

## Fundamental Management Policies

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Since our independence from Hitachi, Ltd. in October 1956, we at Hitachi Metals have operated under our Corporate Philosophy, which aims to contribute to society by creating “the best possible company.” Accordingly, we have worked to help solve social issues by utilizing our advanced technologies and capabilities.

CSR management, which calls on corporations not only to pursue profitability but also to meet stakeholders’ expectations and contribute to the development of society, is literally consistent with our aspiration declared in our Corporate Philosophy. It is fair to say that the guiding principles of CSR are the Corporate Philosophy which we have embraced since our independence.

We at the Hitachi Metals Group will promote CSR activities based on our Corporate Philosophy, aiming to contribute to society through our business operations.

## Corporate Philosophy

We aspire to contribute to society by creating “the best possible company” based on harmony among people with affection for our company—a goal to be pursued by drawing on its 110-year history, by ensuring that our mainstay products lead their industries in both quality and quantity, and by applying ourselves to the advancement of technology.

## Code of Conduct for Hitachi Metals Group Companies

### 1. Enhancing Awareness of Social Responsibility and Corporate Ethics

Adhering to the principle of “Obey the law and walk the path of virtue,” we will develop our corporate activities in an ethical manner, with full grasp of our social responsibility and the potential effects of our corporate activities. As we conduct business on a global scale, we will comply with all relevant international conventions and the laws of each country, while striving to understand each country’s local religions, cultures, and customs in order to contribute to regional economic development.

### 2. Pursuing Mutual Growth with Our Business Partners

With the aim of generating the highest possible customer satisfaction, we will engage in the development of unique basic technologies and new technologies that empower us to continue providing high-quality, reliable products. In achieving this aim, we will conduct fair and appropriate business transactions with our suppliers. Based on an awareness of social responsibility shared jointly with our business partners, we will carry out corporate activities to realize mutual growth.

### 3. Promoting Truthful Communication with Society

We will disclose appropriate corporate information in a timely, fair, and transparent manner to our shareholders and other stakeholders. At the same time, we will endeavor to establish a relationship of mutual trust with society through well-coordinated two-way communication.

### 4. Thinking about Our Next Generation—An Environmentally Friendly Solution

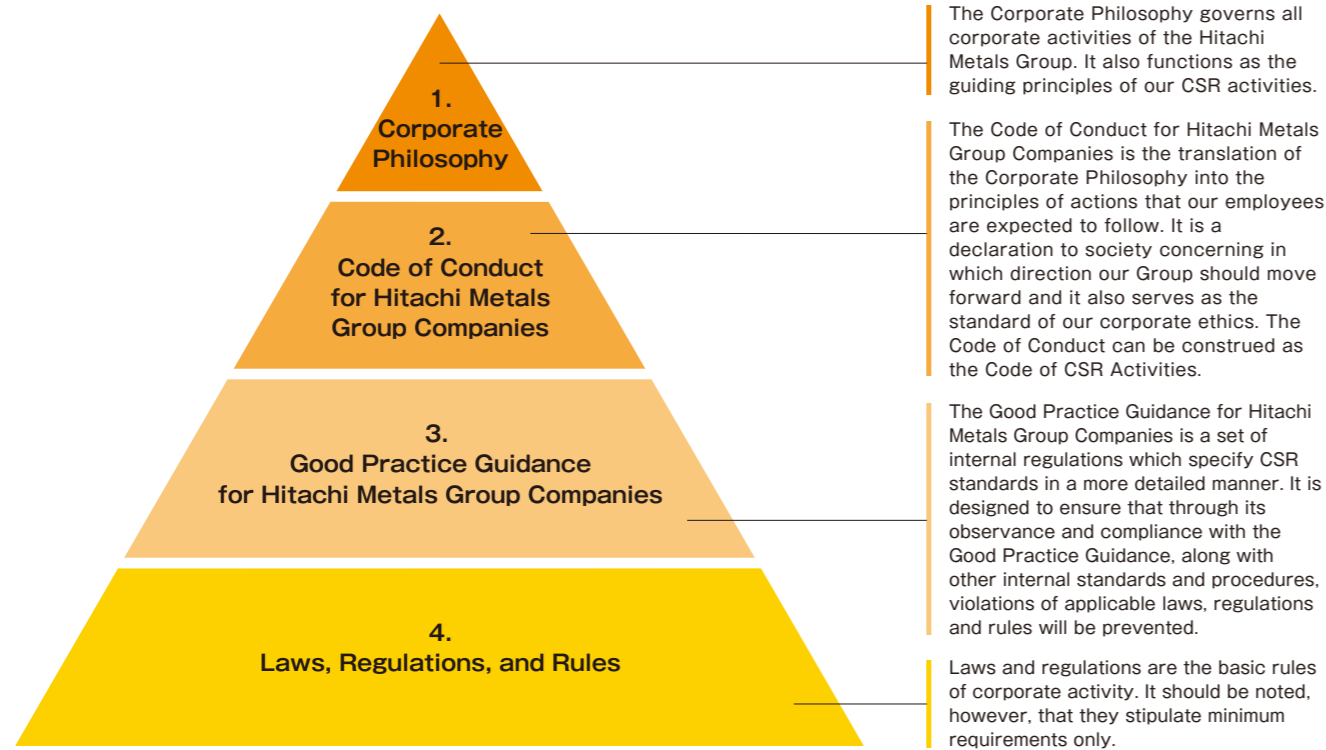
Recognizing the importance of protecting the environment, we will ensure effective and environmentally conscious utilization of limited natural resources in order to bestow a clean environment to the next generation. Through creation of new products and businesses that bring new value to society, we will base our sustainable growth on the provision of high-quality products in harmony with the environment.

### 5. Fostering the Welfare of Employees and Society

We will create a safe and ideal workplace, embracing the great diversity of our individual employees and their capabilities, while promoting their personal development through work. As a good corporate citizen, we will continue efforts to contribute to society through sincere, nondiscriminatory corporate activities based on mutual trust with all members of society.

**Guidelines for CSR activities**

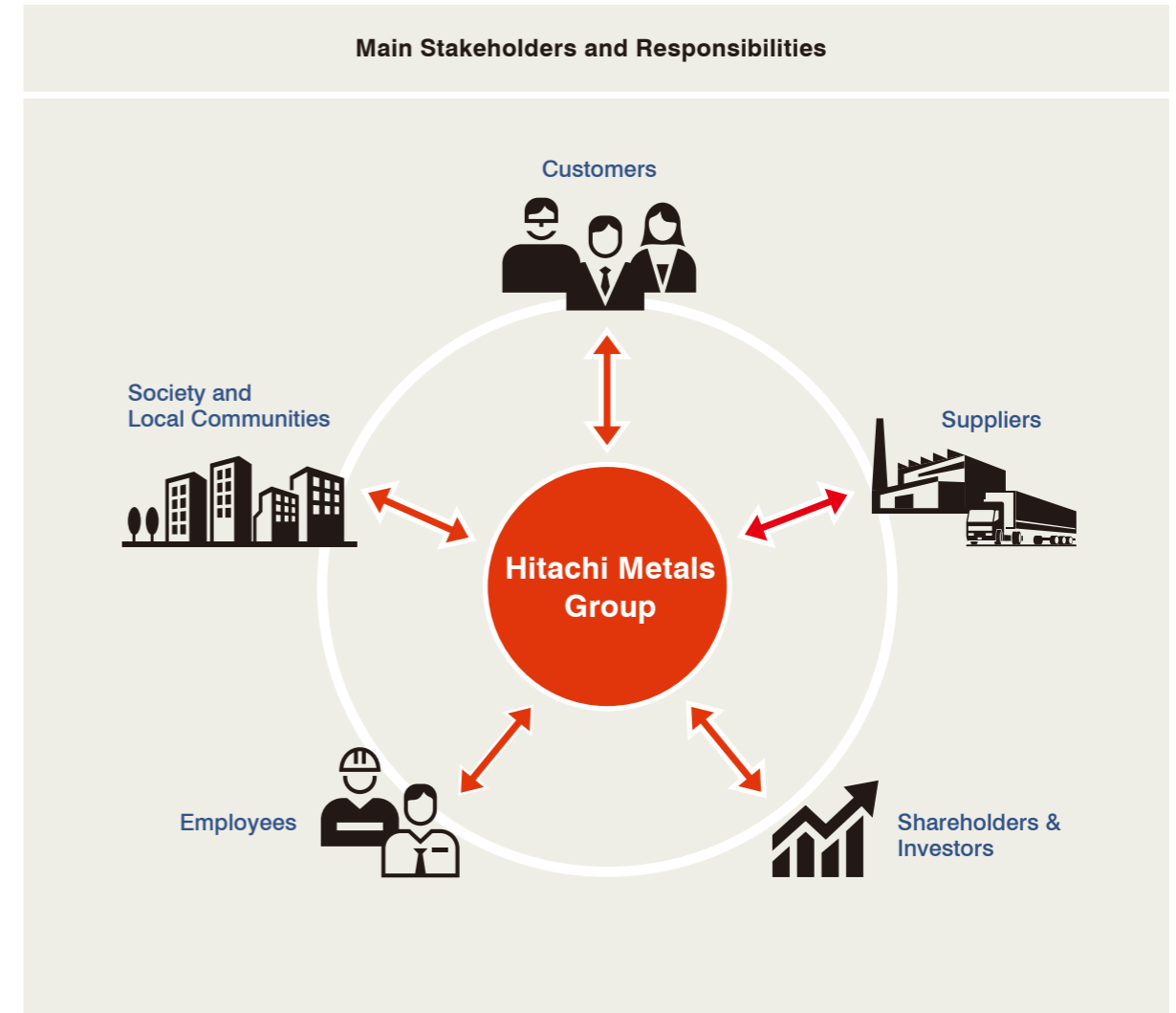
Hitachi Metals Group systematically established guidelines for CSR activities as follows:



Hitachi Metals Group aims to carry out its social responsibility and realize its management philosophy through the observance, by all directors and employees, of laws and regulations and the Hitachi Metals Group Code of Conduct, and their implementation of the Hitachi Metals Group Corporate Principles, in their daily duties.

**Hitachi Metals Group's Stakeholders**

The business of the Hitachi Metals Group is materialized through engagement with stakeholders. The Hitachi Metals Group considers stakeholders strongly associated with its business activities as “customers,” “suppliers,” “shareholders and investors,” “employees” and “society and local communities,” and develops its CSR activities by continuously responding to requests and expectations from those stakeholders.












Environmental Activity Report for FY2014

The Hitachi Metals Group formulated an Environmental Action Plan based on its Code of Conduct for Hitachi Group Companies and Basic Environmental Protection Policies, taking into account the characteristics of the countries and regions where it does business and the demands of its stakeholders. In doing so, it endeavors to reduce environmental loads, expand eco-products and strengthen its environmental management system.

Key Items in the Environmental Action Plan and Results in FY2014

The Hitachi Metals Group adopted and implemented the “Hitachi Metals Group Environmental Action Plan FY2014,” based on the Hitachi Group Third Environmental Action Plan for FY2013 to 2015. The key indicators of the Environmental Action Plan, FY2014 results and evaluations and FY2015 targets, are as stated below.

 Target Achieved  Target 90% Achieved  Target Not Achieved

Categories	Items	FY2014 Action Target	FY2014 Results	Rating	FY2015 Targets
Establishment of a corporation that creates environmental value	Helping reduce CO <sub>2</sub> emissions by 100 Mt till 2025 through products	1.30 million t-CO <sub>2</sub>	1.33 million t-CO <sub>2</sub>		1.50 million t-CO <sub>2</sub>
Eco-mind	GREEN 21-2015	498 GP	581 GP		544 GP
	Environmental education and training	e-learning attendance rate 95%	100%		100%
Next-generation products & services	Promotion of Eco-products	Sales ratio 88%	98%		90%
		Increasing “Eco-Product Select” models	9 model (2011–2014 cumulative total)		9 models total
Eco-factories	Global warming prevention	Improvement of energy consumption ratio per production unit at least 9% (Base year FY2005, global)	13.9%		10%
	Effective use of resources	Reduction of waste/valuable generation per production unit at least 16% (Base year FY2005, global)	22.5%		18%
		Promote registration ratio of Electric Waste Manifest System at least 75%	78.9%		90%
		Reduction of water usage per sales amount by at least 18% (Base year FY2005, outside Japan)	34.9%		20%