

# Environmental Management

HitachiSoft believes that conservation of the environment is an important responsibility of our business, and we have been steadily moving forward by evaluating the performance of environmental action plans and environmental accounting.

## Determining the Environmental Policy

The Action Guidelines for Environmental Conservation of the Hitachi Group states that "Global production aiming at reducing the impact on the environment of products throughout their entire life cycles will be promoted and environmental conservation ensured in order to fulfill our corporate social responsibility." HitachiSoft set its environmental policy in March 2003 based on these guidelines, revising it in February 2009 and expanding its scope.

### Environmental Policy

HitachiSoft is contributing to society through its primary business of software development. Based on its corporate credo of the "Quest for Truth," we will open the way to the future for a sustainable, recycle-based society in harmony with the environment through the creation of advanced services for supporting the infrastructure of an information society, while developing and distributing outstanding technology and products.

Recognizing that the conservation of the environment is an important issue for all humanity and that it is our indispensable obligation to address this issue in our business operations, we have committed ourselves to fulfilling this obligation through our main business, the distribution of packaged software products and service-based solutions, and in system development. We are actively promoting the development of eco-products, EcoSoft, and eco-conscious system solutions.

#### 1. Environmental Slogan

Bequeathing a Healthier Planet to Future Generations

#### 2. Basic Policy

- (1) We will distribute products and services effective in reducing the environmental impact, including CO<sub>2</sub> emissions.
- (2) We will try to save resources and energy in business activities.
- (3) We will try to prevent environmental contamination by means of a green purchase scheme and waste reduction.
- (4) We will observe all environmental laws and regulations concerning the environmental aspects of HitachiSoft, and other requirements with which HitachiSoft is in agreement.
- (5) We will review our environmental management system on a regular basis for continuous improvements.
- (6) We will foster human resources who can spontaneously take eco-conscious actions as members of society.
- (7) We will convey this environmental policy to all stakeholders of HitachiSoft's business operations and ask for their support in its implementation.

Note: This environmental policy also applies to HitachiSoft System Design Co., Ltd., CabCard & Service Co., Ltd. and DACS within the HitachiSoft Group.

February 16, 2009

*Isao Ono*

**Isao Ono**  
Representative Executive Officer, President and CEO  
Hitachi Software Engineering Co., Ltd.

## Environmental Slogan

We created a poster appealing to people to "Save Submerging Tuvalu" in line with our environmental slogan "Bequeath a Healthier Planet to Future Generations."

The satellite photograph used in this poster shows the country Tuvalu, which is in danger of being submerged into the ocean in the near future due to global warming. This poster appeals to our employees about the need to view this as something that is close to home rather than happening on a far away island, and to transmit those feelings into actions to remedy the problem.



The satellite image was taken from QuickBird, a satellite owned by the U.S. company DigitalGlobe. At 61cm resolution, this image is one of the transmission services provided by HitachiSoft.

## Environmental Management System

For promoting our environmental activities, HitachiSoft has built an environmental management system which has acquired the international standard for such systems, ISO 14001.

The ISO 14001 certification was first granted to the Tokyo office and Tsurumi site in October 2003, and expanded to all business offices, including the 11 sites in Japan, in the renewal examination in October 2006, meaning the whole company was granted the certification. Plans call for the expansion of certification with the renewal examinations to be conducted twice in 2009, extending it to an additional two affiliates.

## Environmental Action Objectives and Evaluation Results

HitachiSoft sets an annual environmental action plan to promote environmental activities. The action plan is evaluated every year, and the results are reflected in the action plan for the next fiscal year.

### Environmental Action Objectives in FY2008 and Results

Category		Targets in FY2008	Results in FY2008	Evaluation
Distribution of eco-products	Software	Ensure eco-conscious developments in all projects and approval of eco-products Over 25% of net sales	25% of net sales	○
		Evaluate eco-efficiency throughout life cycle of product	7 solutions evaluated	○
		Maintain 100% registration of HitachiSoft eco-products	100% registration achieved 18 new products registered; 4 registered products updated	○
	Hardware	Ensure specified hazardous substances are not included in hardware products	Continued to ensure non-inclusion	○
Tackle environmental standards of Hitachi eco design management guidelines		Sold in combination with other company's hardware Reflection of specifications concerning the handling of our software	○	
Procurement of eco-products	Maintain/improve procurement procedures in response to client needs Handle inquiries 100% appropriately	Application of procurement procedures 100% of customer inquiries handled appropriately	○	
Resource and energy saving/ Green purchase	Reduce paper consumption (paper for printing, etc.) 2% reduction compared to FY2007	10% reduction compared to FY2007	○	
	Reduce power consumption (turning off unnecessary lights) 1% reduction by net sales compared to FY2007	3.4% reduction compared to FY2007	○	
	Reduce burnable waste (separate resources thoroughly) 1% reduction compared to FY2006	5% reduction compared to FY2006	○	
	Green purchase rate of over 75% Purchase of green products	Achieved green purchase rate of 94%	○	
Increase awareness of environmental volunteer activities	Activities conducted securing required number of volunteers	Starting at capacity every time	○	

○Achieved; △Partially achieved; ×Unachieved

## Environmental Accounting

Aiming at promoting environmental conservation efficiently and effectively, HitachiSoft has introduced environmental accounting for quantitative evaluation of environmental conservation related costs and effects. The table below shows the environmental conservation costs from FY2006 to FY2008.

### Costs associated with environmental conservation

Cost classification	Description	(million yen)		
		FY2006	FY2007	FY2008
Cost in business area	Waste recycling, energy saving, proper waste management, etc.	21.6	25.8	15.5
Upstream/downstream costs	Procurement of eco-products, countermeasures for containers and packaging, etc.	—	—	—
Management activity costs	Environmental training, EMS operation, R&D, etc.	50.7	48.6	75.5
Social activity costs	PR of initiatives, publicity, environmental conservation activity costs, etc.	4.0	3.0	3.0
Environmental damage costs	Pollution load assessments, etc.	—	—	—
Total		76.3	77.4	94.0

# Initiatives at Main Business Locations

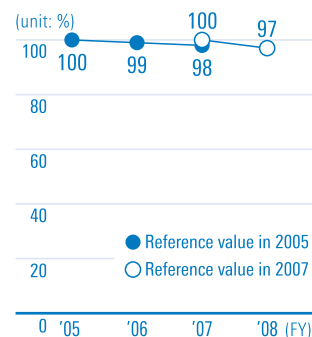
The main business locations have established target values for environmental activities and are striving to reduce environmental impact in their offices. They are also developing environmental communication through various activities.

## Environmental Performance

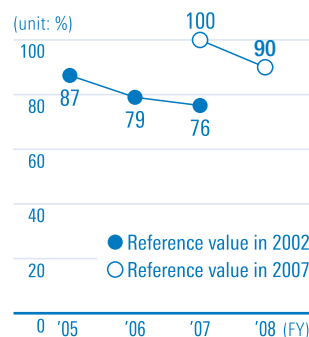
Major energy savings have been achieved by reducing office space through the adoption of free seating and switching from desktop PCs to notebook PCs. Utilizing a remote meeting system has reduced the frequency of business trips and thereby curbed CO<sub>2</sub> emissions. Combined with the implementation of StarBoard, this has resulted in "paperless meetings," cutting the amount of paper used during meetings.

To effectively use natural resources and simultaneously prevent information from being leaked from written documents, used paper is cut in a specific way for reusable purpose at the head office. After the text is rendered illegible, the paper is sent to a recycling plant where it is recycled and reused as HitachiSoft Recycled Paper.

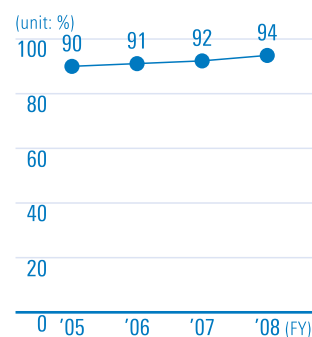
### Reducing Power Consumption



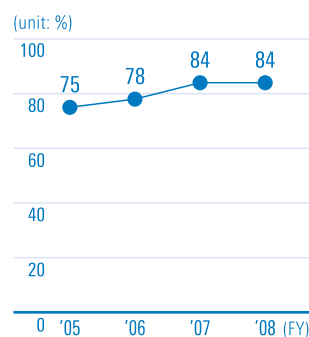
### Reducing the Use of Paper



### Green Purchase



### Recycling Waste



## Partnerships with Local Governments and NPOs

HitachiSoft rewards the environmental promotional programs of local governments in Tokyo where our head office is located and in every region our company calls home. We also support needed regional activities by working together with NPOs.

### Participation in the Tokyo Fureai Road Program

We take part in the Tokyo "Adoption Program." Twice a month employees and Group company staff volunteer to help clean up a section of street along Geneva-Heiwa Dori stretching from Aomono-Yokocho Station on the Keihin Kyuko Line to the main office building. More than 1,500 people have participated over a five-and-a-half year period.

### Participation in Tokyo Greenship Action

In cooperation with local government in Tokyo and NPO organizations that preserve the local woodlands and greenery, we take part in activities in the Otani area in Hachioji City and Yokosawa-iri in Akiruno City, including tree thinning and promoting re-germination, mowing, and the revitalization of rice fields. Participants learn about the importance of the natural environment while assisting in afforestation.



Volunteer employees cut growth

## Environmental activities carried out in cooperation with local governments

	Business Location	Participation/Registration in Municipal Systems
Head offices	Tokyo	(approved) Shinagawa-ku Eco Clean Office (registered) Shinagawa-ku Environment ISO Office Network
	Yokohama	(registered) Kanagawa Eco Network
	Hokkaido	(registered) Sapporo Eco Member
	Northern Japan	(approved) Hirosaki City Eco Office
Regional offices	Toyota	(participant) Aichi Prefecture Eco Drive Members Club
	Chubu	(approved) Nagoya City Office of Eco Approval (registered) Nagoya City Eco Life Declaration (participant) Nagoya City Stop Idling Eco Club
	Kansai	(registered) Kansai Eco Office Declaration
	Kyushu	(registered) Fukuoka Prefecture Eco Office Declaration (participant) Stop Global Warming: Kyushu/Okinawa/Yamaguchi Allied Campaign

# Eco-conscious Business Activities

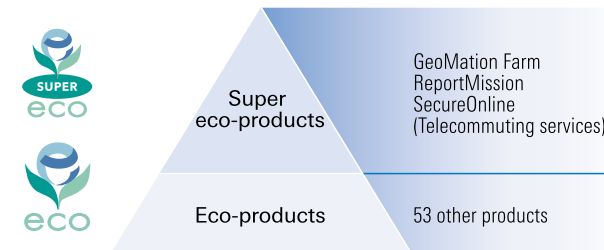
HitachiSoft develops eco-conscious, resource and energy saving products, while trying to eliminate hazardous substances in these products, in order to contribute to a sustainable, recycling-based society.

## System Software

### Eco-products

HitachiSoft is developing eco-conscious software "EcoSoft," and registers its products as eco-products of the Hitachi Group upon reaching the conclusion that the products reduce environmental impact better than conventional ones. All of our 56 major package products have already been registered as eco-products, and their contribution to reducing impact on the environment has been made public, such as the reduction in the use of paper by introducing a counteracting product, or the reduction in energy consumption as a result of improved efficiency. Products especially effective for reducing environmental impact are approved as super eco-products.

### Positioning of eco-products (EcoSoft)



### Agro-information Management System: GeoMation Farm

GeoMation Farm applies Geographic Information System (GIS) technology, which HitachiSoft has cultivated for many years, to offer a map-based system for managing and utilizing various forms of agricultural information in an easy-to-understand manner. It has been awarded numerous honors, including the Eco Products Grand Prize for providing original products and services that contribute to reducing the environmental impact.

Over 30 locations in Japan have already adopted the system, and it is expected to contribute to the future of farming both in Japan and overseas.

### Major Awards (FY2008)

- Ministry of Internal Affairs and Communications "u-Japan Grand Prize" in the environment category
- Green IT Promotion Council Chairman's Green IT Award 2008
- The 5th Eco-Products Awards Chairperson's Award, Eco-Products Awards Steering Committee



### Eco-conscious System Development

From FY2007, HitachiSoft started eco-conscious services for the development and maintenance of customer systems in addition to our own package products. We have set eight eco-conscious perspectives on which the work, including system development, is based.

#### Eight eco-conscious perspectives

- Resource saving
- Energy saving
- Long-term usability
- Reusability
- Environmental reliability
- Ecosystem
- Environmental conservation
- Information services

### Environment Impact Assessment Method "SI-LCA"

In cooperation with the Hitachi Group, HitachiSoft has developed the environment impact assessment method "SI-LCA" for quantitatively evaluating a product's environmental impact throughout its life cycle, from development to disposal, in terms of CO<sub>2</sub> emissions. We can now quantify the achievable amount of reduction in the environmental impact of a product. SI-LCA was developed based on the Eco-Efficiency Potential Assessment Guidelines for Information and Communication Technology (ICT) FY2005.

## Meeting Environmental Regulations

### Green Procurement

Based on the "Green Procurement Guidelines" stipulated by the Hitachi Group, HitachiSoft is promoting the purchasing of environmentally friendly hardware and equipment from green suppliers that have little impact on the environment. StarBoard observes regulations introduced by countries such as the EU, to which HitachiSoft products are exported, including the RoHS Directive and the WEEE Directive, and even complies with the REACH Regulation.

### Proper Management of Chemical Substances

HitachiSoft owns business sites that handle chemical substances in order to conduct research into the life sciences and other areas. For the proper control of chemical substances, we established a chemical management system that guides researchers and employees in handling chemicals. In addition, education and training are regularly offered to solidify the chemical management system.