Hitachi Koki, contributing to creating new communities
Hitachi Koki, moving forward with you
~Together for Vision~

We aspire to be a company where all customers are happy to do business with us, and all employees worldwide are proud to be a part of Hitachi Koki, with our Corporate Vision of “Hitachi Koki, moving forward with you ~Together for Vision~.”
Aspiring to be a socially trusted enterprise that contributes to society

We first would like to express our sincere gratitude for your ongoing support to the Hitachi Koki Group.

The Company is working to implement its Corporate Vision of “Hitachi Koki, moving forward with you ~Together for Vision~” based on the Corporate Philosophy of “contributing to our society through outstanding technologies, products and services.” We aspire to be a company where all customers are happy to do business with us, and all employees worldwide are proud to be a part of Hitachi Koki.

To realize our Corporate Philosophy and Corporate Vision, not only is it vital to improve performance by further strengthening sales and development capabilities, but also to gain the trust of society and continue to maintain the trust gained. This year, the Company established “KOKI Way” that systematizes the Corporate Philosophy and Corporate Vision, and disseminated it as basics of daily work among employees. We believe that we can achieve a further leap as a truly global enterprise trusted all over the world by making all employees’ activities linked to “KOKI Way.”

For medium- to long-term, we will aggressively promote a variety of management initiatives, including measures to strengthen sales, product development and cost competitiveness, with the aim of improving performance in order to build a strong corporate structure that will prevail amid intensifying global competition. Moreover, we will emphasize eco-management and strive to enhance integrated eco-management of manufacturing and sales, with efforts including forcefully promoting energy conservation in its business activities, proactive development of environmentally sound products (Eco-Products) and thorough reduction of waste and other matters.

The Company had issued Environmental Sustainability Reports to mainly present environmental activities of the Company. We have published Corporate Profile / CSR Report to widely report to stakeholders the activities for fulfilling social responsibility of the Company. We hope this report will help you understand our Group’s attitude and help us facilitate communication with you.
Corporate Profile

Corporate name: Hitachi Koki Co., Ltd.
Founded: December 18, 1948
Headquarters: Shinagawa Intercity Tower A, 20th Flr, 15-1, Konan 2-chome, Minato-ku, Tokyo 108-6020, Japan
Tel: +81-3-5783-0601
Representative: Osami Maehara, President & Representative Executive Officer
Capital: Y17,800 million (as of March 31, 2015)
Employees: Consolidated basis: 4,855 Non-consolidated basis: 1,453 (as of March 31, 2015)
Employees including temporary employees, etc.:
Consolidated basis: 6,354 Non-consolidated basis: 1,897

Main Products of Each Segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>Main Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power Tools</td>
<td>Metalworking power tools, woodworking power tools, cordless power tools,</td>
</tr>
<tr>
<td></td>
<td>construction power tools, pneumatic tools, nailers, screwdrivers and</td>
</tr>
<tr>
<td></td>
<td>compressors for nailers, woodworking machines, engine tools, gardening</td>
</tr>
<tr>
<td></td>
<td>tools, household power tools, dust collectors, laser measuring instruments</td>
</tr>
<tr>
<td></td>
<td>(line lasers, range finders), accessories (diamond tools and consumable parts)</td>
</tr>
<tr>
<td>Life-Science Instruments</td>
<td>Ultracentrifuges, refrigerated centrifuges, microcentrifuges and large-scale</td>
</tr>
<tr>
<td></td>
<td>continuous flow ultracentrifuges</td>
</tr>
</tbody>
</table>

Lines of Business

Revenues

<table>
<thead>
<tr>
<th>FY2011/3</th>
<th>FY2012/3</th>
<th>FY2013/3</th>
<th>FY2014/3</th>
<th>FY2015/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>118,558</td>
<td>115,463</td>
<td>115,645</td>
<td>131,778</td>
<td>135,849</td>
</tr>
</tbody>
</table>

Income before income taxes

<table>
<thead>
<tr>
<th>FY2011/3</th>
<th>FY2012/3</th>
<th>FY2013/3</th>
<th>FY2014/3</th>
<th>FY2015/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>3,630</td>
<td>6,288</td>
<td>6,331</td>
<td>3,947</td>
<td>6,272</td>
</tr>
</tbody>
</table>

Revenue by Segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY2015/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life-science instruments</td>
<td>135,849</td>
</tr>
<tr>
<td>Power tools</td>
<td>131,731</td>
</tr>
</tbody>
</table>

Revenue by Region

<table>
<thead>
<tr>
<th>Region</th>
<th>FY2015/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>641</td>
</tr>
<tr>
<td>Europe</td>
<td>32%</td>
</tr>
<tr>
<td>Asia</td>
<td>7%</td>
</tr>
<tr>
<td>China</td>
<td>79%</td>
</tr>
</tbody>
</table>

Production Volume by Region (thousands of units/month)

<table>
<thead>
<tr>
<th>Region</th>
<th>FY2015/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>46</td>
</tr>
<tr>
<td>Europe</td>
<td>506</td>
</tr>
<tr>
<td>Asia</td>
<td>51</td>
</tr>
<tr>
<td>China</td>
<td>71</td>
</tr>
</tbody>
</table>

Trends of Performance (Consolidated Basis)

Figures for the fiscal year ended March 31, 2013 and prior are based on Japanese GAAP and those for the fiscal year ended March 31, 2014 or later are based on International Financial Reporting Standards (IFRS).
### Overseas Affiliated Companies

- **ASIA/OCEANIA** 13 sites
  - Hitachi Koki (Malaysia) Sdn. Bhd.
  - Hitachi Koki (Singapore) Gulf Branch
  - Hitachi Koki India Private Limited
  - Hitachi Koki Asia Co., Ltd.
  - Guang Dong Hitachi Koki Co., Ltd.
  - Hitachi Koki (China) Co., Ltd.
  - Fujian Hitachi Koki Co., Ltd.
  - Guangzhou Hitachi Koki Co., Ltd.
  - Hitachi Koki Taiwan Co., Ltd.
  - Hitachi Power Tools (Thailand) Co., Ltd.
  - Hitachi Power Tools Australia Pty. Ltd.
  - Hitachi Koki (Singapore) Pte. Ltd.

- **EUROPE** 20 sites
  - Hitachi Koki Europe Ltd.
  - Hitachi Power Tools (U.K.) Ltd.
  - Hitachi Power Tools Belgium N.V./S.A.
  - Hitachi Power Tools Europe GmbH
  - Hitachi Power Tools France S.A.S.
  - Hitachi Power Tools Hungary Kft.
  - Hitachi Power Tools Czech s.r.o.
  - Hitachi Power Tools Romania S.R.L.
  - Hitachi Power Tools Norway AS
  - Hitachi Power Tools Sweden AB
  - Hitachi Power Tools Denmark A/S
  - Hitachi Power Tools Finland Oy
  - Hitachi Power Tools RUS L.L.C.
  - Hitachi Fercad Power Tools Italia S.p.A.
  - Hitachi Power Tools Netherlands B.V.
  - Hitachi Power Tools Netherlands B.V. Moscow Branch
  - Hitachi Power Tools Polska Sp.z.o.o.
  - Carat International B.V.

- **THE AMERICAS** 4 sites
  - Hitachi Koki U.S.A., Ltd.
  - Hitachi Power Tools de Mexico S.A. de C.V.
  - Hitachi Koki U.S.A., Ltd. Canada Branch
  - Hitachi Koki do Brasil Ltda.
Hitachi Koki, responding to societal needs and continuing to evolve

Hitachi Koki’s products are used not only in Japan but also all around the world. Based on technological expertise accumulated over the years, the Company will further promote product development, while responding to societal needs.

An abundant lineup of power tools that meet diverse needs

Using power tools, with various types depending on application and performance, reduces burden of work to accelerate work and improve accuracy of work. The Company offers a wide range of products, and the lineup of power tools enables high-performance depending on application, which leads to meeting customer needs.

History of Company and Products

1940’s
- 1948: Founded with capital of ¥30 million
- 1949: Produced coal mining tools and power tools (*)

1950’s
- 1954: Production begun for Chemical Instruments products (currently Life-Science Instruments)

1960’s
- 1963: Production begun for printers (line printers for large-frame computers)

1970’s
- 1978: The first overseas sales subsidiary established in Germany
- 1979: The first overseas manufacturing subsidiary established in Singapore

Enriched the lineup of metalworking tools for factories and shipbuilding

1948: Drill LU (1948)
1949: Circular Saw DS-10 (1949), Bench Grinder GBT (1949), Coal Pick HCA-8 (1948)

1957: Disc Grinder PUS-BRH (1957)
1958: Planer BUF (1958)
1959: Automatic Planing Machine F-500 (1959)

Enriched the lineup of woodworking tools for increase in housing construction

1948: Engine Brush-cutter KB-25 (1948)

1966: Nailer NH-65 (1966)

* Production begun after transfer of Hitachi power tools and coal picks (coal mining tools), which have a long history beginning with the domestic production of electric drills in 1918, from Hitachi, Ltd. Totsuka Plant

For DIY and gardening

1948: Coal Pick HCA-8 (1948)
1958: Planer BUF (1958)
1966: Nailer NH-65 (1966)
Hitachi Koki is a company with global operations manufacturing power tools and life-science instruments, and is proud of its track record and reputation for reliability over many years. Hitachi Koki’s power tools fulfill a wide range of needs from professional users to DIY users. With strength in outstanding technological expertise and development with emphasis on “monozukuri” (craftsmanship), Hitachi Koki is focusing on development of products that match user needs.

Original Ideas and Assured Technological Expertise

Power tools made by Hitachi Koki are popular in more than 50 countries worldwide. Amid growing demand for energy-efficient motors, the Company is enhancing its lineup of tools equipped with brushless motors developed by its own technology. Products with these high-efficiency, energy-saving long-life motors help to reduce CO2 emissions. In addition to its commitment to the creation of higher-capacity lithium-ion batteries and battery safety and interchangeability, The Company continues to offer products that contribute to improvement of customer convenience, including promoting expansion of its lineup of products that meet international standards for dust and water resistance.

Expanding Sales in Key Regions Worldwide

While accurately determining region-specific economic trends and country risk around the world, the Company will expand the scale of its business by conducting aggressive and timely measures, including developing and deepening new sales channels. Its enhanced after-service network ensures safety after purchase.

Life-science Instruments with the World Highest Level

Hitachi Koki’s centrifuges with the world highest level of high-speed rotation technology, including ultracentrifuges indispensable for production of influenza vaccines, contribute to medical and pharmaceutical development.

Introduction of Cordless

<table>
<thead>
<tr>
<th>1980’s</th>
<th>1990’s</th>
<th>2000’s, 2010’s</th>
</tr>
</thead>
<tbody>
<tr>
<td>sales subsidiary Germany manufacturing subsidiary Singapore</td>
<td>Overseas sales subsidiary established in the U.S. Overseas manufacturing subsidiary established in China</td>
<td>1994 Received Promotion Foundation for Electrical Science and Engineering Award (former OHM Technology Award) for the development of quick charge control technology 1997 Received Japan Society for the Promotion of Machine Industry Award for the development of a small-sized centrifuge for particle separation, the highest speed machine of its kind in the world</td>
</tr>
</tbody>
</table>

Full-scale Launch of Engine Tools

- Micro Ultracentrifuge CS150GX (1996) with the world’s highest speed of 150,000 min⁻¹
- Large-Scale Continuous Flow Ultracentrifuge for vaccine purification CC4RX (2011)
- Brushless + high capacity Cordless Circular Saw CS14DCBL (2014), with 3 times more runtime

Sales subsidiary

- Germany
- manufacturing subsidiary
- Singapore

Improved weight, speed, handling

- Continued to evolve (brushless motor + lithium-ion battery)
- AC Brushless Motor Impact Driver WH12VE (2011)

Introduction of Cordless

- Cordless Impact Driver WHIDA (1998)
- Cordless Driver Drill DRC-6 (1979)
- Impact Wrench EW-22 (1972)

Work

- Improved weight, speed, handling
- Slide Compound Mitre Saw CSFB (1985)
What is the “KOKI Way”?  

Based on the Hitachi Group Identity, which is the Mission, Values and Vision shared by the Hitachi Group as “One Hitachi,” the “KOKI Way” shows the fundamental principles of how all executives and employees of the Hitachi Koki Group should think and act in their day-to-day business activities, through the structure of “Corporate Philosophy,” “Corporate Vision” and “Conduct Guidelines/Codes of Conduct” of the Hitachi Koki Group.

The basic values presented by the “KOKI Way” are universal values which, we believe, are to be shared in every country and region in all ages. We relate all our activities to the KOKI Way. When we have doubts or concerns regarding our daily activities or the conduct of those around us, we return to the “KOKI Way,” which is the fundamental principles for both actions and attitudes. At the same time, we reflect once again on its meaning and ensure that such principles are spread, shared and practiced throughout the Company.

A Corporate Philosophy

Contribute to our society through outstanding technologies, products and services

As our Corporate Philosophy of management, the Hitachi Koki Group is committed to contributing to society through the supply of innovative, high performance, high quality and high customer satisfaction products and services which are suited to the users’ needs, and is developing power tools and life science equipment businesses etc. worldwide as a global company.

B Corporate Vision

Hitachi Koki, moving forward with you—Together for Vision—

We aspire to be a company where all customers are happy to do business with us, and all of our world-wide employees are proud to be a part of Hitachi Koki. In addition to thinking and acting from the customers’ standpoint and fully implementing “the operation ABC” (“Do All the things that go without saying, don’t Brush them off as if they don’t matter, and do them Completely”), every employee who works in the Hitachi Koki Group achieves self-improvement through challenging work, and grows together with Hitachi Koki.

C Conduct Guidelines/Codes of Conduct and “5 Principles of Action”

The “Hitachi Koki Group Conduct Guidelines/Codes of Conduct” show the attitude that every employee of the Hitachi Koki Group should possess and the actions that he or she should take in order to achieve the Group’s philosophy and vision.

The “5 Principles of Action” are an easy-to-understand expression of the Conduct Guidelines and Codes of Conduct, and are grounded in the spirit of “Basics and Ethics.”

1. A Member of Society with Common Sense (Compliance)

   Employees of the Hitachi Koki Group will be aware that each of us is a member of society, even before we are members of a company, and observe all laws and social rules properly as individuals with social common sense. Employees of the Group will also adopt good manners (for example, greetings and politeness) and will act sincerely and fairly at all times.

2. Respect for Human Rights

   Employees of the Hitachi Koki Group will respect the human rights of every individual, and will not discriminate on the basis of gender, age, nationality, race, ethnicity, philosophy, religion, position in society, family status or lineage, illness or disability, etc. In addition, employees of the Group will not act in any way that harms the dignity of individuals, such as any types of workplace harassment (sexual harassment, abusive behaviors at the hands of superiors etc.), violence, invasion of privacy or the like.

3. Customer Satisfaction

   Employees of the Hitachi Koki Group will respect the human rights of every individual, and will not discriminate on the basis of gender, age, nationality, race, ethnicity, philosophy, religion, position in society, family status or lineage, illness or disability, etc.

4. Challenge

   In today’s rapidly changing business environment, the Hitachi Koki Group will create new value and be growing by taking on new challenges continuously.

   We will also strive to create a workplace where each individual employee can work with satisfaction in his or her work.

5. Environment and Safety/Security

   As a good corporate citizen in global society, the Hitachi Koki Group will continue to strive to achieve harmony with the environment and ensure safety and security.

   “Safety and security” includes product safety, human safety, information security and the security of society.
Hitachi Koki Group CSR

Based on the Corporate Philosophy “Contribute to our society through outstanding technologies, products and services,” Hitachi Koki Group aims to become a global enterprise which shares values with society by integrating management and business strategies with CSR.

Structure of CSR Promotion

The company-wide CSR policies and activities are developed by CSR and Environment Policy Promotion Division (established in October 2014).

In addition to the conventional control, audit, education and enlightenment of the overall environment and promotion of public relation activities, we will globally promote activities such as creation of an ideal workplace, respect of corporate ethics and human rights, promotion of social contribution activities, and disclosure of information and communication with society throughout our business activities, in cooperation with each division and domestic and overseas affiliates.
Aiming to establish a framework for rapid and accurate management decision making and operational performance, as well as enhance the function for supervision of management, Hitachi Koki, as one of the most important management issues, is working to strengthen the structure of corporate governance.

Hitachi Koki transitioned to a Company with Three Committees as of the close of the 93rd Annual General Shareholders’ Meeting held on June 29, 2015, in order to “actualize corporate management with high transparency” and achieve “acceleration of business execution and improvement of management mobility.” With this transformation, Hitachi Koki will strive to further increase corporate value and strengthen the structure of corporate governance.

The Board of Directors is made up of six Board Directors, including three Outside Board Directors, makes decisions regarding basic management policy, and monitors and supervises the status of the execution of business, while delegating in principle authority of business execution to Executive Officers.

The Company has nine Executive Officers. They decide the execution of operations of the Company and the Hitachi Koki Group, and execute such operations in accordance with the assignment of duties decided by resolution of the Board of Directors.
Internal Control

The Hitachi Koki Group has implemented an internal control system to perform evaluation in accordance with the requirements of Japan’s Financial Instruments and Exchange Act, and files the internal control report to the Financial Services Agency every year. In particular, to ensure the reliability of Group-wide financial reporting, the Group has established a department dedicated to the promotion of internal control, based on decision of policy by the Internal Control Committee, where activities from company-wide control to operation control are documented, in cooperation with related departments.

As for the evaluation, Auditing Office, as a department for monitoring, regularly conducts independent evaluation on the result of assessment test on the status of maintenance and operation of internal control, which is regularly conducted by internal departments and affiliated companies, thereby verifying the effectiveness of internal control on a consolidated basis.

Business Continuity Plan (BCP)

The Company has formulated “Conduct Standards for Earthquake and Disaster Prevention” in order to prevent disaster, fire and pollution from occurring and minimize damage in times of large earthquakes.

We always collect information from overseas Group companies and Hitachi, Ltd., the parent company, and take measures such as issuance of warnings within the Hitachi Koki Group as needed.

In the event that natural disasters, conflicts or terrorist attacks occur, we take measures to minimize the impact on business operation in cooperation with parties concerned including overseas Group companies and Hitachi, Ltd.

Information Security

1. Protecting Personal Information

The Company regards protection and management of personal information acquired as obligation under laws and regulations and important responsibilities directly connected to the trust of the Company.

Specifically, we established “Personal Information Protection Policy” and “Regulations concerning Personal Information Management”, and are working on the appropriate management of personal information by conducting various information security measures and continuous education by the related department.

2. Preventing Information Leaks

The Company recognizes that avoidance and prevention of information leaks are extremely important for the continuation and development of business, and also a company’s social responsibility.

In particular, we are actively working on information security activities for protection of personal and corporate information, including prevention measures for cyber-attacks, in cooperation with the parent company, Hitachi, Ltd.

Security Export Control

For thorough appropriate export control Group-wide, we have established company regulations and specific operational standards in accordance with “Standards for Exporters, etc. to Meet” provided in the Foreign Exchange and Foreign Trade Act, and disseminate the export-related information among the related departments and Corporate Export Regulation Committee, while holding education. Moreover, an export manager is appointed in each department to control compliance with laws and regulations.

Nine Executive Officers of the Company (as of July 1, 2015)

Masato Yoshinari, Executive Officer
Kazuo Tashiro, Executive Officer
Mutsuo Harada, Executive Officer
Yasushi Fukui, Executive Officer
Akira Yoshida, Senior Vice-President & Executive Officer
Osami Masihara, President & Representative Executive Officer
Yoshimoto Kitamatu, Senior Vice-President & Executive Officer
Chikai Yoshimizu, Vice-President & Executive Officer
Yoichiro Tanaka, Vice-President & Executive Officer
Nine Executive Officers of the Company (as of July 1, 2015)
Compliance Reporting System (Whistleblowing System)

The Company set up the “Compliance Reporting System” in April 2005. All employees of the Hitachi Koki Group are informed on the objectives of the system and method of reporting in both Japanese and English.

Aiming at ensuring effectiveness of the system, contact points include an outside lawyer in addition to the internal department (Compliance Division), and reports can be sent by post, email, etc.

In case of affiliated companies, reporting can be made by email, etc. directly to Outside Directors dispatched by the Company.

Reporting Route

Whistle-blower

- Mail
- Internal mail
- E-mail

Compliance Division

Outside lawyer

- Mail
- E-mail

Compliance System

President & Representative Executive Officer Hitachi Koki Co., Ltd.

Chief Compliance Officer (COO)
Responsible person for overall compliance on a global basis

Compliance Manager (CM)
Assistance to Chief Compliance Officer

Compliance Division
Promotion, audit, guidance, education and enlightenment of compliance for the Company and affiliated companies

Compliance Management Committee
Evaluation of effectiveness of system of preventing misconducts, etc., as well as examinations and proposals on the system

Compliance Management Committee

Aiming to prevent wrongdoing and scandals from occurring, the Company has the Compliance Management Committee in place as an internal committee (established on September 12, 2011).

The Compliance Management Committee is made up of one Chairman, two Vice-Chairmen, nine committee members and three secretaries, and holds a semiannual committee meeting, where they discuss (1) raising awareness of wrongdoing and scandals inside the Company, (2) evaluating the effectiveness of system of preventing misconducts, etc., (3) measures for preventing recurrence of scandals in the event that scandals occur, in order to enhance and ensure compliance.

The Hitachi Koki Group is working to strengthen compliance and steadfastly uphold corporate ethics throughout Group businesses, based on its corporate creed of “Basics and Ethics,” with the goal of being a socially trusted enterprise.
For Customers

With regard to product quality assurance, based on our basic policy of “manufacturing products trusted by customers,” the Company is promoting the activities for improvement of customer satisfaction. We have compiled the Action Guidelines regarding product safety, and strive to assure safety of products that the Hitachi Koki Group manufactures and sells by conducting activities in line with the Action Guidelines.

1. Compliance to relevant laws and regulations
The Hitachi Koki Group shall endeavor to comply with laws and regulations, company rules relating to product safety, and these action guidelines and to ensure the safety of the products that the Group Companies manufacture and sell.

2. Endeavors to ensure product safety
The Group shall endeavor to make continuous improvements in product safety by identifying and assessing risks throughout all the stages from product development/design to the procurement of raw materials and parts, manufacture, inspection, shipment, distribution, use and disposal of the product, and by feeding back the results of such efforts to the products, parts, warning labels, instruction manuals, etc. Where an incident involving our product has occurred or is likely to occur, the Group Companies shall, in good faith, respond promptly, while making efforts to thoroughly examine the cause, to prevent the reoccurrence of such an incident and to ensure the safety of the customers.

3. Collection and disclosure of information on product incidents, etc.
The Group shall endeavor to proactively collect information on incidents involving our products, etc. (product defects and malfunctions, product complaints, incidents of similar product, etc.) from their customers and business partners, and to disclose such information in a prompt, timely fashion.

4. Educating employees regarding relevant laws and regulations
The Group, in order to educate the employees regarding the importance of ensuring product safety, shall conduct appropriate education on the laws and regulations, company rules and systems relating to product safety and other necessary matters.

5. Monitoring
The Group shall endeavor to conduct monitoring through internal audits and other means on the compliance with laws and regulations, company rules relating to product safety and these action guidelines and to maintain and improve the system to ensure product safety.

ISO 9001 acquisition status

<table>
<thead>
<tr>
<th>Certified sites</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
</tr>
<tr>
<td>Hitachi Koki Co., Ltd.: Katsuta Plant, Sawa Plant Sankyo Diamond Industrial Co., Ltd.</td>
</tr>
<tr>
<td>Overseas</td>
</tr>
<tr>
<td>Hitachi Koki (Malaysia) Sdn. Bhd.</td>
</tr>
<tr>
<td>Fujian Hitachi Koki Co., Ltd.</td>
</tr>
<tr>
<td>Guang Dong Hitachi Koki Co., Ltd.</td>
</tr>
<tr>
<td>Guangzhou Hitachi Koki Co., Ltd.</td>
</tr>
<tr>
<td>Hitachi Koki Europe Ltd.</td>
</tr>
<tr>
<td>Hitachi Koki Taiwan Co., Ltd.</td>
</tr>
</tbody>
</table>

Message from employee

Junpei Saito
CS Promotion & Quality Assurance Department
CS Promotion & Quality Assurance Division
Hitachi Koki Co., Ltd.

I am responsible for inspection of parts.
The Company performs rigorous tests of products under various conditions in order to manufacture products which fulfill customer satisfaction. We inspect all parts of the products, utilizing high-precision measurement equipment.
Some large parts require measurement at more than 1,000 points per part.
Though the work requires endless patience, I am working with responsibility, recognizing that the parts which have passed our inspection are embedded in products, which are delivered to customers.
Quality Assurance Action Guideline

The Company puts “Hitachi Koki Corporate Code of Conduct” and “Hitachi Koki Group Codes of Conduct” into practice as basis of all activities. In particular, the Company has established “Hitachi Koki Quality Assurance Action Guideline” for thorough quality assurance.

Under the spirit of acting from the customer’s viewpoint as the basic idea, the Guideline clarifies the basic policies and mindset that all officers and employees of the Company must adhere to.

- Quality Assurance Action Guideline (excerpt of major parts)
  
  **Basis Policy**
  Create products trusted by customers

  **Mindset**
  (1) Think and act from customer viewpoint
  (2) Build and assure quality by ourselves
  (3) Adhere to promises and decisions made by ourselves

Response to Product Accidents

The Company conducts corporate activities in accordance with law and regulations, and makes necessary reporting promptly in case of occurrence of accidents relating to the products of the Company.

Keeping in mind the reporting to executives of the Company as well as the reporting to Japan’s Consumer Affairs Agency within ten days after occurrence of the accident in case of human accidents or fire, etc., we have implemented an internal system where the information is conveyed in an appropriate manner without making improvident self-judgment depending on the status of the accident.

- Communication through the Company’s Publications
  Aiming to enhance close communication with customers, we publish “KOKI PRESS” four times a year, and provide interview articles to introduce retailers dealing with the power tools of the Company, information on new products, columns, and other timely topics.

  Furthermore, “Koki News” is published once every three months for employees of the overseas Group companies in both Japanese and English to introduce the overseas Group companies, and to provide local topics such as football World Cup, etc., with the aim to foster a sense of unity globally.

- User’s Voice
  Mr. Shoshin Hosaka
  K.K. Hosakaya Representative Director

  Hitachi Koki’s power tools, which are equipped with strong power of motor, possess the manufacturer’s brand strength and provide sense of trust. Users can enjoy good maintenance and after-sales services, and we, retailers, can recommend the products with confidence. In particular, lithium-ion battery used for cordless tools is popular among customers, as it is compatible with conventional products and therefore does not require a check of applicability depending on products, and it has long life.

  Hosakaya website: http://www.hosakaya.co.jp/
Enhancement of Transparency of the Supply Chain

To deliver environmentally sound products to our customers, Hitachi Koki is asking suppliers for understanding and collaboration in actively carrying out environmental protection activities and supplying materials and components having reduced environmental burden.

We are pursuing environmental improvement in stronger cooperation with “green suppliers,” Hitachi Koki’s classification of suppliers who have voluntarily acquired environmental certification. Furthermore, we will try to improve the quality of procured items, aiming to save resources and reduce environmental burden.

For instance, as for cadmium-contact switches that are not currently subject to restriction, we are proactively proceeding with elimination of cadmium usage from a viewpoint of reducing environmental burden.

We are promoting green procurement of office supplies used within the Company, and aiming to achieve green procurement rate (*) of more than 90%, utilizing “E-sourcing” provided by Hitachi, Ltd.

In a budget plan conference held for suppliers every year, we communicate information, requests, etc. on green and CSR procurement. Furthermore, every term, we select six to ten companies inside and outside Japan, and conduct suppliers’ self-audit through CSR questionnaire. Based on the result of the self-audit, onsite audit is also conducted by independent third-party auditors.

* Green procurement rate = procurement amount of environment-friendly products / procurement amount by E-sourcing

Response to the Conflict Minerals Issue

In August 2012, the U.S. Securities and Exchange Commission (SEC) adopted and issued a final rule obliging companies with securities registered in the United States that use any conflict minerals in their products to report this to the SEC from 2014 pursuant to Article 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, which was signed into law in July 2010. Conflict minerals include gold, tantalum, tin, and tungsten, the four minerals determined to be financing armed groups that are produced in the Democratic Republic of Congo (“DRC”) and adjoining countries (together the “DRC countries”). The goal of this law is to cut off revenues from armed groups that use violence and significantly violate human rights in the conflict-ridden DRC countries.

The Hitachi Koki Group has no obligation to report under the said Act. However, we strive to ensure that we do not, directly or indirectly, abet the human rights violations identified in the DRC countries. To continue our responsible procurement practices, we are working with Group companies, suppliers, and Hitachi, Ltd. to strengthen supply chain transparency and to ensure that the minerals we procure do not finance or benefit armed groups committing human rights violations.

In fiscal 2015, we conducted the conflict minerals survey targeting around 1,000 suppliers and confirmed that conflict minerals were not contained in the products of the Company.

Guidelines on Conduct Concerning Procurement

The Company has formulated “Hitachi Koki Guidelines on Conduct Concerning Procurement” that stipulates behavior guidelines for officers and employees of the Company in procurement of materials, products, services and information required for business operation of the Company from outside suppliers. All officers and employees of the Company will adhere to the “Hitachi Koki Corporate Code of Conduct” and “Hitachi Koki Group Codes of Conduct,” as a basis of all activities.

For Business Partners

Regarding suppliers as equal partners, we are working to strengthen competitiveness from a long-term perspective, and pursuing fairness in business transactions with an open-door policy.
For Shareholders and Investors

By way of disclosing and disseminating business policy, business activities based on such policy, business performance, etc. through our active public relations and investor relation activities in an appropriate and timely manner, we will endeavor to promote communication with shareholders and investors and enhance corporate value.

Information Disclosure in a Timely Manner

We disclose information in a timely, accurate and fair manner, and strive to obtain and maintain appropriate appraisal in market.

While our website always provides the latest information such as news releases and timely disclosure information in an easy-to-understand manner, we will continue to make improvement in our website including enhancement of accessibility by accessible page configuration, with the aim of a more user-friendly website.

Communication with Shareholders

The Company holds IR meetings and financial results briefings with domestic and overseas institutional investors, as well as briefing session for individual investors, publishes annual reports, timely posts various information including business results on its website, and disseminates information on new products, etc. by newspapers, magazines, etc.

Last year, briefing session for individual investors was held eight times, with 401 participants in total. It was held not only in Tokyo and Osaka, but also in other locations such as Wakayama prefecture and Fukushima prefecture.

In addition, we are actively conducting IR activities for overseas investors. To our IR activity held in London last year in December, we received overwhelming response from local people.

General Shareholders’ Meeting

We held the 93rd Annual General Shareholders’ Meeting on June 29, 2015, and held an exhibition to introduce our products and topics in order to enable better understanding of our business.
With Employees

All Hitachi Koki employees continue to pursue self-improvement through challenges to grow with Hitachi Koki.

Human Rights Policy

The Hitachi Koki Group will support realization of society where human rights are respected, while responding with innovation to social issues faced, and contributing to our society through outstanding technologies, products and services. We will strive to fulfill our responsibilities to respect human rights as a foundation for such endeavors.

In October 2013, we have established Hitachi Koki Human Rights Policy that supplements Hitachi Koki Group Codes of Conduct and the Hitachi Group’s CSR Policy, and have pledged to fulfill responsibility of respecting human rights through implementation of the UN Guiding Principles on Business and Human Rights.

Fostering Human Resources

The Company aims to foster human resources, focusing on (1) fostering human resources capable of responding to globalization, (2) enhancing education of the core (technology, skills, and sales) as a manufacturer, and (3) fostering the managerial awareness of heads of departments or divisions and career-track employees (stratified education).

System for training in overseas operations

The Company is systematically fostering persons in charge who are capable of leading global business. Specifically, we transfer the employees, who are expected to be assigned overseas in the future, to overseas companies in principle for one year to provide them with training in operations, aiming to offer motivation and chance to grow.

Creating the Ideal Workplace

The Company set “Safety Day” in April, on which the entire Group carries out safety check and 5S check (Sort, Set in order, Shine, Standardize, Sustain). Furthermore, we are enhancing systems to enable the employees to continue working in safety and with peace of mind without worrying and to demonstrate their fullest potential.

Support system for childcare and nursing care

The Company has been expanding and enhancing systems such as short-time working system for childcare and nursing care, and nursing leave for family members to enable employees working with peace of mind when they pass through life stages that require them to render childcare and nursing care.

Promoting utilization of paid leave, shortening working hours

We help employees to raise their level of motivation by providing a system where employees are granted refreshment leave when they complete certain years of employment (10, 15, 20, 25, 30 and 35 full years). As for working hours, we have set Wednesday and Friday as day of leaving work on time, and introduced “No overtime day”, etc. and are working to promote our business efficiency by enabling employees to work in a well-balanced manner.

Mental health care

To enhance mental health of employees, in Katsuta Plant, regular medical care (once a month) and counseling (once a month) are offered by industrial physicians specialized in mental health and clinical psychologists, respectively. In addition, for employees working at Shinagawa office and sales branches, we have established a health counselling room to provide health counseling (once a month) by industrial physicians, and offer health counseling by e-mail at any time.

Sakura Club

As part of welfare for employees, the Company has a facility “Sakura Club” at Katsuta Plant which can be used by all employees. The facility is used for social gathering after work and other purposes such as providing original beer and wine with “KOki” label, thereby contributing to fostering a sense of unity among employees.
For Local Communities

The Hitachi Koki Group is committed to various activities, aiming at contribution to local communities where our offices are located. By implementing social contribution activities, the Group will aim to be a respected and trusted global enterprise of the 21st century.

Cleaning Activity in Local Communities
At our plants (Katsuta Plant, Sawa Plant, etc.), cleaning around the plant is carried out as part of global environment beautification activities. We also join a beach clean campaign (Ajigaura beach, etc.) held by the local municipality.

Bamboo Grove Maintenance Volunteer
The forest of the City of Hitachinaka brings us a peace of mind and blessings from this precious greenery. However, the maintenance of forest with many hillsides is not easy, and the propagation of Japanese wisteria and bamboo are destroying other kinds of trees that grow there. Every year, we join the activity led by a local NPO to maintain and thin the bamboo grove and contribute to the conservation of greenery.

Monozukuri (craftsmanship) Experience Learning Program
We provide monozukuri experience learning program to local junior and senior high school students (five times a year). The students experience assembling power tools at the production floor of a plant first-hand. In fiscal 2014, total 22 junior and senior high school students participated in the program.

From senior high school students who joined the program, we received many comments such as “I entered a technical high school to learn monozukuri. In the program, I enjoyed manufacturing and convinced myself that the path I chose is not wrong” and “I understood the difficulties of work. I now want to thank my parents who are raising me.”

For Local Communities

Overseas Cases

Spain
Employees brought sweets and toys, and donated them to local disadvantaged children through an NGO.

Australia
We provide vocational schools in the City of Perth with the latest power tools free of charge and contribute to creation of employment opportunities and development of skills. In vocational training, our staff members give guidance about the proper use of power tools, and support career starts of the participants.

India
For the Indian Red Cross Society, we held in-house blood donation drives. Total 32 employees gave blood and received a letter of appreciation from the Indian Red Cross Society.
Environmental Responsibility 01

Environmental Policy Initiatives

Putting harmony with the environment as one of the high-priority tasks of management, the Company has been engaging in unison with Group companies and supplier companies in environmental protection activities.

More specifically, we have formulated “Environmental Action Plan” and are working to develop and produce environmentally sound products.

Environmental Policy

The Hitachi Koki Group established the following environmental policies, and continuously engages in the activities, aiming to promote pro-environmental behavior.

Promotion of ISO 14001 Certification

Regarding the ISO 14001 Environmental Management System, the Hitachi Koki Group manages it by a single system within Japan, and separately at the respective sites outside Japan. Since we acquired ISO 14001 in 1996 in Japan, we have promoted expanding application and integration of the certification among domestic Group companies, while our overseas plants successfully acquired the certification one after another.

ISO 14001 acquisition status

<table>
<thead>
<tr>
<th>Certified sites</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hitachi Koki Co., Ltd.: Headquarters, Katsuta Plant, Sawa Plant, Distribution Department (Yamazaki), Hokkaido / Tohoku / Kanto / Chubu / Hokuriku / Kansai / Chugoku / Shikoku / Kyushu Branches, Hitachi Koki Power Tool Centers (62 sites)</td>
</tr>
<tr>
<td>Hitachi Koki Manufacturing &amp; Service Co., Ltd.</td>
</tr>
<tr>
<td>Hitachi Koki Sales Co., Ltd., Sankyo Diamond Industrial Co., Ltd.</td>
</tr>
<tr>
<td>Hitachi Koki Europe Ltd.</td>
</tr>
<tr>
<td>Hitachi Koki (Malaysia) Sdn. Bhd., Hitachi Koki Taiwan Co., Ltd.</td>
</tr>
<tr>
<td>Fujian Hitachi Koki Co., Ltd., Guangzhou Hitachi Koki Co., Ltd.</td>
</tr>
</tbody>
</table>

Environmental Policy Initiatives

Putting harmony with the environment as one of the high-priority tasks of management, the Company has been engaging in unison with Group companies and supplier companies in environmental protection activities.

More specifically, we have formulated “Environmental Action Plan” and are working to develop and produce environmentally sound products.

For more detailed data:
Hitachi Koki Co., Ltd. website “Environmental Protection Activities”

http://www.hitachi-koki.com/about/environment/index.html

<table>
<thead>
<tr>
<th>Activity</th>
<th>Target</th>
<th>FY2014</th>
<th>Final fiscal year</th>
<th>Performance result</th>
<th>Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Environmental Management</td>
<td>Increase of the Green Point (GPs) in “GREEN21-2015” Activities</td>
<td>576GP</td>
<td>640GP</td>
<td>FY2015 598GP</td>
<td>3 stars</td>
</tr>
<tr>
<td>Enhancement of Environmental Education</td>
<td>Promote participation in the Hitachi Group’s shared education courses: participation rate of environmental e-learning</td>
<td>98%</td>
<td>Continued</td>
<td>Continued 98%</td>
<td>3 stars</td>
</tr>
<tr>
<td>Eco-products</td>
<td>Expansion of environment-friendly products</td>
<td>89%</td>
<td>90%</td>
<td>FY2015 98%</td>
<td>3 stars</td>
</tr>
<tr>
<td>Environmentally Friendly Factories and Offices</td>
<td>Sales ratio of eco-products (global)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prevention of Global Warming</td>
<td>Reduction of CO2 emissions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Waste Reduction</td>
<td>Reduction of waste</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Promotion of recycling of batteries</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Increase in amount of waste batteries collected (Japan)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Environmental Management

Aiming at formulating a systematic environmental management system, and in order to maintain and improve the ongoing environmental activities, we are continuously working on improvement of the management systems in and outside Japan and promotion of environmental accounting.

"GREEN21-2015" Activities

The Hitachi Group has been using “GREEN 21-2015” to evaluate environmental activities collectively since fiscal 2011 to improve and enhance the level of activities. This “GREEN 21-2015” divides environmental activities into eight categories and evaluates achievement of the targets set in the Environmental Action Plan and activities themselves with 53 evaluation items.

Full points of each category are 100 GPs (Green Points), and five-level rating is used for each item.

The evaluation points achieved in fiscal 2014 were 598 GPs while the target points were 576 GPs. We will continue to make efforts for further improvement in environmental activities, aiming at the target 640 GPs in fiscal 2015.

Economic Aspect (Environmental Accounting)

The Hitachi Koki Group calculates the environmental conservation costs and effects based on “Environmental Accounting Guidelines” of the Ministry of the Environment. Cost effectiveness is understood quantitatively to make effective environmental investment and reduce environmental burden continuously.

Environmental Conservation Cost

<table>
<thead>
<tr>
<th>Category</th>
<th>Cost (Millions of yen)</th>
<th>Overview</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY2012</td>
<td>FY2013</td>
</tr>
<tr>
<td>Office area</td>
<td>152.9</td>
<td>159.2</td>
</tr>
<tr>
<td>Upstream/downstream</td>
<td>15.5</td>
<td>13.7</td>
</tr>
<tr>
<td>Management activities</td>
<td>194.6</td>
<td>191.1</td>
</tr>
<tr>
<td>Research and development</td>
<td>60.2</td>
<td>57.7</td>
</tr>
<tr>
<td>Social activity</td>
<td>2.0</td>
<td>1.2</td>
</tr>
<tr>
<td>Environmental damage</td>
<td>3.7</td>
<td>0.9</td>
</tr>
<tr>
<td>Total</td>
<td>428.9</td>
<td>423.8</td>
</tr>
<tr>
<td>Total investment</td>
<td>16.0</td>
<td>203.7</td>
</tr>
</tbody>
</table>

Costs of maintenance of equipment with low environmental burden, depreciation, labor costs of environmental management, implementation and maintenance of environmental management system, costs of research and development, recycling of products and packaging, recycling expenses, costs of social activity, and costs of environmental damage.

Economic Effects with Environmental Conservation Measures

<table>
<thead>
<tr>
<th>Contents of effects</th>
<th>Cost (Millions of yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income effect (Profit on sales and electric power selling, resulting from separation and recycling of wastes)</td>
<td>85.3 94.6 122.6</td>
</tr>
<tr>
<td>Cost reduction effect (Reduction of energy cost resulting from energy saving, reduction of disposal cost resulting from waste disposal)</td>
<td>10.4 5.6 7.5</td>
</tr>
<tr>
<td>Total</td>
<td>95.7 100.2 130.1</td>
</tr>
</tbody>
</table>

Power-saving Effects with Environmental Conservation Measures

<table>
<thead>
<tr>
<th>Item</th>
<th>Reduced amount</th>
<th>Overview</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduction of electric power consumption when manufacturing products (thousand kWh)</td>
<td>1,234 414 399</td>
<td>Energy-saving by air leakage prevention measure, and use of LEDs for illumination, etc.</td>
</tr>
<tr>
<td>Reduction of electric power consumption when using products (thousand kWh)</td>
<td>128,702 132,488 139,756</td>
<td>Reduction of electric power consumption when using products by employing power tools with energy-saving motors</td>
</tr>
</tbody>
</table>
Waste Reduction

Through production without wasting resources, we are striving to reduce industrial waste. We are also promoting reuse and recycling to effectively utilize industrial waste as new resources, and striving to reach the Hitachi Koki Group’s target of zero-emissions activity (i.e., final disposal rate of 0.2% or less).

Minimization of Final Disposal Rate of Waste

In Japan, we aim to reduce the final disposal rate of waste (final disposal volume/discharge) to 0.2% or less by fiscal 2015. The final disposal rate was 0.12% in fiscal 2014 and we achieved the goal (0.22% or less) successfully. We will continuously commit to further reduction to reach the goal.

Purchase of Resources and Discharge into the Environment (Material Balance)

Hitachi Koki Group’s environmental performance result in fiscal 2014 is as follows.

Example of activity

Promotion of resource recycling: producing valuables by separating waste

We separate expanded polystyrene discharged from plants at each site and sell it as valuables after processing it into a recyclable shape at the dedicated facility in a plant.

Sale of expanded polystyrene

Reduce the volume and solidity expanded polystyrene by an expanded polystyrene volume reduction machine to sell it as resin material (valuable).

Message from employee

Kazuhiko Horie

Sawa Production Center, Production and Procurement Division Hitachi Koki Co., Ltd.

When I became in charge of environment, I had difficulty in separating waste. I tried a number of methods from the standpoint of discharging to find how to separate waste properly, and learned that with a few simple changes in labels, we can separate and discharge waste correctly.

My customers are the Company staff members who discharge waste. I will further strengthen environment management while thinking and acting from the standpoint of the Company staff.
Environmental Responsibility 04

Environmentally Friendly Factories and Offices

In order to promote prevention of global warming, waste reduction, water conservation and appropriate control of chemical substances, we are working on reducing the environmental burden in our factories and offices.

Prevention of Global Warming (Improvement in CO2 emission per unit of production)

By fiscal 2014, we had reduced our CO2 emissions intensity to 70% of fiscal 1990 at plants in Japan, and to 64% of fiscal 2009 at overseas plants. We are striving to improve the efficiency by introducing high efficiency lighting and air-conditioning equipment, and changing and repairing aging pipes, targeting mainly the overseas plants where production is expanding year by year. Moreover, we are globally expanding Group-wide activities such as “Light Down Campaign” and various environmental events. We will endeavor to further reduce CO2 emissions and improve the index per unit of production with continuous efforts.

Hitachi Koki completed the construction of “Hitachi Koki Solar Power Generation System” at Sawa Plant (Hitachinaka, Ibaraki, Japan) in October 2013 and started the full-scale operation to contribute to society as a measure to increase the self-sufficiency of domestic energy and prevent global warming, aiming to fulfill CSR (corporate social responsibility).

A total of 2,088 solar panels were installed in the area of 7,700 m², and all the generated electricity is sold to an electric power company according to “Feed-in Tariff Scheme for renewable Energy.” The annual electricity generation for fiscal 2014 is approximately 672,000 kWh which is comparable to the electricity required by approximately 140 ordinary households.

We will promote the use of renewable energy by implementing measures such as installation of solar panels within plants and offices for the future.
To Make a Sustainable Society Come True

To make a sustainable society come true, we provide products of less environmental burden and are actively working on activities to contribute to the local community.

**Eco-products (Increase in the production ratio of eco-products)**

Responding to exhaust emission regulations on engines

We have developed the low emission “New Pure Fire,” which complies with Japan’s second and third voluntary exhaust emission regulations implemented by Japan Land Engine Manufacturers Association since 2011 and 2014, respectively.

We revised the conventional engine structures, and developed the low emission “New Pure Fire” which ensures the same or higher performance than the conventional models while significantly reducing emission by combining use of catalysts.

This engine is also compliant with U.S. and European emission standards (EPA Phase 3, CARB Tier 3 and EC Stage 2) in addition to Japan’s third voluntary exhaust emission regulation.

**① Reduced electricity consumption during use by 9% with a high efficiency AC brushless motor.** (A comparison with our previous model DH40MRY)

**② Reduced vibration during use by approximately 15%.** (A comparison with our previous model DH40MRY)

**③ Realized the highest* demolition performance and fastest* drilling speed in its class, by adopting the high efficiency brushless motor and optimized hammering mechanism.**

*As of November 2014, among 40mm class rotary hammers made by domestic power tool manufacturers, surveyed by Hitachi Koki.

**④ Compliant with European RoHS regulation, including lead-free substrate.**

**⑤ Enhanced energy saving function and reduced the stand-by electricity consumption by approximately 50%.**

**⑥ Reduced operating sound by more than 2dB(A) with improved sound release.**

For contribution to local communities, we continuously and actively participate in local activities and provide support for education in schools, in addition to cleaning around our plants.

We set up the “Five-year Plan for Environmental Social Action Program” in fiscal 2011 and the entire Group companies are promoting activities.

At Sawa Plant, we welcome local primary as well as junior and senior high school students in their “social studies field trip” and “monozukuri experience learning program.” We explain to the students how our products are made and provide them with opportunities to practical exercise. In fiscal 2014, total 385 students from three primary schools and total 22 students from five junior and senior high schools participated in the social studies field trip and in the monozukuri experience learning program, respectively.

(For details of monozukuri experience learning program, please refer to “Social Responsibility 05” (page 17), “For Local Communities”.)

**Examples of Eco-products**

**Rotary Hammer DH40MEY**

- Reduced electricity consumption during use by 9% with a high efficiency AC brushless motor. (A comparison with our previous model DH40MRY)
- Reduced vibration during use by approximately 15%. (A comparison with our previous model DH40MRY)
- Realized the highest* demolition performance and fastest* drilling speed in its class, by adopting the high efficiency brushless motor and optimized hammering mechanism.

**Ultracentrifuges CP100NX/90NX/80NX**

- Compliant with European RoHS regulation, including lead-free substrate.
- Enhanced energy saving function and reduced the stand-by electricity consumption by approximately 50%.
- Reduced operating sound by more than 2dB(A) with improved sound release.

**Local Community Collaboration**

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**Message from employee**

Hitachi Koki (Malaysia) Sdn. Bhd.

Joswari Bin Mohamed

Electricity prices have been increasing every year, and energy saving is one of the important issues of environmental management.

It is also one of the most important issues at Malaysia Plant, and we continue to carry out electricity saving activities every year systematically. In particular, fluorescent lamps in the plant have been replaced with LED lights, air conditioners have been changed to fan-type cooling systems, and drying furnaces have been improved in heat retention.

Going forward, we will continue electricity saving activities, while receiving guidance from Hitachi Koki.