



Maxell Group / Maxell Energy Group CSR Report 2012

Valuing our communication with stakeholders,
we give thought to, and take action on,
what we can do ourselves as individuals
for the sustainable growth of society.
We will extend this circle of action across the globe.

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Responses to Large-scale Disasters that Occurred in 2011

The Great East Japan Earthquake that occurred on March 11, 2011, caused minor partial damage to the production facilities at Maxell Finetech (now the Finetech Division of Hitachi Maxell). The company had fully recovered by the end of March 2011.

The Maxell Group and the Maxell Energy Group made donations through the Central Community Chest of Japan, and company labor and management conducted joint humanitarian fund-raising. We have also sent food, everyday necessities, and other relief supplies. Responding to the particular rise in demand for dry batteries in the earthquake region, we produced and donated 200,000 dry batteries. In May 2012, we received a letter of appreciation for this assistance from the Minister of Economy, Trade and Industry.

There were also floods in Thailand from July 2011 that caused some damage, including inundation of facilities, at Maxell Finetech (Thailand) Co., Ltd., which had been established in June. As a result, the start-up of operations there ended up being postponed. Recovery work is now underway, and we expect to start operations in July 2012. Having suffered this recent damage, we are improving our risk management and safety measures to reduce our disaster risk, for example by transporting production equipment to safe areas during emergencies.

Corporate Profile

Hitachi Maxell, Ltd.

Head Office: 2-18-2 Iidabashi, Chiyoda-ku, Tokyo 102-8521, Japan

Established: September 1960 **Paid-in capital:** ¥12.2 billion (as of April 2012)

Consolidated net sales: ¥119.5 billion (for the year ended March 31, 2012)

Number of employees (consolidated): 2,673 (as of April 2012)

Our Businesses

Information Storage Media: Computer tapes, broadcasting videotapes, "iV" cassette hard disks, Blu-ray Discs, DVDs, CDs, audio tapes, video tapes

Batteries: Lithium-ion batteries, coin-type lithium rechargeable batteries, silver oxide batteries, lithium primary batteries, alkaline dry batteries

Materials, Devices and Electric Appliances: Optical components, functional materials, adhesive tape, RFID systems, IC cards, small electrical appliances, electroforming and precision parts, metal molds, synthetic resin molded products

Hitachi Maxell Energy, Ltd.

Head Office: 1, Koizumi, Oyamazaki-cho, Otokuni-gun, Kyoto 618-8525, Japan

Established: April 2011 **Paid-in capital:** ¥1 billion (as of April 2012)

Consolidated net sales: ¥44.9 billion (for the year ended March 31, 2012)

Number of employees (consolidated): 1,342 (as of April 2012)

Our Businesses

Batteries: Lithium-ion batteries, coin-type lithium rechargeable batteries, silver oxide batteries, lithium primary batteries, alkaline dry batteries

Editorial Policy

This report is published to communicate the CSR^{*1} activities of the Maxell Group and the Maxell Energy Group to stakeholders.

Our CSR Report Editorial Committee is made up of members from all divisions that engage in dialogue with stakeholders. These members determine report topics by taking into consideration what stakeholders and society attach importance to, as well as what the Maxell Group and Maxell Energy Group attach importance to. Information that ranked higher in importance has been put into concise, organized form in our report to make it communicate more effectively. We have again expanded our feature articles as we did last fiscal year to include employee comments together with other elements that we hope will make this report more readable as well as more approachable.

Detailed information on environmental and other matters that could not be included in the present report will be made available on our website.

Companies Covered by this Report

Hitachi Maxell, Ltd., and 9 Group companies^{*2} together with Hitachi Maxell Energy, Ltd. and one Group company Where the report coverage differs by Group or company, the differences are noted in each topic concerned.

Maxell Group

Hitachi Maxell, Ltd.; Maxell Corporation of America; Maxell Europe Ltd.; Maxell Deutschland GmbH; Maxell Asia, Ltd.; Maxell (Shanghai) Trading Co., Ltd.; Maxell Taiwan, Ltd.; Maxell Asia (Singapore) Pte. Ltd.; Maxell Tohshin (Malaysia) Snd. Bhd.; PT.SLIONTEC EKADHARAMA INDONESIA

Maxell Energy Group

Hitachi Maxell Energy, Ltd.; Wuxi Hitachi Maxell Co., Ltd.

Period Covered by this Report

The period covered is April 1, 2011 to March 31, 2012. In some instances, however, the subject matter relates to fiscal 2012.

Reference Guidelines

Ministry of the Environment, Environmental Reporting Guidelines (2007 edition)
Environmental promotion laws, Ministry of the Environment Guide to Entries in Environmental Reports (2nd Edition, November 2007), Global Reporting Initiative Sustainability Reporting Guidelines 2006^{*3}

Published June 2012

Related website: <http://www.maxell.co.jp/>

^{*1} Corporate Social Responsibility

^{*2} The management integration we implemented on April 1, 2012 involved Hitachi Maxell, Ltd. absorbing or merging with five consolidated subsidiaries. As a result, Maxell Finetech, Ltd., Maxell Sliontec, Ltd., Kyushu Hitachi Maxell, Ltd., Maxell Seiki, Ltd., and Maxell Shoji Co., Ltd. have respectively become the Finetech Division, Sliontec Division, Kyushu Maxell Division, Information Security Division, and Business Solutions Division of Hitachi Maxell, Ltd..

^{*3} Guidelines for international sustainability reporting compiled by the Global Reporting Initiative

Message from the Management

Working to expand business centered on the “Totally New and Totally Secure” Maxell, we are aiming for growth in global markets



Hitachi Maxell began the process of integrating management with consolidated subsidiaries Maxell Finetech, Maxell Slientec, Kyushu Hitachi Maxell, Maxell Seiki, and Maxell Shoji in November 2011. We inaugurated the new management structure on April 1, 2012.

In the new structure, the corporate cultures and unique technologies of each of these former subsidiaries are fused together to form a new concept. We will channel this toward the development of new technologies and new products, and we will propagate those products using our global business network. By creating a chain of associations with our strengths, we will give rise to high value-added products and services while also making the Maxell brand increasingly stronger. We will also promote the operational efficiency improvement movement, which refers to the “FUNs” action plan of our growth strategy. Every one of our employees is aware of “Using Footwork well, we develop Unique technology, act aiming for the Niche top, and respond with the expected speed.” In this awareness, we will achieve concrete results.

This is also the case with the new mid-term management plan that starts from fiscal year 2012. First, we increase the niche top products in our parts and materials business that make effective use of our unique technology. At the same time, we will energize our activities in suggesting solutions and taking orders by making lateral collaborative links among our businesses. Next, we will also devote resources to brand business. The main measures here will be speedy development of products and services, enrichment of product categories, thoroughgoing quality control, coordination with Hitachi brand products, and strengthening of the Maxell brand. We will seek sales expansion in Asia and other regions, build business with new applications, make suitable personnel assignments, and accelerate global growth. In addition to these measures, we also commit ourselves to assuring safety and health as well as compliance.

The Group will unite as one to engage in these measures, and we will continue striving to be an excellent company.

June 2012

Yoshihiro Senzai
President and Representative Director
Hitachi Maxell, Ltd.

A handwritten signature in black ink, reading "Yoshihiro Senzai".

We Aim to be the “Global ONE Battery Company” that Contributes to Society by Creating Battery Products



Hitachi Maxell Energy is an independent, specialized battery products manufacturer formed to take on the battery business that was split off from Hitachi Maxell on April 1, 2011. Our products range from high-capacity, high-safety lithium-ion rechargeable batteries to coin-type batteries with superior environmental durability, alkaline dry batteries with superior leak resistance, batteries for industrial applications, and batteries suited to information networks and other such applications. We provide our customers with products characterized by safety and high performance together with peripheral technologies.

Recent years have seen further rising demand for environmental technology and products related to smart communities that control energy use by means of telecommunications technology. Smartphones and other highly sophisticated telecommunications devices are also coming into widespread use around the world, and especially in emerging countries. There has been greater than ever expansion in applications for battery products and peripheral technologies that play critical roles in the environmental and telecommunications fields.

Hitachi Maxell Energy is addressing these changes by formulating a mid-term management plan from fiscal year 2012, taking measures to create new businesses based on core technologies and expanding our existing businesses by enlarging the sales of primary battery products with high market share, developing technology for rechargeable batteries that is at the highest world level, and so on. Moreover, we are making committed efforts to stabilize product quality, develop finely tailored products based on market analysis, develop our human resources, and so on, with the aim of becoming the “Global ONE Battery Company” that is the “only one” to achieve “number one” status in performance, technology, and customer satisfaction.

In addition to these initiatives, we will go back to our starting point to reexamine our own operations, we will assure health and safety, and we will make every effort not to overlook our social responsibility to engage in fair and transparent corporate activities. Our employees will all focus their knowledge, think, and take action with the goal of becoming an enterprise that earns the trust of all our stakeholders.

June 2012

Masao Okafuji
President and Representative Director
Hitachi Maxell Energy, Ltd.

A handwritten signature in black ink, reading "Masao Okafuji".

Our Technologies, Products and Services are Geared to Enhancing the Comfort of People's Lives and Serving Industry and Society.

Enhancing the Comfort of People's Lives

LIFE Log

Spanning the range from personal use to business use Our data storage products record all kinds of information

Enjoying LIFE

Personal cloud products and accessories for AV, PC, and mobile terminals that enrich people's lives

LIFE Line

Battery chargers and peripheral products for terminals and equipment that support the foundation of contemporary life

Quality of LIFE

Hair care, beauty, and other products that help people make their lives convenient and comfortable, and enhance their quality of life

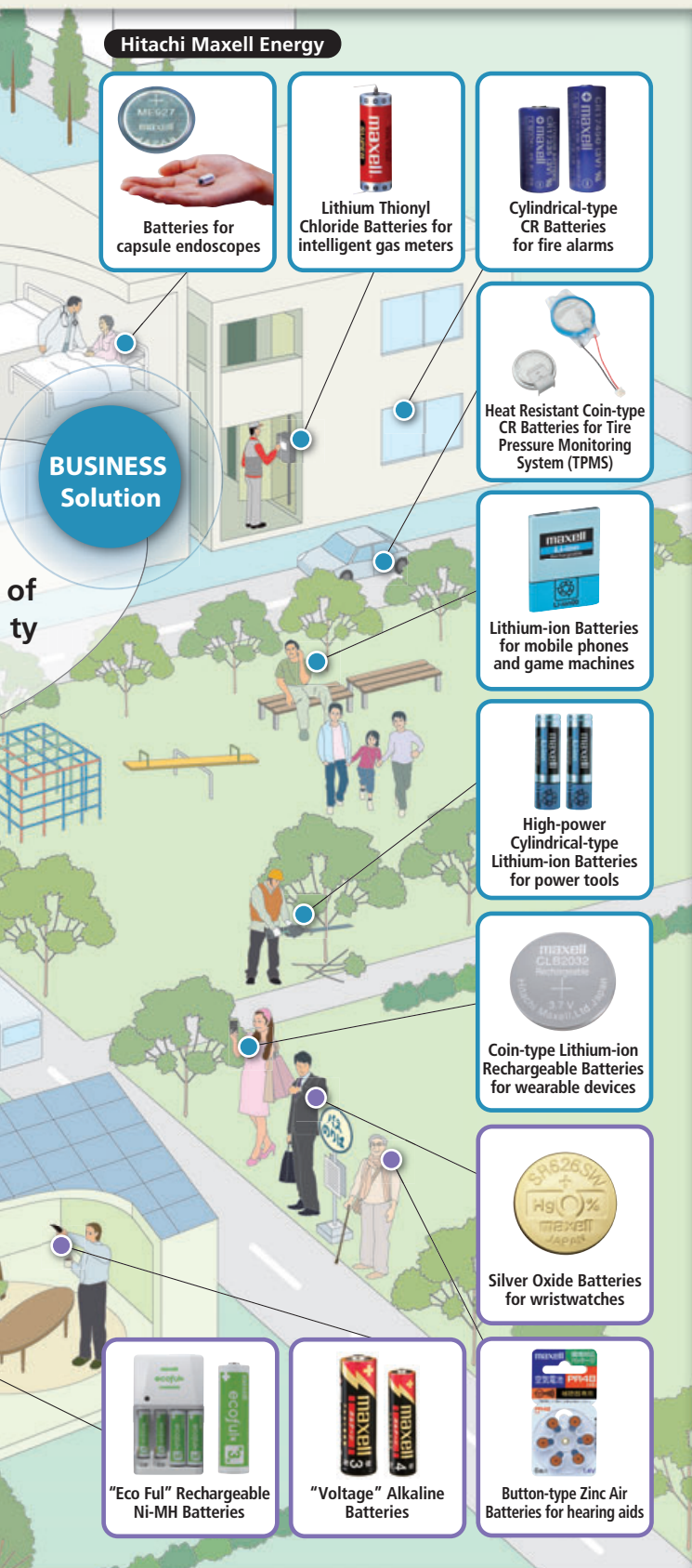


*1 iPad is a trademark of Apple Inc. that is registered in the United States and other countries.

For the Development of Industry and of Society

**BUSINESS
Solution**

Products and services we provide to enterprises



Hitachi Maxell Energy



Batteries for
capsule endoscopes



Lithium Thionyl
Chloride Batteries for
intelligent gas meters



Cylindrical-type
CR Batteries
for fire alarms



Heat Resistant Coin-type
CR Batteries for Tire
Pressure Monitoring
System (TPMS)



Lithium-ion Batteries
for mobile phones
and game machines



High-power
Cylindrical-type
Lithium-ion Batteries
for power tools



Coin-type Lithium-ion
Rechargeable Batteries
for wearable devices



Silver Oxide Batteries
for wristwatches



"Eco Ful" Rechargeable
Ni-MH Batteries



"Voltage" Alkaline
Batteries



Button-type Zinc Air
Batteries for hearing aids

Record Away with Double Hard Disk! "iV" Hard Disk Drive (HDD) Recorder

We have commercialized this revolutionary recorder using a 1-terabyte internal HDD and the "iV" cassette hard disk to let you record as much as you want without worrying about how much recording capacity is left. It also responds to user needs with support for streaming playback and transfer of recorded programs to smartphones.



The "iV" cassette hard disk is easily carried by hand and provides a recording medium convenient for creating a library. We will continue providing a wide range of possible solutions in the iVDR*1 field that includes recording and playback equipment, supporting the rising demand for HDTV program libraries.

Kazuyuki Zensai

Global Product Development & Marketing Division, Hitachi Maxell, Ltd.

*1 Information Versatile Disk for Removable Usage Detachable hard disk drive standard



Specialized Lens Unit for Vehicle Use Provides Wide-angle View of 185°

Forward-looking and rear-view monitor systems are increasingly being installed in cars to provide drivers a way to check for safety, and we have developed a lens unit that contributes to still wider angles of view and compactness. We have also increased the heat tolerance from the 85°C of conventional products to the higher 105°C, enhancing the environmental durability.

The market for vehicle-mounted lenses is expected to continue expanding, partly due to the influence of the KTSAA*2 enacted in America. We intend to aim for a still larger share of this market by going ahead with cost reductions and functional differentiation from other companies' products.

Yasuhiro Hoshina

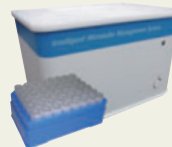
Finetech Division, Hitachi Maxell, Ltd.



*2 Kids Transportation Safety Act: A statute that seeks to prevent backing accidents by requiring all new cars in the U.S. to have rear-view monitors and other such equipment installed by September 2014.

–80°C Compatible RFID*3 Microtube

With RFID tag which the data management at the low-temperature is hard, we have achieved it at –80°C. Because it can improve the efficiency of low-temperature management of expensive cells and DNA, it is introduced to pharmaceutical companies and so on. We will also proceed with development of reusable RFID tags and other such products.



Because there is great demand for low-temperature storage in the healthcare industry, where RFID started receiving attention, we are suggesting various RFID technologies including this product. Putting technologies we have cultivated over many years to use, we hope to contribute to the development of healthcare in future.

Shinobu Hashimoto

Information Security Division, Hitachi Maxell, Ltd.

*3 Radio Frequency Identification

Products that Address Beauty and Skin Care Needs

Products we have commercialized include the G-Sword rotary shaver, which achieves a balance of close shaving, fast shaving, and gentleness to the skin with the world's first drum razor blade and a "whisker navigation" system that senses whisker density and automatically adjusts the power, and the Hada Crie beauty treatment device that supports cleansing, moisturizing, pore tightening, and other skin care functions in a single unit. We are addressing the growing beauty and skin care demands among both men and women.



G-Sword (top) and Hada Crie (bottom)

With the beauty treatment device, we placed greatest importance on compatibility with the customer's skin. From initial development, therefore, we emphasized the concept of customers being able to continue using their usual face lotions.

We will continue our efforts to develop new products that enable us to meet growing needs in the field of beauty.



Mayumi Nakamura

Kyushu Maxell Division, Hitachi Maxell, Ltd.

UV Release Adhesive Tape that Does Not Emit Dioxins



This is adhesive tape (dicing tape) that holds a semiconductor wafer in place during the cutting process. It is an environmentally friendly product that does not use PVC film, which is the usual backing material, and does not generate dioxins even when incinerated.



Dicing tape is a secondary material that is not incorporated into semiconductor parts and materials. However, the green procurement perspective is causing a growing movement away from PVC on the market. We will continue our efforts to make products that are suited to market needs.

Hirokazu Sato Sliontec Division, Hitachi Maxell, Ltd.

"Voltage Clair" Alkaline Dry Batteries

Designed with women in mind, these Alkaline Batteries have a pink body with sparkling metallic flecks for a cute, playful appeal. They use the same electrolyte leak-proof design*1 as the Voltage Alkaline Batteries with electrolyte leakage compensation*2 for a five-year period (the recommended service life), and can be used in a wide variety of equipment.



We commercialized this product with the concept of "fashion conscious even where it can't be seen," intending it for use as a set together with women's portable beauty care items, for which needs are on an expanding trend.

For the future, we will continue planning unique products that our customers can use with a sense of security.

Global Product Development & Marketing Division, Hitachi Maxell, Ltd.



Kengo Miura

*1 Designed with patented technology to prevent electrolyte leaks from over-discharge

*2 We will replace the batteries or repair or replace the equipment if an electrolyte leak occurs within the recommended service period and if warnings and cautions have been observed.

High-Capacity, Prismatic Lithium-Ion Batteries

We are providing these high-capacity lithium-ion batteries for smartphones that require growing amounts of power for their increasingly advanced performance. The use of new materials achieves high capacity while also realizing a low self-discharge rate, charge cycle performance of approximately 500 charge-discharge cycles, and discharge temperature characteristics providing operation from -20°C to 60°C.



The spread of smartphones has been accompanied by need for high-capacity batteries in diverse sizes. We have therefore been making advantageous use of technology to provide higher capacity, typified by silicon-based negative electrodes, to commercialize products meeting that need. We intend to respond to future market needs by achieving further high capacity and safety.



Koji Urabe

LB Division, Hitachi Maxell Energy, Ltd.



"CLB" Coin-Type Lithium Rechargeable Batteries

The distinctive structure enabled our CLB Battery to discharge a large current of 140mA though it's 1-yen coin sized. To ensure reliability, we adopted the internal short-circuit prevention structure that wraps the positive electrode, as well as the stainless steel casing that minimizes battery expansion. CLB Batteries are provided to a wide range of small telecommunications applications for healthcare and logistics.



For total customer support, we provide not only batteries but also solutions for circuit and charging method. This product has already been shipped for devices such as compact wireless sensors, health equipment, and multi-function watches. And we will be focusing our efforts on new equipment, particularly for health and healthcare as our contribution to society.

Tetsuhito Oka Micro Battery Division, Hitachi Maxell Energy, Ltd.

"CR" Coin-Type Lithium Manganese Dioxide Batteries

These are batteries with high energy density at a nominal voltage of 3 V, approximately twice that of alkaline button batteries and silver oxide batteries. Since they use organic electrolyte that is unlikely to leak and is highly conductive, the operating voltage remains stable even in high and low temperatures. They also have a very tightly sealed structure, giving them long storage life with a self-discharge rate of 1% per year.



CR coin batteries are already used as power sources for compact electronic equipment in a variety of fields. We intend to continue providing them to customers in fields that require high reliability, broadening the results achieved by manufacturing that insists on "Japanese quality."



Noriyuki Yabushita

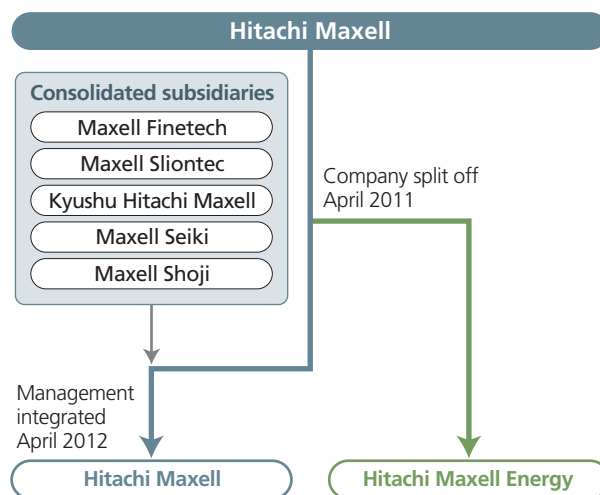
Micro Battery Division, Hitachi Maxell Energy, Ltd.

About the Changes in Management Structure

Hitachi Maxell, Ltd. carried out a corporate division to establish the new company Hitachi Maxell Energy, Ltd. on April 1, 2011. Our battery business was passed on to the new company. The aim in splitting apart the decision-making process of the battery business from our other core businesses was to speed up the decision-making in the various businesses.

We also inaugurated a new structure from April 1, 2012, when we absorbed or merged with five consolidated subsidiaries (see figure at right). This is intended to join together the distinctive technologies and other management resources from each of these former subsidiaries to stimulate the formation of unique new ideas and also to strengthen our management structure.

These systemic changes are intended to heighten our competitiveness in global markets and aim for further growth.



CSR Activity Report

CSR Management

 <http://www.maxell.co.jp/jpn/csr/index.html>
The information is also publicly accessible on the Web.

Basic CSR Policy

The Maxell Group and Maxell Energy Group have established Corporate Behavior Standards that specify the mission and duties to be performed by the Group, and have defined a CSR Policy. The purpose is to conduct CSR activities in a systematic and continuous way, as well as to encourage employees to take pragmatic action to uphold these policies and standards. We are also maintaining close collaboration with Group companies in order to achieve a synergistic effect across the Hitachi Group as a whole.

CSR Management (Self-evaluation of CSR Activities and its Results)

The Maxell Group and Maxell Energy Group use the CSR self-assessment tool developed

by the Hitachi Group to verify our position and orientation relative to the image of what our CSR should be. This tool was created using the evaluation items from major global SRI^{*1} evaluations, the GRI Sustainability Reporting Guidelines 2006, and other such sources, and with the cooperation of outside consulting firms. It provides for self-assessment and analysis of the current state with reference to eight policies. This clarifies our own company's strengths and weaknesses, making it possible to verify the direction in which our initiatives are aimed and the effects of our activities.

In fiscal 2011, we took the content of our ecosystem conservation activity, which received a low evaluation, and incorporated it in our environmental policy. We also distributed a revised version of our Green Procurement Guidelines reflecting the ecosystem conservation policy to our suppliers.

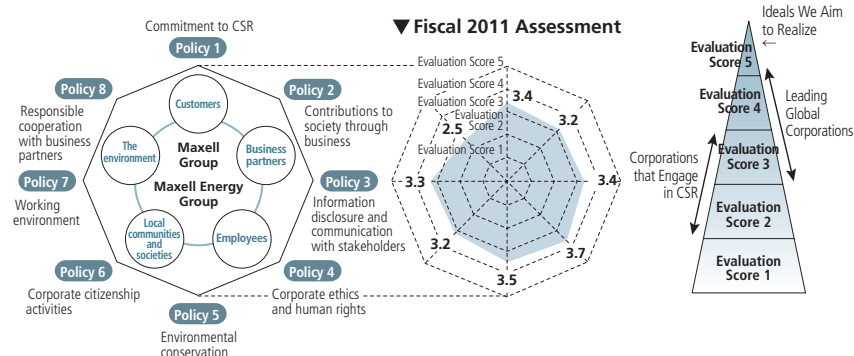
Corporate Governance

The fundamental philosophy of the Maxell Group and Maxell Energy Group states that "We will raise the founding spirit of Harmony and Cooperation, Working with Heart and Soul, and Being of Service to Society still higher, and holding firmly to our pride as Hitachi Maxell people, we will contribute to society by developing superior independent technology and products."

We will strive toward the realization of this philosophy by working in accordance with "basics and rightness" and pursuing business activities rooted in corporate ethics and statutory compliance. To that end, we have created the Hitachi Maxell Group Codes of Conduct and the Hitachi Maxell Energy Group Codes of Conduct. We are also continuously engaged in building an appropriate management structure, pursuing the improvement of internal governance systems, and developing our compliance structure, which is essential to the lasting development of our enterprise.

With a view to risk control, we are also engaged in formulating our BCP^{*2} in order to deal with the risk of unpredictable events, such as virulent influenza and large-scale natural disasters. In July 2011, Hitachi Maxell and Hitachi Maxell Energy completed formulating a pilot BCP for new strains of influenza, and in March 2012, we also completed a pilot BCP for large-scale earthquakes.

Self-Evaluation of CSR Activities and the Results



^{*1} Socially Responsible Investment
^{*2} Business Continuity Plan

Social Activity Report

Together with Customers

Enhancing Customer Satisfaction

The Maxell Group and Maxell Energy Group are actively pursuing activities to reflect customer views in our products and services in order to enhance customer satisfaction (CS). This work is pursued by the Customer Service Center, which is the contact point for customer inquiries in collaboration with the operating divisions.

The activities are focused, for instance, on creating "CS products" that are improved

by incorporating customer views and wishes. The Customer Service Center is dedicated to responding promptly and appropriately to customer questions and requests for consultation.

This work is conducted using response rate and rate of Gratitude Calls from Customers as indices.

During fiscal 2011, the response rate was 85% and the rate of Gratitude Calls from Customers was 5.0%. Both figures show decreases over the previous year.

Enhancing Product Liability and Quality

In fiscal 2011, we strengthened and promoted "in-process quality assurance activities" to improve the absolute quality of our products. We made every effort so that our customers could be provided with products they could use with a sense of security.

There were three newly announced product malfunctions in fiscal 2011. These were an in-mixture of different product types with Blu-ray Discs (BD-RE), a power supply malfunction in the "iV" hard disc recorder (VDR-R2000), and a playback malfunction in Blu-ray Discs (BD-R).

Topics

"Air Voltage" Wireless Charger Easily Recharges Devices Simply Placed on It

This wireless charging system can recharge a portable terminal that is simply put down on it, and was developed in response to requests for simpler smartphone recharging at home and in the office. It supports the Qi wireless charging standard, and can also recharge portable terminals from different manufacturers if they comply with this standard. When a dedicated cover is attached to the



portable terminal, the charger can work with the iPhone4^{*1}, as well. This product was awarded the Nikkei Business Daily Award for Excellence in 2011 Nikkei Superior Products and Services Awards sponsored by Nikkei Inc.

^{*1} iPhone is a trademark of Apple Inc. registered in the United States of America and other regions.

"Energy Station" High-Power Storage Battery Supports a Variety of Usage Scenarios

In response to heightened awareness of disaster management among customers since the Great East Japan Earthquake, we developed this high-powered power source for home and office use. It is equipped with rechargeable lithium-ion batteries and has a maximum output of 1,200 W. Made to exhaust-free specifications, it is also free of the noise typical of electric generators so it can be used at night, indoors, and so on. Equipped with a carrying handle, it can be held with one hand and has a portable design for convenient carrying. Multiple units can be linked together for expanded capacity, and it can be used in a wide variety of situations.



Responding at the Customer Service Center

Business Policy Briefing Session

Together with Customers

Maxell

Maxell Gro

Together with Business Partners

Together with Business Partners

Fair Transactions with Suppliers

The Maxell Group and Maxell Energy Group conduct procurement in accordance with the Hitachi Group's Guidelines for Procurement Activities, and endeavor to engage in fair transactions with suppliers. The action guidelines have also been applied to our company regulations and they have been made thoroughly familiar to employees. In fiscal 2011, we conducted e-learning for all employees, including those in Group companies, and we held Basic Procurement Operations and Legal Compliance Seminars for managerial staff.

Working for Shared Awareness with Suppliers Regarding CSR

The Maxell Group and Maxell Energy Group engage in exchanges with suppliers through business policy briefing sessions organized by each operating division, at customary New Year's celebration forums, and other such occasions. We are sharing a common awareness of CSR with suppliers.

At the New Year's celebration forums held in January 2012 and at business policy briefing sessions held in March, the president requested that business partners "cooperate in promoting CSR" and engage in "thoroughgoing observance of basics and rightness."

Promoting CSR Procurement

The Maxell Group and the Maxell Energy Group are promoting CSR procurement in accordance with the CSR Policy and the Hitachi Group Supply-Chain CSR Deployment Guidebook created by the Hitachi Group.

In fiscal 2011, we distributed our Green Procurement Guidelines (revised edition) to our suppliers. The content of these guidelines helped them to reaffirm and renew their understanding of the prevention of global warming, the conservation of resources, and the preservation of the ecosystem that constitute Hitachi's environmental vision.

Topics

Reducing CO₂ Emissions by Cooperative Distribution of Materials

The Micro Battery Division in the Corporate Procurement Division of Hitachi Maxell Energy has started a new truck route that picks up and delivers materials at six supplier companies in the Kansai region. The use of a single truck to collect materials for which separate trucks used to be dispatched from each supplier has reduced our CO₂ emissions by 2.61 tons.



Truck used on cooperative distribution route

Together with Employees

Assuring Diversity

The Maxell Group and Maxell Energy Group have explicitly written "respect for human rights" and "elimination of discrimination" into the Codes of Conduct, and we are engaged in building employment and personnel systems that operate in fairness and equality as well as in efforts to increase awareness of human rights.

Hitachi Maxell and Hitachi Maxell Energy had a ratio of employment of people with special needs of 2.1% in fiscal 2011. We had 31 rehired former employees who had reached the age of mandatory retirement, and we had 21 foreign employees.

Occupational Health and Safety Activities

Hitachi Maxell and Hitachi Maxell Energy are deploying occupational health and safety programs in accordance with the Occupational Health and Safety Basic Policy.

In fiscal 2011, the Health and Safety Committees took on the role of driving power at each of our business locations in Japan. In addition to their efforts to maintain and improve our health and safety activities, they have also promoted the creation of management systems compliant with OSHMS^{*1}.

Creating an Enriching Workplace

In June 2009, Hitachi Maxell acquired "Kurumin" Next-Generation Human Resource Cultivation Support Accreditation, and we are engaging in this and other efforts to create workplaces that are even easier to work in. We support employee efforts to achieve a diversity of work styles suited to them individually.



^{*1} Occupational Safety and Health Management Systems (OSHMS): Occupational safety and health management systems certified by the Japan Industrial Safety and Health Association.



Together with Local Communities and Societies

Activities to Contribute to Society

The Maxell Group and Maxell Energy Group observe a Group CSR Activity Policy that states, "We promote social contribution activities as a good corporate citizen to realize a better

society." In line with this policy, and following the themes of "support for education and culture" and "protection and beautification of the environment," we are engaging in communication with stakeholders as well as a variety of activities to contribute to society.

Topics

Conducting Handmade Battery Workshops

As a sponsor of the Kyoto Edison Program, which is working to heighten children's awareness of science, the Hitachi Maxell Energy head office (in Kyoto) is conducting outreach sessions of Handmade Battery Workshops and an annual workshop for parents and children on building a dry battery. These were held at 17 locations in fiscal 2011, and a cumulative total of 1,150 people took part.



Handmade Battery Workshop as on-site outreach to school education

Sponsoring the 6th Kids Battery Crafts Contest

Hitachi Maxell sponsors the Kids Battery Crafts Contest. This is the sixth time the event has taken place, and its purpose is to stimulate children's interest in science through the experience of handicrafts. Large numbers of submissions are received every year.



First prize: Charcoal Xylophone Music Box "Humming"

Participation in WWF^{*2} Environmental Event (China)

Maxell Asia, Ltd. (a sales company) has been participating in the "Walk for Nature" sponsored by WWF Hong Kong for four consecutive years. This event is held annually in the Mai Po Nature Reserve, which is known as a wild bird migration area. The participants enjoy observing the wild birds as they walk along a path approximately five kilometers long and raise funds for nature conservation. There were 12 participants in fiscal 2011.



Wild bird watching in Mai Po Nature Reserve

Other Activities to Contribute to Society

- A cumulative total of 1,400 or more Group members took part in cleanup activities in the vicinity of our works and in local communities (the Tokyo Building, the Osaka Works, the Kyoto Works, the Ono Works, Finetech Division, Sliontec Division, and Kyushu Maxell Division).
- Exchange took place with 657 people on plant study tours, hands-on training, and internships (the Osaka Works, the Kyoto Works, Finetech Division, Sliontec Division, and Kyushu Maxell Division).
- Participation in and sponsorship of sports, disaster management, industrial promotion, and other local events (Osaka Works, Kyoto Works, Ono Works)
- Donation of products overseas (England). Participation in and sponsorship of nature conservation, cleanup, blood donation, fund-raising, and other volunteer activities as well as sports events (China, Hong Kong, Malaysia)

Evaluations from Outside the Company

- Received letter of thanks from the Minister of Economy, Trade and Industry for assistance to areas affected by the Great East Japan Earthquake
- Air Voltage awarded the Nikkei Business Daily Award for Excellence in the 30th Nikkei Superior Products and Services Awards
- RM-F417 and RM-F413 reciprocating shavers received fiscal 2011 Good Design Award
- "Face Crie" ion cleansing machine NC-550 received Patent Office Director General's Award in the Commendations for Kyushu Region Invention. This product received the Implementation Achievement Award for the achievement of its invention
- Television commercial "Zutto, Zutto: The Last Class" chosen for the Selection of 500 Japanese Commercials by the Japan Ad Contents Production Companies Association
- Received the Chairman's Award under the Japan Greenery Research and Development Center's system for commendation of factories and other facilities with superior greening (Osaka Works)
- Received Minister of Health, Labor and Welfare Award for excellence as a business establishment in hiring people with disabilities (Kyushu Maxell Division)
- Commendation as a Green Enterprise by the Wuxi City Environmental Protection Agency for the tenth consecutive year (Wuxi Hitachi Maxell Co., Ltd., the Wuxi Plant in China)
- Received Hyogo Prefecture Environment-Friendly Business Award from the Hyogo Prefecture Agricultural & Environmental Affairs Department for superior environmental conservation activities (Ono Works)



Cleanup program at the local seashore

^{*2} World Wide Fund for Nature

Environmental Report

Maxell Group and Hitachi Maxell Energy Group Environmental Action Objectives and Actual Results for Fiscal 2011

Evaluation criteria : Target achieved : Target partially achieved

Category	Activity	FY2011 Target		FY2011 Results	Self-evaluation
Ecological Mind and Global Environmental Management	Cultivation of Environmental Literacy	Promote enrollment in ecological mind education (e-learning)		100% enrollment	
Provision of Next-Generation Products and Services	Promotion of Eco-Products	Expansion of Eco-Products	Ratio of sales*1: 71%	72%	
	Promotion of Environmental CSR Manufacturing	REACH regulations compliant		Implemented study of component contents	
Works and Offices with a High Level of Environmental Consideration	Global Warming Prevention	30% reduction in CO ₂ emissions (Japan, compared with FY1990)		46% reduction	
		16% reduction in CO ₂ emissions per unit production*2 (Japan, compared with FY2005)		24% reduction	
		Reduction in CO ₂ emissions per unit of production (Objectives by site)*3 (Overseas, compared with FY2008) 1% reduction (WHM)		20% reduction	
		Energy reduction in transportation (Japan)		7% increase in reduction rate	20% reduction
	Efficient Use of Resources	Reduction of waste generation		40% reduction (Japan, compared with FY2000)	54% reduction
		Reduction in waste discharge per unit of production*4		17% reduction (Japan, compared with FY2005)	24% reduction
		Reduction in water use per unit of production*5 (Objectives by site)*6 (Overseas, Compared with FY2008) Maintaining status quo (WHM)		28% reduction	
		VOC*7 emission rate*8		5% or less	3.1%

*1 Ratio of Sales = (Eco-Products Sales)/(Maxell Group and Maxell Energy Group Sales)

*2 CO₂ emissions per unit of production = (Volume of CO₂ emissions) / (Production)

*3 Objectives and Results by Site: 20% reduction relative to 14% reduction at the UK Plant (MEL), 15% reduction relative to 27% reduction at the Malaysia Plant (MTM), and 20% reduction relative to 1% reduction at the China Wuxi Plant (WHM).

*4 Waste discharge per unit of production = (Volume of waste generated) / (Production)

*5 Water use per unit of production = (Volume of water used) / (Production)

*6 Objectives and Results by Site: 98% increase relative to 27% reduction at the UK Plant (MEL), 2% reduction relative to the status quo at the Malaysia Plant (MTM), and 28% reduction relative to the status quo at the China Wuxi Plant (WHM).

*7 Volatile Organic Compounds: General terms for organic compounds containing toluene, methyl ethyl ketone, and other substances that evaporate and form a vapor in the atmosphere.

*8 VOC emission rate = (Volume of emissions) / (Volume handled)

Ecological Mind and Global Environmental Management

Environmental Protection Action Guidelines

The Maxell Group and the Maxell Energy Group have established Environmental Protection Action Guidelines for all our environmental activities. These guidelines support the Global Environmental Charter of the Nippon Keidanren (Japan Business Federation) and were formulated in line with the Groups' Corporate Behavior Standards.

Since fiscal 2009, we have been adding our endorsement to the Nippon Keidanren

Declaration on Biodiversity, in which we have been participating as "Declaration Promotion Partners."

Environmental Management System

Hitachi Maxell and Hitachi Maxell Energy acquired certification that integrated seven domestic regions in December 2008.

We are also responding to the absorption of subsidiary companies carried out by Hitachi Maxell in fiscal 2012 and reaffirming the Hitachi Group's environmental vision. This places top priority on aiming for a sustainable society by prevention of global warming, conservation of resources, and preservation of the ecosystem. To this end, we are also endeavoring to further reinforce our environmental management.

Strict Compliance with Laws and Regulations

The Maxell Group and Maxell Energy Group did not have any environment-related accidents, fines or complaints during fiscal 2011.



ISO 14001 renewal audit

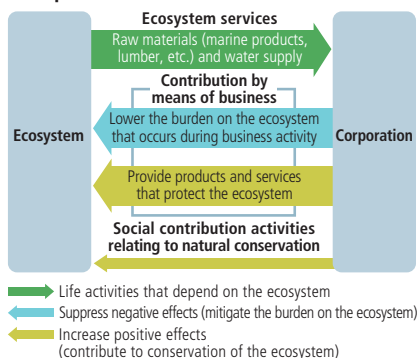
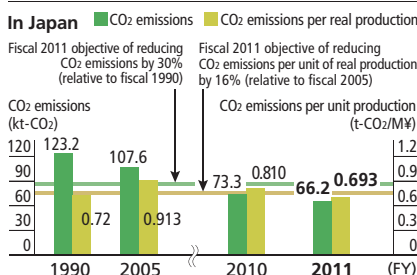
Environmental Accounting

In fiscal 2011, we engaged in environmental accounting with a focus on capital investment for energy conservation. Costs diminished 7% year on year, however, reflecting the harsh business climate.

(Millions of yen)

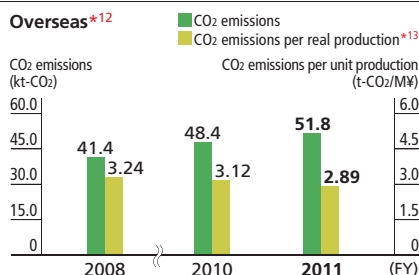
	FY2010	FY2011
Costs	1,423	1,321
Investment	30	177
Economic Benefits	90	69

Relationship between the ecosystem and a corporation

CO₂ Emissions*11 and CO₂ Emissions Per Unit Production

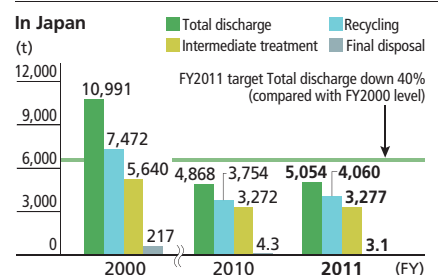
*11 Electric power/CO₂ conversion coefficients: For fiscal 1990, 0.417 t-CO₂/MWh, for fiscal 2005 and fiscal 2010, 0.423 t-CO₂/MWh, and for fiscal 2011, 0.36 t-CO₂/MWh

*12 These are the UK Plant (MEL), the Malaysia Plant (MTM), the Wuxi Plant in China (WHM), and the Indonesia Plant (PT. SLIONTEC EKADHARMA INDONESIA).



*13 The yen equivalent of the electric power/CO₂ conversion coefficient (unit: t-CO₂/MWh) of the individual sites are determined. Electric Power/CO₂ Conversion Coefficients: United Kingdom 0.566, Malaysia 0.534, China 1.02, Indonesia 0.997. We use the Japan Electrical Manufacturers' Association Report on Survey to Estimate Unit CO₂ Emissions for Power Generation in Various Countries, Ver.3.

Waste Situation



Providing Next-Generation Products and Services

Responses to REACH Regulations

A list of 73 candidate substances of very high concern (SVHC) was published by December 2011 under the European REACH regulations^{*9}. The Maxell Group and the Maxell Energy Group registered subject substances on a Control Standard for Handling Chemical Substances, placed them under control, and made the details available on our website. In fiscal 2011, we registered the CMR^{*10} substances being used in ink.

^{*9} The REACH regulations, a system of controls for chemical substances in the EU, were enacted on June 1, 2007. REACH covers chemical substances manufactured in the EU or imported into the EU in amounts exceeding one ton per year per corporation.

^{*10} Carcinogenic, Mutagenic, or Toxic to Reproduction

Expansion of Eco-Products

The Maxell Group and the Maxell Energy Group are promoting the development of Eco-Products Select. These are products evaluated for their environmental impact at every stage of their lifecycle in accordance with the items established in the Hitachi Group environmental suitability design assessment criteria. This is a higher standard of environmental performance than found in the Super Eco-Products up to 2010.

In fiscal 2011, 48 products were registered as Eco-Products, including headphones, and two were registered as Eco-Products Select.

Eco-Products Select Certification Standards

1. Items for which the global warming prevention factor or resource factor is 10 or greater (the reference fiscal year is changed from fiscal 2000 to fiscal 2005 and functions are carefully screened)
2. Items of the top class in their industry
3. Items that have received official certification or recognition from outside the company
4. Items that have a CO₂ reduction rate of 50% or greater relative to fiscal 2005 products

Topics



Eco-Products Select "iV" Cassette Hard Disk

Capable of recording digital HDTV just as it is, this product achieves the large capacity of 500 GB in a palm-sized package 8 cm wide and 11 cm long. This cassette hard disk (HDD) achieves a balance of resource conservation and energy-saving.



Eco-Products Select "SR" Button-Type Silver Oxide Batteries

We have been making continuous efforts to improve environmental performance of SR – Button-type Silver Oxide Battery that was commercialized for the first time in Japan. As a result, zero use of mercury and lead in all product types was achieved.



Stakeholder dialogue

Green Curtains installed on the premises

Environmental Communication

Dialogue with Stakeholders

On December 15, 2011, 15 university students taking the Introduction to Global Environmental Studies course in the Division of Global Architecture in the Osaka University School of Engineering were invited to the Osaka Works, where an opportunity to engage in dialogue was set up. This was the fourth such event.

On the day, the visitors were told about the Hitachi Group environmental vision and Maxell Group and Maxell Energy Group environmental activities, and an exchange of views took place.

Works and Offices with a High Level of Environmental Consideration

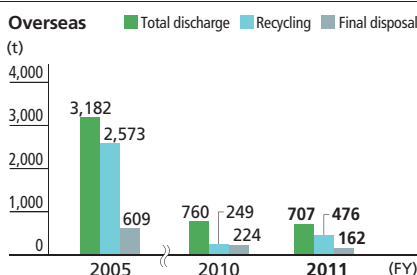
Electricity-Saving Measures

In fiscal 2011, the Maxell Group and the Maxell Energy Group promoted electricity saving at every site.

We addressed the demand for power saving during the summer season (July to September) in Japan, in particular, by actively taking electricity-saving measures at the Tokyo head office, the previous Maxell Finetech, and the former Maxell Siontec in the Tokyo Electric Power Company and Tohoku Electric Power Company service areas. We adopted daylight saving time and holiday rotation systems, used demand management of facilities, and restricted the use of lighting and air conditioning. As a result of such measures, we achieved electricity savings of 10% to 19% over the previous fiscal year. At other sites, we also employed alternating use of facilities, installed green curtains, and so on. During the winter we also followed "Warm Biz" guidelines to limit heating and took other such measures. We have subsequently continued to engage in electricity-saving measures, as well.

As to measures overseas, we introduced new equipment at Wuxi Hitachi Maxell Co., Ltd. (the Wuxi Plant in China) to reduce the power consumption that results when air conditioning and other such equipment is frequently switched on and off.

Business Operations and Environmental Impact



INPUT	
► City water, industrial water, ground water	Japan 811,000m ³ Overseas 174,000m ³
► Energy	Electricity: Japan 113,000,000kWh Overseas 61,000,000kWh Fuel oil (heavy oil, gasoline, etc.): Japan 1,017kL Overseas 19kL Gas (city gas, LPG) (oil equivalent): Japan 9,778kL Overseas 706kL
► Procured materials	(Japan figures for the Maxell Group and Hitachi Maxell Energy) Ferrous metal materials 2,200t Nonferrous metal materials 4,300t Synthetic resin materials 14,900t Other nonmetal materials 13,300t Other composite materials 20,100t
► Handled amount of PRTR ^{*14} chemicals	Japan 7,184t Overseas 169t

Logistics	57,000t ^{*15}
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OUTPUT	
► Wastes and valuable resources	Total emission amount: Japan 5,054t Overseas 707t Final disposal amount: Japan 3.1t Overseas 162t Recycled amount: Japan 4,060t Overseas 476t Release and transfer volume of PRTR chemicals: Japan 526t Overseas 56t
► Discharged water	Discharged water amount: Japan 811km ³ Overseas 174km ³ BOD ^{*16} Japan 13.8t COD ^{*17} Japan 1.5t
► Exhaust gas	CO ₂ emissions: Japan 66,200t CO ₂ Overseas 51,800t CO ₂ SOx: Japan 800Nm ³ *18 NOx: Japan 22,800Nm ³ *18

^{*14} Pollutant Release and Transfer Register

^{*15} Japan figures for the Maxell Group and Hitachi Maxell Energy

^{*16} Biochemical Oxygen Demand

^{*17} Chemical Oxygen Demand

^{*18} Volume of emissions by designated domestic facilities



Hitachi Maxell, Ltd. Hitachi Maxell Energy, Ltd.

Maxell Japan: <http://www.maxell.co.jp/>
Maxell Worldwide: <http://www.maxell.com/>
Maxell Energy: <http://www.maxellenergy.com/>

