

Maxell Group
CSR Report 2010



Things we will always hold dear:
Dreams, memories, people and the earth.



Corporate Profile

Corporate name: Hitachi Maxell, Ltd.

Head Office: 1-1-88 Ushitora, Ibaraki-shi, Osaka
567-8567, Japan

Established: September 1960

Paid-in capital: ¥12,203 million (as of March 31, 2010)

Consolidated net sales:

¥139.84 billion (for the year ended March 31, 2010)

Number of employees (consolidated):

4,584 (as of March 31, 2010)

Our Businesses

Information Storage Media

Computer tapes, broadcasting videotapes, "iV" cassette hard disks, Blue-ray Discs, DVDs, CDs, audio tapes, video tapes

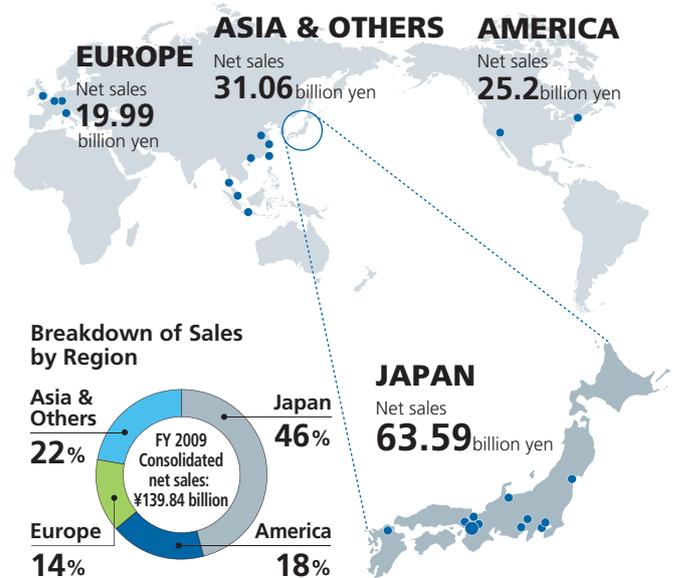
Batteries

Lithium-ion batteries, coin-type lithium secondary 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

Operational Sites and Main Group Companies in Japan and Overseas



The Maxell Group's technologies, products and services are geared to enhancing the comfort of people's lives and serving industry and society





19th Global Environment Awards Minister of Economy, Trade and Industry Award Received

地球環境大賞

Maxell has to date developed products that lead to a reduction of environmental impact by means of numerous innovative technical developments in silver oxide batteries, alkaline dry batteries, lithium-ion batteries, and other fields related to small batteries. In recognition of our many years engaged in initiatives of this kind, we received the Minister of Economy, Trade and Industry Award at the 19th Global Environment Awards* (sponsored by the Fujisankei Communications Group with support from the Ministry of Economy, Trade and Industry, the Ministry of the Environment, the Ministry of Education, Culture, Sports, Science and Technology and the Ministry of Land, Infrastructure, Transport and Tourism). A grand award ceremony was held on April 8, 2010, with Their Imperial Highnesses Prince and Princess Akishino in attendance. President Tsunoda received the certificate of commendation and the trophy.

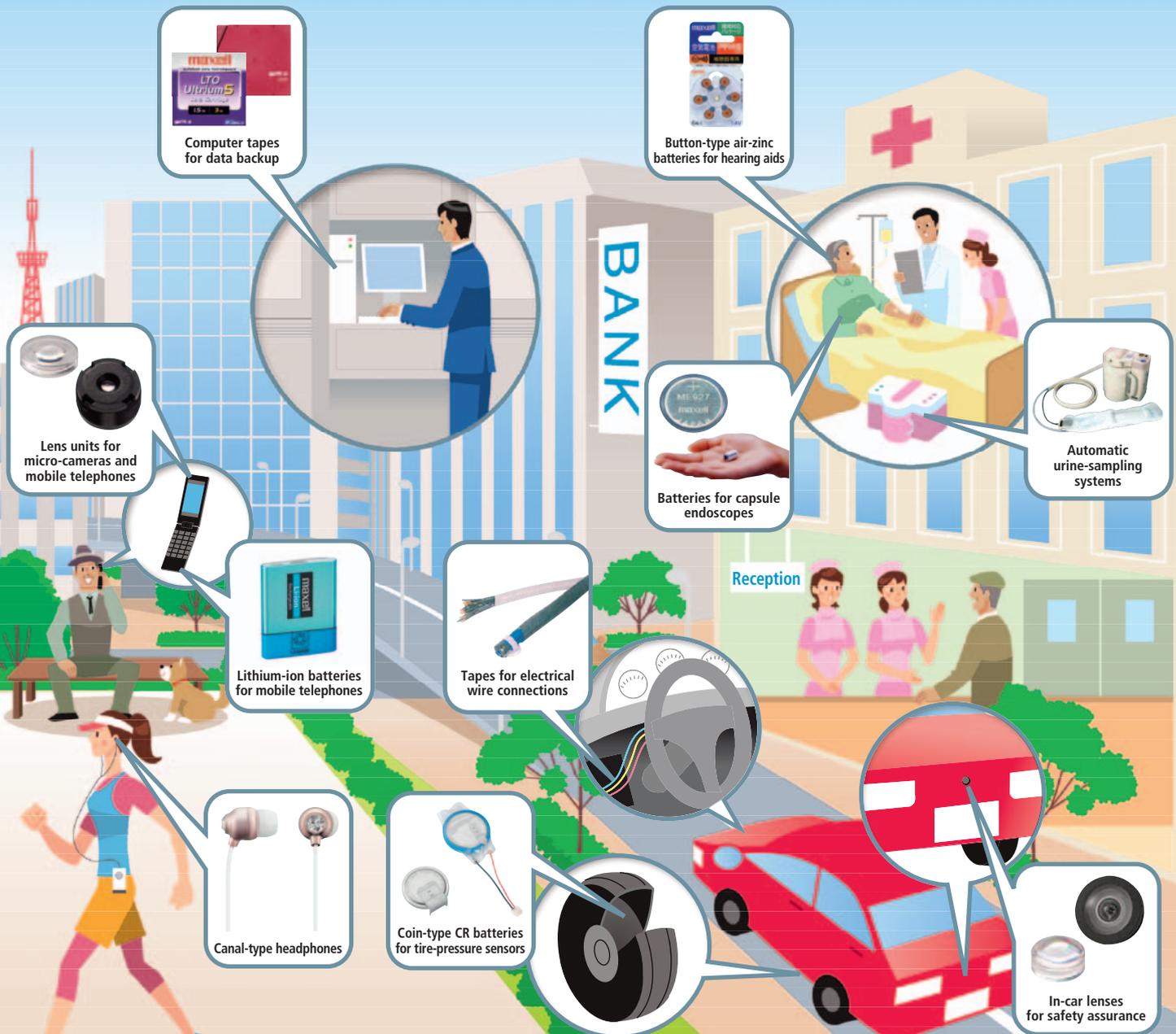
Maxell is committed to the ongoing effort to achieve the goal of an annual reduction of 100 million tons in CO₂ emissions worldwide by fiscal 2025, as set for the Hitachi Group in Environmental Vision 2025. To that end, we will continue our activities to protect the environment through the development of proprietary technologies and products.



Certificate of commendation and trophy

* Founded in 1992 with the special cooperation of the World Wide Fund for Nature (WWF) Japan (His Imperial Highness Prince Akishino, Honorary President) as a framework for recognition of activities by industry aimed at "the development of industry and coexistence with the global environment."

President Tsunoda receiving the trophy



CONTENTS

■ Corporate Profile	1
■ Message from Top Management	3
■ Highlights	5
 ① High-power, High-capacity Lithium-ion Batteries that Reduce the Use of Rare Metals were Developed	5
 ② Mass Production of Hard Silicone Lens Realized	8
 ③ Contribute to People-friendly Vehicle Manufacture Using Adhesive Tape with Reduced Volatile Organic Compounds (VOC)	9
■ CSR Management	10
● Social Activity Report	11
 Together with Customers	11
Together with Employees	12
Together with Business Partners	13
Together with Local Communities and Societies	14
● Environmental Report	17
 Maxell Group 2009 Environmental Targets and Results	17
Business Operations and Environmental Impact	17
Ecological Mind and Global Environmental Management	18
Providing Next-Generation Products and Services	19
Factories and Offices with a High Level of Consideration for the Environment	20
■ Evaluations from Outside the Company/ ■ WEB Information Online/ ■ GRI Guidelines Content Index	22

Editorial Policy

This report is published to communicate the Maxell Group's CSR*1 activities 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 attaches importance to. Information ranked higher in importance constitutes the core of our report. This fiscal year, we have again expanded our feature articles and endeavored to 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

The Maxell Group comprises Hitachi Maxell, Ltd., and 16 companies in Japan and overseas. Coverage is by subject area.

MAXELL GROUP IN JAPAN

Manufacturing: Hitachi Maxell, Ltd.; Maxell Finetech, Ltd.; SLIONTEC Corporation; Kyushu Hitachi Maxell, Ltd.; Maxell Seiki, Ltd.

Sales and services: Maxell Shoji Co., Ltd.

MAXELL GROUP OVERSEAS

Manufacturing: Maxell Europe Ltd.; Maxell Tohshin (Malaysia) Snd. Bhd.; Wuxi Hitachi Maxell Co., Ltd.; PT.SLIONTEC EKADHARAMA INDONESIA

Sales: Maxell Corporation of America; Maxell Europe Ltd.; Maxell Deutschland GmbH; Maxell Asia, Ltd.; Maxell Asia (Singapore) Pte. Ltd.; Maxell (Shanghai) Trading Co., Ltd.; Maxell Taiwan, Ltd.

Period Covered by this Report

The period covered is April 1, 2009 to March 31, 2010. In some instances, however, the subject matter relates to fiscal 2010.

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*2

*1 Corporate Social Responsibility

*2 Guidelines for international sustainability reporting compiled by the Global Reporting Initiative

Published June 2010

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

Web Version  A list of information available on the Web is given on page 22.

Message from Top Management

We are committed to proactively fulfilling our responsibility to society by our unceasing engagement with CSR (Corporate Social Responsibility) management.



Aiming for Realization of a Prosperous Society

Advancing globalization and informatization of society as well as heightening concerns over global warming form the context in which CSR is taking on growing importance. It should go without saying that corporations must engage in thoroughgoing compliance. We are called on to assure product safety, conduct programs that contribute to society, work to prevent warming, and take other such measures to protect the global environment.

The Maxell Group, as owner of the global Maxell brand, recognizes the importance of these responsibilities and is engaging in CSR management with the aim of realizing a prosperous society. All the members of Maxell are united in our commitment to the fundamental philosophy of making our corporate contribution

to society by developing better proprietary technologies and products. We all work with the aims of “observance of basics and rightness” and “thoroughgoing occupational health and safety” in mind, and we attach great importance to ensuring a thoroughly thought-out risk management system.

A Review of Fiscal 2009

The global business slowdown brought harsh conditions in fiscal 2009, and the year brought demands to fulfill corporate responsibilities to society. We therefore took comprehensive measures to strengthen managerial practices while moving forward in our constant engagement with CSR management. Prevention of global warming was a particular concern, and the Japanese government announced to the world its greenhouse gas reduction goal of a “25% reduction by 2020 relative to base year 1990.” Our Group met these circumstances by responding to the changing business climate while further promoting Group-wide CSR activities in accordance with the Hitachi Maxell Group Corporate Behavior Standards.

Quality control and customer satisfaction (CS) activities in fiscal 2009 included a reinforcement of risk assessment with consideration for product safety at the new product development stage.

In the area of occupational health and safety, we moved ahead on the creation of management systems in conformance with OSHMS*1. Following the Ono Works, which were certified in 2007, the Kyoto Works received certification in October 2009.

As a continuing part of our social contribution activities, we continued to organize the Kids Battery Crafts Contest, a program for children. We also started new activities, such as the Ecocap Program in which the Maxell Group in Japan collected bottle caps both to recycle resources and to contribute to society.

Our environmental activities in the areas of small batteries and fuel cells gained recognition for the results achieved in development of products that reduce environmental impact by means of numerous innovative developments in technology. Thanks to these efforts, we received the Minister of Economy, Trade and Industry Award at the 19th Global Environment Awards. We also registered three Super Eco-Product items and 32 Eco-Product items and expanded the sales ratio of these products by as much as 59%, in addition to which we reduced greenhouse gas emissions during production by 54% relative to 1990.

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

Emphasizing Collaboration Within the Hitachi Group

The Maxell Group is currently engaged in improving profitability as part of the achievement of our mid-term mission of Change for Growth. These efforts revolved around Extending Areas of Strength, Increasing Speed, and Revolutionizing Our Mindset. Although the business climate gives various reasons for caution, including concerns that the global economy might hit a second bottom, the downward trend in domestic prices, and so on,

we anticipate that initiatives toward the realization of a low-carbon society will make progress on a global scale, and that the Social Innovation Business will be able to create new demand.

It was in this climate that we observed our company’s 50th anniversary in fiscal 2010, and this year will be a turning point for us as we set out on a new path as the Battery Systems Company*2 belonging to Hitachi, Ltd. The Maxell Group engages both in the business of batteries, which are a key device in the Social Innovation Business that Hitachi is promoting, and in our core business areas of optical components, functional materials, information media, and brand business. We are aiming to build a high-yield enterprise with distinctive technology, brand, and human resources that drive it forward.

Our company has been engaging in research and development on lithium-ion batteries and other related fields as a member of the Hitachi Group up to now, and jointly with the Group. This approach has yielded a record of results. In February 2009, our Kyoto Works completed a new lithium-ion battery plant. In October, we carried out an organizational review in order to expand and strengthen our secondary battery business. This effort goes beyond the small batteries for domestic use that have built such a record of shipments to date, and extends to the larger models for industrial use. The result is an improved organizational basis for engaging in even more powerful collaboration with the Hitachi Group than before.

The synergistic effect with the Hitachi Group is also evident in the fields of primary batteries, optical components, functional materials, and information media. We further intend to continue measures to enhance the value of the Maxell brand.

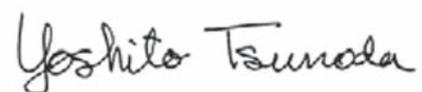
*2 Internal group battery companies newly established on April 1, 2010, with the changeover by Hitachi, Ltd., to the internal group company system.

Gaining the Understanding and Trust of Society

The Maxell Group is further strengthening Group collaboration under our new organizational system while also, aware of our status as the Battery Systems Company belonging to Hitachi, we are determined to continue pressing forward with our business. All Group employees are further committed to upholding “basics and rightness” even more than before, and to engaging in CSR management with sincerity so as to earn the understanding and trust of our stakeholders.

We hope this report provides a better understanding of Maxell’s CSR endeavors. Readers are invited to express their views on the report’s content.

June 2010



Yoshito Tsunoda
President and Chief Executive Officer

High-power, High-capacity Lithium-ion Batteries that Reduce the Use of Rare Metals were Developed

Maxell has succeeded in the development of lithium-ion batteries that significantly reduce the amount used of cobalt, one type of rare metal. Not only does this contribute to the protection of scarce resources, but the batteries have also garnered good reviews for high power, long life, and superior safety. Work is underway for their use in electric power tools and cordless home appliances.

Features of Lithium-ion Batteries

- Realize high energy density with working voltage approximately three times greater than Nickel-cadmium batteries or Nickel-metal-hydride batteries
- Superior discharge load characteristics
- Superior discharge temperature characteristics from -20°C to 60°C
- Superior storage characteristics that limit self-discharge
- High profitability realized by approximately 500 charge-discharge cycles (under Maxell standard test conditions)

New materials were being sought to replace the rare metal cobalt.

Ni-Cd batteries (Nickel-cadmium storage batteries) were frequently used in the past as high-power type secondary batteries*¹ for power tools and other such applications. More recently, however, the use of lithium-ion batteries has been spreading rapidly due to reductions in the use of cadmium, which is a toxic chemical substance.

The material normally used for the positive electrode*² in lithium-ion batteries, however, is cobalt, which is one of the rare metals. There are concerns about resource depletion, which also entails a major risk of market fluctuations, so a new positive electrode material has been sought to replace cobalt.

*¹ Batteries that can be charged and reused repeatedly

*² Of the pair of electrodes in a battery, the positive is the electrode with higher electric potential.



The use of nickel and manganese significantly reduced the amount of cobalt used. Moreover, these materials have achieved high power and high capacity.

Maxell has assigned the battery business as the core of our three high-priority businesses, and is devoting resources to the development of primary batteries*3 and secondary batteries. In September 2006, a project was initiated under the direct jurisdiction of the president with the aim of placing a new high-power type of lithium-ion battery on the market.



An 18-member project team was formed, with 12 experts among them, and the work began. There were calls for reduction in the use of cobalt, and the materials that the project team turned their attention to in search of alternatives were nickel and manganese, for which resources are in abundant supply. The INR18650PB series incorporating a proprietary Maxell positive electrode developed using these materials went on sale in July 2009.

The INR18650PB series successfully made significant reductions in the amount of cobalt used in the positive electrode compared to preceding products. The high-power type of lithium-ion battery also realized a battery capacity of 1,500 mAh, at the highest level in the industry*4, while further increasing the maximum discharge current to realize a 25-ampere discharge*5. As a result, the amount of cobalt used was reduced while achieving high power, long life, and safety. These products have been recognized for performance that combines those features with the high voltage that is an advantage of lithium-ion batteries, and they are being increasingly adopted for motor-driven equipment that requires high power, including power tools, lawn mowers, gardening trimmers, and cordless home appliances.



High-power cylindrical-type lithium-ion batteries INR18650PB series



Prismatic-type lithium-ion batteries



Laminated-type lithium-ion batteries

*3 Expendable batteries that cannot be recharged

*4 In 18650 size lithium-ion batteries intended for power tools. Source: Maxell (as of July 2009)

*5 In the INR18650PB2

We intend to reduce the amount of cobalt in all our lithium-ion batteries.

Our plan is to adopt this new technology in the the prismatic-type lithium-ion batteries such as those used in mobile telephones, which are among Maxell's core products, in addition to the cylindrical-type batteries of the INR18650PB series and similar products. Product development was completed during fiscal 2009, and shipments are slated to begin in fiscal 2010. Based on this new technology, we are also proceeding with product development of laminated-type lithium-ion batteries of the 10-Ah class such as those used in electric-powered bikes.

We will proceed to reduce the cobalt in all lithium-ion battery products, and we intend to contribute to the resolution of the depletion of rare-metal resources, which is an issue on a global scale.

My role in the project was to manage development of the positive electrode material. The development time was very short, making it a continuous stream of hard work and trouble, but we managed to get through it by using some ingenious approaches, including conducting multiple tests in parallel.

I would like to make good use of the experience I gained during this project in the new product development I'm currently engaged in.

Keisuke Kawabe
Power Battery Division
(At left in photograph)

When ramping up mass production of our products at the Wuxi plant in China, I was in charge of guidance regarding quality control and quality assurance. Looking back, the way I would communicate with local managers by exchanging written notes and diagrams seems almost nostalgic to me now.

I hope to continue being involved with "monozukuri" manufacturing of high value-added products.

Yoshihiko Yamamoto
Power Battery Division
(At center in photograph)

In my third year with the company, my project members selected me to be in charge of developing the negative electrode. The project involved joint work with members of other departments, which seemed significant and made a deep impression on me.

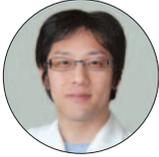
Now we are going ahead with improvements to further perfect the INR18650PB series.

Masahito Kojima
Power Battery Division
(At right in photograph)

Alkaline Dry Batteries

Over-discharge Electrolyte Leakage Prevention "Voltage" Products Adopt Electrolyte Leak-Proof Design*1

Alkaline dry batteries are required first to be long-lasting and powerful, and then non-leaking. Maxell has augmented its "longer-lasting triple power" products with the adoption of an electrolyte leak-proof design so they can be used with a sense of security.



The "Voltage" products incorporate electrolyte leak-proof design and even come with a guarantee against electrolyte leaks*2. This product addresses the biggest dissatisfaction with alkaline dry batteries, which is electrolyte leakage. I am engaged in reinforcing our public relations activities so we can let everyone know about these superior features that support our customers' use of these products in comfort.

Masaki Hirai Micro Battery Division



Silver Oxide Batteries Zero Use of Mercury and Lead

Expanding the Availability of Environmentally Considerate Mercury-free Silver Oxide Batteries

As controls on mercury become more stringent throughout the world, we brought out consumer-oriented, mercury-free products (zero use of mercury and lead) that realize superior storage performance and put them on the market starting in September 2005. From fiscal 2008, these products began to be adopted by clock and watch manufacturers as well, and we are gradually expanding our lineup of mercury-free products.



We are working to further advance the mercury-free technology established so far, that eliminates the use of mercury and lead. We are striving to achieve higher quality and greater reliability, and we are committed to conducting more environmentally considerate product development in the future.

Genyo Kaneko Micro Battery Division



Coin-type Lithium Manganese Dioxide Batteries (for Vehicle-mounted Applications)

Characteristics Remain Stable Even in Demanding Environments

Superior Performance Characteristics Even in High Heat and Humidity

Materials with superior heat tolerance and proprietary sealing technology realize a wide range of operating temperatures. Exhibiting stable characteristics in vehicle-mounted and other applications for special environments, these trustworthy batteries provide performance over the long term.



I would like to continue working on development of outer packaging parts that can handle a variety of applications suited to customers' needs in ways that make advantageous use of superior battery characteristics over a wide range of operating temperatures.

Takao Kudo Micro Battery Division



Cylindrical-type Lithium Manganese Dioxide Batteries (for Fire Alarm Applications)

Contributing to Safe, Secure Living with Long-term Reliability that Lasts a Decade

Proprietary Technology Achieves Balance of High Capacity and Load Characteristics

We have developed a battery with a proprietary coil system and sealed construction that provides the best match for actual uses of industrial equipment. It has high capacity as well as the high power to handle high-amperage fire alarms and meters of various types. With the long-term reliability of 10 years or more, this product provides useful service for safe, secure living.



We developed a battery that assures both the long life required by fire alarm applications and the temperature characteristics and long-term reliability required by gas, water, and other metering applications. We will continue suggesting solutions to our customers and earning their further trust.

Yasunori Masaoka Micro Battery Division



Polymer Electrolyte Fuel Cells Contributing to Prevention of Global Warming

Making Electricity from non-Petroleum Materials

We are promoting the development of clean, safe fuel cells with a proprietary mechanism. That is, generating hydrogen from the reaction of water with aluminum particles and using it to power the fuel cell. This is a contribution to the prevention of global warming.



We presented demonstrations of this product as an emergency radio power source at the Tokyo Metropolitan Joint Disaster Management Drill in August 2009 and at the Security & Safety Trade Expo (in the booth of the National Institute of Information and Communications Technology) in October. The supply of emergency power is said to be the key to disaster management, and, as these events made vividly clear, fuel cells are attracting increasing attention.

Takeshi Miki R&D Division

*1 In the case of LR6 (AA size) and LR3 (AAA size) alkaline dry batteries. Over-discharge electrolyte leak prevention design using patented technology.

*2 In the case of LR6 (AA size) and LR3 (AAA size) alkaline dry batteries. If electrolyte leakage occurs within the recommended usage period, and the customer has observed the warnings and precautions, Maxell will replace the batteries or repair or replace the device. For specifics, please refer to the Maxell website.

Mass Production of Hard Silicone Lens Realized

Maxell Finetech made advantageous use of its strengths in metal mold design and processing technology as well as in molding techniques to develop a revolutionary new system for stable production of high-precision hard silicone lenses. The product is expected to be deployed in a wide range of applications, including imaging camera lenses and medical uses.



Hiroyuki Hirama

R&D Group, Tooling & Technology Center,
Miyagi Precision Business Unit
Maxell Finetech, Ltd.

Using Ultrasonic Oscillations to Remove Castings from Metal Molds Overcame the Problem of Damage Immediately after Forming

Silicone resin has properties of heat resistance, a high ratio of transmitted light, and durability under ultraviolet radiation that have been said to make it a suitable material for LED lenses and other such optical components. However, the material also has problems of high fluidity and being subject to breakage immediately after forming, which made stable production difficult.

Maxell Finetech sought to resolve these problems by reviewing the process of removing the molded part after forming, which was when damage was most likely to occur. This was because the demolding method used previously involved pressing an ejector pin. The company developed a method of removal using ultrasonic oscillation instead. An entirely new production system (patent registered) incorporating these innovative measures realized mass production of lenses for use with LED flashes on mobile telephones.

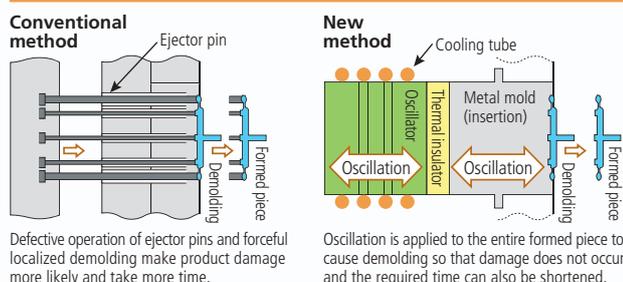
High Recognition from Outside the Company in Minister of Economy, Trade and Industry Award of the "Monodzukuri Nippon Grand Award" for Manufacturing

The innovativeness of this system was greatly appreciated by customers and others outside the company. This also led to the great honor of receiving the Minister of Economy, Trade and Industry Award of the "3rd Monodzukuri Nippon Grand Award" for Manufacturing.



We intend to further improve this system in the future by developing new production systems that will make it possible to mass-produce lenses in arrays using materials other than silicone resin.

Mechanism for Removal from Mold



Features of new system

- Significant reduction in maintenance of metal molds
- Reduction in time taken for removal from metal molds
- Reduction in cost due to reduction of material losses



Lens for Use in LED Flash
(Elliptical Fresnel Type)

In-Car Lenses For Automotive Safety

Superior Visibility, Sure Checks to Confirm Safety, and Smooth Parking and Stopping Made Possible

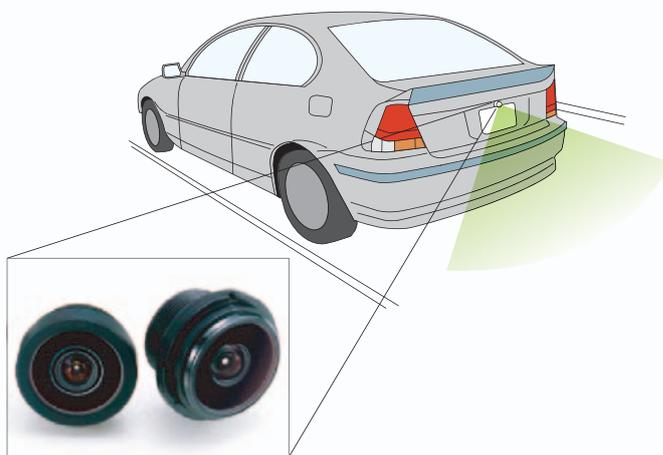
Automobiles are being equipped with forward and rear surveillance systems. These employ wide-angle in-car lens units (forward-field angle of 190° and rear-field angle of 130°) to provide outstanding visibility with a wide view, aiding in safety confirmation and smooth stopping and parking.



The in-car lens is not just for seeing to the rear. There is growing need for other uses, including confirming safety around the vehicle and as a collision-prevention device. We will continue contributing to society by developing products that significantly aid visibility.

Yasushi Kato

Product Design Center, Nagano Optical Division
Maxell Finetech, Ltd.



Contribute to People-friendly Vehicle Manufacture Using Adhesive Tape with Reduced Volatile Organic Compounds (VOC)

SLIONTEC has commercialized a product that reduces the emissions of volatile organic compounds (VOC) approximately 99% relative to previous products. This is Extra Low VOC Double-Faced Paper Tape No. 5490. It has been adopted as a tape for automobile interior materials and is contributing to people-friendly automobile manufacturing.

Junichi Yamada
Section 1,
Design Department,
Technology Division
SLIONTEC CORPORATION

Reduced 13 VOCs Designated by the Ministry of Health, Labor and Welfare and Also Reduced Total VOC Emissions

Toluene and other VOCs are likely to have harmful effects on the human body, and they are considered to be the causes of sick house syndrome. Reduction in the use of these substances is therefore being called for in a variety of fields.

The adhesive tape used in automobile interiors is one example. SLIONTEC began development of adhesive tape with reduced VOCs in 2004, and in 2007, we developed Extra Low VOC Double-Faced Paper Tape No. 5490 that uses an emulsion adhesive. This product is meeting guideline figures for emissions of VOCs among the 13 substances designated as interior air pollutants by the Ministry of Health, Labor and Welfare, and it has also significantly reduced total emissions of other VOCs relative to conventional products.

Product Appreciated for Low VOC and Adhesion Levels, Adopted for Fixation of Automobile Interior Parts, and Other Applications

This product holds VOC emissions down to a low level while providing superior adhesiveness with a variety of materials including sponge, felt, rubber, foam, and non-woven fabrics. Appreciation of these qualities has led to progressive adoption for bonding applications in automobile interiors.

We intend to put the results from development of this product to good use in the future, and will pursue development of environmentally considerate adhesive tape that realizes a balance of advanced VOC reduction and superior adhesive performance for use in a variety of fields.



Extra Low VOC Double-Faced Paper Tape No. 5490

Recording Media Providing the Value of a Record Storage Capacity in the Terabyte Range

The LT05 we introduced to the market this year provides 1.5-TB storage capacity (uncompressed), finally breaking into the terabyte realm. Maxell's NeoSMART (Super Maximum-capacity Advanced Reliability Tape) technology continues to support dramatic evolution in storage capacity.



Magnetic tape uses less electric power and emits less CO₂ than hard drives and other such systems, and it can certainly be considered an appropriate answer to the demands of the times. I would like to continue making a contribution by helping protect the precious information assets of society.

Kazuki Kinoshita
Storage Media Division



UV-Curable Inks UV LED-curable inkjet inks Contributing to Inkjet Printer Energy Conservation and Reduction in Heat Generation

The industrial inkjet printer is anticipating that UV-curable inks will replace the mainstream solvent inks out of consideration for the environment and possibilities for industrial applications. Maxell has developed UV LED-curable inks that offer low-energy printing and solvent-free inks.



We commercialized UV LED-curable inkjet inks for industrial inkjet printers, and aspire to pursue further product development according to the keywords of environment and energy.

Yoshiro Nishimura
Storage Media Division



Transfer Lead Frame Contributing to Miniaturization of Electronic Parts IC-populated Lead Frame in World's Smallest, Thinnest*1 Class

Kyushu Hitachi Maxell has developed a transfer lead frame with an original structure that allows peeling away the leads and pads that govern electrical connections during the post-process of semiconductor fabrication from the base material. This has realized ultra-thin IC packages. The IC packages made using these transfer lead frames are contributing to making mobile telephones thinner.



These transfer lead frames allow use of conventional equipment (die bonders, wire bonders, etc.) without modification, so the investment in new equipment can be reduced.

*1 0.6 (W) × 0.3 (D) × 0.3 (H) mm, as of May 10, 2010

Yuya Goromaru
EF2 Division,
Kyushu Hitachi Maxell, Ltd.



We will fulfill our social responsibilities by means of our business activities

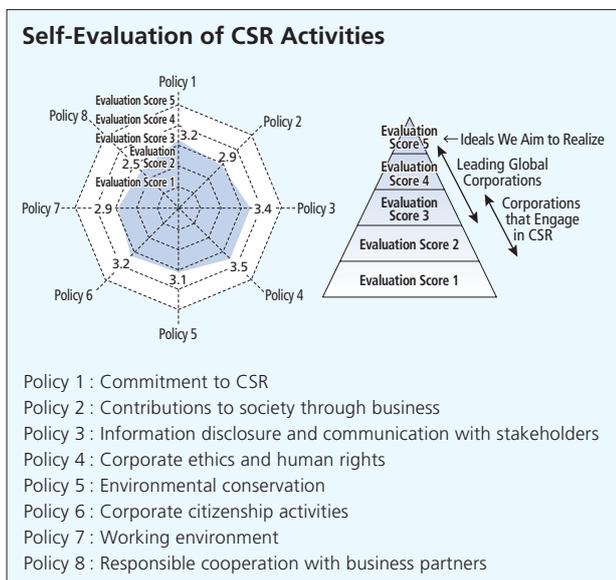
Basic CSR Policy

The Maxell Group has established the Hitachi Maxell Group Corporate Behavior Standards, which specify this Group’s mission and duties, and has decided on the CSR Policy of the Maxell Group. 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. By means of our participation in Hitachi Group CSR liaison meetings and other activities, we are also working diligently to maintain close collaboration among all Hitachi Group companies and to achieve total Group synergy.

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

Maxell uses 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 on the basis of index items proposed in the internationally recognized standards on socially responsible investment (SRI), the Global Reporting Initiative’s “Sustainability Reporting Guidelines 2006,” and with cooperation from outside consulting firms. The eight policy areas are subjected to self-evaluation and analysis to clarify strengths and weaknesses. This approach also allows us to verify the direction where measures aim to go as well as the impact of programs.

Our results for fiscal 2009 show we achieved high levels in “information disclosure and communication with stakeholders” and “corporate ethics and human rights.” However, we found there is still room for improvement in “contributions to society through business,” “working environment” and “responsible cooperation with business partners.” We will put these evaluation results to good use in further strengthening the measures we take in the future.



Corporate Governance

Changing the Corporate Governance System

Maxell became a wholly owned subsidiary company of Hitachi, Ltd., as of April 2010. In conjunction with this change, in June we made the shift from a company-with-committees, etc., to a company with a board of company auditors.

Focus on Compliance Management

The Maxell Group is proceeding according to the basic policy of “action founded in high corporate ethics,” as proclaimed in the CSR Activity Policy of the Hitachi Group, and endeavoring to establish corporate ethics that work by leadership example from the top. In April 2007, we formed a system to collect risk compliance information and make it widely known, and in April 2008, we consolidated the Risk Compliance Management Headquarters and the Environmental Promotion Headquarters to form the CSR Promotion Division. We also register outside organizations and meetings for the Group as a whole according to the “system for surveys and reporting on non-company organizations, meetings, etc.” We conduct self-audits of the operation of that system.

In fiscal 2009, we sent company e-mail to all employees on October 1, which was the first day of the Hitachi Group Corporate Ethics Month. In addition to a message from the top leadership, it included a pop-up message to appear on the computers used by employees and call on their thoroughgoing compliance and observance every day. Risk assessment lecture meetings were held for managers to prevent recurrence of antimonopoly law violations, and reading circles were held at the workplace level to read the Compliance Handbook. We used these and other measures to heighten the awareness of compliance in every individual employee.

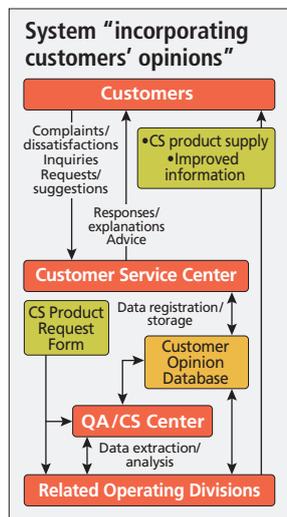
We are committed to pursuing collaboration among all Hitachi Group companies, while further strengthening our global compliance activities.

Promoting Risk Management

Maxell is implementing risk evaluations, which incorporate a compliance perspective, in every division. The results are reported to the Maxell Risk and Compliance Assessment Committee, which is made up of directors.

In the future, we intend to address the issues raised in the Business Continuity Plan (BCP) and take measures to deal in particular with the risks from virulent forms of influenza, large earthquakes, and other unforeseen events.

We provide support for consumers' lives with safe, high-quality products and services.



- *1 The percentage of calls from customers that connect and receive an operator's response.
- *2 The percentage of total accesses by customers that result in telephone calls or letters of appreciation.
- *3 Super Quality Management 2010
This continuation of the Maxell Top Quality Campaign aims to provide customers with the highest quality in products and services and seeks to strengthen quality control.
- *4 Product Safety-Potential Tree Analysis
This is a method of reducing hazard risks by breaking down product hazards into all their causal factors, analyzing the hazard to evaluate the potential of the various factors, and implementing countermeasures according to the magnitude of the potential.

Enhancing Customer Satisfaction

We listen to customers' comments and use them to improve products and services.

The Maxell Group is actively engaged in 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, and by the QA/CS Center, which oversees company-wide quality assurance programs and CS programs, in collaboration with the related operating divisions.

Promoting the Development of CS Products

The Maxell Group incorporates customer views and wishes in improved products, which it positions as "CS products." We promote activities for the creation of CS products. Five CS products were released in fiscal 2009.

Activities Using Gratitude Calls from Customers as an Index

Maxell monitors the Customer Service Center using response rate*1 and rate of Gratitude Calls from Customers*2 as indices.

During fiscal 2009, the response rate was 87% and the rate of Gratitude Calls from Customers was 5%.

We are committed to applying customer opinions more rapidly to product improvements, new product development, and related activities. We are also committed to strengthening

our response to inquiries over the Internet. These are the issues we will be addressing for the future.

Enhancing Product Liability and Quality

Promoting a Variety of Measures to Ensure Product Safety

Reducing accidents resulting from product faults to give customers a greater sense of security and trust was made a priority topic from fiscal 2009. The SQM10 movement*3, which was started in that year with the aim of achieving its objective in fiscal 2010, reduced accidents resulting from product faults by approximately 30% over the previous year.

PS-PTA*4 was newly introduced in fiscal 2009 to strengthen risk assessment with consideration of product safety at the new product development stage. We are also engaged in promoting and implementing management frameworks for the Consumer Products Safety Law and other technology laws and their implementation.

We intend to raise the company-wide level of awareness in order to assure product safety.

Product Recalls and Fault Notification

If there is cause for concern that a product malfunction may threaten lives, cause injury or damage property, we release information immediately, making every effort to minimize disadvantages to customers.

There were no new announcements of product malfunctions in fiscal 2009.

TOPICS

"Voltage" Alkaline Dry Batteries Guarantee Against Electrolyte Leaks



The Voltage products that incorporate an electrolyte leak prevention design have now been on sale for a year. There has not been even a single case of electrolyte-leak accidents due to over-discharge, demonstrating the high level of quality achieved.



We placed advertisements in newspapers to alert people to battery electrolyte leaks and educate them about the proper use of dry batteries. This made people aware of the dry batteries they commonly use without particularly thinking about it, and conveyed the importance of using them properly.

Easily Transportable "iV" Cassette Hard Disks



Compact in size and convenient for carrying, the "iV" cassette hard disk enables simple recording of full HDTV imagery. It is equipped with high-level content protection technology.

Recognized by GfK Certified Award for Fifth Consecutive Year



We received the GfK Certified 2009 award for top share in the domestic DVD media category (Japan and Asian countries and regions) for the fifth consecutive year.

We are committed to realizing a pleasant working environment and supporting our employees' growth.

Creating an Enriching Workplace

Basic Philosophy on Human Resources and Employment

The Maxell Group's human resources and employment activities are conducted with consideration for human rights, placing high importance on individuality and motivation. We believe this approach fosters an enthusiastic workforce, functioning as good corporate citizens and capable of success in the global arena.

The Hitachi Maxell Group Code of Ethics was also written to specify "respect for employee character and human rights," and states that "it is forbidden to discriminate by sex, age, nationality, race, ethnicity, creed, religion, social position, special needs, and so on." We are engaged accordingly in initiatives to build employment and personnel systems that operate in fairness and equality as well as in efforts to increase awareness of human rights.

Support for a Balance of Child-Raising and Work

Maxell is committed to support of the diversity of employee work styles and cultivation of the next generation of human resources. We have a fully developed system of leave of absence for child-raising for that purpose, and are working to promote its use.

In June 2009, we acquired "Kurumin" Next-Generation Human Resource Cultivation Support Accreditation.



Education and Training System Supports Employee Growth

The Maxell Group's educational platform provides a basis for our education, training, and skill development. We are endeavoring, by

these, to raise the level of our employees' skills. In fiscal 2009, Maxell sent seven people to take part in the technical training centers and manufacturing technology training centers of the Hitachi Group. We also implemented collective training sessions tailored to job classes.

In fiscal 2010, we worked on further improvements to the education by job class. We will also be expediting the adoption of a common foundation education program with the Hitachi Group.

Assuring Diversity

People with Special Needs, Senior Citizens, and Foreign Workers Hired

Maxell is implementing improvements intended to make workplace environments wherein it is easier for people with special needs to work.

We have also been developing a system for re-employment of employees beyond the mandatory retirement age and regulations governing senior employment. As of the end of March 2010, we had hired 43 senior employees. We also presently have 30 employees who are foreigners.

Occupational Health and Safety Activities

Building Management Systems and Enhancing Workplace Safety

The Maxell Group in Japan is deploying occupational health and safety programs in accordance with the Hitachi Maxell Group Occupational Health and Safety Basic Policy.

In fiscal 2009, the Hitachi Maxell Group Health and Safety Committee took on the role of driving power, and has been endeavoring to promote and improve our health and safety activities. It has also been building OSHMS*1 compliant management systems.

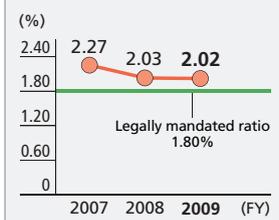
Primary Personnel Systems

- Highly transparent evaluation system that uses the two indices of performance and behavior
- System of leave of absence for child-raising
- System of reduced working hours
- System for re-employment of employees beyond the mandatory retirement age

Main Education and Training

- Education tailored to job classes
- Participation in Hitachi Group's technical training centers and manufacturing technology training centers

Trends in Employment Ratio of People with Special Needs at Maxell



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

TOPICS

Kyoto Works Acquires OSHMS Certification

The Maxell Group in Japan is moving forward with the construction of occupational health and safety management systems (OSHMS) that are founded on the Plan-Do-Check-Act (PDCA) cycle.

In January 2007, the Ono Works acquired OSHMS certification, and this was followed in October 2009 by certification of the Kyoto Works.



Official notice of certification



Safety education for managers

We engage in sound, equitable business based on solid relationships with our business partners.



New Year's celebration forum



Policy briefings

Fair Transactions with Suppliers

Maxell conducts procurement in accordance with the Hitachi Group's Guidelines for Procurement Activities, and endeavors to engage in fair transactions with suppliers. The action guidelines have also been applied to our company regulations in order to make them thoroughly familiar to employees.

In April 2009, the materials divisions that had been dispersed among the operating divisions were consolidated in a newly founded Corporate Procurement Division in order to establish still stronger partnerships with our suppliers. We have also implemented education programs by e-learning for 1,368 of our managers and coordinators, including those in affiliates, who are responsible for procurement and related activities. These covered subjects such as "Key Points for Understanding the Subcontract Law," "Inner Preparedness of Personnel Responsible for Acceptance Inspection of Outsourced Products," and "Education for Optimizing Outsourcing and Dispatch Contracts."

In the future, the Maxell Group intends to collectively promote programs on fair transactions with suppliers throughout the supply chain.

Working for Shared Awareness with Suppliers Regarding CSR

Maxell engages in exchanges with suppliers through policy briefing sessions organized by each operating division, at customary New

Year's celebration forums, and other such occasions. We are endeavoring to build a common awareness of CSR.

At policy briefings held in July 2009, the procurement departments called on participants to conduct activities founded upon "basics and rightness." At the New Year's celebration forums held in January 2010, the president made requests to the participants regarding "compliance and risk management in materials procurement" and for their thoroughgoing implementation.

Reinforcing the Foundation for International Transactions

In April 2009, Maxell established a new Global Distribution Department. This was intended to bring together the export operations from throughout the company and further strengthen them.

We will promote the smooth operation of international transactions and compliance with export-related rules, which have recently been growing more complicated.

Providing Improved Support for Our Business Partners

We started an operating division-based sales system in October 2009, and have been making every possible effort to further heighten our professionalism in sales. At the same time, we have been striving to provide finely tailored responses to the needs of our business partners.

TOPICS

Engaging in "Less Engineering" Program with Suppliers

The Value Engineering Division has been collaborating with the Corporate Procurement Division and design departments of operating divisions to promote the Joint "Less Engineering" Program with Suppliers. The name "Less Engineering" refers to the approach that eliminates, cuts down on, replaces, and otherwise reduces the amount of engineering. It is a value engineering (VE) technique that seeks to accomplish breakthrough improvements and reforms in product development as well as in design and manufacturing processes.

Maxell is in the midst of deploying this "Less Engineering" program as a joint business activity with business partners. It is intended to bring Win-Win results, and is part of our promotion of development procurement. We are visiting business partners with teams made up of people from procurement, design, and VE departments, and are

carrying on a two-way activity of mutual suggestions with the on-site people in the presence of the actual objects.



Visiting suppliers for discussions on-site in the presence of the actual objects

We place great importance on dialogue and interaction and will contribute to the realization of a better society and a brighter future.

Local Educational and Cultural Support Activities

Fourth Kids Battery Crafts Contest

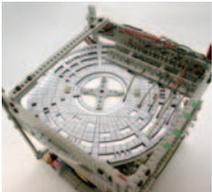
Maxell supported the Fourth Kids Battery Crafts Contest in hopes that batteries could be used as a point of entry to stimulate the children's interest in science.

As a contest of crafts that use batteries, it receives many entries each time.

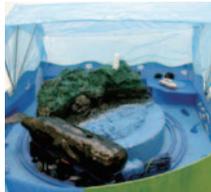
This time a total of eight prize-winning entries were selected from among the many received, including "Electrical Fireworks" for grand prize, and "My CD-ROM Robot" and "Whale Spouting in Ocean" among first-prize winners.



Grand Prize "Electrical Fireworks"



First Prize "My CD-ROM Robot"



First Prize "Whale Spouting in Ocean"

"Maxell Kids Wonder Library"

Maxell established the educational support website "Kids Wonder Library" in October 2000. We have been operating it in the hopes that the children will enjoy learning while using the Internet, and that by obtaining information they will stimulate their creativity and sensitivity.

We are committed to the continuing effort to improve the website content so that children will use it and it will assist their learning.

Offering Internships

The Maxell Group offers internships at its works to provide young people with practical experience in "monodzukuri (manufacturing)" and help them develop good work values.

In fiscal 2009, Maxell Finetech (formerly Tohshin Seiko) took in three students from Sendai National College of Technology from August 24 to September 4. Through lectures and exercises, they studied the basics of metal mold design, CAD operation, and so on.



Internship

"Maxell Kids Wonder Library"

<http://www.maxell-kids.com/>
(in Japanese only)



Home page

TOPICS

Softball Workshop Held

In December 2009, Maxell held a softball workshop at the Ibaraki Municipal Higashi Lower Secondary School in Osaka Prefecture. Members of a Japan Women's Softball League team coached

about 100 students in basic plays, fungo practice, toss batting, and so on.



Members of Maxell's softball team



Scenes of practice





Abundant Flower Campaign Activities (Kyoto Works)



The Ecocap Movement (Kyushu Hitachi Maxell)



Wakuwaku Taiken (Exciting Experience!): Product disassembly (Kyoto Works)

Participation in Vaccine Donation Program

Promoting the Ecocap Program

The Maxell Group in Japan has been cooperating with the Ecocap collection program being promoted by the NPO Ecocap Movement since July 2009. In this program, recovered caps to PET bottles are sold by the Ecocap Movement to recycling contractors, and the proceeds are donated to a vaccine donation organization. The program therefore furthers recycling, CO₂ reduction, and contribution to society.

In fiscal 2009, the Maxell Group recovered 90,268 caps (worth 113 doses of vaccine) and delivered them to the Ecocap Movement.

Promoting Environmental Protection and Beautification

Participation in Abundant Flower Campaign Activities

The Kyoto Works of Maxell has been participating in Abundant Flower Campaign Activities in collaboration with nearby primary schools since 2001. This involves planting flower seedlings with the children and decorating their athletic meets, graduation ceremonies, and other such occasions with an abundance of flowers.

Cleanup Activities in Company Communities

The Maxell Group in Japan has been actively involved in cleanup activities in the vicinity of our works and in local communities. In fiscal 2009, a cumulative total of 890 of our people took part.

Communicating with Society

50th Anniversary Mark Created

“Contribute to society, in the founding spirit of the company, by means of superior technology and products.” This fundamental philosophy informs Maxell as we celebrate the company’s 50th anniversary in February 2011. Therefore it was decided to fashion a logomark accompanied by a message that embodies the thoughts and feelings since the company initiation, in the hope that it could be loved and continue illuminating the next generation.



Results of Plant Study Tours and Hands-on Training

Tokyo Building	April 23: Visit by five students from lower secondary schools in Fukushima Prefecture.
Osaka Works	October-December: Study tours by students from local primary schools (total of 971 students).
Kyoto Works	July 11: Approximately 70 people take part in the Kyoto Edison Program*1. November 12: Three fourth-graders from Oyamazaki Primary School take part in Wakuwaku Taiken (Exciting Experience).
Ono Works	August 18: Eight second-year students from Ono Industrial High School come on a study tour.
Maxell Finetech	October 6: 40 students from Sendai National College of Technology come on a study tour.
Kyushu Hitachi Maxell	October 28: Five children from Ikata Primary School take part in manufacturing exercise. November 11: Study tour by 39 students from Gifu National College of Technology.
SLIONTEC	May 28: Study tour by 11 students from Kanto Polytechnic College.

*1 This activity was proposed and initiated by the Kyoto Industrial Association to heighten children’s awareness of science and develop people who will take responsibility for science and technology. Hitachi Maxell’s Kyoto Works has co-sponsored this program since 2006 and holds an annual workshop for parents and children on building a dry battery.

TOPICS

Good Conduct Award Received for Sanjo River Cleanup Program

The head office and Osaka district received a Good Conduct Award from the Kansai branch of the Shinsetsukai volunteer organization. This was in recognition of our cleanup program at the Sanjo River and other locations carried on continuously for 13 years with the intention of “contributing to our home communities.” To date, a cumulative total of approximately 780 employees have participated as volunteers in this program.



Sanjo River cleanup



Award ceremony



Certificate of commendation

Communicating with University Students

Maxell invited 11 students and one associate professor from the Division of Global Architecture in the School of Engineering at Osaka University to visit the head office on December 16, 2009. We discussed the conceptual approach of our environmental protection activities and the Hitachi Group’s Environmental Vision 2025*2 and had an exchange of views.

*2 The Hitachi Group will contribute to an annual reduction of 100 million tons in CO₂ emissions from our products worldwide by fiscal 2025.



Engaging the students in dialogue



Donations of clothing, stationery items, etc. (Wuxi, China)



Letter of thanks

Web Version A list of information available on the Web is given on page 22.



Educational outreach on the environment (Malaysia)



Overseas Social Contributions

Donations of Clothing, Stationery Items, etc. (Wuxi, China)

Wuxi Hitachi Maxell Co., Ltd. (WHM, the Wuxi Plant) is engaging in environmental protection and social contribution activities in the course of its business.

In fiscal 2009, we continued the previous year's practice and donated 37 boxes of clothing, stationery items, and so on, to Tongren, Huangnan, Qinghai Autonomous District. In April 2009, we received a letter of thanks from Tongren.

Support for Primary School Education on the Environment (Malaysia)

Maxell Tohshin (Malaysia) Sdn. Bhd. (MTM, the Malaysia Plant) implements an environmental campaign for a determined period every year.

In fiscal 2009, they took August as their environmental campaign month, and coordinated with schools in the area to conduct outreach classes on the environment, study tours of a plastics recycling plant, and other events for primary school children. Original eco bags were distributed to the children and teachers who attended the outreach classes.

Involvement with Politics and Industrial Bodies

The Maxell Group is committed to maintaining a neutral stance toward political activities, in accordance with the guidelines of the Japan Business Federation (Nippon Keidanren), to which we belong. We also observe the Charter of Corporate Behavior and the Global

Environmental Charter formulated by Nippon Keidanren. We further endorse the Nippon Keidanren Declaration on Biodiversity, in which we are participating as promotion partners.

Economic Distribution throughout Society

In fiscal 2009, Maxell made donations of approximately ¥17 million, including scholarship grants to the Odaira Memorial Hitachi Education Foundation and other organizations. We also participated in "Shinsetsukai" humanitarian activities to promote welfare contributions on a smaller scale.

During fiscal 2008, the economic value of relationships with respective stakeholders was as follows.

Stakeholder	Ratio A (%)	Ratio B (%)	Content
Business partners	81	—	Materials costs, transportation costs, advertising costs, etc.
Employees, etc.	13	65	Costs for employees and corporate officers
Shareholders	1	6	Shareholders' dividend
Financial institutions, etc.	1	5	Interest expenses, etc.
Public sector (government)	7	34	Corporate taxes, etc.
Private sector	-15	-78	Dividends from net income, excluding directors' bonuses
Employees, etc.	12	68	Non-operating expenses, etc.
Total	100	100	

Ratio A is the relative share for each stakeholder type. Ratio B is the relative share calculated excluding business partners.

*3 Started in 1961; selects advertising useful to consumers in preliminary screening by consumer representatives, followed by the main judging; judges include people from academia or with previous experience as judges. Maxell also won the bronze in the Magazine Advertisement category of this competition with a tie-up advertisement for the "Voltage" alkaline dry battery.

*4 An advertising festival in which South Korean advertising bodies are the main actors and which is held under the sponsorship of Pusan and South Korean corporations.

TOPICS

Maxell TV Commercials Win Prizes in Japan and Overseas

The Maxell TV commercial "Zutto, Zutto. (For a long, long time.) Traditional tune Yasaburo Bushi Version" won the Bronze Prize in the television commercial division of the 49th Advertisement Beneficial to Consumers Contest*³ held by the Japan Advertisers Association. This was a considerable feat, since it was our fourth consecutive year of winning a prize in this contest. The "Zutto, Zutto." series of commercials has received high ratings at various advertising competitions inside and outside Japan, including the bronze in its Product & Service category at the 2nd Busan International Advertising Festival*⁴.



"Zutto, Zutto. (For a long, long time.) Traditional tune Yasaburo Bushi Version"



Award ceremony

We are Pursuing Sustained Environmental Promotion Activities Based on the Environmental Vision 2015*1

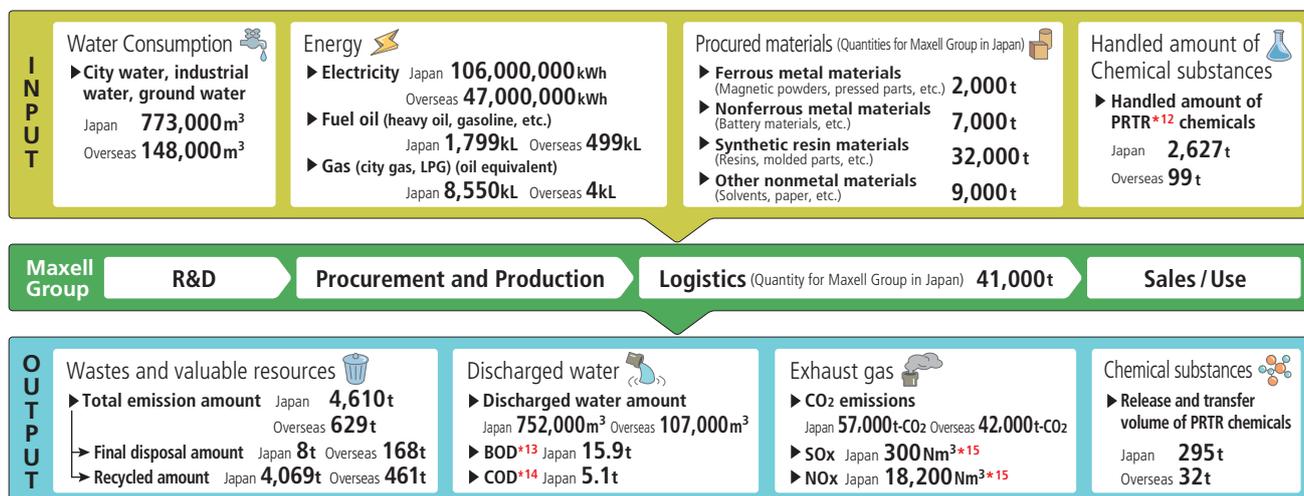
Maxell Group 2009 Environmental Targets and Results

Evaluation criteria : Target achieved : Target partially achieved

Category	Activity	FY2010 Target	FY2009 Targets	FY2009 Results	Self-evaluation	
Ecological Mind and Global Environmental Management	Establishment of an environmental value creation corporation	Promote GREEN21*2 activities 1,280 GP (Green Points)	Japan: 1,152GP Overseas: 1,024GP	1,268GP 1,104GP		
	Construction of an Environmental Management System (EMS)	Maintain & expand Maxell Group (Japan) integrated EMS*3	Expand to SLIONTEC	Expansion completed		
	Cultivation of Environmental Literacy	Promote enrollment in ecological mind education (e-learning)	Completion rate 100%	100% enrollment		
Provision of Next-Generation Products and Services	 Promotion of Eco-Products	Expansion of Eco-Products	Ratio of sales: 65%*4 Ratio of registrations (application rate) 100%*5 Super Eco-Products ratio 30%*6	44% 98% 9%	59% 98% 13%	
		Improved environmental efficiency of products (base level FY2000 for each targeted product)	Global warming prevention factor 3.8 or better*7 Resource factor 4.1 or better*8	3.1 3.2	4.6 6.1	
		30% increase in recycled plastics usage (compared with FY2000) 38% reduction in packaging materials (compared with FY2000)	17% increase 25% reduction	29% increase 43% reduction		
	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)	12% reduction	54% reduction	
			52% reduction in CO ₂ emissions per unit production (Japan, compared with FY1990)	30% reduction	58% reduction	
Efficient Use of Resources		Reduction in CO ₂ emissions per unit of production (Objectives by site/local currency) (Overseas, compared with FY2008)	(WHM) 1% reduction	(WHM) 6% increase*11		
		Energy reduction in transportation (Japan)	14% reduction in unit energy consumption during transportation (compared with FY2006)	10% reduction	10% reduction	
		Reduction of waste generation	40% reduction (Japan, compared with FY2000)	28% reduction	58% reduction	
Chemical substance management		40% increase in resources recycling*9 (Japan, compared with FY2005)	8% increase	56% increase		
		20% reduction in water usage (Japan & overseas, compared with FY2005)	8% reduction	30% reduction		
Wastewater and water quality management at works	VOC*10 emissions volume	25% reduction (Japan, compared with FY2000) 30% reduction (Overseas, compared with FY2005)	25% reduction 8% reduction	33% reduction 49% reduction		
PCB management	Accident prevention for wastewater treatment facilities			Implement symptomatic management		
Environmental Cooperation with Stakeholders	Environmental communication	Thorough storage management of equipment containing PCBs		Implemented		
		Communication with stakeholders		Issued CSR Report, conducted stakeholder dialogue, etc.		

*1 Environmental Vision 2015: The roadmap for implementation of the Hitachi Group's vision for environmental promotion extending to 2015.
 *2 Hitachi Group's self-evaluation system to evaluate its environmental activities and identify the challenges for continuous improvement.
 *3 EMS: Environmental Management System. *4 Ratio of Sales = (Eco-Products Sales)/(Maxell Group Sales); Denominator is sales of all products worldwide.
 *5 Ratio of registrations = (Eco-Products Sales)/(Eco-Product Area Sales); Denominator is Maxell designated product area.
 *6 Super Eco-Products ratio = (Super Eco-Products Sales)/(Eco-Products Area Sales); Denominator is Maxell designated product area.
 *7 Index of the degree by which a product's global warming prevention effect has improved. It expresses a product's "value" and the volume of global warming gas emitted over the product's lifecycle as a percentage of those of a standard product.
 *8 Index of the degree by which a product's resource utilization ratio has improved. It expresses the volume of resources used to make a product, and the volume of resources discarded, as a percentage of those of a standard product.
 *9 The Hitachi Group's common calculation method to evaluate the proportion of waste effectively utilized by reuse, recycling, heat recovery or other means.
 *10 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.
 *11 Objectives and Results by Site: 15% reduction relative to the status quo at the UK Plant of Maxell Europe Ltd. (MEL), 34% reduction relative to the status quo at the Malaysia Plant (MTM), and a 6% increase relative to a 1% reduction at the China Wuxi Plant (WHM).

Business Operations and Environmental Impact



*12 Pollutant Release and Transfer Resister *13 Biochemical Oxygen Demand *14 Chemical Oxygen Demand *15 Volume of emissions by designated domestic facilities

- *1 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.
- *2 Suppliers accredited by the Maxell Group that operate an EMS with ISO 14001, KES, Eco-Stage, or other such certification.



Super Eco-Products



Mercury and Lead-Free Silver Oxide Batteries



Super Eco-Products



Micro SDHC Memory Cards

Criteria for Approval as Super Eco-Products

Satisfy either factor 10 or higher, be the best in the industry or in an external evaluation and agree with business strategies



Criteria for Approval as Eco-Products

Satisfy two points or more of the five-point environmental assessment criteria for each evaluation item, with an average score of three points or more



Definitions of Environmental Efficiency

$$\text{Global warming prevention efficiency} = \frac{\text{Product life} \times \text{Product function}}{\text{Amount of greenhouse gas emitted over lifecycle}}$$

$$\text{Resource efficiency} = \frac{\text{Product life} \times \text{Product function}}{\sum \text{Value coefficient of resource in question X (quantity of resource newly used during lifecycle + quality of resource disposal in lifecycle)}}$$

Definitions of Factors

$$\text{Global warming prevention factor} = \frac{\text{Global warming prevention efficiency of product evaluated}}{\text{Global warming prevention efficiency of reference product in fiscal 2000}}$$

$$\text{Resource factor} = \frac{\text{Resource efficiency of product evaluated}}{\text{Resource efficiency of reference product in fiscal 2000}}$$

Providing Next-Generation Products and Services

Promotion of Eco-Products

Expansion of Eco-Products

The Maxell Group makes a quantitative evaluation of the environmental impact of products at every stage of their lifecycle in accordance with the items established in the Hitachi Group environmental suitability design assessment criteria. Products that meet or surpass certain standards are registered as Eco-Products. Products that further excel in their environmental performance are registered as Super Eco-Products.

In fiscal 2009, the scope of assessment was widened to include additional products, including lithium-ion batteries, lens parts, and adhesive tape. Three product items were registered as Super Eco-Products and 32 were registered as Eco-Products. Our objective is to expand the presence of Eco-Products so that their ratio in total sales rises to 65% or higher by fiscal 2010.

Management of Chemical Substances

Promoting a Manufacturing System for Environmental CSR

The Maxell Group has been conducting activities for a manufacturing system for environmental CSR since 2005 to reduce the environmental impact of products throughout their lifecycles.

In our parts procurement and shipment, we are assessing and managing the 25 chemical



Green Procurement Guidelines

substances prohibited or controlled as requiring management by the Hitachi Group in a drive to rid our products of noxious chemical substances.

Responses to REACH Regulations*1

Ink produced at the Kyoto Works of Maxell became subject to registration under the European REACH regulations, and we completed the preliminary registration of the materials in the ink in November 2008.

A list of 29 candidate substances of very high concern (SVHC) was published by January 2010. We registered subject substances on a Control Standard for Handling Chemical Substances, placed them under control, and made the details available on our website.

We are also engaged in collecting information about the chemical substances contained in our products using the Joint Article Management Promotion-consortium Article Information Sheet (JAMP AIS).

Promoting Green Procurement

The Maxell Group is reducing its environmental impact throughout its supply chain by promoting the procurement of products and services from suppliers that actively promote environmental measures (green suppliers*2).

In May 2009, we sent requests to our business partners in writing, asking them to become compliant with the European REACH regulations.

Super Eco-Products

LTO Ultrium5 Computer Tape

This product employs magnetic material with greater microparticulation and higher retentivity to realize the great storage capacity of 3.0 TB, which is twice that of former products (using data compression; 1.5 TB uncompressed).

The greater saving of resources and higher data transfer rates due to the greatly increased capacity yield an increase in system efficiency and other effects that support the demand for green IT.



Global warming prevention factor: 17.7
Resource factor: 21.3

Super Eco-Products

EcoSelect A-05 Labels and Cards

EcoSelect series address and indicator labels come in the ordinary A4 size and now also in the new half-A4 size (105 mm x 297 mm) that has been brought to market. An effort was made to reduce the amount of paper disposed of unused by making it possible to print only the part that is needed, and to cut that off for use. Consideration for the environment is also shown, for instance, in the use of soy-based vegetable oil ink for printing on packaging.



Global warming prevention factor: 10.4
Resource factor: 17.2

Super Eco-Products

500-GB Model of "iV" Cassette Hard Discs

This product can record approximately 63 hours*3 of high-definition terrestrial digital broadcast TV. The power consumption per gigabyte is low, and we have further sought an effective use of resources by adopting a more compact container and using recycled paper for the packaging.



Global warming prevention factor: 12.1
Resource factor: 19.6

*3 When high-definition digital TV broadcasts are recorded on the 500-GB "iV" in broadcast quality mode.

Eco-Products

HD-N5600 Negative Ion Dryer

This negative ion dryer provides large airflow (1.7 m³/min) and an adjustable nozzle with a new shape that controls the airflow.

The increased airflow enabled savings of electric power and reduction in weight, so that CO₂ emissions from use of the dryer are reduced 16% over preceding products and transportation efficiency is raised 5%.



Global warming prevention factor: 3.1
Resource factor: 3.8

Factories and Offices with a High Level of Consideration for the Environment

Eco-Factories

The Maxell Group aims for all its manufacturing sites to be Eco-Factories, with high levels of environmental awareness, measures for global warming prevention, waste reduction, and appropriate management of VOCs.

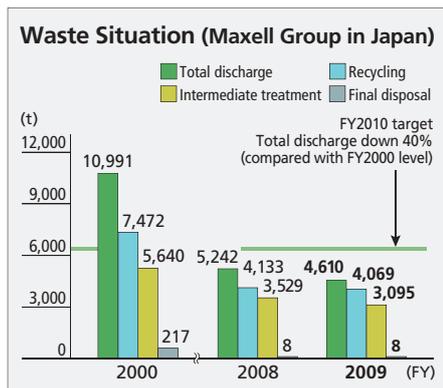
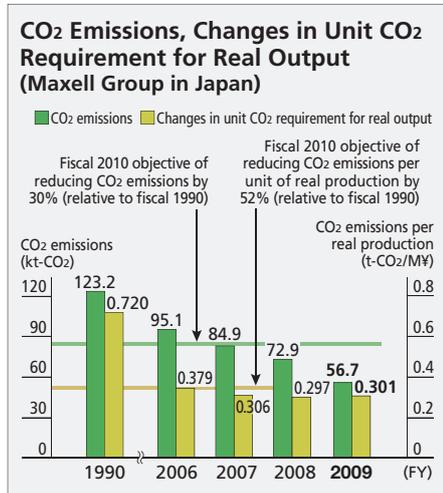
Global Warming Prevention

Reduction of CO₂ Emissions from Production

The Maxell Group in Japan aims to reduce the amount of CO₂ emissions resulting from its use of energy by 30% relative to 1990, and to do so by fiscal 2010.

The CO₂ emissions from the Maxell Group in Japan in fiscal 2009 amounted to 56,715 t-CO₂, which was a 54% reduction relative to 1990. The main reasons we achieved this result were our deployment of cogeneration to date and the efficient operation of the various energy-saving equipment installed.

We set the objective of achieving, by fiscal 2010, a 52% reduction in CO₂ emissions per unit of real production relative to fiscal 1990. Our efforts to optimize equipment operation in conjunction with fluctuations in production quantities during fiscal 2009 yielded the figure of 0.301 t-CO₂/M-yen, which was a 58% reduction.



Reduction of CO₂ Emissions During Transportation (Modal Shift)

Efforts to lower the environmental impact from transportation yielded a reduction of 6% from the previous year in the Maxell Group's volume of goods transported in Japan. The volume totaled 19.83 million tons in fiscal 2009.

The proportion of modally shifted transport in our total transport volume (the "modal shift percentage") was 13% during the year. Compared with the case where all of our transport was by trucking, this represents a reduction of 367 tons of CO₂ per year (11%).

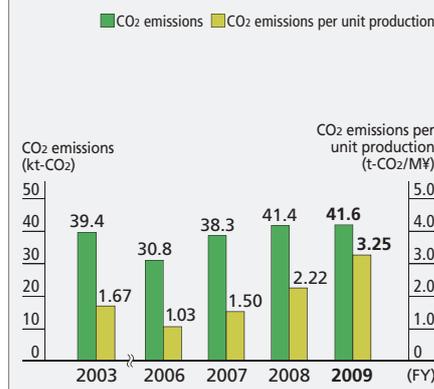
Effective Utilization of Resources

Reduction in Volume of Waste Generated

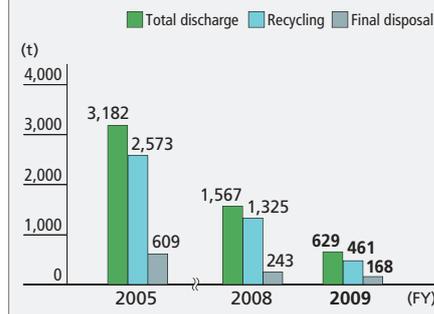
The Maxell Group in Japan has an objective of a 40% reduction in waste generation by fiscal 2010 versus fiscal 2000. Waste generation in fiscal 2009 amounted to 4,610 tons, a 58% reduction.

The Kyoto Works introduced material flow cost accounting (MFCA) in 2006. MFCA "visualizes" the cost input in waste materials (i.e., negative product), and it has been effective in reducing waste and lowering costs.

CO₂ Emissions, CO₂ Emissions per Unit Production*4 (Production Sites of the Maxell Group Overseas*5)



Waste Situation (Production Sites of the Maxell Group Overseas)



Two product items including the "Voltage" alkaline dry battery acquired Eco-Rail Mark certification.



3R (Reduce, Reuse, Recycle) Initiatives

Promoting Reduction

We are striving to decrease the waste generated during production processes (improved yield, greater efficiency, and minimal losses).

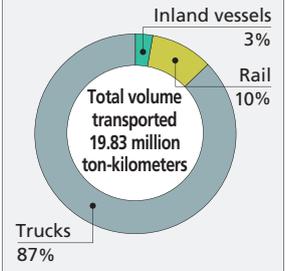
Promoting Reuse

Whenever possible, trays and pallets are reused within production processes, and materials are supplied and handled in returnable containers.

Promoting Recycling

We are reinforcing our separation systems and recycling to facilitate effective utilization of waste. Recycled plastics are also used as materials in the manufacture of products.

Present State of Product Transport (Maxell Group in Japan)



*4 The yen equivalent of the electric-power/CO₂ conversion coefficient (unit: t-CO₂/MWh) of the individual countries and the internal production volume of the individual site are determined.

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.

*5 The UK Plant (MEL), the Malaysia Plant (MTM), the China Wuxi Plant (WHM), and the Indonesia Plant (PT. SLIONTEC EKADHARAMA INDONESIA) are shown.



Kyoto Works
VOC disposal facilities
(heat-storage type deodorizing furnace)



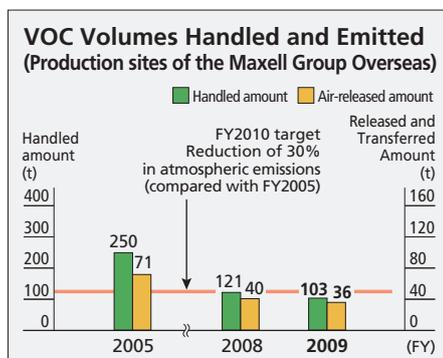
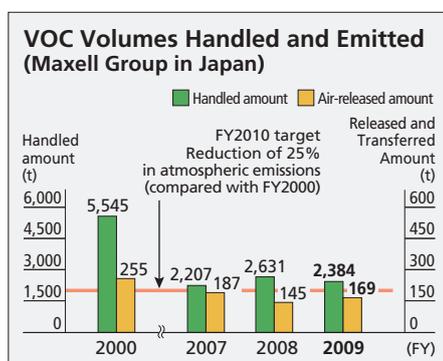
SLIONTEC Corporation
VOC disposal facilities (recovery equipment)

Proper Management of Chemical Substances

VOC Emission Reductions

Volatile organic compound (VOC) emission regulations have been in force since April 2006 in accordance with revisions to the Air Pollution Control Law. The Maxell Group objectives are to reduce domestic VOC emissions by fiscal 2010 so they are 25% lower than in fiscal 2000, and overseas so they are 30% lower than in fiscal 2005.

In fiscal 2009, we were able to achieve a 33% reduction relative to fiscal 2000 domestically, and a 49% reduction relative to fiscal 2005 overseas.



Management of PRTR Substances

The Maxell Group in Japan properly manages the emission, transfer and amounts of chemical substances handled based on the Pollutant Release and Transfer Register (PRTR) Law. The main substances scheduled for PRTR notification that we handled in fiscal 2009 were of eight types.

During fiscal 2009, we handled 2,627 tons of PRTR substances, released 128 tons into the atmosphere and transferred 167 tons.

Plant Wastewater and Water Quality Management

Reduction in Amount of Pumped Groundwater

The Maxell Group derives more than half of the water used in its manufacturing processes from groundwater. Accordingly, we have installed water-circulation facilities at all of our operational sites to promote repeated use of groundwater in an effort to conserve this natural resource.

Soil and Groundwater Protection Measures

At the Osaka Works of Maxell, we have been implementing measures against the dispersion of pollutants in the soil and groundwater since fiscal 2006. To date, we have conducted excavation of a portion of contaminated soil on the grounds and installation of a permeable reactive wall to prevent contaminated groundwater from dispersing outside the grounds. Since April 2007, we have had groundwater treatment facilities (water lifting aeration) in place to purify contaminated groundwater.

Since November 2007, VOC concentrations in observation wells located around the boundaries of the grounds have been below the level set by environmental standards.

TOPICS

Participation in Volunteer Afforestation Programs in Hong Kong

Seeking to build abundant forests in the Hong Kong district, Maxell Asia, Ltd. (MAS, the Asia sales base) has been participating since 2008 in an afforestation program organized by Friends of the Earth of Hong Kong.

The purpose of the program is to restore abundant forests to Hong Kong's Country Parks, where forest fires have reduced the amount of green. In 2009, approximately 700 people took part in planting 8,400 saplings in Pat Sin Leng Country Park, in the northeast part of Hong Kong. Eight people from MAS took part, alongside participants from local companies and other volunteers, and each person planted 12 saplings.



Afforestation program (Hong Kong)



Participating members

Evaluations from Outside the Company

Overall Management

- Daiwa Investor Relations Co., Ltd., "Outstanding Internet IR Site 2009"
- Stock selected for the FTSE4 Good Global Index*1
- Selected as outstanding website in Nikko Investor Relations Co., Ltd., 2009 Ranking of Listed Corporations' Websites

Products

- Minister of Economy, Trade and Industry Award of the "3rd Monodzukuri Nippon Grand Award" for Manufacturing (Maxell Finetech, Ltd.)
- Visual Grand Prix 2009 Summer "Media Product" Gold Prize (iV 320GB)
- BCN Award, Recording Media MO Disc*2 Category, 6th consecutive year with top share
- GfK Certified 2009 DVD media category (BD media included) 5th consecutive year with top share
- Visual Grand Prix 2010 "Recorder/Player Products" Gold Prize (iV recorder)
- 19th Global Environment Awards, Minister of Economy, Trade and Industry Award

Advertising

- 2nd Busan International Advertising Festival, Product & Service category, Bronze
- 1st Spikes Asia Advertising Festival (SPIKES ASIA 09), TV & Cinema category, Silver
- 49th Advertisement Beneficial to Consumers Contest, Television Commercial Division, Bronze Prize, Magazine Advertisement Division, Bronze Prize

Occupational Health and Safety

- Safety and Health, Minister of Health, Labour and Welfare Commendation, Incentive Prize (Maxell Seiki, Ltd.)
- Safety and Health, Kyoto Labour Bureau Director's Award for Excellence (Kyoto Works)

Social Contribution

- Shinsetsukai Good Conduct Award

*1 Developed by FTSE International Limited, in the UK, this is one of the world's representative SRI stock indices based on a selection of firms that satisfy standards for social responsibility.

*2 Maxell has not sold magneto-optical disc MO products since September 2009

WEB Information Online

<http://www.maxell.co.jp/e/corporate/csr/index.html>

CSR Management

- Hitachi Maxell Group Corporate Behavior Standards
- Involvement with Stakeholders (in Japanese only)
- CSR Policy of the Maxell Group (in Japanese only)
- Hitachi Maxell Group Code of Ethics
- Personal Information Protection (in Japanese only)

Social Activity Report

Together with Customers

- Product Safety Voluntary Action Plan (in Japanese only)
- News Release

Together with Employees

- Employment Information (in Japanese only)

Together with Business Partners

- Hitachi Maxell's Guidelines for Procurement Activities (in Japanese only)
- Hitachi Group CSR Activity Policy
<http://www.hitachi.com/csr/>

Together with Local Communities and Societies

- Maxell Kids Wonder Library
<http://www.maxell-kids.com/> (in Japanese only)
- Hitachi Group Environmental Vision 2025
<http://www.hitachi.com/environment/vision/vision2025.html>

Environmental Report

- Control Standard for Handling Chemical Substances
- Hitachi Group Environmental Vision 2015
<http://www.hitachi.com/environment/vision/index.html>
- Environmental site data (in Japanese only)

* Information on items marked "in Japanese only" is available for viewing at this Japanese-language site:
<http://www.maxell.co.jp/jpn/csr/>

Group Company Websites

- SLIONTEC Corporation <http://www.sliontec.co.jp/english/>
- Kyushu Hitachi Maxell, Ltd. <http://www.e-kyuma.com/> (in Japanese only)
- Maxell Finetech, Ltd. <http://www.maxell-finetech.com/>

GRI Guidelines Content Index

Mandatory Voluntary

Item			Page
1. Strategy and Analysis			
1.1, 1.2			P3, P4
2. Organization Profile			
2.1, 2.2, 2.3, 2.4, 2.6, 2.7, 2.8, 2.9			P1, P4, Website
2.10			P2, P6, P7, P8, P11, P15, P16, P22
3. Report Parameters			
Report Profile			
3.1, 3.3, 3.4			P3, Back cover
Report Scope and Boundary			
3.5, 3.6, 3.7, 3.9			P3, P17, P18, P19
GRI Content Index			
3.12			P22
4. Governance, Commitments, and Engagement			
Governance			
4.1, 4.2, 4.3, 4.4, 4.8, 4.9			P10, Website
Commitments to External Initiatives			
4.11, 4.12			P10, P16
5. Management Approach and Performance Indicators			
Economic			
Economic Performance	M	EC1	P16
Environmental			
Management Approach			P17, P18
Materials	M	EN1	P17
Energy	M	EN3, EN4, EN6	P17, P19
Water	M	EN8, EN9	P17, P21
Discharge substance, emission substance, effluent and waste	M	EN16	P17, P20
	V	EN18	P17, P20
	M	EN20, EN21	P17

* Only the extracted items are indicated.

Item			Page
Discharge substance, emission substance, effluent and waste	M	EN22	P17, P20
	M	EN23	P17, P18, P21
Products and Services	M	EN26	P19
Transport	V	EN29	P20
Overall	V	EN30	P18
Society			
Labor Practices and Decent Work			
Management Approach			P10, P12
Employment	M	LA1	Website
Occupational Health and Safety Training and Education	M	LA7, LA8	P12
	V	LA11	P12
Human Rights			
Management Approach			P10, P12, Website
Non-Discrimination	M	HR4	P12
Freedom of Association and Collective Bargaining	M	HR5	Website
Society			
Management Approach			P10
Corruption	M	SO4	P10
Public Policy	M	SO5	P16
Compliance	M	SO8	P10, P18
Product Responsibility			
Management Approach			P11
Customer Health and Safety	M	PR1	P11
	V	PR2	P11
Product and Service Labeling	M	PR3	P11
	V	PR4, PR5	P11
Customer Privacy	V	PR8	Website
Compliance	V	PR9	P11



50th
Anniversary
maxell



February 2011 will mark the 50th anniversary of Maxell.

We are committed to the fundamental philosophy of "Raising the company's founding spirit to yet higher levels, and make our corporate contribution to society by developing better proprietary technologies and products." On that foundation, we will turn our gaze to the next era, and in order to sustain the brilliance for a long, long time, and to continue being loved, we will unite the Group as one in the engagement with CSR management.

Hitachi Maxell, Ltd.

For inquiries

Environment Promotion Office, CSR Promotion Division,
1-1-88 Ushitora, Ibaraki-shi, Osaka 567-8567, Japan
Telephone: +81-72-623-8250

Maxell Japan: <http://www.maxell.co.jp/>

Maxell Worldwide: <http://www.maxell.com/>



Printed on 70%-recycled paper



To protect the environment, this publication is printed with soy oil-based ink

チャレンジ
25
未来が変わる。日本が変わる。

