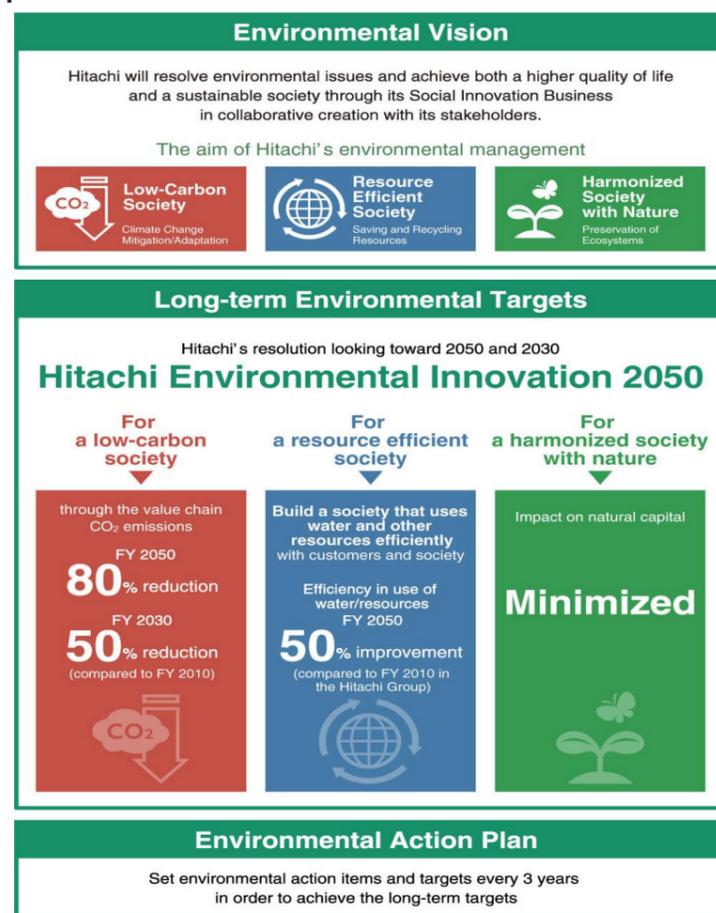


Initiatives for Environment

Environmental Vision/Basic Environmental Policies

The Hitachi Metals Group promotes a low-carbon society, resource efficient society, and harmonized society with nature as the three key pillars of the Hitachi Group's Environmental Vision. We aim to realize both higher quality lifestyles and a sustainable society by resolving environmental issues through the social innovation business in collaboration with our stakeholders. In addition, we will fulfill our required role to achieve Hitachi's long-term environmental targets called Hitachi Environmental Innovation 2050.

The Hitachi Group's Environmental Vision



Hitachi Metals Group Basic Environmental Protection Policies

- Philosophy** Hitachi Metals' Corporate Creed is to "contribute to society by being the best enterprise." In line with this, we regard it as crucial to ensure that humanity's shared environmental resources can be passed down to future generations in the best possible condition. Accordingly, throughout our operations we treat environmental considerations as an issue of the highest importance and strive actively to promote environmental protection efforts on both the global and local community levels.
- Slogans**
- With a deep awareness that environmental protection is a major issue for all humanity, fulfill social responsibilities by striving to establish a sustainable society in harmony with the environment regarding it as one of the essential aspects of corporate activity.
 - Contribute to society by developing highly reliable technologies and products in response to needs for environmental protection and the limited natural resources.
- Promotion Structure** To improve the functions of the environmental management structure and enhance environmental supervision, we established a Groupwide environmental management structure and administrative structure headed by the executive in charge of the environment. Through these entities, we are promoting environmental protection activities by establishing environmental standards and environmental impact reduction targets. We are also making continuous improvements by ensuring that our activities are appropriate and effective.

Hitachi Metals Group Action Plan

The Hitachi Metals Group advances activities based on three-year medium-term environmental plans.

The targets for the Medium-Term Environmental Plan for fiscal 2019 to fiscal 2021 are shown below. We conducted each activity in the plan to reduce our impact. During fiscal 2019, the impact of reduced production volume and other factors was greater than the effects of efforts to reduce the environmental impact. As such, we failed to meet the plan's

targets for key environmentally conscious products and the improvement ratio of CO₂ emissions per production unit. However, we achieved the targets for the improvement ratios of waste generation per production unit and water usage per production unit.

The Topics section gives specific examples of activities that reduce the environmental impact.

Results of Fiscal 2019 initiatives and Fiscal 2021 plans

FY2019 initiatives (Planned)	FY2019 initiatives (Results)	FY2021 plans
• Conduct environmental education at the Head Office and each business office (ongoing)	• Conduct environmental auditor development training (twice)	• Conduct environmental auditor development training (once or more times)
• Increase the sales ratio of key environmentally conscious products (23%)	• Increase the sales ratio of key environmentally conscious products (20.2%)	• Increase the sales ratio of key environmentally conscious products (25%)
• Reduce CO ₂ emissions per production unit (5% compared with base year FY2010)	• Reduce CO ₂ emissions per production unit (1.4% compared with base year FY2010)	• Reduce CO ₂ emissions per production unit (7% compared with base year FY2010)
• Improvement ratio of waste generation per production unit (12% compared with base year FY2010)	• Improvement ratio of waste generation per production unit (17% compared with base year FY2010)	• Improvement ratio of waste generation per production unit (14% compared with base year FY2010)
• Waste landfill rate (14%)*	• Waste landfill rate (13.7%)	• Waste landfill rate (12%)
• Improvement ratio of water usage per production unit (22% compared with base year FY2010)	• Improvement ratio of water usage per production unit (22% compared with base year FY2010)	• Improvement ratio of water usage per production unit (26% compared with base year FY2010)

* Excludes household trash, hazardous waste, and waste landfilled on-site

Topics Initiatives to reduce CO₂ emissions

Energy-saving activities at the plant in South Korea

At Namyang Metals Co., Ltd. (Daegu), which mainly produces casting materials for automobile parts, the electricity for the induction furnaces that produce molten metal for casting accounts for more than 70% of the company's energy consumption. Namyang Metals is working continuously to make improvements, using such indicators as improvement of the annual operating ratio, improvement of the molten metal recovery rate, and reduction of the defect rate. As part of these efforts, in 2018, the company introduced new scrap preheating devices in five production lines. By using LPG, which is more energy efficient than electricity, scraps can be heated to the target temperature in a short time. In 2019, the company installed six new casting lines equipped with energy-efficient mold-cooling equipment (Casting Cooler), reducing energy costs by

approximately 30%. The company has lowered the defect rate by changing the method of product movement from drum to vibratory type, reducing collisions among products.



Scrap preheating equipment

