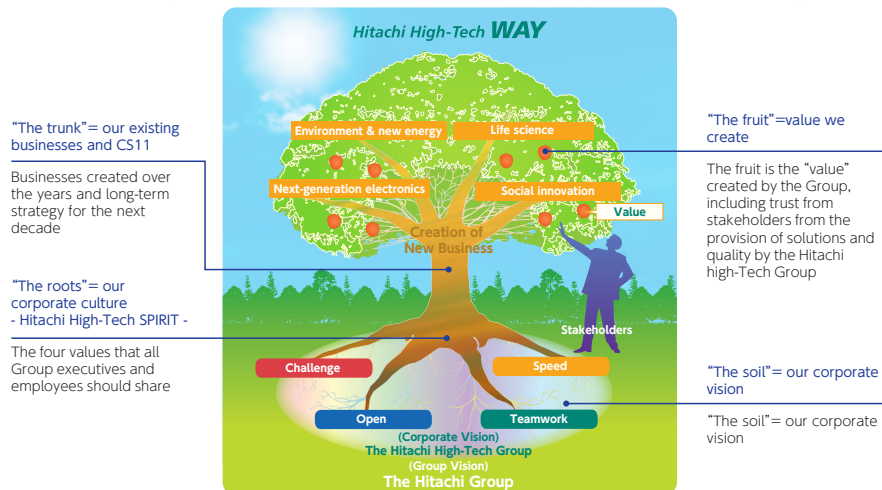


Hitachi High-Tech WAY

The Hitachi High-Tech WAY for Realizing Our Corporate Vision

To swiftly realize the Group's corporate vision and further capitalize on its comprehensive strengths and synergies, the Group encapsulated its basic philosophy, values and strategy together in the Hitachi High-Tech WAY. All Hitachi High-Tech Group executives and employees share a common commitment to the Hitachi High-Tech WAY, which they put into practice in their activities each day in a bid to improve the value they provide to stakeholders.

The Hitachi High-Tech WAY Tree (Basic philosophy, value and strategy)



Activities to Promote Penetration of the Hitachi High-Tech Way

WAY Workshop

The Group promotes a range of activities to promote penetration of the Hitachi High-Tech WAY as a means to encourage sharing of the philosophy among all Group executives and employees and fostering a sense of unity.

In fiscal 2012, the Group organized a promotion structure for the WAY at each worksite to ensure further penetration and enactment at the frontlines of business. Led by the Chief WAY Officer (CWO), the promotion structure consists of a WAY Officer, WAY Coordinator and WAY Leader assigned to serve as promoters in each worksite.

Furthermore, WAY workshops were held in Japan and overseas. Every workshop is attended by various Group companies and members from different

divisions. The Group has held 22 WAY workshops, attended by around 260 people in Japan and around 120 people overseas.

The WAY workshop is designed for employees to learn how to identify issues and make improvements in the course of their daily duties, such as by changing their perspective, methods,

and awareness, beginning with sharing the Hitachi High-Tech SPIRIT.

Discussions and group work sessions on themes such as "what is necessary to implement the WAY" and "conducting operations based on the WAY" are held, in order to facilitate the realization of the WAY through daily routines.



WAY workshops organized by WAY leaders



A WAY workshop at Hitachi High-Technologies Korea Co., Ltd.

Become a Genuine Global Top Through Localized CSR Activities

In order for the Hitachi High-Tech Group, which promotes global operations on the basis of CS11, to achieve sustained growth, it is essential that we have an understanding of diverse cultures and values and earn trust with local ties. Our CSR activities are broad ranging and include environmental protection, human rights and community contribution, and while awareness varies with the country and region for historical and cultural reasons, our overseas Group companies are extending the circle of trust through locally rooted activities.

*● marks in the map indicate main activity sites.

Hitachi High-Technologies (Singapore) Pte. Ltd.

Group companies in the ASEAN and Indian regions are managed under the leadership of the Singapore head office. The company is particularly focused on environment and energy, automotive, and electronics business fields for growth markets in the Asian belt.

Mitigating Risk with Higher Ethical Standards

As a part of efforts to reinforce its risk management framework, Hitachi High-Technologies (Singapore) maintains a compliance training system that covers the ASEAN region and India, which are dispersed geographically. The company is addressing the high risk issues of improper purchasing activities and bribes directed at public officials, which are practices rooted in local culture and custom, by rigorously instilling the Hitachi High-Tech Group's firm commitment to integrity and ethics and to putting right and wrong before profit and loss in each and every employee working in the region.

Compliance training managers have been assigned to each business site in the seven countries that include our Group companies. Representatives from the Singapore head office first train site managers and then the site managers train local employees based on what they have learned. The training begins with understanding the Hitachi High-Tech Group Code of Conduct and goes on to cover a wide range of material, including internal whistle blowing systems, preventing bribes to public officials both foreign and domestic, information security and export management. Going forward, in order to ensure the training is beneficial and in line with actual situations, risks with the potential to materialize in each country will be identified and curriculums developed based on specific case studies.



In order to continue being a company respected and trusted by society, we are committed to fostering a strong commitment to ethics in each and every employee.



Hitachi High-Technologies (Singapore) Pte.Ltd.

Jeslyn Tai



①②Tampines, a town in eastern Singapore, where the company is based. Building housing the company's head office in Tampines.

③Compliance training in session.

Hitachi Instruments Dalian Co., Ltd.

Located in Dalian, a hub of global economic activity that continues to grow, the company is primarily involved in the design and manufacture of high performance liquid chromatographs and the manufacture of spectrophotometers. It aims to continue expanding operations in a sustained manner through the development of new products.



Hitachi Instruments (Dalian) is establishing its position as a development center on a foundation of regulatory compliance and high-performance products and will continue to develop products that rapidly respond to and satisfy customer needs.



Hitachi Instruments (Dalian) Co., Ltd.

Li Xin



- ④The skyscrapers of Dalian signifying growth.
- ⑤Hitachi High Performance Liquid Chromatograph Primaide.
- ⑥Researchers and specialists praised this product during our product briefings.
- ⑦The epoch-making first shipment.

Supporting Better Living Throughout the World

There has been a growing need in recent years for safe food products and pharmaceutical products in China and emerging countries in conjunction with continued economic growth. Demand is increasing for analytical instruments in the fields of Food, medicine, pharmaceuticals and the environment.

Against this backdrop, in June 2011 the Group's first development center overseas was established at Hitachi Instruments (Dalian) in order to identify customer needs quickly and accurately and incorporate them into products. In August 2012, shipments of the Hitachi High Performance Liquid Chromatograph Primaide, commenced, the first product of the Hitachi High-Tech Group for which an overseas site was involved from development to manufacturing.

Shipping the product required that regulatory authorities certify measuring instruments and the facility itself as a manufacturing plant for them. In addition, measurement test inspectors had to be stationed inside the facility to inspect measuring instrument shipments, and this required training personnel as well. This meant that it was no easy task to comply with a regulatory scheme different than that of Japan's, but rigorous progress management was carried out at every level of the company in order to be certified, and certification was achieved in the shortest amount of time possible.

The company complies with laws and regulations, but product safety is also an important element in maintaining trust. The company established a quality management system equivalent to those used in Japan, clarified evidence, procedures, results (records) and responsibilities, and faithfully implemented PDCA cycles. For parts, the company is also promoting compliance with the RoHS directive*.

Along with providing high quality products and complying with standards based on a commitment to ethics and integrity, all employees are involved in pursuing quality improvements, and preparations are currently underway for preliminary and final examinations in order to acquire ISO 9001 certification before the end of fiscal 2013. Going forward, the company intends to continue providing highly reliable analytical instruments, and contribute to R&D activities and quality management in China.

*Directive on the restriction of the use of certain hazardous substances in electrical and electronic equipment

Community Contributions Utilizing Company Products and Personnel

The fact that children are continuing to lose interest in science is a societal issue that largely affects developed countries. Hitachi High Technologies America supports the promotion of STEM education¹, which has been advocated in the U.S. by President Obama, and is conducting educational support activities that utilize tabletop microscopes, a Hitachi High-Tech product. These activities include loaning tabletop microscopes for events held at schools and science museums and conducting demonstrations, which were held at over 110 locations around the U.S. from September 2011 to January 2013.

In 2012, Hitachi High-Tech delivered tabletop microscopes

Hitachi High Technologies America, Inc.

The company's head office is located in Chicago, with ten other sites spread out across North America in places such as San Francisco and Dallas as well as in Mexico and other countries. It is the largest overseas Group company in the Hitachi High-Tech Group. The company handles a broad range of products, from our own to those procured in our trading operations, and continues to develop operations in North and South America.

to SENAI, a Brazilian institution dedicated to technical education (National Service for Industrial Training), for use in the mobile education center named SENAI Nano Mundo (nano world) Truck they operate. Providing this opportunity to study and learn with cutting edge technology is helping to raise awareness of STEM education in Brazil, as well as enhance the presence of Hitachi and the Hitachi High-Tech Group in the region.

In addition, as a member of the Hitachi Group in North America, employees at the Dallas, Chicago, and San Francisco offices have formed Community Action Committees (CAC), which spearheads food drives² and a variety of other community activities, helping the company fulfill its responsibilities as a good corporate citizen.

1. An acronym for science, technology, engineering and mathematics, the objective is to educate people for careers in scientific and technical fields.
2. Food drives collect household food products to help groups and individuals in need. The movement was begun in the U.S. in the 1960s.



Hitachi High Technologies America, Inc.
Robert J. Gordon



- ①The SENAI Nano Mundo truck in São Paulo, Brazil.
- ②Microscopes equipped in the SENAI Nano Mundo truck.
- ③Students operate the microscopes themselves to experience microscopic worlds.

Hitachi High-Technologies Europe GmbH

The company's head office is located in Krefeld, Germany and it has six other sites around Europe, in the U.K., France, Switzerland and other countries. It carries out business operations throughout the EU and in neighboring regions where growth going forward is anticipated. New markets are also being developed in Turkey and Eastern Europe.



With a renewed awareness of the importance of both its economic and social roles, the company will continue to contribute the progress and development of society through its business activities.

Hitachi High-Technologies Europe GmbH

Johannes Stamou



Environmental Friendliness through Legal Compliance

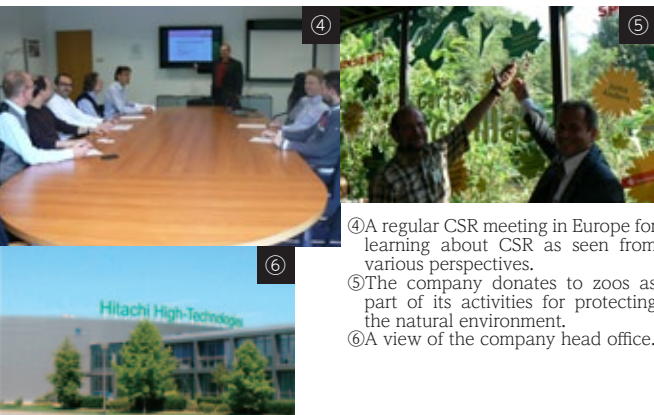
Based on Agenda 21¹, which was adopted in 1992 by the UN Conference on Environment and Development, the EU has committed to minimizing environmentally destructive factors and adverse human impacts by 2020, implementing strict environmental regulations that include the RoHS directive and REACH regulation².

On this basis Hitachi High-Technologies Europe launched a regular CSR meeting in January 2010 to communicate

CSR-related information to all employees, particularly information on environmental regulations and related activities. The meetings are organized by CSR coordinators stationed with the German head office and offices in London and Paris. The meetings are held monthly so that the most recent regulatory revisions and other matters may be addressed in a timely manner. The meetings identify CSR-related issues in daily business activities and utilize CSR information from the Hitachi High-Tech head office, Hitachi Europe and other sources to further enhance their content. The information is made available within the company in a database so that all employees sufficiently understand CSR policies and regulatory changes. Organizing these meetings has helped revitalize CSR-related communication within divisions, which in turn has raised awareness.

Going forward, improvements will be made to how the meetings are managed, and seminars led by outside experts will be held. The company intends not only to ensure compliance but deepen awareness of the necessity and importance of CSR.

1. Environmental action plan for the 21st century that protects the environment while allowing for development
2. Regulation related to the registration, assessment, approval and restriction of chemical products



④A regular CSR meeting in Europe for learning about CSR as seen from various perspectives.

⑤The company donates to zoos as part of its activities for protecting the natural environment.

⑥A view of the company head office.

What Kinds of CSR Management Priorities Are Now Essential to Making Hitachi High-Tech a Global Top in High-Tech Solutions?

A Discussion on CSR Practices Required of Truly Global Companies
—Focusing on Asia and Other Emerging Markets—

Hitachi High-Tech Senior Vice President and Executive Officer Masahito Masuyama and Mr. Toshihiko Fujii discussed global management and CSR.

CSR: the Foundation for Achieving True Globalization

Masuyama: Hitachi High-Tech has always striven to implement CSR management in earnest. Reading your published works, however, I realized that these efforts are not enough. Although we have long carried out business overseas, I became painfully aware that unless we increase our understanding and awareness of local societies and cultures, we will be unable to expand our business in a truly meaningful way.

Fujii: The Hitachi High-Tech Group has embraced the corporate vision of “Becoming a Global Top in high-tech solutions.” We must consider what exactly is meant by the word “global” in this context. Global companies will need to strive to understand differences in the world’s many and varied cultures and values. I believe that this will become a prerequisite for enterprises to grow as global companies.

Masuyama: The Hitachi High-Tech Group is targeting an overseas sales ratio of 67% by 2020. Unless we are fundamentally willing to understand the differences between our own culture and those overseas, we will be unable to make a success of future businesses. Also, although we already have around 1,400 foreign employees, their number will only continue to increase going forward. Our ability to develop business together with them will be truly put to the test in the coming years.

Fujii: I cannot agree more. In the course of working together with people of various nationalities and aiming for the same goals, I do not think companies will be successful if they approach everything from the standpoint of Japanese values. In addition to merely driving expansion of the market, the ques-



Toshihiko Fujii

Visiting Professor, Saitama University
School of Graduate Studies

PROFILE

Toshihiko Fujii

Masahito Masuyama

Senior Vice President and Executive Officer,
Hitachi High-Technologies Corporation

Visiting Professor

Graduate School of Economic Science, Saitama University
Professor Fujii has researched the modality of CSR from the vantage point of his many experiences overseas.

tion of whether or not a company can embrace a diverse array of values within the organization will be extremely important. At this point, CSR fulfills the role of a common foundation that everyone can share.

Masuyama: The Hitachi Group is now trying to build a common group-wide platform that will make standards for assessing the quality of human resources, which have yet to be unified across Group companies and business sites, more coherent. CSR will serve as the basis for this endeavor. The human resources platform is very much still a work in process. Nonetheless, I would like to nurture non-Japanese management leaders in the near future.

New Businesses Born from Dialogue With Society

Masuyama: I believe that the Asian Belt¹ will be one key region for driving overseas business expansion over the next decade. As an example, Hitachi High-Tech is conducting a BOP (Base of the Pyramid) business in Indonesia. On an outlying island that is not connected to the country’s power and water supply grid, we have installed a water purification system plus solar power generation equipment to power the system on a scale suited to the size of the island. Currently, we are conducting field trials of communication equipment for mobile phones and “One Seg²” television. This project has been implemented one step at a time while heeding the views of the Indonesian government, the island’s village leader, and the residents. Today, the island’s residents, who were previ-



ously reliant on the Indonesian mainland, have started to lead independent lives.

Fujii: That's a very good example. It's been said that supplying outlying islands with electricity holds the key to economic development in Indonesia going forward.

Masuyama: I think that this project in Indonesia will serve as a model for our businesses taking root in the Asia Belt.

Fujii: I can't help but notice that the starting point of this project was the face-to-face meetings Hitachi High-Tech had with the Indonesian government, the island's village leader, and the residents. This is quite literally the stakeholder dialogue at the base of CSR. It's very important to actually be in touch with society when building a business.

Global Procurement and Business Expansion Overseas

Masuyama: We also have manufacturing bases in Dalian and Suzhou, China as the Hitachi High-Tech Group, and our procurements overseas have continued to expand as a result. Procurement on a global scale is a major reform that the Hitachi Group is tackling even as we speak. I think a lot of flab will be eliminated if the companies in this conglomerate that had been working separately can unite in making procurements more efficiently. Without a doubt, this major reform will delve into the pursuit of ideal CSR and Green procurement structures, but also I expect that we will encounter a number of difficulties along the way.

As much as there are many Japanese companies expanding overseas, what is your assessment of corporate Japan's progress in CSR management as a whole?

Fujii: I think that the Hitachi Group ranks among the top when it comes to CSR. It's inherent for a company with products ranging from heavy electrical machinery to social infrastructure to have many points of contact with various sectors of society. That project in Indonesia you mentioned was a good case in point. I think that the Hitachi Group is well positioned in that it is mindful of the many types of participants in each society, and that the system and background to each society is different.

Masuyama: Still, this is easier said than done. Hitachi High-Tech alone procures supplies from as many as

4,000 companies. When we were adapting to Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) in Europe, we sometimes had a hard time getting suppliers to reply to our request for chemical content confirmation. Having said that, my view is there are just as many, if not more cooperative suppliers with whom we can grow together.

Fujii: Procurement is said to be one of the most difficult CSR initiatives, owing to its accomplishment being partly dependent on business partners.

Masuyama: The Hitachi High-Tech Group has drawn the line with a rule that rejects all solicitations for bribes and rebates. In some countries overseas, people can be unaware that the payback they are requesting constitutes a bribe. We decided as a company that we would reject all such requests. In deciding so, we declared that losing an order as a result of this was not the employee's responsibility, but the company's. I think that we were successful implanting and entrenching this healthy mindset.

Fujii: Companies run the risk of losing business with bribes and procurement problems because they affect both business clients and suppliers. It's most important for companies to clearly state their course of action as Hitachi High-Tech did.

Global management doesn't end with merely selling products overseas. It reaches much deeper to the issue of whether a company can find success applying internal control globally, and whether the rules instilling it for sharing around the world can be formed. If staff on assignment or training overseas experience cultural differences, it is an imperative of organizations seeking business opportunities to share their experience and learn from it. I also think that it's important for national staff to be convinced of their company's noble intentions for CSR, if they are to realize their potential to the fullest extent. It's often postulated that CSR is the essence of management. I sincerely hope that Hitachi High-Tech can explore the wisdom of CSR and put it to good use in prospering further as a company.

Masuyama: Thank you very much for your valuable input today.

1. A belt of 24 countries along the coastal regions of Asia spanning from Japan to the Arabian Peninsula.
2. Mobile digital TV broadcasting system



CSR Initiatives and Achievements

Each year, we formulate CSR initiatives and assess achievements in order to engage in effective and efficient CSR activities on the basis of the CSR Policy of the Hitachi High-Tech Group and the ISO 26000 international standard for social responsibility.

CSR Policy of the Hitachi High-Tech Group

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

7 Core Subjects of ISO26000

- | | |
|---------------------------------------|-----|
| Organizational governance | ① |
| Human rights | ④ ⑧ |
| Labour practices | ⑦ |
| The environment | ⑤ |
| Fair operating practices | ④ ⑧ |
| Consumer issues | ② |
| Community involvement and development | ② ⑥ |

* Policy ③ applies across the board to the 7 core themes

1 Commitment to Corporate Social Responsibility (CSR).....●

Main Initiatives in Fiscal 2012

- Conduct CSR education in rank-specific training programs
- Conduct activities for reducing compliance risk at overseas Group companies

Implanting and Entrenching CSR Awareness Among Employees

Newly appointed managers underwent training designed to implant and entrench CSR awareness among employees. Content of the CSR teaching materials was revised to systematically approach the subject of CSR management in providing this training. Previously, these teaching materials were spread out across different fields. Employees below the middle management level mainly received compliance education delivered in an easy to understand format as an introduction to CSR. Levels of comprehension and satisfaction regarding the training content were evaluated with a questionnaire of training participants. We are currently reviewing KPIs¹ to be introduced from fiscal 2013 onward for quantifying effectiveness of the plan-do-check-act (PDCA) cycle to the CSR Activities Plan we launched in fiscal 2011.

Reducing compliance Risk at Overseas Group Companies

Risks the Company's bases overseas face have increased in step with the globalization of business operations. In response, Hitachi High-Tech expanded the scope of activities for reducing compliance risk² to include not only Japanese but overseas Group companies in fiscal 2012. Measures for reducing risk were formulated and executed in accordance with the risks deduced and evaluated for each company. In addition, we analyzed the management status of overseas Group companies in light of the risks they each faced, and the compliance measures, internal rules and other courses of action implemented to counter them. These activities for reducing risk will be enhanced and maintained in fiscal 2013.

1. Key performance indicator

2. A course of action involving a plan formulated for reducing compliance risks in a given fiscal year, implementing the plan, and evaluating the results for reflection in the following fiscal year's measures.

Main Initiatives in Fiscal 2013

- Strengthen the risk management framework at overseas Group companies

2 Contribution to Society through Our Business.....●

Main Initiatives in Fiscal 2012

- Deduce and analyze measures for resolving social issues through business activities
- Maintain ISO 9001 quality management system certification and continue to make improvements based on customer satisfaction survey findings
- Assess measures preventing accident recurrence and follow up with continuing implementation

Sharing a Common Awareness to Realize CSR Management

Incorporating solutions to social issues into business activities is a prerequisite for actualizing CS11. In fiscal 2012, discussions were held among Hitachi High-Tech's business groups in an effort to instill an awareness of this need. In addition, the Company held a lecture on "Global Management and CSR" in February 2013 as a seminar for Group executive officers. There, the executive officers deepened their appreciation of the aspects of CSR to keep in mind in promoting global management, and that CSR is all about providing solutions to public policy issues.

Continual Improvements to Enhance Customer Satisfaction

ISO 9001 Quality Management Systems (QMS) have been instituted at Hitachi High-Tech to raise the quality of business activities and further improve customer satisfaction. Along with the manufacturing and service divisions, the sales and corporate divisions have also obtained and promoted ISO 9001 certification. Moreover, an internal Customer Satisfaction Seminar was held in May 2012 to further instill an awareness of the importance of our customers and keeping them satisfied.

In addition, each business group administers customer satisfaction surveys once a year to gauge the Company's initiatives for improving customer satisfaction. Refinements include masked surveys conducted undercover by specialized market research companies and door-to-door surveys designed to foster mutual understanding. Results from these surveys are shared by the Group as a whole to make improvements.

Institution of Quality Control Meetings at Manufacturing Sites Overseas

Hitachi High-Tech promotes quality improvement measures across its organization and provides employees with quality and reliability training in an effort to bolster the Group's production capabilities as a follow-up to the continual implementation and assessment of measures for preventing accident recurrence. In adherence with the Company's quality assurance standards, our quality assurance divisions report monthly on the operating status of production lines and any problems that may have occurred in adherence. Measures are formulated to prevent the recurrence of critical quality control problems, and shared by all of the Group's manufacturing sites and companies. In fiscal 2012, these activities and meetings were firmly instituted overseas, including the Group's manufacturing sites in China. Moreover, technical department employees of our product divisions attend technical training seminars on product reliability and safety. In fiscal 2012, four such seminars were held and more than 500 employees attended.

Main Initiatives in Fiscal 2013

- Enhance quality improvement initiatives based on the Hitachi Group Quality First (QF) activities
- Conduct internal campaigns for raising awareness concerning customer satisfaction

T O P I C S Hitachi High-Tech Praised at the 2012 Kanto Region Invention Awards

A Double Reagent Disk Analyzer an employee invented received a Minister of Education, Culture, Sports, Science and Technology Incentive Award for Inventions and a Practical Achievement Award at the 2012 Kanto Region Invention Awards sponsored by the Japanese Institute for Promoting Invention and Innovation. Also awarded was our invention of an automatic axis adjustment technology for scanning electron microscopes, which received the Tochigi Prefecture Governor Award, and a substrate exposure method and system of ours, which received an Incentive Award for Inventions.



3 Disclosure of Information and Stakeholder Engagement.....●

Main Initiatives in Fiscal 2012

- Disclose information actively in accordance with CSR report guidelines

Active Communication with Stakeholders Inside and Outside the Company

The Hitachi High-Tech Group strives to ensure information is disclosed with a high degree of fairness and transparency and works to enhance communication through a variety of activities in an effort to maintain the trust of our diverse stakeholders.

We hold half-term and annual financial results briefings on-site at the Company, attended by many analysts and investors, as part of our investor relations (IR) activities. In the year ended March 31, 2013, we also conducted conference calls on the first quarter and third quarter results. Enlisting the cooperation of securities companies, Hitachi High-Tech also hosts IR tours of its facilities for analysts and investors to deepen their understanding of the Group's businesses. This included a tour in March 2013 of the Tokyo Solution Laboratory (Kawasaki City, Kanagawa Prefecture), where the Group's scientific systems products such as field-emission scanning electron microscopes (FE-SEM), focused ion beam (FIM) systems and liquid chromatograph analyzers are on display. Moreover, relevant Group employees receive explanations of our guidelines for disclosing information externally, and undergo seminars led by lecturers from the outside on the use of media publicity in business. Such efforts develop a common understanding among employees on the information we must transmit to raise the public's recognition of the Hitachi High-Tech Group and enhance corporate value.



IR tour of Tokyo Solution Lab



A workshop on external public relations

Enrichment of Communication Tools

Measures have also been undertaken for enriching the tools we

have for upgrading our communication with stakeholders. For instance, our CSR report is now published in two separate versions; one, as a detailed report on the web, and, two, as a digest in booklet form. By comprehensively reporting information such as numerical data on the web version, we strove to disclose information satisfying the Application Level B of Global Reporting Initiative (GRI) guidelines.

Furthermore, we are widely acclaimed for the company newsletters we publish as an internal communication tool. In October 2012, feature articles published in the internal company newsletters of Hitachi High-Tech and Group company Hitachi High-Tech Fielding Corporation received a Silver Feature Award and Gold Feature Award, respectively, in the 11th National Internal Company Newsletter Features Competition Awards sponsored by Nana Corporate Communication. Features of exceptional quality published in internal company newsletters, web versions of those letters, and external corporate public relations periodicals from January 2011 through March 2012 were praised in this 11th installment of the awards. This was the second consecutive year for Hitachi High-Tech and fourth consecutive year for Hitachi High-Tech Fielding to win such an award.

Elsewhere, Hitachi High-Tech's corporate brochure for operations in its Naka Division won an Incentive Award in the corporate brochure category at the 33rd Japan BtoB Advertising Awards 2012 sponsored by the BtoB Advertising As-

sociation Japan. These are the only awards in Japan for praising industrial advertising of exceptional quality.



The award-winning internal company newsletters of Hitachi High-Technologies (left) and Hitachi High-Tech Fielding (right)

Main Initiatives in Fiscal 2013

- Strengthen Transmission of Information in Strategic Fields and Public Relations Overseas
- Enhance CSR Awareness within the Group

4 Corporate Ethics and Human Rights

Main Initiatives in Fiscal 2012

- Strengthen internal control
- Raise human rights awareness through systematic human rights training

Establishment of Internal Control Management Committee

To strengthen internal control, we established an Internal Control Management Committee, which is chaired by the officer responsible for internal controls, who is the Chief Risk Management Officer. This committee has met twice regularly (once in the fiscal year under review). Through the activities of the committees under it and the results of internal audits, we formulated the policies and priorities for internal control and integrated compliance and risk for the entire Hitachi High-Tech Group. Furthermore, we operated a priority management division system to prevent any occurrence of compliance violations. The activities of the Internal Control Management Committee will continue from fiscal 2013.

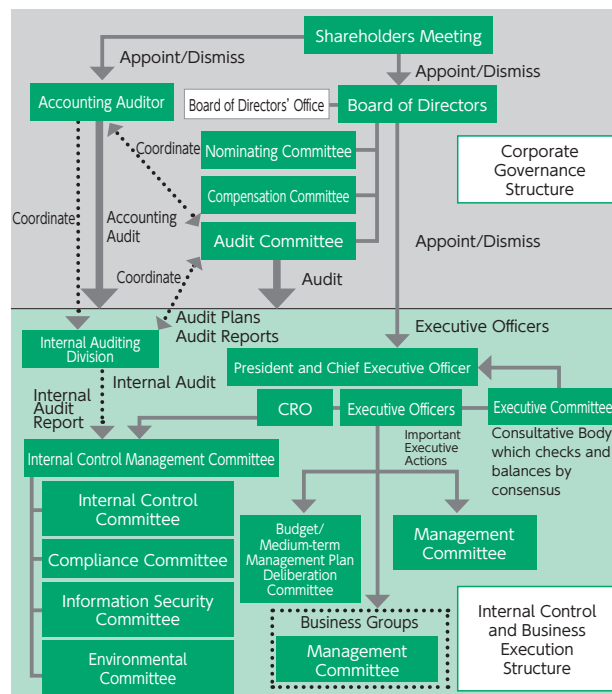
Implementation of Compliance Training and Educational Activities

To further enhance corporate ethics and thoroughly enforce the strict observance of the law, we have made October every year into corporate ethics month. In fiscal 2012, at each workplace, we conducted discussions and reviewed risks by making use of cases. (These were attended by 8,603 people.) Moreover, we endeavored to rigorously raise awareness by posting pop-up messages related to compliance measures that are displayed that the Intranet is launched. As regards rank-specific compliance training (for new employees, mid-rank employees, newly appointed managers, general managers), we worked to improve the training materials by increasing the number of reference cases and other changes. (There were seven training sessions attended by 189 people.)

Fostering an Awareness of and Climate of Respect for Human Rights

Aiming to create workplaces that respect the personality and individuality of each employee, and to bring about a society

Corporate Governance Structure Internal Control and Business Execution Structure



without discrimination, we implemented the initiatives to respect human rights and eradicate discrimination called for by the Hitachi High-Technologies Group Code of Conduct. We work to raise awareness of human rights through educational opportunities and implement measures to prevent harassment, including by conducting human rights awareness-raising training programs every year. In fiscal 2012, 296 employees attended human rights training.

Main Initiatives in Fiscal 2013

- Regular meetings and appropriate operation of the Internal Control Management Committee
- Raise human rights awareness through continual human rights training

5 Environmental Conservation.....●

Main Initiatives in Fiscal 2012

- Make CO₂ reductions in line with Hitachi's Third Environmental Action Plan
- Monitor and manage reductions in CO₂ emissions associated with eco-products
- Promote biodiversity conservation activities linked with the EMS

Make CO₂ Reductions in line with Hitachi's Third Environmental Action Plan

In order to realize Hitachi's Environmental Vision, we formulate environmental action plans in 3-year units and work toward achieving their targets. Within these and as regards global warming prevention, we are working to reduce CO₂ emissions originating from energy consumed in business activities and to reduce energy consumption per unit of domestic production. The following table shows the fiscal 2012 targets and results, and future targets.

Environmental Action Plan	Fiscal 2012 Target	Fiscal 2012 Results	Fiscal 2013 Target	Fiscal 2015 Target
Percentage reduction in CO ₂ emissions (Compared to fiscal 1990)	27%	35%	11%	15%
Amount of energy consumed Percentage reduction per unit (Compared to fiscal 2005)	28%	28%	30%	35%

Monitor and Manage Reductions in CO₂ Emissions Associated with Eco-products

Based on Hitachi's Environmental Vision 2025, we worked to monitor and manage the amount of reductions in CO₂ emissions associated with our products by operating a system in which we calculate emission reductions under the assumed conditions of the average working situation of our eco-products. In fiscal 2012, we reduced CO₂ emissions by 140,000 tons in a business environment of suddenly worsening market conditions.

Approach to calculation method

Contribution to reducing CO ₂ emissions by product	=	*CO ₂ emitted by the energy benchmark products consume each year	-	CO ₂ emitted by the energy eco products developed consume each year
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- * (1) Benchmark products are products launched for sale in fiscal 2005
 (2) Includes performance specification comparisons of benchmark products vs. eco products developed

Promote Biodiversity Conservation Activities Linked with the EMS¹

We have appended some words about biodiversity (ecosystem) in our EMS environmental policies. Associated with this addition, we worked to promote our biodiversity conservation activities through our EMS and other systems. Measures included the training of employees through the holding of e-learning programs. From fiscal 2013, we will make effective use of Hitachi Group's "assessment of ecosystem conservation for business activities," improve the level of such activities in stages, and evolve the Hitachi Group's business activities with the aim of creating a sustainable society in which we will receive the benefits of our ecosystem service².

1. Environmental management system
2. The benefits we humans get from our ecosystem include clean water and oxygen.

Seminar on Environmental Laws and Regulations

In December 2012, we held a seminar on environmental laws and regulations at which lectures were given by Eiji Kanda and Tomoko Yamashita from Hitachi Urban Investment, Ltd. They explained the basics and revisions of the Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, etc., the Water Pollution Control Act, and the Waste Management and Public Cleansing Act. We made use of our video conferencing system on the day to broadcast the lectures at seven bases and Group companies in Japan. The seminar was attended by about 160 people from the entire Group.

A scene from the seminar on environmental laws and regulations



Main Initiatives in Fiscal 2013

- Promote the reduction of CO₂ emissions through the registration and increased sales of eco-products
- Implement energy-saving policies in line with our Environmental Investment Plan
- Promote simplified packaging of purchased parts and the selling of parts with resale value

6 Corporate Citizenship Activities.....●

Main Initiatives in Fiscal 2012

- Promote effective use of tabletop microscopes which have been lent

Earthquake Recovery Support

In the process of recovering from the Great East Japan Earthquake, new issues and needs are becoming apparent, including educational support for elementary and middle schools and emotional care for children. In this context, we donated 12 of our video conferencing systems to the National Astronomical Observatory of Japan (NAOJ). In May 2012, these systems were used to hold the NAOJ's first special lesson introducing students to the stars and our universe at Kitakami Junior High School in Ishinomaki City, Miyagi Prefecture. About 100 students attended the special lesson in which a broadcast link between the NAOJ Hawaii Observatory and Kitakami Junior High School enabled them to see the Subaru Telescope and the mechanics of an annular eclipse.

Furthermore, we participated in "Creating Tohoku's Future—DAY with Hitachi," a festival which the Hitachi Group held to help the recovery of the Tohoku region. The main events held in Kesennuma and Iwanuma cities in Miyagi Prefecture and Kamaishi City in Iwate Prefecture aimed to revitalize the region and boost recovery by being ones that the disaster-struck residents could enjoy. The Hitachi High-Tech Group prepared exhibition spaces with tabletop microscopes and held a recording of Masaki Omura's Science Kids, the radio show that Hitachi High-Tech sponsors.



A special lesson that used our video conferencing system (Ishinomaki City, Miyagi Prefecture)



Children look into the tabletop microscope (Iwanuma City, Miyagi Prefecture)

A Charity Used Book Fair in Cooperation with a Regional NPO

As a member of the Charity Used Book Fair Committee, we held "Charity Used Book Fair—A KIZUNA Book Project in Minato" at Sakurada Park in Shinbashi, Minato Ward, Tokyo in November 2012.

Our aims were to contribute to the efforts of Minato-jigyodan, an NPO welfare organization for people with disabilities, to bring about both a regional community through the mutual cooperation of local residents, companies and public bodies, and also to help preserve the environment by promoting the recycling of paper. The used book fair raised ¥248,263 that we donated to the welfare organization to be used to encourage the employment and independence of people with disabilities in Minato Ward.



The lively secondhand book fair bustling with visitors

Continuing Support of Science Education

Since 2008, the Hitachi High-Tech Group has been loaning out tabletop microscopes. In fiscal 2012, we lent them to 4 domestic locations which held regular events for students to experience electron microscopy. More than 16,000 people had participated by February 2013, and they were able to discover how interesting science is through these events.

Details of events held in fiscal 2012 and number of participants/visitors (rough estimate)

Entities loaned with equipment	Event	Number of participants/visitors
National Museum of Emerging Science and Innovation	"High-speed cameras and electron microscopes" and others	353 people
Izumo Science Center	Traveling exhibit at high schools designated by Japan's Ministry of Education, Culture, Sports, Science and Technology	1,098 people
The Nagoya University Museum	"Microcosmic adventure" and others	195 people
The Japan Society of Applied Physics	"The mysterious pleasure of studying science" and others	1,087 people

Main Initiatives in Fiscal 2013

- Promote social contribution activities as the Hitachi High-Tech Group
- Promote social contribution activities involving employee participation

7 Working Environment.....●

Main Initiatives in Fiscal 2012

- Continue sharing information on employment of people with disabilities and expand the scope of applicable jobs
- Support the careers of women employees
- Further enhance global human resource cultivation measures
- Promote comprehensive mental health initiatives

Promote the Expansion of Employment of People with Disabilities

We actively work to foster a corporate culture and create programs that allow all employees to adequately demonstrate their individuality and encourage them to respect each other.

As regards the employment of people with disabilities, the Hitachi High-Tech Group regards fulfilling the legal employment rate requirement as its minimum responsibility to society, so we have acquired affiliate group certification and achieved an employment rate that exceeds the legal minimum. At the same time, we have worked to expand the scope of applicable jobs for people with mental disabilities. We implemented Group-wide initiatives in response to the legal minimum employment rate being raised to 2.0% from April 2013, and as of April 30, 2013 we had achieved a rate of 2.02%. We also conducted tours of special-needs schools and held information exchange meetings with the rest of the Hitachi Group regarding the employment of people with disabilities.

Expand Support Systems for Employees to Balance Work with Childcare and Nursing Care

In response to changes in society and increasingly diverse lifestyles being brought about by the aging population and the low birth-rate, we are currently reforming working formats and establishing a variety of programs to enable each individual employee to balance work with their childcare and nursing care responsibilities.

In fiscal 2012, we expanded various support programs, including (1) the addition of working patterns whereby employees can select shortened work hours, (2) the addition of fertility treatment and medical visits when pregnant as permissible reasons for taking accumulated paid holidays, (3) newly adding childcare leave (5 days a year per employee) as separate from the family sickness nursing care leave system, and (4) expanding the scope of the nursing care leave and work system.

Enhance Global Human Resource Cultivation Measures

Based on the approach that raising the value of each individual employee directly connects to the sustained creation of the entire company's value, we uphold the main nurturing policies of promoting globalization and strengthening individual abilities. We are focusing on early training of personnel capable of doing business from a global perspective and are actively dispatching young employees overseas. We have set a current goal of having 50% or more of our employees experience working overseas within seven years of joining the Company. Furthermore, we are enhancing the nurturing of our local staff working at overseas bases by various new initiatives, including rank-specific global management training that brings together staff from a variety of countries and regions.

Promote Comprehensive Mental Health Initiatives

In the context of the social trend towards companies making every effort to increase mental health, we have made available mental health medical specialists and are implementing related Group-wide cross-divisional initiatives. In order to deepen each employee's knowledge and awareness of mental health issues, in fiscal 2012 we introduced the Hitachi Group mental health e-learning program and regularly held lectures delivered by medical specialists. The overall aim was to focus on initiatives that would help patients with mental health issues accelerate their recovery to sound mental health.



Mental health training session

Main Initiatives in Fiscal 2013

- Strengthen global human resources base
- Firmly maintain percentage of legally employed people with disabilities
- Eradicate accidents at work by promoting "fundamental safety.*"

*Fundamental safety: Remove or minimize anything that could become a safety hazard.

8 Responsible Partnership with Business Partners.....●

Main Initiatives in Fiscal 2012

- Formulation of common evaluation standards by the Group's Procurement Department

Beginning to set common standards for the evaluation of suppliers

The Hitachi High-Tech Group is working to build favorable partnerships with its procurement sources and suppliers, and to maintain and enhance a relationship of mutual understanding and trust. 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 suppliers and procurement sources have fulfilled their social responsibilities.

In fiscal 2012, we began to set common standards for the evaluation of suppliers and procurement sources based on the Hitachi High-Technologies The Guideline for Procurement Activities that were revised last year. We plan to publicly release the revised guidelines in fiscal 2013. Furthermore, we plan to begin making the English and Chinese versions of the guidelines in fiscal 2013. Going forward, we will promote CSR activities throughout the entire supply chain after gaining the cooperation and understanding of our suppliers and procurement sources.

Extract from the Hitachi High-Technologies

The Guideline for Procurement Activities:

When selecting suppliers and procurement sources, the Hitachi High-Tech Group shall be governed by the prescribed pertinent procedures to adequately assess the following aspects of suppliers and procurement sources in addition to the quality of their materials, their reliability, their delivery times, their prices, and the management stability and technological development capabilities of business partners: the highly fair and transparent disclosure of information, compliance with laws and social norms, respect for human rights, the elimination of unjust discrimination as regards employment and work formats, the abolition of child labor and all forms of forced labor, the promotion of environmental conservation activities and social contribution activities, the creation of a good work environment, and the fulfillment of social responsibilities such as a shared awareness of social responsibility with business partners.

Information meetings held for suppliers at each manufacturing facility

To enable a common awareness of our CSR, which we view as essential, we hold regular information meetings for our suppliers, providing them with information and maintaining mutual communications. In fiscal 2012, at meetings at Hitachi High-Tech manufacturing sites in October, we explained the initiatives of the entire Hitachi Group as regards promoting green procurement activities and promoting our supply chain corporate social responsibilities. In line with these explanations, in fiscal 2013 we will set common standards for evaluating suppliers and procurement sources, verify them together with the suppliers and deepen our mutual understanding, and advance our CSR procurement activities.



At information meeting at Hitachi High-Tech's Naka Division.

Promoting Environmentally CSR Compliant Procurement

The Hitachi High-Tech Group practices green procurement, giving priority in purchasing to environmentally conscious options for the products, components and materials it procures. As regards complying with laws and regulations such as the increasingly strict RoHS Regulations, the Group controls the chemical substances contained in its products and uses the Hitachi Group's green procurement system "A Gree'Net" to step up compliance with greater regulation of chemical substances in products. Furthermore, we are moving ahead with the Hitachi Group's environmentally CSR-Compliant Monozukuri activities, and work on behalf of and support suppliers in a bid to spur proactive environmental activities in Hitachi High-Tech's Naka Division. As a result, for fiscal 2012 we achieved certification and registration of Green supplier* status for 80% of our 1,000 suppliers (Naka Division).

*A supplier with a certified and registered environmental management system.

Main Initiatives in Fiscal 2013

- Globally develop the Hitachi High-Technologies procurement activities guidelines
- Set common standards for evaluating suppliers and procurement sources

Third-Party Opinion

1. Evaluation

CSR activities are reported on in a published booklet and on the company's website. The booklet consists of a compact synopsis of the company's approach and contains examples of its activities. It is designed to be highly readable by large numbers of people, particularly employees and shareholders (and distributed together with business reports).

The report begins with a clear presentation of the company's approach to CSR and its basic philosophy and demonstrates the commitment of top management to them. Next is a section on the company's Long-term Management Strategy (CS11) and business activities and the Hitachi High-Tech WAY, which introduces the direction of management and the company's foundational values and strategies. Its commitment to fulfilling responsibilities to society and contributing in terms of both business outcomes and processes is readily apparent.

The section on CSR Initiatives and Achievements includes the main initiatives and activities for fiscal 2012 and main initiatives for the next fiscal year based on eight CSR policies. The main initiatives exhibit continuity with the previous fiscal year's report and shows how the company has continued to conduct activities in line with the CSR policies. Compared to past reports, progress over a number of years and trends in priorities can be clearly seen.

2. Expectations Going Forward

In the CSR Initiatives and Achievements section, I hope to see the report provide a verification and assessment of CSR achievements for the year, and identify the priorities going forward, in addition to a description of the CSR activities. There should be a clearly documented flow in which the CSR activities are verified to identify the priorities, and the CSR initiatives the following year is formulated based on those priorities. This would make the progress and achievements in CSR easier to follow on an ongoing basis, and help make the initiatives more sustainable.

In addition, the concept of Global CSR featured in this report is important from the perspective of risk management,

President, IntegreX Inc.

One Akiyama

PROFILE

One Akiyama graduated from Keio University's Faculty of Economics. After working at a U.S.-based securities company as a foreign bond trader and later at an independent securities company, she established IntegreX Inc. in 2001 to promote socially responsible investing and corporate social responsibility.



and should be carried out in line with local conditions, in view of the Company is aiming to raise its overseas sales ratio further. Embedding Hitachi High-Tech's philosophy and WAY among all employees around the world is vital in this regard. Activities that engender shared understanding and support of the philosophy and WAY must be continued, with the Company periodically verifying the level of penetration and the degree of awareness among employees.

3. Looking Ahead

In order to contribute to the progress and development of society, there must be both corporate integrity, the foundation of trust, and innovation, which enables a company to maintain integrity and realize its philosophy. Sontoku Ninomiya, a Japanese educator from the early 19th century, once philosophized that all things in the universe work in synergy as one. This "all for one, one for all" awareness must be a part of every employee engaged in the practice of integrity and innovation. I expect progress to be made toward a sustainable society with the company (Hitachi High Tech), people and society working together as one.

Response to the Third-Party Opinion

Thank you for your valuable comments. In fiscal 2013 we will begin clarifying the priorities to our CSR activities by verifying and assessing key performance indicators (KPIs). Penetration of the WAY is checked via an employee awareness survey administered every other year. As a global company we intend to continue steadily enhancing CSR activities so that they further permeate the organization.



Vice President and Executive Officer in charge of CSR
Yoshikazu Dairaku

Corporate Profile



Company Name .. Hitachi High-Technologies Corporation

Headquarters

Address 24-14, Nishi-Shimbashi 1-chome,
Minato-ku, Tokyo 105-8717, Japan

Net Sales 575.5 billion yen

Total Assets 433.6 billion yen

Number of

Employees Entire Group: 10,436
Hitachi High-Technologies: 4,351

Subsidiaries and

Affiliates 11 in Japan, 20 overseas

Offices 60 overseas in 27 countries, 22 in Japan

*These figures are as of March 31, 2013. However, the number of subsidiaries, affiliates and offices are as of May 1, 2013

Financial Report (Fiscal 2012, consolidated)

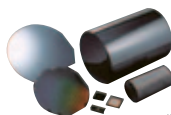
Net Sales by Business Segment

Advanced Industrial Products

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



Ceramic Filters
for Exhaust Gas
Emissions



Silicon Wafers (Billion yen)

Industrial & IT Systems

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



Automated Assembly
System



Hard Disk Drive

Electronic Device Systems

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



Plasma Etching System



CD-Measurement SEM

Fine Technology Systems

FPD Manufacturing Equipment / HD Manufacturing Equipment / Railroad Inspection Equipment



Module Assembly
System



Disk Test System

Science & Medical Systems

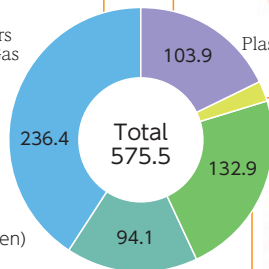
Mass Spectrometers / Spectrophotometers / Chromatographs / Electron Microscopes / Biotechnology Equipment / Clinical Analyzers



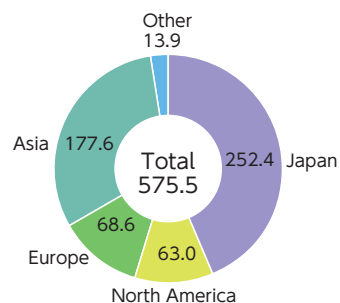
X-ray Particle
Inspection System



Clinical Analyzer



Net Sales by Region



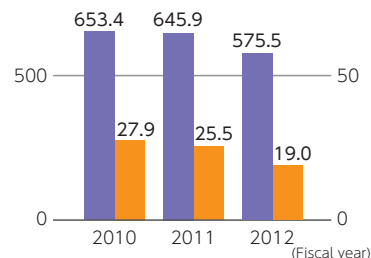
(Billion yen)

Net Sales and Operating Income

■ Consolidated net sales
■ Consolidated operating income

Net sales (Billion yen) Operating income (Billion yen)

1,000 100



*Elimination such as subtractions in intersegment transactions, etc., are included in the totals.

Cover Photo

"Enjoy Spring" by Kouichi Honma, winner of the Hitachi High-Technologies Award. This award is part of the Earth Photo Contest 2013, 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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