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Hitachi Appliances Environmental Report 2006

Hitachi Appliances, Inc.

Environment Promotion Department

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This environmental report was prepared to report on the details and results of Hitachi Appliances, Inc. environmental activities, as well as future activity plans.

Scope of Report

■Reporting Period

FY2005 (April 1, 2005 to March 31, 2006)

■Objective Organizations

Hitachi Appliances Group consolidated companies

The objective of tabulated data is offices and factories having a large environmental impact. (Reported separately)

■Referenced guidelines

Environmental Reporting Guidelines (Fiscal 2003 Version) (Ministry of the Environment)

Environmental Performance Indicators for Businesses (Fiscal 2002 Version) (Ministry of the Environment)

Environmental Reporting Guidelines 2001 — With Focus on Stakeholders (Ministry of Economy, Trade and Industry)

■Next Issue

Around July 2007

■Website

This report is a condensed version of the contents of our website. Please see Environmental Efforts of our homepage for more information.

http://www.hitachi-ap.co.jp/

■Contact address

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http://www.hitachi-ap.co.jp/company/environment/kankyo/

Pursuing positive environmental activities to build a sustainable society

■Company Overview

Company name	Hitachi Appliances, Inc.
Main business	Development, manufacture, and sales of comprehensive air conditioning systems and home appliances
Representative	Takazumi Ishizu, President and Director
Capital	¥20 billion (wholly owned by Hitachi, Ltd.)
Date established	April 1, 2006 (Merger of Hitachi Air Conditioning Systems Co., Ltd. and Hitachi Home & Life Solutions Inc.)
Head office	Hitachi Atago Bldg., 15-12, Nishi Shimbashi 2-chome, Minato-ku, Tokyo
Number of employees (consolidated)	Approx. 17,000 (As of April 2006)

■Products Overview (As of December 2006)

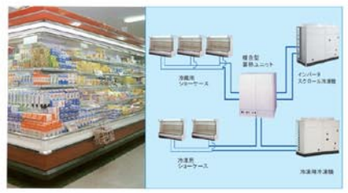
Comprehensive Air Conditioning

Water Chillers for Buildings

Packaged Air Conditioners for Shops & Offices

Home Room Air Conditioner

Refrigerating Appliances & Storage Systems for Showcase



Absorption Chiller-Heaters for Large Building

Home Appliances & All-Electric Housing

Takazumi Ishizu
President and Director

Message From The President

Providing comfort to future generations in all areas of their lives

Since the beginning of the industrial revolution in England in the 18th century, we humans have used the earth's resources to manufacture various industrial products to make our daily life more convenient, comfortable, and rich. As a result of mass production and mass consumption, space to dispose of the large volume of waste products containing useful resources has been lost due to the accelerated squandering of the various resources that have been preserved inside the earth for billions of years. Also, chemical substances emitted in pursuit of beneficial processes have had unexpected effects on the environment and have destroyed the ozone layer of the atmosphere surrounding the globe, and the increase of CO_2 and other greenhouse gases is quickly destroying the environment which can result in the destruction of the ecosystem and the survival of humankind.

In response to this, waste processing, chemical substances, greenhouse effect gas restrictions, and other environmental conservation measures are being taken on a worldwide scale. We have entered an age which demands that businesses not only respond to the environment, but also be socially responsible for controlling business activity with a higher target based on collaboration between government and citizens so that society follows the road of sustainable development.

Hitachi Appliances, Inc. was newly established on April 1st, 2006 as a member of the Hitachi Group by merging Hitachi Air Conditioning Systems Co., Ltd. and Hitachi Home & Life Solutions, Inc.

Underpinned by the comprehensive air conditioning, all-electric housing and home appliances businesses, Hitachi Appliances will develop the "Lifestyle Zone Solutions Business" on a global basic to support the envolving lifestyle of people through utilizing the companywide capabilities of Hitachi Ltd., and grasp harmonizing with the environment as part of CSR (Corporate Social Responsibility) and proceed with positive efforts.

In the sense that the meaning of "appliances" includes familiar products such as home appliances; our name is indicative of business activity based on a solid technological foundation with high reliability and efficiency in manufacturing.

Hitachi Appliances boasts top-level expertise in compressors, the backbone of air conditioning and freezer systems, which range from small rotary compressors to scroll, screw and large centrifugal compressors, developed using original technologies and for which we have received respective energy savings and environmental awards.

In the comfort and health support fields, we offer diverse home appliances with additional value increased through nanotechnology and are proceeding with plans for all-electric housing as the culmination of these achievements. At the same time, we are also leading the way in creating comfortable environments by carrying out in-depth studies related to air quality for commercial air conditioning systems.

In order to promote such business activities, we participate actively in community based social contribution and environmental conservation activities, in addition to considering the life cycle of products and reduction of the environmental impact of all business activity.

Hitachi Appliances will continue to offer environmentally friendly products and services to customers and maintain close contact with the "Lifestyle Zone" in striving to contribute to "quality of life" while at the same time fulfilling its role as a partner who assists the care for the environment of the customers themselves.

We await your opinions regarding our undertakings in passing on a living environment blessed with nature, fresh air and clean water to the next generation.

Takazumi Ishizu

Environmental Report 2006

Action Guidelines for Environmental Conservation

To realize our environmental management objectives, we have formulated a long-term plan, or “Environmental Vision”, based on the Hitachi Action Guidelines for Environmental Conservation. We then create yearly action plans, guided by our Sustainability Compass, verifying and improving our environmental performance along the way using our GREEN 21 program.

Hitachi Appliances Action Guidelines for Environmental Conservation

These guidelines set forth Hitachi Appliances’ action for addressing environmental conservation in relation to its business activities based on the “Hitachi Appliances Group Standards of Corporate Conduct”

Purpose

In order to realize an environmentally harmonious and sustainable society through products and services, Hitachi Appliances is committed to meeting its social responsibility by promoting globally-applicable “MONOZUKURI” which is aimed at reducing the environmental impact of its products throughout their entire life cycle, ensuring environmental conservation.

Action guidelines

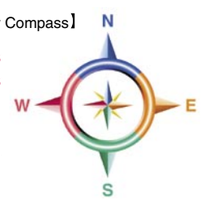
1. Global environmental conservation is a critical challenge shared by all humans. Hitachi Appliances is committed to fulfilling its responsibilities by assisting in the realization of an environmentally harmonious and sustainable society as one of its management priorities.
2. Hitachi Appliances will make efforts to contribute to society by developing highly reliable technologies and production processes, while identifying needs considering concerns related to global environmental conservation and limited resources.
3. Members of the board in charge of environmental conservation are responsible for facilitating appropriate environmental conversation activities. Departments in charge of environmental conservation should exhaustively promote environmental conservation activities through developing environment-related rules and regulations and setting goals for environmental impact reduction. These departments should also confirm that their environmental conservation activities are conducted in a proper manner and ensure that these activities are maintained and improved.
4. Hitachi Appliances will promote globally-applicable “MONOZUKURI” with the aim of reducing the environmental impact at every stage, including product research and development, design, production, distribution, sales, usage, recycling and final disposal.
5. Hitachi Appliances will investigate and review the environmental impact caused in the course of its “MONOZUKURI” processes. Hitachi Appliances will also introduce excellent technologies and materials useful to safeguard the environment, in other words, to reduce environmental impacts through energy and resource conservation, chemical substance management, recycling, and other measures.
6. Hitachi Appliances’ environmental conservation efforts are not only to be focused on observing international environmental regulations and those of national and local governments, but also on conserving the environment by implementing voluntary environmental standards when necessary.
7. Regarding globally-applicable “MONOZUKURI” activities, impact on the local environment and community are to be considered. In addition, measures that meet local communities’ requests should be implemented.
8. Hitachi Appliances will educate its employees on the observance of environment-related laws, raise their environmental awareness, and encourage their interest in society at large and broad-based environmental conversation activities.
9. Hitachi Appliances will evaluate potential environmental problems and prevent them from occurring. In the event that any environmental problem occurs, Hitachi Appliances will take appropriate measures to minimize the impact on the environment.
10. Hitachi Appliances will make efforts to disclose information on its environmental conversation activities to its relevant stakeholders. Hitachi will also actively communicate with the stakeholders so as to strengthen mutual understanding and forge cooperative relationships with them.

Environmental Vision 2015

The two key concepts of Environmental Vision 2015 are “Pioneering Sustainability” and “Emission-Neutral”. Our “Sustainability Compass” indicates that we must progress along four particular paths.

Next-Generation Products & Services
Provision of next-generation products and services
We will continue to make innovations for highly competitive products and services that will contribute to structuring a sustainable society and deploy new business models.

【Sustainability Compass】



Worldwide Environmental Partnerships
Collaboration with stakeholders
We will strengthen environmental communications and actively endeavor to realize concrete partnerships with our stakeholders while clarifying our objectives and achievements.

Eco-Mind & Global Environmental Management
Eco-mind & global environmental management
Throughout our entire group, we will create an advanced eco-mind and the power to transform it into action and build/operate a global management and evaluation system.

Super Eco-Factories & Offices
Factories and offices with high-level of consideration for environment
We will thoroughly carry out activities for the prevention of global warming and continue our efforts to promote recycling, and at the same time to build up our bases with consideration for the environment.

FY2005 Action Plan and Achievements

The planned actions and actual results for each item of the FY2005 Action Plan are compared with the targets. Targets for FY2010 were set based on Hitachi Group’s “Stage 2 Environmental Strategy”

△: Improvement effort required ◎: Attained

Category/ item	FY2006 Target	FY2006 Results	Achievement level	FY2010 Target
Eco-Mind & Global Environmental Management				
Promote environmental management	Strengthen global environmental management	Number of business establishments now reporting environmental impacts Hitachi Appliances: 3 Domestic affiliates: 1 Overseas affiliates: 7	◎	Enhancement of environmental management system
Enhance self-evaluation system	Level 640GPs	“GREEN 21” ver. 2 Score: Domestic 684GPs/overseas 613GPs	△	“GREEN 21” ver. 3 Score: 1280GPs
Nurture environmental literacy	Enhance global environmental education	Promotion of education by utilization of the Internet (e-learning) English version and Chinese version distributed to overseas companies.	◎	High eco-mind education for all employees and families Enhancement of employee education and license holders
Promote environmental accounting	Promote internal use of environmental accounting	Environmental investment 112% (rel. to last FY)	◎	Establishment of environmental accounting with external economic effect introduced
Next-Generation Products & Services				
Expand eco-products	Expand eco-products to 76%	Registration of eco-products Packaged air conditioner & home appliances: 18 products, 176 models, 85% Various awards for certified eco-products Awarded the Ministry of Economy, Trade and Industry’s Prize for high-output integral natural-refrigerant (CO_2) heat pump water heater and the Eco-Products Promotion Council Chairman’s Prize for washer-dryer (Beat Wash), both in the eco-products category of Eco-Products Awards	◎	Percentage of super eco-products registration 30%, eco-products development 100% Global warming prevention factor Home appliances 50%, air conditioning for commercial use 20% improvement (rel. to FY 2000) Resource factor Home appliances 70%, air conditioning for commercial use 20% improvement (rel. to FY2000) Use of recycled plastic per product 20% increase (rel. to FY2000) Use of packaging per product 10% reduction (rel. to FY2000)
Promote control of chemical substances used in products	Total elimination of lead, mercury, cadmium, hexavalent chromium, PBB, PBDE (electrical and electronic devices subject to RoHS*1 Directive)	Promotion of environmental CSR compliant “MONOZUKURI”. For the products for Europe, response to RoHS directive	◎	Initial response to product life cycle standards and regulations
Promote green procurement	Percentage of Green Suppliers 70%	Percentage of Green Suppliers 90%	◎	Maintenance of percentage of Green Suppliers at 100%
Construct a sustainable business model	Expand product recycling systems, and expand lease and rental business Expand environmental solution-model business Diffuse sustainable business to society	Progress in leasing of refrigerating air conditioner for commercial use	◎	Study aimed at expansion of environmental solution model business and dissemination to society
Super Eco-Factories & Offices				
Efficient use of resources	Reduce final disposal rate to 80% or less (rel. to FY1998) Promote zero emissions	Reduced final disposal rate to 6% (rel. to FY1998) Zero emission at Shimizu Works continued from FY2002	◎	Waste generation: 20% reduction (rel. to FY 2000) Resource recycling rate (Japan): 10% increase (rel. to FY2000) Water use (overseas): 10% reduction (rel. to FY2000)
Management of chemicals	Use of “prohibited substances”: Complete elimination Use of “substances subject to reduction”: 30% reduction (rel. to FY2000)	Use of “prohibited substances”: Eliminated completely Use of “substances subject to reduction”: Reduced by 60% (rel. to FY2000)	◎	VOC emission to atmosphere (Japan): 45% reduction (rel. to FY2000) VOC emission rate to total consumption (overseas): 10% reduction
Reduce CO_2 emissions	Progress toward achievement of specific targets established by the industry organization (FY2010) CO_2 per unit of product (Japan): 20% reduction (rel. to FY1990) Total CO_2 emissions (Japan): 3% reduction (rel. to FY1990)	CO_2 per unit of real production: Reduced by 23% (rel. to FY1990) Total CO_2 emissions (Japan): Reduced by 54% (rel. to FY1990)	◎	CO_2 emissions per unit of real production (Japan): 25% reduction (rel. to FY1990) CO_2 emissions per unit of real production (overseas): 5% reduction (rel. to FY2003) Total CO_2 emissions (Japan): 7% reduction (rel. to FY1990)
Worldwide Environmental Partnerships				
Data disclosure & dialog	Global data transmission at all opportunities	Newspaper advertisements Received two prized at the 2nd Eco-Product Prize RoHS Directive compliance transmission Exhibition participation International eco-products fairs Eco-Products 2005 and ENEX2006	◎	Enhancement of dissemination of information on website Participation in exhibitions, seminars, and other outside activities
Global citizen activities	Exchange with local communities at each office and factory	Participation in Team -6% Exchange with local citizens by offices and factories open house Cleaning activity at each office and factory	◎	Greening & cleaning activity Social action program for the environment

*1 RoHS Directive: Abbreviation of Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment. Restriction on the use of hazardous substances in electrical and electronic equipment handled in the EU (European Union) region. The use of the six substances lead, mercury, cadmium, hexavalent chromium, PBB (polybrominated biphenyl), and PBDE (polybrominated diphenyl ethyl) was restricted from July 2006. (However, there are some exceptions.)

If environmental activities are to achieve a firm objective, it is essential to establish more specific and effective targets. By setting up an eco-management system allowing individual workers to recognize the environment in their individual positions, workers can be motivated to more positive, smoother actions, paving the way for substantial achievements.

Environmental Management Structure

Hitachi Appliances has organized an Environmental Management Committee; headed by a chairman appointed by the President. Widespread positive environmental activities are promoted by the entire Hitachi Appliances Group, including each office and factory, based on the policies set forth by this committee.

Eco-Management System

We have organized an environmental management system based on ISO 14001 as one of our environmental activities which reduce the environmental impact and contribute to environment conservation. ISO14001 is acquired centered about production sites by effectively utilizing this system. Also, at domestic and overseas production sites, to confirm the implementation of the environmental management system and the results of environmental performance based on ISO 14001, we are assessed yearly by an accredited external organization. Furthermore, an environmental audit is carried out by internal auditors who are certified both inside and outside the company.

In FY2005, two companies; Qingdao Hisense Hitachi Air-conditioning Systems Co., Ltd. and Hitachi Home & Life Solutions (India) Ltd., newly obtained ISO 14001. Certification is ongoing in production sites in Japan and overseas.

Domestic production sites have obtained 100% certification, and future certification for uncertified overseas manufacturing sites is progressing.

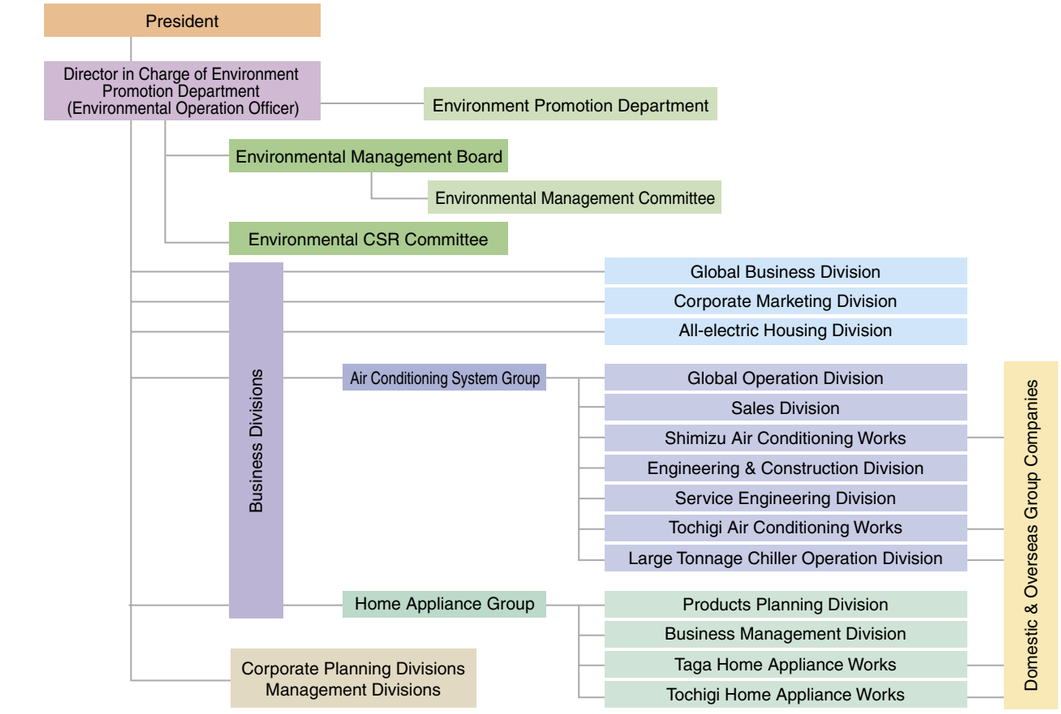
Number of offices and factories which acquired ISO14001 Certification

	Domestic		Overseas		Total
	Manufacturing	Nonmanufacturing	Manufacturing	Nonmanufacturing	
Number acquired	9	1	10	0	20

Number of internal environmental audits

	Domestic	Overseas
Number required	56	54
Number held	139	195

Environmental Management structure in Hitachi Appliances
(as of April 2006)



GREEN 21 Activities

To continuously improve and upgrade environmental activities, the GREEN 21 ver.2 system is used to evaluate all activities on a fixed standard.

The GREEN 21 ver.2 evaluation items are divided into eight categories; eco-management, eco-mind, eco-products, eco-factory, collaboration with stakeholders, and sustainable business models. The level of the fiscal year concerned is evaluated.

Activity levels are evaluated in 0 to 5 levels. Level 4 is the target achievement level specified in the environmental action plan of the Hitachi Group in FY2005, while level 5 is an activity level exceeding the action plan.

FY2005 saw the annual target of total points (GPs = Green Points) of each category, namely 640GPs, cleared domestically, but not reached overseas.

From FY2006, each undertaking, including environmental management, was strengthened and promoted based on GREEN 21 ver. 3, which was newly started with FY2010 as the target.

Evaluation items
(8 categories/53 performance indicators)

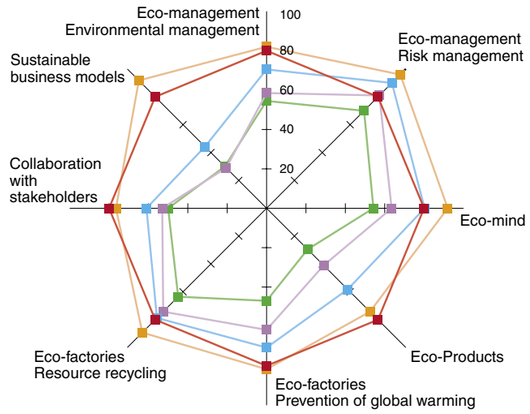
Category (evaluation table)	Main contents of evaluation
Eco-management - Environmental management	Environmental management, action plan, environmental accounting
Eco-management - Risk management	Set own standards, statute compliance
Eco-mind	Employees training
Eco-products	Product/service assessment, green purchases, logistics measures
Eco-factory - Prevention of global warming	Energy conservation in offices and factories
Eco-factory - Resource recycling	Waste reduction, chemical substance management
Collaboration with stakeholders	Information disclosure, communication activities, community activities
Sustainable business models	Promotion of sustainable business models

Green Point Average: Results and Targets

Scope

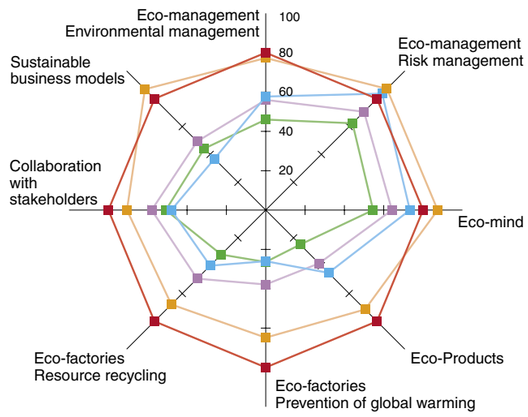
Domestic : (Shimizu, Tochigi, Taga Works, Hitachi Reftechno Koganei Works)

FY2002 : 399GPs
FY2003 : 462GPs
FY2004 : 554GPs
FY2005 : 684GPs
FY2005 : 640GPs Target



Overseas : Shanghai Hitachi Household Appliances Co., Ltd.
Hitachi Air Conditioning Products (Malaysia) Sdn. Bhd.
Hitachi Household Appliances (Wuhu) Co., Ltd.
Taiwan Hitachi Co., Ltd.
Hitachi Air Conditioning Products Europe, S.A.
Hitachi Consumer Products (Thailand), Ltd.
Hitachi Compressor (Thailand), Ltd.

FY2002 : 341GPs
FY2003 : 424GPs
FY2004 : 411GPs
FY2005 : 613GPs
FY2005 : 640GPs Target



Eco-mind & Environmental Education

The awareness and practice of the environment of every employee is important in order to promote environmental conservation. Also important for continuous improvement are repeated training and exercises.
As part of the environmental management program, we hold lecture meetings during an environment month, June every year on energy preservation and waste in the work place and home to raise their environmental awareness, in addition to training at each level. Furthermore, we register employees who are engaged in work that may influence the environment as "Environment-Related Workers", and provide them with the necessary education as well as periodical exercises simulating emergency cases.

Environment-related License Holders

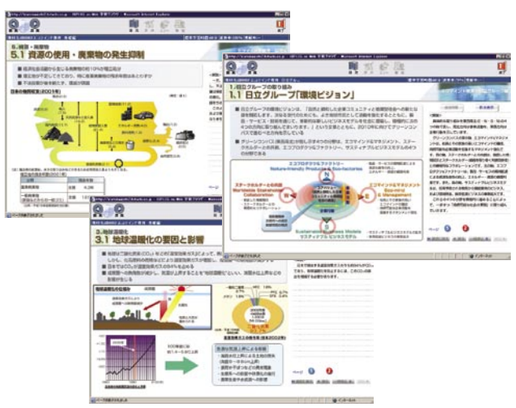
We nurture and educate environment-related license holders like Pollution Control Managers with highly specialized knowledge. Out domestic sites have the legally required number of environment-related license holders.

Domestic environment-related license holders

Required number	Actual number
230	1191

e-Learning (Environmental Education System)

Hitachi Appliances has an e-learning environmental education system, as a tool of environmental education, accessible by individual employees during their free time on the internet. An English version and a Chinese version of e-learning are available and are utilized in our overseas factories.



Environmental Accounting

As a key element of our management system, we introduced an environmental accounting system in FY2001. We disclose the cost of environment preservation activities, and the economic and physical effect in the form of environmental management information. We aim to let others gain an understanding of our perspective toward the environment. While costs up to depreciation allowance are included, the effect is evaluated from the standpoints of "economic effect" by amount and "physical effect" by environmental impact reduction amount. The economic effect is evaluated by calculating numbers having a clear basis. The physical effect is evaluated by combining the environmental impact suppression effects not only during production, but also during use. In FY2005, RoHS Directive compliance and research on eco-products increased research and development costs by ¥112 million.
Also, waste separation and product resource conservation increased the economic effect by ¥22 million.

Hitachi Appliance environmental accounting standard

Cost related to environmental conservation activities

Expenses and investment accompanying business activity for the purpose of environmental conservation and environmental impact reduction

Environmental conservation effect

Economic effects

- Real income from sale of valuable resources, environmental technology patent income, etc.
- Reduction of electric charges and waste disposal costs accompanying environmental impact reduction activities

Physical effects

- Reduction by activities to reduce resources put into business activities
- Reduction by activities to reduce the environmental impact and wastes emitted from business activities
- Reduction by activities to reduce the environmental impact at use and disposal of products

Costs

Item		Main contents	Cost (units: Million yen)				
			FY2001	FY2002	FY2003	FY2004	FY2005
Cost	1. Cost in business area	Environmental impact reduction facilities maintenance/management cost, depreciation cost	814.8	881.2	921.2	819.3	710.0
	2. Upstream/downstream cost	Green procurement cost, product & packaging recovery/recycling cost, recycling cost	369.5	236.7	224.3	30.8	34.9
	3. Management activities cost	Environmental management labor cost, environmental management system operation/maintenance cost	348.6	277.0	396.6	373.6	357.0
	4. Research and development cost	Product/manufacturing process environmental impact reduction research & development and product design cost	1,518.2	1,582.8	1,137.3	1,048.9	1,161.3
	5. Social activity cost	Greening/beautification and other environmental improvement, PR/publicity cost	0.7	0.5	0.4	0.3	0.4
	6. Environmental damage cost	Environment related measures and contribution charges	5.0	4.6	4.6	6.7	5.2
	Total cost		3,056.8	2,982.8	2,684.4	2,279.6	2,268.8
	Total environmental investment	Energy conservation facilities and other direct environmental impact reduction facilities investment	421.1	693.1	650.0	728.5	820.9

Facilities investment depreciation cost is calculated on 5 years straight-line method.

Effects

Economic effects

Item	Main contents	Effect amount (Units: Million yen)				
		FY2001	FY2002	FY2003	FY2004	FY2005
Real income effect	Waste recycling sales profit	106.4	129.5	177.9	269.9	291.7
Cost reduction effect	Resources cost reduction by resource conservation, treatment cost reduction by waste reduction, and electric power cost reduction by energy conservation	11.8	19.7	19.3	19.1	19.3
Total		118.2	149.2	197.2	289.0	311.0

Physical effects

Item	Main contents	Reduction amount (rel. to last FY)				
		FY2001	FY2002	FY2003	FY2004	FY2005
Reduction of amount of energy consumed during manufacture	Reduction of amount of energy consumed by resource conservation, reduction of amount of energy consumed by introduction of energy conservation facilities	775MWh	1,064MWh	1,071MWh	612MWh	1,697MWh
Reduction of final waste disposal amount during manufacture	Reduction of final disposal amount by separation and recycling	45t	239t	29t	57t	153t
Reduction of amount of energy consumed during product use	Reduction of amount of energy consumed when Hitachi Appliances product used by consumer	46,030MWh	71,499MWh	72,980MWh	126,673MWh	57,381MWh

The effect accompanying facility investment is 5 years calculation, the same as cost.

※The cost and effects above are the total for the old Hitachi Air Conditioning Systems Co., Ltd. and old Hitachi Home & Life Solutions, Inc. (Cost and effect up to FY2004 also include the old Hitachi Hometec, Ltd.)

Domestic Business Activity

Scope: Shimizu Works, Tochigi Works, Taga Works, Hitachi Reftechno Koganei Works

INPUT		
Total energy input (crude oil conversion)		35,199 kL
	Power	116,236 MWh
	Gasoline	229 kL
	Diesel oil	20 kL
	Kerosene	1,034 kL
	LPG	257 t
	City gas	1,810 thousand m^3

OUTPUT	
CO_2 emission	50,008 t

INPUT		
Total substances input		
Metal 43,461 t	Iron (including sheet steel)	32,945 t
	Stainless steel	2,369 t
	Aluminum	3,392 t
	Copper	4,360 t
	Other nonferrous metals	396 t
Plastic 50,898 t	Thermoplastic	18,555 t
	Thermosetting plastic	32,343 t
Other raw materials		1,387 t
Chemical substances	Amount of PRTR Law chemical substances handled	160 t
	Amount of ozone layer depletion substances handled	18 t

OUTPUT		
Amount of chemical substances emission and distance		
Amount of PRTR Law chemical substances emission and distance		40 t
Amount of ozone layer depletion substances emission		0.1 t

OUTPUT		
Amount of waste generated		23,987 t
Generated amount		23,987 t
Reduction		887 t
Recycled (rate) 23,064 t (99.8%)	Reuse	7,987 t (35%)
	Material recycling	13,528 t (59%)
Final disposal amount (rate)	Thermal recycling	1,549 t (7%)
		36 t (0.2%)

INPUT		
Water resources input (service water)		3,139,506 m^3
	Waterworks	170,301 m^3
	Industrial water	1,274,666 m^3
	Ground water	1,694,539 m^3

OUTPUT		
Total drainage volume		3,139,506 m^3
	Public water district	2,163,171 m^3
	Sewer	733,347 m^3
	Evaporation, others	242,988 m^3

Overseas Business Activity

Scope: Shanghai Hitachi Household Appliances Co., Ltd.
Hitachi Air Conditioning Products (Malaysia) Sdn. Bhd.
Hitachi Household Appliances (Wuhu) Co., Ltd.
Taiwan Hitachi Co., Ltd.
Hitachi Air Conditioning Products Europe, S.A.
Hitachi Consumer Products (Thailand), Ltd.
Hitachi Compressor (Thailand), Ltd.

INPUT		
Total energy input (crude oil conversion)		32,560 kL
	Electric power	86,948 MWh
	Gasoline	131 kL
	Naphtha	30 kL
	Heavy oil	402 kL
	Kerosene	306 kL
	LPG	5,396 t
	LNG	733 thousand m^3
	Coke	1,591 t

OUTPUT	
CO_2 emission	112,573 t

INPUT		
Total substance input		
Chemical substances	Amount of PRTR Law chemical substances handled	19 t

OUTPUT	
Amount of chemical substances emission and distance	
Amount of PRTR Law chemical substances emission and distance	4 t

OUTPUT	
Amount of waste generated	15,870 t
Generated amount	15,870 t
Reduction	2,483 t
Recycled (rate)	11,478 t (86%)
Final disposal amount (rate)	1,909 t (12%)

INPUT		
Water resources input (service water)		1,219,859 m^3
	Waterworks	176,139 m^3
	Industrial water	1,043,720 m^3

OUTPUT		
Total drainage volume		1,219,859 m^3
	Public water district	125,000 m^3
	Sewer	800,847 m^3
	Evaporation, others	294,012 m^3

To reduce the environmental impact at each stage of a product's life cycle, Hitachi Appliances has switched to a new zero ozone layer depletion coefficient refrigerant and is taking such measures as chemical substances reduction, resource conservation, and energy saving.

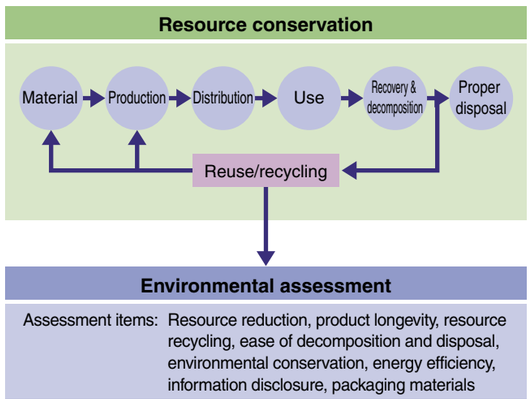
Ozone Layer Protection & Global Warming Prevention

Switching of the refrigerant used in air conditioning products from the ozone layer depleting substance HCFC (hydro chlorofluorocarbon) refrigerant to new refrigerants which do not deplete the ozone layer has progressed. In advance of the business world's autonomous action plan, we are undertaking recovery, alternate substance development, and alternate technology development and are switching to HFC (hydro fluorocarbon) refrigerant. In China and India, regions which have not established an HFC refrigerant supply system as a social capital are proceeding to switch to new refrigerants while grasping the on-site situation. Also, refrigerator refrigerant is switched to very low global warming coefficient non-freon refrigerant (isobutane) and heat pump water heaters have switched to 1.0 global warming coefficient natural refrigerant CO_2.

Development of Eco-Products

Assessment for Design for Environment based on the DfE (Design for Environment) concept to reduce the environmental impact at each stage of a product's life cycle. Products are assessed with respect to eight items, including resource reduction, product longevity, resource recycling, and ease of decomposition. Products that score at least 2 on a scale of 0 to 5 for all items and earn an average score of 3 or higher are designated "Eco-products" and display the "eco" mark and environmental information is introduced in our catalogs and on our websites. In FY2005, 18 products and 176 models were certified as Eco-products for a registration percentage of 85.5%.

Approach to complete life cycle design



Environmental Efficiency

To use natural resources more effectively, Hitachi Appliances has introduced "Environmental Efficiency" which shows the value of reducing the environmental impact and consumption of resources. This value is measured in terms of "function" and "life". The ratio of a product's value to the quantity of green gases generated during its life cycle (prevention of global warming efficiency) and the ratio to the volume of resources used (throughout the product's life cycle) and amount of resources to be disposed of (resource efficiency) are calculated and evaluated. For product evaluation, we have also introduced another "factor" which expresses the improvement in a product's environmental efficiency relative to a product of a reference year.

Definition of environmental efficiency and factor

Definition of environmental efficiency

● Prevention of global warming efficiency =

$$\frac{\text{Product life span}^{※1} \times \text{Product function}}{\text{Volume of greenhouse gas emission through the life cycle of the product}}$$

● Resource efficiency =

$$\frac{\text{Product life span} \times \text{Product function}}{\Sigma[\text{Each resource value coefficient} \times (\text{Volume of resources}^{※2} \text{ used throughout the product's life cycle} + \text{amount of resources to be disposed of}^{※3})]}$$

Definition of factors

● Prevention of global warming factor =

$$\frac{\text{Prevention of global warming efficiency for product being evaluated}}{\text{Prevention of global warming efficiency for reference product}}$$

● Resources factor =

$$\frac{\text{Resource efficiency for product being evaluated}}{\text{Resource efficiency for reference product}}$$

※1 Set used time
※2 Amount of resources used - Amount of reused/recycled resources
※3 Amount of resources used - Amount of reusable/recyclable resources

Eco mark

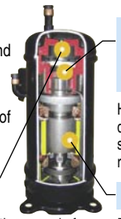
Examples of eco-products

Packaged air conditioner outdoor unit
Hi inverter IVX

- Registered FY2005
- Prevention of global warming factor: 2.6
- Resources factor: 2.0

RCI-NP280HVRP2

- Comfortable energy conservation operation by DC inverter motor and compressor drive mechanism
- Compact design reduces weight by 50%. Contributes to reduction of outdoor unit weight.

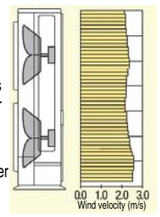


R-410A only
New scroll tooth profile
Advances the Hitachi scroll with a record of achievements of more than 20 years.

New type drive mechanism
Oil supply control mechanism, etc. (Patented)
Heat loss and equipment loss during refrigerant compression substantially reduced and reliability improved greatly

DC inverter motor
Efficient operation according to the air conditioning load realized from low speed to high speed

- Side flow equalizes the heat exchanger inlet wind velocity distribution
- Small heat exchanger used



9.53mm dia. ▶ 7mm dia. (conventional)

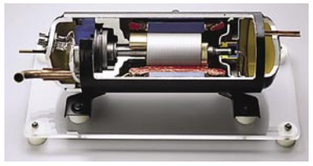
High efficiency DC inverter compressor that realizes high energy efficiency.

Heat exchanger optimization technology by side flow and small heat exchanger

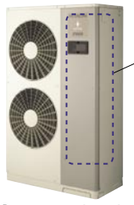
Energy efficiency	●Cooling/heating average COP3.85 ●Annual electric charge reduced about 50% (compared to constant speed machine)
Resource conservation	●Product downsizing and mass reduction Volume 1.24m³ → 0.71m³ Mass 225kg → 168kg
Environmental conservation	●New refrigerant R-410A used ●Noise reduced to 53dB (58dB → 53dB)

Heat-pump water heater
RHK-23TBA

- Registered FY2005
- Prevention of global warming factor: 2.0
- Resources factor: 2.2



Maximum 11.5kW heating capacity
World's first high output horizontal compressor for CO_2 refrigerant
★As of October 14, 2004. Home heat pump hot water heater



Space-saving design by use of small support tank

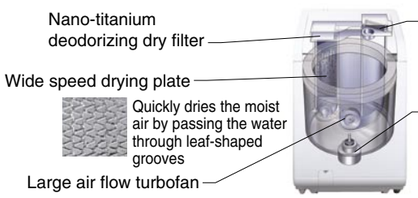
Energy efficiency	●Rated COP4.6 realized by PAM control and high efficiency scroll compressor
Resource conservation	●Compact, integrated eco-cute realized by downsizing of support tank by 90°C hot water storage
Environmental conservation	●Global warming coefficient 1.0 natural refrigerant CO_2 used. ●Lead-free solder used at electronic control PCB

Washer-dryer
BW-DV9F

- Registered FY2005
- Prevention of global warming factor: 3.0
- Resources factor: 2.9

第2回 エコプロダクツ大賞 優秀賞

Water-saving circulation system that washes by circulating soapy water



High efficiency water cooling/drying and 1000rpm high speed spin-drying technology realizes speed finishing (washing ~ drying 120 minutes)

Energy efficiency	●Power consumption reduced by 26% (compared to 1996) by using PAM inverter ●Speeding up of washing ~ drying to approximately 120 minutes (4kg) by high efficiency water cooling/drying and high speed spinning ●Standby mode power off function
Resource conservation	●Water-saving circulation system saves 196L of water at one washing
Environmental conservation	●RoHS Directive & J-Moss compliant
Resource recycling	●Outer tub, frame, etc. are made of recycled plastic recovered from disposed of home appliances

Examples of eco-products

Water chiller
High efficiency (AH) series

RHUP1800AHZ

- Registered FY2005

Energy efficiency	●Achieved the world's highest level COP (COP4.1/3.7) for full air cooling (60horse power, 50/60Hz, during rated cooling operation) ★Investigation carried out by our company at the end of June 2005
Environmental conservation	●CO_2 emissions reduced by 14% by electric system and high energy conservation (compared with our product 16 years ago) ●Adoption of new refrigerant R-407C and reduction of charged amount by 15% (compared with our product 16 years ago, series average value)
Resource conservation	●Made more compact by improving the layout of the heat exchanger, etc. (Installation spaced reduced by 25%.)(Compared to our product 16 years ago)

Electric hot water unit
BEB-4670BFAWU

- Registered FY2002

Energy efficiency	●Power consumption of re-heating bath reduced by 40% (by equipping with a re-heating heat exchanger)
Resource conservation	●Additional saving of 1200 liters of hot water for bathing/month (by re-heating function)
Recycling ability	●Recyclable ratio of 82%
Environmental conservation	●Expanded polystyrene-less packing ●Heating by electricity supplies clean hot water without polluting the air

Refrigerator
R-SF42VM

- Registered FY2005
- Prevention of global warming factor: 1.8
- Resources factor: 1.4

Energy efficiency	●2004 energy conservation standard achievement ratio of 256% reached by PAM & low speed control, high performance vacuum insulation, etc.
Environmental conservation	●RoHS Directive & J-Moss compliant ●Non-freon refrigerant R-600a (isobutane) used ●Cyclopentane used for heat insulation foaming agent
Resource recycling	●Adjusting feet, PCB case and other parts are made of recycled plastic

IH cooking heater
HTB-A9S

- Registered FY2005
- Prevention of global warming factor: 2.4
- Resources factor: 1.6

Energy efficiency	●IH heating efficiency increased from 83% to 90% and power consumption reduced by about 16% by integration of PAM for pressurizing and depressurizing and use of new PAM control system which allows optimum powering. (Compared with our 1999 product) ●Standby mode power off function
Environmental conservation	●RoHS Directive & J-Moss compliant
Longevity	●Nano-titanium fluoride coated grill pan improves deodorizing effect and grease removal

Spot air conditioner
Floor mounted type 3 models

- Registered FY2002

SR-20YE1

Energy efficiency	●Power consumption reduced by 30% (compared with conventional model)
Resource conservation	●Product mass reduced by 20%
Recycling ability	●Recyclable ratio of 88%
Environmental conservation	●Expanded polystyrene-less packing

Room air conditioner
RAS-E40V2

- Registered FY2005
- Prevention of global warming factor: 1.9
- Resources factor: 1.5

Energy efficiency	●2004 energy conservation standard achievement ratio of 143% realized by IQ-PAM engine and double acceleration system
Environmental conservation	●RoHS Directive & J-Moss compliant ●New refrigerant R-410A used ●Non-vinyl chloride drain hose
Resource recycling	●Recycled plastic used at part of indoor unit cabinet and front panel

Microwave oven
MRO-AX10

- Registered FY2005
- Prevention of global warming factor: 3.0
- Resources factor: 2.0

Energy efficiency	●Annual electric power charges reduced by 25% by simultaneous heating of range and oven and wide PAM power supply and standby mode power off function (compared with our 1996 product)
Environmental conservation	●RoHS and J-Moss compliant
Longevity	●Use of table plate which can be removed from the heating chamber and washed, use of easy-to-clean fluoride coated steel plate heating chamber, improved cleanliness by steam cleaning function

Vacuum cleaner
CV-PJ10

- Registered FY2005
- Prevention of global warming factor: 1.6
- Resources factor: 1.9

Resource conservation	●Weight of body reduced by 20% by making the case thinner by optimum design and compact design (compared with our 2000 product) ●Paper pack capacity quadrupled by powerful stamina construction (compared with our 1999 product)
Environmental conservation	●RoHS& J-Moss compliant ●Expanded polystyrene-less packing

Abolishment of Products Containing Asbestos

To abolish asbestos used in its products, Hitachi Appliances has replaced even asbestos outside the objective of laws and regulations.
In FY2005, asbestos was abolished from all our products.

RoHS Directive※1 and J-Moss※2 Compliance

To comply with the European Union's RoHS Directive, Hitachi Appliances has conducted a content study of six chemical substances (lead, mercury, cadmium, hexavalent chromium, PBB (polybrominated biphenyl), and PBDE (polybrominated diphenyl ether) and proceeded with substitution by products which do not use these six chemical substances through the cooperation of the Hitachi Group Technology Research Department and the suppliers and has completed measures for the pertinent products. We also comply with J-Moss which is responsible for offering content information on these six chemical substances in Japan. The "green mark" symbol, which can be arbitrarily displayed is displayed on our products which do not contain these six chemical substances and information are provided on our website.

※1 Abbreviation of Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment. Hazardous substance restriction implemented for electric and electronic equipment handled in the EU (European Union) region. The use of the six substances lead, mercury, cadmium, hexavalent chromium, PBB (polybrominated biphenyl), and PBDE (polybrominated diphenyl ether) has been restricted since July 2006. (However, there are some exceptions.)

※2 Japan Industrial Standards (JIS C 0950:2005) [The marking for presence of the specific chemical substances for electrical and electronic equipment] Extracted and made compulsory by Standards of Judgment Ministerial Ordinance of the Law For Promotion Of Effective Utilization of Resources.

Development of a Chemical Management System

Hitachi Appliances has formulated "Environmental CSR-Compliant Monozukuri Standards" and operating a chemical management system. The content of purchased parts and materials is surveyed and managed with 13 substances ※1 as prohibited substances and 12 substances ※2 as controlled substances. The survey data is one-dimensionally managed and shared by in-house database. Also, supplier review guidelines are established and the chemical content of products from suppliers is surveyed and materials are purchased with suppliers having a management system given top priority.

※1 Prohibited 13 substances
①Cadmium ②Hexavalent chromium ③Lead ④Mercury ⑤TBTO ⑥PBB ⑦PBDE ⑧PCB ⑨Polychlorinated naphthalene ⑩Short chain chlorinated paraffin ⑪Asbestos ⑫Azine dyestuffs & pigments ⑬Ozone layer depletion substances (Class I substances)

※2 Controlled 12 substances
①Antimony ②Arsenic ③Beryllium ④Bismuth ⑤Nickel ⑥Selenium ⑦Bromine flame retardant ⑧PVC ⑨Phthalic acid ester ⑩TBT & TPT ⑪Ozone layer depletion substances (Class II substances) ⑫Radioactive substances

Green Supplier

Hitachi Appliances promotes a green supplier certification system for suppliers actively committed to environmental conservation. We encourage suppliers to establish an environmental management system complying with ISO14001 or to acquire environment certification system ※1 certification, and register supplies who have acquired this certification as green suppliers. In FY2005, the ratio of green suppliers reached 90%. Supplies will also be encouraged in the future so that this ratio reaches 100% during FY2006.

※1 KES, Eco Stage, Eco Action 21, etc.

Recycling of Home Appliances

In response to the Home Appliance Recycling Law, Hitachi Appliances established the home appliances recycling plant Kanto Eco Recycle Co., Ltd. within the Tochigi Works in May 1999. Processing began in April 2001. This plant is a "recycling plant integrated with a production plant". The information obtained at this plant is fed back to the product design department and used to improve the product recycling ratio. We have also established an efficient recycling system which links five home appliance manufacturers ※1 which mutually use the newest recycling facilities. In FY2005, we recycled 52,513 tons of our products. This is equivalent to about 290 ※2 jumbo jets.

※1 Sanyo Electric Co., Ltd., Sharp Corporation, Sony, Fujitsu General Limited, Mitsubishi Electric Corporation
※2 Calculated from Boeing 747-400/gross weight 180 tons

Total for air conditioner, refrigerator, freezer, and washing machine

Items	Air conditioner	Refrigerator/freezer	Washing machine
Number collected at specified collection site (units)	232,191	405,278	640,743
Number recycled (units)	233,720	403,354	643,492
Recycling weight [A] (ton)	9,857	22,716	19,940
Recycled weight [B] (ton)	8,459	15,450	15,051
Recycling ratio [B/A] (%)	85	68	75

※Numbers are truncated after the decimal point.

Breakdown of recycled products (recycled weight at left)

(Gross weight of parts and materials purchased or received free by those which use them as parts or materials of products)

Items	Air conditioner	Refrigerator/freezer	Washing machine
Iron (ton)	2,359	9,538	7,774
Copper (ton)	642	213	254
Aluminum (ton)	45	80	90
Mixed ferrous/non ferrous (ton)	4,788	3,318	3,555
Other valuable resources (ton)	622	2,300	3,377
Gross weight (ton)	8,459	15,450	15,051

※Numbers are truncated after the decimal point.
※"Other valuable resources" are plastics, etc.

Recovery weight, shipped weight, destroyed weight of fluorocarbons used as refrigerant

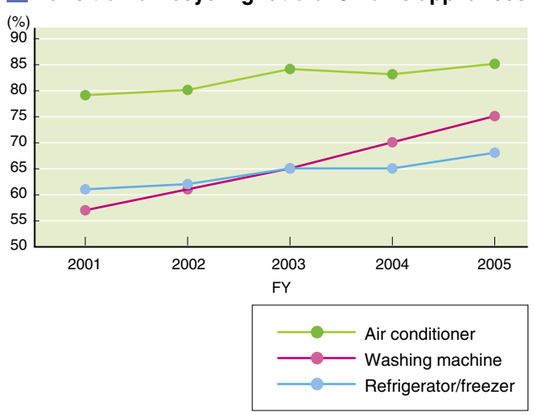
Items	Air conditioner	Refrigerator/freezer
Recovery weight of fluorocarbons used as refrigerant (kg)	130,753	44,458
Weight of fluorocarbons refrigerants shipped to disposal points (kg)	130,348	44,247
Weight of fluorocarbons refrigerants destroyed (kg)	130,208	44,243

Recovery weight, shipped weight, and destroyed weight of fluorocarbons liquefied and recovered from insulation material

Items	Refrigerator/freezer
Recovery weight of fluorocarbons liquefied and recovered from insulation material (kg)	84,125
Weight of fluorocarbons liquefied and recovered from insulation material, which was shipped to disposal points (kg)	84,109
Destroyed amount of fluorocarbons liquefied and recovered from insulation material (kg)	83,960

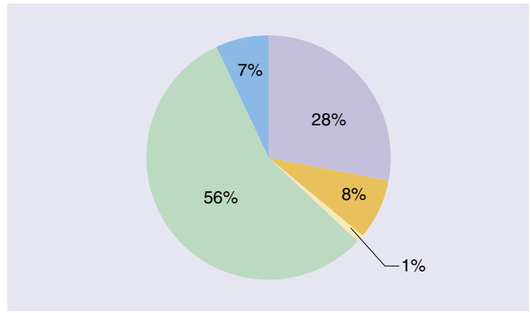
※ The difference between the recovered weight and shipped weight is inventory.
※ Shipped weight and destroyed weight includes part of the FY2004 portion.
※ The difference between the shipped weight and destroyed weight depends on the destruction report time lag.

Transition of recycling ratio of 3 home appliances

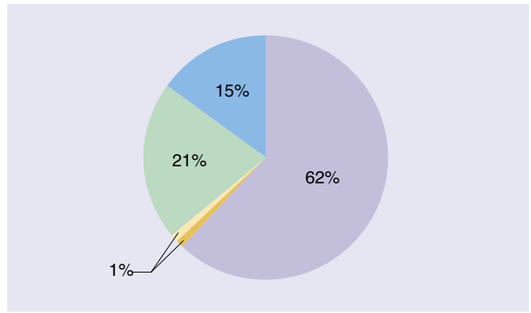


Composition of recycled weight

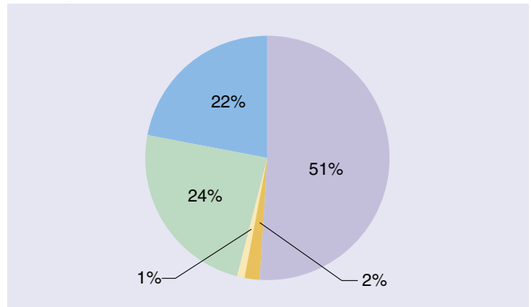
Air conditioner

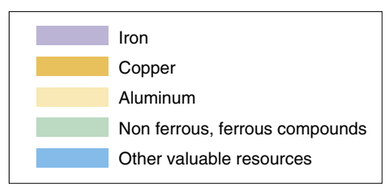


Refrigerator/freezer



Washing machine

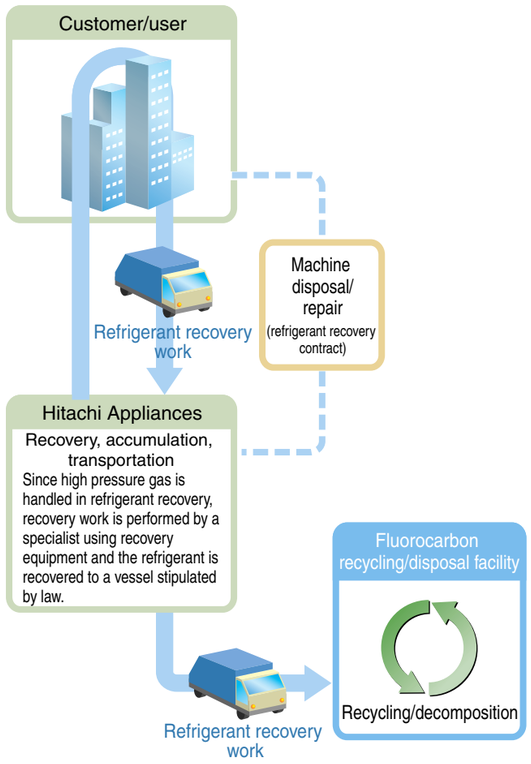




Recovery and Suitable Disposal of Commercial Air Conditioner Refrigerant

When upgrading commercial air conditioners, Hitachi Appliances recovers and disposes of the used air conditioners. When disposing of the used air conditioners, the refrigerant is recovered and sent to one of the recycling/disposal facilities throughout the country and suitably processed based on the Fluorocarbons Recovery and Destruction Law.

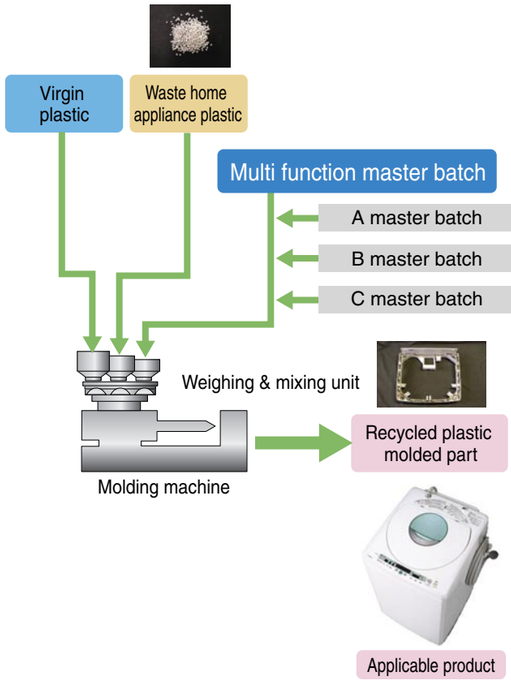
Refrigerant recycling system



Use of Recycled Plastics

Preventing degradation of the quality of recycled plastic accompanying long use of a product was a serious problem. Hitachi Appliances proceeded to develop reuse technology for waste home appliance plastics recovered at the home appliance recycling plant. In April 2002 we set up a business plant within our affiliate Hitachi Taga Technology, Ltd. in the Taga Works as part of NEDO (New Energy and Industrial Technology Development Organization) FY2001 "Technology Practicalization Assistance for Promoting the Building of a Recycling Society Business". A horizontal recycling system which gives the waste home appliance plastics recovered by the home appliance recycling plants in the group are given an additional value and used in equivalent products. The recycled plastics produced here are used in the frame and outer tub of our washer-dryer and automatic washer.

Method of using recycled plastics



Participation in Exhibitions

In FY2005, Hitachi Appliances, as the Hitachi Group company, participated in the following exhibitions and introduced its commitment to the environment.

Month and year	Name of exhibition	Location
October 2005	Thailand Eco Products International Fair 2005	Bangkok IMPACT Exhibition Center
December 2005	Eco Products 2005	The Tokyo Big Sight
February 2006	ENEX2006 (Global environment and energy harmony fair)	The Tokyo Big Sight

Thailand Eco Products International Fair 2005

Eco Products 2005

ENEX2006

Information Dissemination by Web Site

Information regarding Hitachi Appliances' commitment to the environment is also available on our web site. Eco-products environment data, J-Moss green mark products, green purchasing law products, and other information can be found on our web site.

http://www.hitachi-ap.co.jp/company/environment/kankyo/

Hitachi Appliances manufactures a line of products incorporating various environmental measures at manufacturing points that give maximum consideration to global warming, energy conservation, zero emission, and other environment preservation measures.

Energy Conservation (Global Warming Prevention)

To prevent global warming, we are committed to energy conservation toward realizing the 6% reduction of greenhouse gases which is the target set by the Kyoto Protocols of Japan. Hitachi Appliances is promoting energy conservation in its production activities and is committed to reducing CO_2 emission as part of its global warming prevention activities.

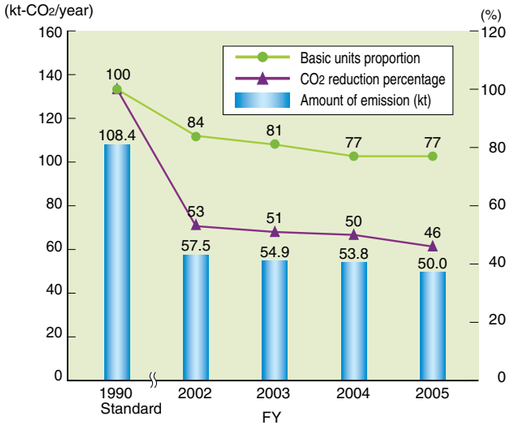
FY2005 energy conservation improvements implementation contents

Works	Improvement implementation item	CO_2 reduction (t/year)
Taga Works	Introduction of high efficiency molding machines (2 units)	156.0
	Review of hardening machine operation conditions	93.6
Tochigi Works	Improvement of compressed air supply management by motor-valve	30.4
	Review of compressed air supply pressure	19.4
Shimizu Works	Site energy conversation improvement activity	51.1
	Improvement of compressed air piping	43.2

Factory energy conservation

Transition of domestic CO_2 emission

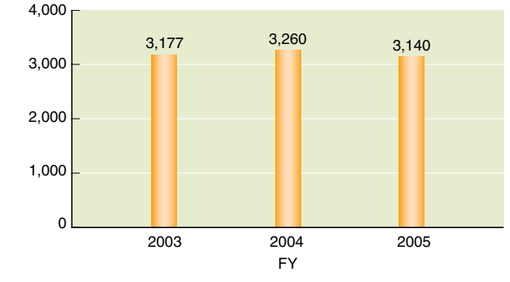
(Shimizu Works, Tochigi Works, Taga Works, Hitachi Reftechno Koganei Works)



Amount of water used

Transition of amount of water used

(Shimizu Works, Tochigi Works, Taga Works, Hitachi Reftechno Koganei Works)



Zero Emission

Small environment impact production activity is carried out with 3R - Reduce, Reuse, Recycle - as the theme. Taking the tight conditions of domestic final waste disposal sites into consideration, we are committed to reduction of the final waste disposal amount to 70% or less of the FY1998 percentage by FY2010. In FY2005, this percentage reached the standard year percentage of 6% and the target value was substantially improved and was achieved ahead of schedule. The Shimizu Works has maintained zero emissions since it reached the standard in FY 2002. In the future, reduction of the amount of waste generated will be advanced by the introduction of resource recycling facilities, cooperation with other businesses, consignment to recyclers and other resource recycling activities.

Hitachi Group definition of zero emission

Final waste disposal percentage: no more than 1% Final waste disposal amount: less than 5 tons/year

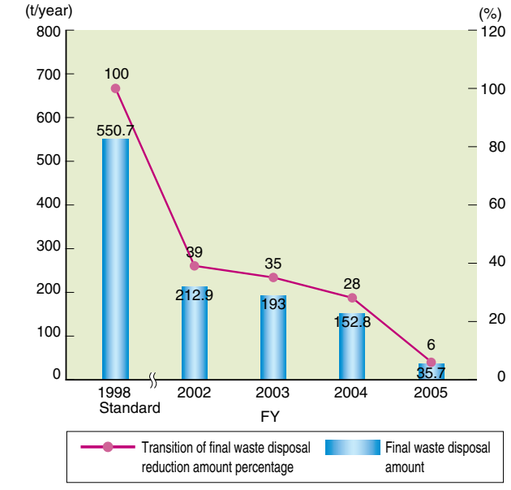
○Final waste disposal percentage = Final waste disposal amount/amount of emission

○Final waste disposal amount = Direct final waste disposal amount + final waste disposal amount after intermediate treatment

Reduction of industrial waste

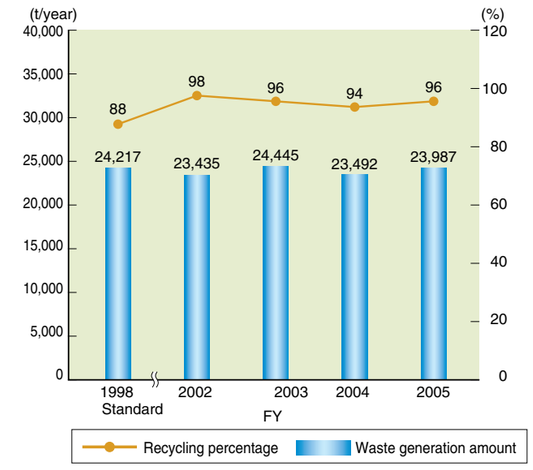
Transition of reduction of final waste disposal amount

(Shimizu Works, Tochigi Works, Taga Works, Hitachi Reftechno Koganei Works)



Transition of waste generation amount

(Shimizu Works, Tochigi Works, Taga Works, Hitachi Reftechno Koganei Works)

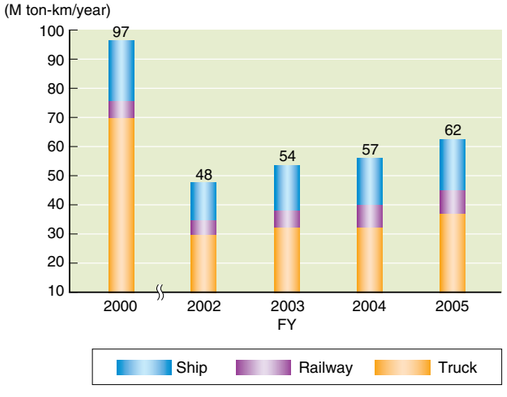


Boosting Transportation Efficiency

Improvement of loading efficiency and modal shift from truck to railway are progressing in cooperation with the distribution companies which transport products. Also, the shipping conditions are being grasped and greater rationalization is also being carried out at offices and factories besides those designated shippers by the revised energy conservation law implemented on April 1, 2006.

Total shipping amount

(Shimizu Works, Tochigi Works, Taga Works, Hitachi Reftechno Koganei Works)



Management of Chemicals

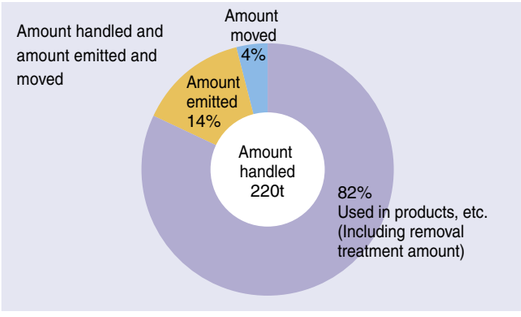
Of the chemical substances used in the manufacturing process, those considered to have an effect on the environment and the human body are managed by the CEGNET (Chemical Environmental Global Network) developed by the Hitachi Group and PRTR is implemented and other suitable management and planned reduction are carried out.

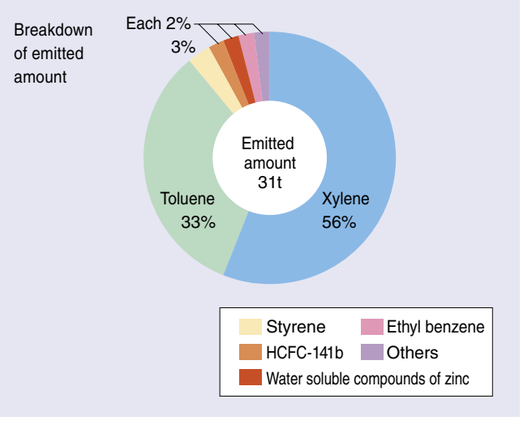
Results of investigation of chemical substances subject to the PRTR Law (Actual amounts emitted and moved for FY2005)

Objective offices and factories

Domestic : (Shimizu Works, Tochigi Works, Taga Works, Hitachi Reftechno Koganei Works)

Overseas : Shanghai Hitachi Household Appliances Co., Ltd.
Hitachi Air Conditioning Products (Malaysia) Sdn. Bhd.
Hitachi Household Appliances (Wuhu) Co., Ltd.
Taiwan Hitachi Co., Ltd.
Hitachi Air Conditioning Products Europe, S.A.
Hitachi Consumer Products (Thailand), Ltd.
Hitachi Compressor (Thailand), Ltd.





Hitachi Appliances conducts litter removal and beach cleaning activities around our Shimizu Works, Tochigi Works, and Taga Works as part of its environmental society contribution activities. Especially, this year marks the 40th year of cleaning of the north beach from Eboshiiwa of Kawarago Beach by the Taga Improvement Association which has been conducted since 1965.
Also, each year the Taga Works opens its grounds and holds a “Family Day”. Not only our employees, but also their families and the local population participate in the “Family Day” and deepen interaction between the two groups.
This year also, this activity will be continued and a dialog held with the local community.


Cleaning around the works (Taga Works)


Cleaning of Kawarago Beach in Hitachi City, Ibaraki Prefecture by the Taga Improvement Society (Taga Works)

“Family Day” (Taga Works)


Cleaning around the works (Shimizu Works)


Participation in Miho Beach cleaning (Shimizu Works)


Cleaning around the works by the Hitachi Tochigi Shinwa Society (Tochigi Works)


Participation in cleaning of Mount Ohira (Tochigi Works)

Hitachi Appliances environmentally-friendly products and commitment of our offices and factories to environmental preservation activity have received awards in many fields.

Product Awards

Award name		Award-winning product	Month and year of award
16th Energy Conservation Grand Prize for Excellent Energy Conservation Equipment	Minister Prize of Economic, Trade and Industry	Commercial package-type air conditioners inverter (Hi Inverter IVX 4-way cassette heater-less system)	February 2006
	Chairman Prize of ECCJ	High output integral type natural refrigerant (CO_2) heat pump hot water heater	February 2006
	Chairman Prize of ECCJ	Gas absorption cold/hot water heater co-generation package (High efficiency EX Gas Eco Pak)	February 2006
2nd Eco-Products Award	Eco-Products Awards Minister of Economy, Trade and Industry Prize	High output integral type natural refrigerant (CO_2) heat pump hot water heater	December 2005
	Eco-Products Promotion Council Chairman's Prize of Eco-Products Awards 2005	Washer-dryer (Beat Wash)	December 2005
15th Energy Conservation Grand Prize for Excellent Energy Conservation Equipment	Chairman Prize of ECCJ	Cooling, heating, and dehumidifying home room air conditioner (PAM Air Conditioner Shirokumakun)	February 2005
	Chairman Prize of ECCJ	Commercial instantaneous heat pump water heater (Commercial PAM water heater)	February 2005
14th Energy Conservation Grand Prize for Excellent Energy Conservation Equipment	Chairman Prize of ECCJ	CO_2 refrigerant heat pump unit	February 2004

Awards related to business activity

Category	Award name	Award-winning site	Month and year of award	Related products & contents
Environmental preservation	Superior pollution prevention employee award	Hitachi Home & Life Solutions, Inc. Cool and Heat Business Department	March 2005	—
	Promotion of Freon recovery & disposal business	Hitachi Air Conditioning Systems Co., Ltd. Shimizu Production Headquarters	March 2004	Commercial refrigerating air conditioner

※ Hitachi Home & Life Solutions, Inc. Refrigeration & Air Conditioning Division in the “Award-winning site” column is the current Hitachi Appliances, Inc. Tochigi Works. Also, the Hitachi Air Conditioning Systems Co., Ltd. Shimizu Works is the current Hitachi Appliances, Inc. Shimizu Works.

Introduction of Offices and Factories (As of April 2006)

Head Office, Takeshiba Office

Head Office (Home Appliance Group) Hitachi Atago Bldg., 15-12, Nishi Shimbashi 2-chome, Minato-ku, Tokyo 105-8410 Japan
TEL: 81-3-3502-2111

Takeshiba Office (Air Conditioning System Group) New Pier Takeshiba South Tower, 16-1, Kaigan 1-chome, Minato-ku, Tokyo 105-0022 Japan
TEL: 81-3-6403-4555

Factories

Tochigi Works
(Tochigi Air Conditioning Works, Air Conditioning System Group)
(Tochigi Home Appliance Works, Home Appliance Group)
800, Tomita, Ohira-machi, Shimotsuga-gun, Tochigi 329-4493 Japan
TEL: 81-282-43-1122 ★January 29, 1997

Taga Works
(Taga Home Appliance Works, Home Appliance Group)
1-1, Higashitaga-cho 1-chome, Hitachi City, Ibaraki 316-8502 Japan
TEL: 81-294-34-1111 ★July 22, 1996

Shimizu Works
(Shimizu Air Conditioning Works, Air Conditioning System Group)
390, Muramatsu, Shimizu-ku, Shizuoka City, Shizuoka 424-0926 Japan
TEL: 81-54-334-2081 ★October 28, 1997

Tsuchiura Works
(Tsuchiura Works, Air Conditioning System Group)
603, Kandatsu-machi, Tsuchiura City, Ibaraki 300-0013 Japan
TEL: 81-29-832-5840 ★March 25, 1997

Sales Divisions, Branches, and Marketing Offices (Air Conditioning System Group)

International Operation Division New Pier Takeshiba South Tower, 16-1, Kaigan 1-chome, Minato-ku, Tokyo 105-0022 Japan
TEL: 81-3-6403-4541

Large Tonnage Chiller Sales Division New Pier Takeshiba South Tower, 16-1, Kaigan 1-chome, Minato-ku, Tokyo 105-0022 Japan
TEL: 81-3-6403-4500

Hokkaido Marketing Branch Oda Bldg., 10-1, Kita Kujo Nishi 3-chome, Kita-ku, Sapporo City, Hokkaido 060-0809 Japan
TEL: 81-11-717-5301

Kitanihon Branch Office Ookiaoba Bldg., 9-7, Futsuka-machi, Aoba-ku, Sendai City, Miyagi 980-0802 Japan
TEL: 81-22-266-1321

Fukushima Marketing Branch 5-15, Midori-machi, Koriyama City, Fukushima 963-8023 Japan
TEL: 81-24-921-5550

Kanto Branch Office New Pier Takeshiba South Tower, 16-1, Kaigan 1-chome, Minato-ku, Tokyo 105-0022 Japan
TEL: 81-3-6403-4510

Hokuriku Branch Office 627-3, Kurosaki, Toyama City, Toyama 939-8214 Japan
TEL: 81-76-429-4051

Chubu Branch Office Sakae Center Bldg., 13-20, Sakae 3-chome, Naka-ku, Nagoya City, Aichi 460-0008 Japan
TEL: 81-52-251-0371

Kansai Branch Office OX-Nishihonmachi Bldg., 10-10, Nishihonmachi 1-chome, Nishi-ku, Osaka City, Osaka 550-0005 Japan
TEL: 81-6-6531-9111

Chushikoku Branch Office Sonpo Japan Hiroshima Otemachi Bldg., 2-31, Otemachi 3-chome, Naka-ku, Hiroshima City, Hiroshima 730-0051 Japan
TEL: 81-82-240-6151

Shikoku Marketing Branch Hanazono Bldg., 1-5, Hanazonocho 1-chome, Takamatsu City, Kagawa 760-0072 Japan
TEL: 81-87-833-8701

Kyushu Branch Office 9-17, Shimizu 4-chome, Minami-ku, Fukuoka City, Fukuoka 815-0031 Japan
TEL: 81-92-561-4851

Environmental Solution Division OX-Nishihonmachi Bldg., 10-10, Nishihonmachi 1-chome, Nishi-ku, Osaka City, Osaka 550-0005 Japan
TEL: 81-6-6531-9113

Affiliated Manufacturing Companies

Hitachi Reftechno, Inc. 709-2, Tomita, Ohira-machi, Shimotsuga-gun, Tochigi 329-4404 Japan
TEL : 81-282-43-4111
★Ohira district: January 29, 1997 ★Koganei district: August 25, 1999

Tochigi Solution Service Co., Ltd. 716, Tomita, Ohira-machi, Shimotsuga-gun, Tochigi 329-4404 Japan
TEL : 81-282-43-1191
★January 29, 1997

Hitachi Kucho SE, Ltd. 8-1, Shinmidori-cho, Shimizu-ku, Shizuoka City, Shizuoka 424-0927 Japan
TEL : 81-543-34-2111
★October 28, 2000

Hitachi Taga Technology, Ltd. 1-1, Higashitaga-cho 1-chome, Hitachi City, Ibaraki 316-8502, Japan
TEL : 81-294-33-2251
★July 22, 1996

Affiliated Sales and Service Companies

Hitachi Air conditioning Sales Kanto Co., Ltd. 29-8, Toyotama-kita 5-chome, Nerima-ku, Tokyo 176-0012 Japan
TEL: 81-3-5999-1121

Niigata Hitachi Co., Ltd. 752-10, Takeooroshishinmachi, Niigata City, Niigata 950-0867 Japan
TEL: 81-25-273-2211

Osaka Hitachi Air Conditioning and Refrigeration Co., Ltd. 11-27, Nonakaminami 2-chome, Yodogawa-ku, Osaka City, Osaka 532-0022 Japan
TEL: 81-6-6306-1001

Kyushu Hitachi Air Conditioning Co., Ltd. 8-18, Takagi 1-chome, Minami-ku, Fukuoka City, Fukuoka 815-0004 Japan
TEL: 81-92-452-5130

Kanagawa Hitachi Air Conditioning Co., Ltd. 35-12, Matsugaoka, Kanagawa-ku, Yokohama City, Kanagawa 240-0062 Japan
TEL: 81-45-337-6411

Shizuoka Hitachi Air Conditioning and Refrigeration Co., Ltd. 84-1, Hijiriisshiki, Suruga-ku, Shizuoka City, Shizuoka 422-8007 Japan
TEL: 81-54-264-7177

Hitachi Air Conditioning Techno Service Co., Ltd. 29-17, Toyo 5-chome, Koto-ku, Tokyo 135-0016 Japan
TEL: 81-3-3649-6177

Other Affiliated Companies

Kanto Eco Recycle Co., Ltd. 800, Tomita, Ohira-machi, Shimotsuga-gun, Tochigi 329-4404 Japan
TEL: 81-282-43-1122
★April 1, 2002

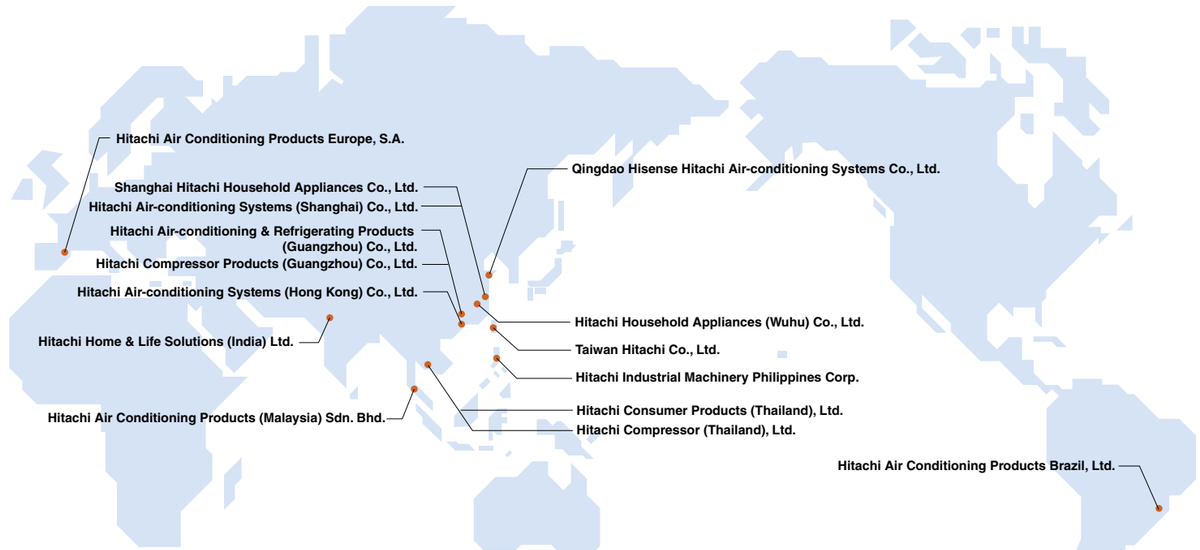
Hitachi Softec Co., Ltd. Hitachi Atago Bldg., 15-12, Nishi Shimbashi 2-chome, Minato-ku, Tokyo 105-0003 Japan
TEL: 81-3-3506-1411

Mito Steel Co., Ltd. 927, Hashinai, Sawa, Hitachinaka City, Ibaraki 312-0001 Japan
TEL: 81-292-85-0765

Technical Training Centers

Technical Training Center (Shimizu) 390, Muramatsu, Shimizu-ku, Shizuoka City, Shizuoka 424-0926 Japan
TEL: 81-543-35-4320

Technical Training Center (Kyushu) 9-17, Shimizu 4-chome, Minami-ku, Fukuoka City, Fukuoka 815-0031 Japan
TEL: 81-92-561-4854



China

(Taiwan)
Taiwan Hitachi Co., Ltd.
63, Nanking East Road, Sec. 3 Taipei, Taiwan
【Air conditioners, Refrigerators, Chiller units, others】
Established: April 1965 ★August 28, 1997

(Guangzhou)
Hitachi Air-conditioning & Refrigerating Products (Guangzhou) Co., Ltd.
Aotou Town Qigan, Conghua City,
Guangzhou 510935, China
【Packaged air conditioners, chiller units】
Established: March 1998 ★June 28, 2004

(Guangzhou)
Hitachi Compressor Products (Guangzhou) Co., Ltd.
Aotou Town Qigan, Conghua City,
Guangzhou 510935, China
【Scroll compressors】
Established: October 2003 ★April 30, 2006

(Qingdao)
Qingdao Hisense Hitachi Air-conditioning Systems Co., Ltd.
Hisense Tower, 17, Donghai Xi Road,
Qingdao 266071, China
【Packaged air conditioners】
Established: January 2003 ★December 19, 2005

(Shanghai)
Shanghai Hitachi Household Appliances Co., Ltd.
361 Danba Road, Shanghai 200062, China
【Room air conditioners, Washing machines】
Established: April 1994 ★November 23, 2000

(Wuhu)
Hitachi Household Appliances (Wuhu) Co., Ltd.
No.1 Qiluoshan West Road, Wuhu City,
Anhui Province 241009, China
【Room Air Condtioners】
Established: August 2001 ★October 10, 2003

(Shanghai)
Hitachi Air-conditioning Systems (Shanghai) Co., Ltd.
Room 1001&1007, 10f Rui Jin Building,
No.205 Maoming Road(S), Shanghai 200020, China
【Sales of air conditioning equipment】

(Hong Kong)
Hitachi Air-conditioning Systems (Hong Kong) Co., Ltd.
Room 702-3, 7/F, Wharf T&T Center, Harbour City, Canton Road,
Tsimshatsui, Kowloon, Hong Kong, China
【Sales of air conditioning equipment】

Philippines

Hitachi Industrial Machinery Philippines Corp.
PEZA Drive, Special Economic Processing Zone
First Cavite Industrial Estate Dasmarinas,
Cavite, Philippines
【Absorption and centrifugal chillers】
Established: May 1995

Thailand

Hitachi Consumer Products (Thailand), Ltd.
610/1 Moo 9 Tambol Nongki Amphur Kabinburi,
Prachinburi 25110, Thailand
【Washing machines, Refrigerators, others】
Established: November 1970 ★December 20, 1999

Hitachi Compressor (Thailand), Ltd.
1/65 Moo 5, Rojana Industrial Park, Tambol Kanham
Amphur U-Thai, Ayutthaya 13210, Thailand
【Compressors】
Established: September 1993 ★November 14, 1999

Malaysia

Hitachi Air Conditioning Products (Malaysia) Sdn. Bhd.
Lot 10, Jalan Kemajuan, Bangi Industrial Estate,
43650 Bandar Baru Bangi, Selangor Darul Ehsan,
Malaysia
【Room air conditioners, Scroll compressors】
Established: August 1989 ★April 22, 1997

India

Hitachi Home & Life Solutions (India) Ltd.
Hitachi Complex, Karan Nagar, Kadi, Dist.
Mehsana-382727 Gujarat, India
【Room air conditioners, others】
Established: December 1984 ★February 14, 2006

Spain

(Barcelona)
Hitachi Air Conditioning Products Europe, S.A.
Ronda Shimizu 1 Poligono Industrial Can Torrella
08233 Vacarisses, Barcelona, Spain
【Packaged air conditioners, Chiller units】
Established: November 1991 ★May 4, 1999

Brazil

(Sao Paulo)
Hitachi Air Conditioning Products Brazil, Ltd.
Av. Paulista 854-7 Andar, Bela Vista,
CEP. 01310-913,Sao Paulo-S.P., Brazil
【Packaged air conditioners, Chiller units】
Established: April 1972

★Date environment ISO14001 certification acquired