



Hitachi Maxell, Ltd. CSR Report 2013

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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Corporate Profile

Hitachi Maxell, Ltd.

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

Established: September 1960 **Paid-in capital:** ¥12.203 billion (as of the end of March 2013)

Consolidated net sales: ¥108.9 billion (for the year ended March 31, 2013)

Number of employees (consolidated): 3,780 (as of the end of March 2013)

Sales of the former Hitachi Maxell Energy, Ltd., from April 1 to December 31, 2012, are not included.

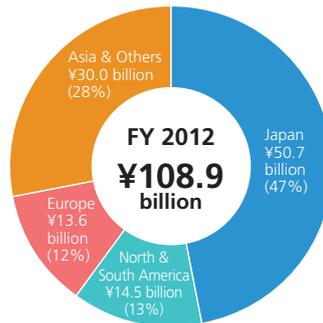
Our Businesses

Energy: Lithium-ion rechargeable batteries for consumer applications; lithium-ion rechargeable batteries for industrial applications; coin-type lithium rechargeable batteries; button batteries; lithium primary batteries; electric storage devices

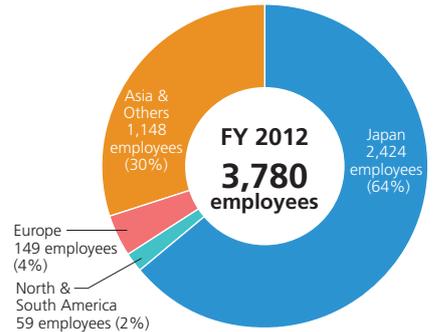
Industrial material: Functional materials; electroforming / precision components; optical components; metal / plastic molded products; adhesive tapes; computer tapes; broadcasting video tapes; RFID systems; IC cards

Electronic appliance / Consumer product: Small electronic appliances; audio equipment; hard disks; optical disks; chargers; accessories; dry batteries; audio tapes / video tapes

Breakdown of Sales by Region (Consolidated)



Breakdown of Employees by Region (Consolidated)



Optical Business Further Strengthened in Line with Shift of Liquid Crystal Display Projector Business from Hitachi Consumer Electronics

In July 2013, Hitachi Maxell will further strengthen its optical business in line with the transfer of the LCD projector business from Hitachi Consumer Electronics.

The LCD project business at Hitachi Consumer Electronics has achieved broadly-based sales results in world markets, with a focus on educational and corporate sectors, by means of the highly advanced electronics technology it has cultivated up to now around a core of imaging, optical, and transfer technologies. The upcoming business transfer will integrate these technologies into the existing optical business at Hitachi Maxell, which includes smartphones, digital single-lens reflex cameras, and compact camera lens units for use on automobiles. This will generate synergistic effects in both technical and sales aspects, creating opportunities to accelerate our global growth strategy. In addition to further strengthening this business and making it more profitable, steps will be taken to create products and services in new business areas.

Editorial Policy

This report is published to communicate the CSR*1 activities of the Maxell 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 attaches 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 11 Group companies (where the report coverage differs by Group or company, the differences are noted in each topic concerned.)
 Hitachi Maxell, Ltd.; Hitachi Maxell Global Ltd.;
 Maxell Corporation of America; Maxell Europe Ltd.;
 Maxell Asia (Singapore) Pte. Ltd.;
 Maxell (Shenzhen) Trading Co., Ltd.;
 Maxell (Shanghai) Trading Co., Ltd.; Maxell Taiwan, Ltd.;
 Maxell Tohshin (Malaysia) Sdn. Bhd.;
 Maxell Finetech (Thailand) Co., Ltd.;
 PT. SSIONTEC EKADHARMA INDONESIA;
 Wuxi Hitachi Maxell Co., Ltd.

Period Covered by this Report

The period covered is April 1, 2012 to March 31, 2013. In some instances, however, the subject matter relates to fiscal 2013.

Reference Guidelines

Ministry of the Environment, Environmental Reporting Guidelines (2012 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
 Japanese Standards Association, ISO 26000: 2010

Published June 2013

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

*1 Corporate Social Responsibility
 *2 Guidelines for international sustainability reporting compiled by the Global Reporting Initiative

Message from the Management

Under our new system, we aim to reach new heights in the global market as “ONE Maxell.”



Hitachi Maxell underwent management integration with Hitachi Maxell Energy on January 1, 2013, and started out anew. We implemented this integration in order to expand the scale of our overseas business, with a focus on the developing countries, and also to further strengthen our competitiveness in the global market, which is experiencing such severe change. To this end, we determined that it was necessary to unify manufacturing and sales and maximize the synergies between technology, human resources, facilities, sales networks, and so on.

In line with the management integration, we inaugurated a new three-year medium-term plan, starting with this period as the first fiscal year. This medium-term plan calls for the promotion of a global growth strategy by means of five policies: Establishment of a Globally Competitive Structure, Differentiation by Unique Technology, Accelerated Development of Brand Businesses, Development of the Solution Business, and Establishment of a Robust Management Structure.

In terms of the Establishment of a Globally Competitive Structure, we strengthened our structure by taking the business supervisory functions of marketing, consumer product development, procurement, and so on in our overseas business and integrating them in Hitachi Maxell Global, which was renamed from Maxell Asia, Ltd. (Hong Kong) on January 1, 2013. In terms of Differentiation by Unique Technology, we are using our functional materials and components, optical components, our ultra-precision processing technique known

as electro-fine forming technology (EF²), information security, and other such proprietary products and technologies to more actively develop new customers and new channels. In terms of Accelerated Development of Brand Businesses, we are also absorbing information on regions for business development, and working to strengthen sales in developing countries while rebuilding our sales systems in the developed countries. As to Development of the Solution Business, we are taking such unique technologies as our optics and lenses as focal points for creating and otherwise managing solutions. In addition, we are speeding up the formation of fully dimensioned businesses by strengthening the unique businesses of our overseas operating companies.

Finally, in terms of Establishment of a Robust Management Structure, our organizational revision in October 2012 established a business management headquarters that straddles the individual business divisions. Taking improvement of back-office operations and increase in efficiency as the mission of this headquarters, we are working to eliminate the waste in routine operations and to improve operational processes.

The element that is indispensable in these endeavors is human resources. Hitachi Maxell is engaging in the FUNs program with the aim of strengthening organizational capabilities and raising business competitiveness. The term “FUNs” is formed from the initial letters of Footwork, Unique, Niche top, and Speed, which we proclaim as our action guidelines. With it, we are fostering employees who apply their intelligence, employees who can drive themselves, and employees who are energetic and optimistic.

In closing, I will make the point that the very roots of corporate activity are compliance and occupational health and safety. The Group as a whole will renew its thoroughgoing commitment to basics and rightness and to the awareness of safety first in all activities.

As we go forward, all the members of this enterprise will continue to strive as one to make good use of the half-century of experience and know-how we have been cultivating in the business fields of the personal and the mobile, held firmly since the start of this company, together with the process technologies, components, and materials that form the core of the business. This will enrich people’s lives and provide them with comfort (Smart Life), and in doing so, we will contribute to society. Our aim is to earn the trust of all our stakeholders and become a corporation that elicits anticipation.

June 2013

Yoshihiro Senzai
President and Representative Director
Hitachi Maxell, Ltd.





Making Life More Fun, Safer and More Comfortable. The Maxell Brand is Hard at Work Everywhere in the Community.

LIFE Log

World's First Blu-ray Disc Recorder with iVDR Slot

The "iV-blue" Blu-ray disc recorder with iVDR slot can extend recording time indefinitely by high-capacity removable compact "iV cassette". The cassette is portable to other equipment for playback. Records two programs simultaneously from terrestrial digital, BS, and CS broadcasts, and third programs in additional from SKY PerfecTV.



Kensuke Kawahara

Business Planning and Advertising Group Product Planning Department, Consumer Sales Division

The world first product succeeded in integration of the two different content protection technology systems of Blu-ray and iVDR. We continue producing unique product to differentiate from competing corporations.



LIFE Line

"Lady's Cute" Mobile Charger Designed for Women

The "Petite," a light, thin USB power bank, to meet women's need for "more cute & compact mobile charger for everyday & everywhere". The compact design has only 9.8 mm thinness and 45g weight. Comes with calm and elegant 5 colors of pink gradation.



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



Reliable Products
for contribution
to Society

BUSINESS
Solution

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

Various batteries for terminals and equipments that support the foundation of contemporary life, and their chargers and peripheral products

Quality of LIFE

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

BUSINESS Solution

Products and services we provide to enterprises

Most power bank tends toward ungainly designs assuming for men, but we developed cute pink lineup to meet women's needs. We continue to plan products responding to diverse needs.

Toshikazu Sato
Business Planning and Advertising Group Product Planning Department, Consumer Sales Division



Quality of LIFE

Electric Shaver with Inside Blade with Photocatalytic Coating

The photocatalytically coated inside blade of the "G-Sword" shaver is designed not to retain shaving debris, fatty skin secretions, and so on, making it easy to wash with water. While drying, the blade is sterilized by heat and LED light, so it's always clean. The shave is also sharp and smooth because the shaver is equipped with an optical drum razor that sets the blade at a 27° angle at its most acute.



Kotaro Iwakura

Electric Shaver Development Group, Home Appliances Department, Kyushu Maxell Division

We are promoting product development on themes of technology such as our optical drum razor blade and photocatalyst that other companies do not have. In future, we will strive to create further products that meet our customers' needs, not only in Japan but in other countries as well.



BUSINESS Solution

High-Capacity Prismatic Lithium-ion Batteries

These high-performance batteries are designed for smartphones that require heavy power consumption because of their increasingly advanced performance. While new development of positive electrode material and electrolyte is achieving higher voltage and higher capacity, the batteries are realizing low self-discharge rates, cycle performance of approximately 500 charge-discharge, and discharge temperature performance providing operation from -20°C to 60°C.



The development of a high-capacity battery with a higher charging voltage involved many elements that could not be handled as simple extensions of former technology. In order to retain the same high reliability as existing products, we incorporated numerous new technologies, including electrodes, electrolyte, and structural parts and materials. That approach yielded this new product.

Yusuke Nakamura

No. 1 Technology Development Group, LB Division



Yasushi Kato

Components Department, Finetech Division



Vehicle-mounted lenses are not only used by the main manufacturers here in Japan, they are also used by major manufacturers in other countries. Our lenses have earned the trust of our customers, and they also uphold the safety and sense of security of drivers and passengers.

BUSINESS Solution

MC151 Lens for Vehicle-Mounted Cameras



With a fish-eye lens (wide-angle view of 190°), this product has an extremely high level of optical performance and reliability. The use of a resin lens lowers the cost and reduces the weight, and we are taking steps to address the heat-resistance issue, which is the weak point of resin lenses, by developing high heat-resistance technology.



BUSINESS Solution

"CLB" Coin-Type Lithium-ion 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.



Yasuhiro Yamada

MD Department, Energy Division



Evolution is taking place in compact wireless sensor devices that are equipped with GPS, biosensors, and so on, and that conduct telecommunications. Since the CLB features compactness, high power, safety, and a sense of security, we want to expand sales so that it can contribute to the coming sensor networking society.

BUSINESS Solution

"Ultrium6 Data Cartridges" with 6.25TB Capacity

The use of proprietary Maxell technology, such as metal magnetic material with ceramic armor given greater microparticulation and higher coercivity, and other such means, has realized greater capacity, with a maximum storage capacity of 6.25 TB (terabytes). This achieves a balance of high recording density with high reliability and tape durability.



Shinichi Namba

Storage Media Department, Siontec Division



LTO started 12 years ago with a capacity of 100 GB per cartridge, and that has now grown to 6.25 TB when compressed. The magnetic material is now one-third the size it was then. Although new higher level technologies will be required, we want to continue developing highly reliable tape that satisfies our customers, just as we have in the past.

BUSINESS Solution

FeliCa Certified Reliable Card

This product supports various applications in a wide range of fields, from ID cards such as employee ID or student ID, which require security functionality, to point reward cards. It also supports individual designs, photo printing, and so on. We can also add some electronic money payment function to the cards, providing products suitable for various uses.



Yoshiharu Shibatani

Tokyo Sales Office, Sales Department, Kyushu Maxell Division



Of all the Hitachi Group, only we manufacture and handle the FeliCa standard card and the FeliCa Lite-S. These are also suitable for employee ID cards and several kinds of electronic money. The card you carry may have been manufactured by us.

BUSINESS Solution

Double-Sided Aluminum Adhesive Tape with High Heat Conductivity

This double-sided tape uses aluminum foil as the backing material, to which a fire-resistant, heat-conductive adhesive is applied. Although it is halogen-free, it has high heat conductivity in the thickness direction together with fire resistance equivalent to VTM-0*. It is used as double-sided tape for heat countermeasures in electronic equipment, lighting equipment, and so on.



Noriko Hiramatsu

Research and Development Group Sion Components Department, Siontec Division



The simultaneous addition of fire resistance and heat conductivity to an adhesive introduces factors that greatly reduce the adhesive properties. We faced many issues with adhesive composition and mass productivity, but we finally arrived at a commercial product, and it is a great feeling to emerge into the light of day after that much effort.

*VTM-0: The highest rating of the fire resistance index for very thin materials.

CSR Management

We are promoting the incorporation of CSR as a part of management in order to fulfill our corporate social responsibilities in every aspect of our business activities.



The information is also publicly accessible on the Web.

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

Basic CSR Policy

The Maxell Group has 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 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 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 of our activities in terms of each of eight policies, thus clearly identifying our own corporate strengths and weaknesses.

For fiscal 2012, we strengthened the statement concerning our ecosystem conservation activity in the Green Procurement Guidelines, and on that basis renewed the request to our suppliers to consider active environmental protection and reduction of the environmental impact of goods they supply. As a result of measures like these, our evaluation score for "Responsible cooperation with business partners" in the eight policies used for self-assessment rose from 2.5 in fiscal 2011 to 2.9 this year.

Corporate Governance

The fundamental philosophy of the Maxell 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. We are also continuously engaged in building an appropriate management structure, pursuing the improvement of internal governance systems, and developing our compliance structure.

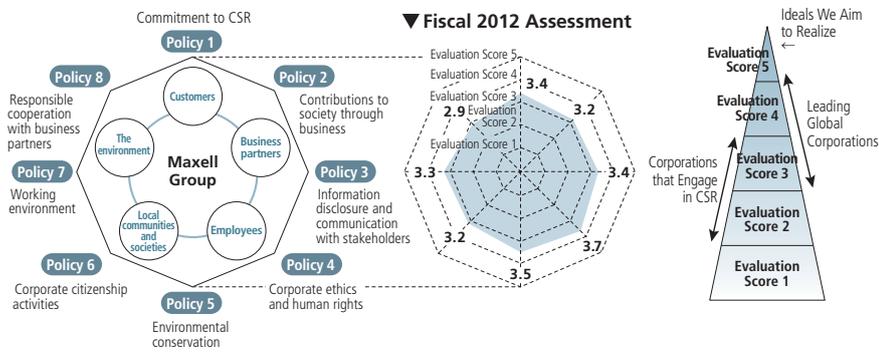
In relation to export control, we have established an Export Control Committee system. We are committed to making an accurate determination of export license requirements and conducting rigorous audits of applications and users (catch-all control audit) for the purpose of preventing diversion of our company's products to use in weapons of mass destruction and conventional weapons, and complying with relevant laws and regulations.

The training and education we implemented in fiscal 2012 included inviting outside instructors for lecture sessions, conducting fundamental export control education (e-learning) for all company employees, and holding lectures on determination of export license requirements for each regulatory item number. Our human rights education included implementation of moral harassment prevention workshops. As part of Hitachi Maxell protection of personal information, we acquired privacy mark certification in April 2013.



*1 Socially Responsible Investment

Self-Evaluation of CSR Activities and the Results



▼ ISO 26000 and Maxell Group Initiatives

Core Subjects in Social Responsibility	Subjects	Maxell Group Initiative
Organizational Governance	Organizational Governance	<ul style="list-style-type: none"> Basic CSR Policy CSR Management Corporate Governance
Human Rights	<ol style="list-style-type: none"> Due diligence Human rights risk situations Avoidance of complicity Resolving grievances Discrimination and vulnerable groups Civil and political rights Economic, social, and cultural rights Fundamental principles and rights at work 	<ul style="list-style-type: none"> CSR Management Promoting CSR Procurement Assuring Diversity
Labor Practices	<ol style="list-style-type: none"> Employment and employment relationships Conditions of work and social protection Social dialogue Health and safety at work Human development and training in the workplace 	<ul style="list-style-type: none"> Occupational Health and Safety Activities Creating an Enriching Workplace Assuring Diversity
The Environment	<ol style="list-style-type: none"> Prevention of pollution Sustainable resource use Climate change mitigation and adaptation Protection of the environment, biodiversity, and restoration of natural habitats 	<ul style="list-style-type: none"> Promoting CSR Procurement Ecological Mind and Global Environmental Management Providing Next-Generation Products and Services Environmental Communication Works and Offices with a High Level of Environmental Consideration

Core Subjects in Social Responsibility	Subjects	Maxell Group Initiative
Fair Operating Practices	<ol style="list-style-type: none"> Anti-corruption Responsible political involvement Fair competition Promoting social responsibility in the value chain Respect for property rights 	<ul style="list-style-type: none"> Corporate Governance Fair Transactions with Suppliers Working for Shared Awareness with Suppliers Regarding CSR Promoting CSR Procurement
Consumer Issues	<ol style="list-style-type: none"> Fair marketing, factual and unbiased information, and fair contractual practices Protecting consumers' health and safety Sustainable consumption Consumer service, support, and complaint and dispute resolution Consumer data protection and privacy Access to essential services Education and awareness improvement 	<ul style="list-style-type: none"> Enhancing Customer Satisfaction Enhancing Product Liability and Quality
Community Involvement and Development	<ol style="list-style-type: none"> Community involvement Education and culture Employment creation and skills development Technology development and access Wealth and income creation Health Social investment 	<ul style="list-style-type: none"> Activities to Contribute to Society

Social Activity Report

We are promoting measures to build relationships of coexistence and mutual prosperity in response to the expectations of all our stakeholders.



The information is also publicly accessible on the Web.

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

Together with Customers

Enhancing Customer Satisfaction

The Maxell Group is 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 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 2012, the response rate was 80% and the rate of Gratitude Calls from Customers was 4.8%. Both figures show slight decreases over the previous year.

Enhancing Product Liability and Quality

We are continuously promoting "in-process quality assurance activities" to improve the absolute quality of our products. We make

every effort to provide our customers with products they can use with a sense of security.

In fiscal 2012, one malfunction occurred in the data correction function of the sound generator in the "SoundBoard" (MXSP-SB2000) surround speakers for TV, and we promptly implemented a software update at no cost.

Together with Business Partners

Fair Transactions with Suppliers

The Maxell Group 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 and they have been made thoroughly familiar to employees.

Working for Shared Awareness with Suppliers Regarding CSR

The Maxell Group engages 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 2013, the president requested suppliers to "cooperate in promoting CSR" and to engage in "thoroughgoing observance of basics and rightness."

Promoting CSR Procurement

The Maxell Group is 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 2012, we included further information regarding ecosystem conservation to complete the material added to the Green Procurement Guidelines in 2011. We informed our suppliers about this update.

We have also requested that suppliers understand and endorse our company's environmental vision (the prevention of global warming, the conservation of resources, and the preservation of the ecosystem), and that they include our environmental vision in their own environmental policy. Specifically, we asked suppliers for these two things: To engage in active environmental conservation and to give consideration to reducing the environmental impact of the goods they supply.

Topics

Release of Canal-Type Headphones with Dual Drivers that Open up a New Audio Experience

These high-end canal-type headphones with a body machined from high-rigidity aluminum respond to requests for the sound that is delicate in the upper frequency and powerful in the middle to lower range (MXH-DBA700) and that has deepness in the middle to upper range and power in the lower frequency (MXH-DD600).

We will work to build a new brand identity with the "m" symbol mark representing new acoustic technology and high sound quality.



Newly Released "ecoful CHARGER:" Nickel-Metal Hydride Battery Charger Handles Both LR6 (AA size) and LR3 (AAA size) Batteries

This product is a response to requests for a charger that does not just recharge batteries, but that people can carry with them to recharge their smartphones. It is not only a charger for nickel-metal hydride batteries, but it can also recharge a smartphone through the USB connector.

For output from the USB connector, also alkaline dry batteries can be used to recharge smartphones such as in urgent situations.



New Company Established for Comprehensive Skin Check Business

Maxell Smart Communications was established in May 2013 as a new company in the comprehensive skin check business. We will be pursuing skin check-related business, including the "Hada more" service that provides information of all kinds to individuals and participating corporations based on images of skin photographed by individuals using smartphones.

Topics

Expanding Global VEC Activities

Working with our suppliers, we engaged in cost reduction in components and materials as a VEC (Value Engineering for Customers) activity aimed at increasing product value for our customers.

We started a new Development Procurement Division centered on engineers, and using their engineering capabilities, we expanded joint VEC activities with our suppliers and achieved reductions in materials expenses, which account for 60% or more of product cost. This initiative was awarded the Hitachi Group President's VEC Grand Prize. Now we are going ahead with global expansion, for example by expanding a similar initiative at our production base in Wuxi, China.



Together with Local Communities and Societies

Expanding Social Contribution Activities around the World

The Maxell Group observes 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.

Maxell Europe Ltd. <United Kingdom>

We established a grant of 5,000 pounds sterling to an educational project for teaching about plant growth and heightening environmental awareness.



Hitachi Maxell <Japan>

We held handmade battery workshops under the name of the Hitachi Science Seminar. There were 19 participants ranging from fourth graders in primary school to second-year lower secondary school students.



Maxell (Shanghai) Trading Co., Ltd. <China>

We planted trees in parks and gave support to students needing economic assistance.



Maxell Corporation of America <United States>

The company and employees joined in sending relief funds to employees who lost their homes to Hurricane Sandy.



Maxell Taiwan, Ltd. <Taiwan>

We changed the light bulbs at the office entrance to LED lights as part of our measures to save electricity.



Hitachi Maxell Global Ltd. <Hong Kong>

We carried out a clean-up of the local seashore jointly with the Hitachi Group in Hong Kong, and six employees took part.



Maxell Finetech (Thailand) Co., Ltd. <Thailand>

We have recovered from the great flood of 2011, and we returned to full-scale operation in July 2012. We produce single-lens reflex camera components and other such products for Asian markets.



Maxell Asia (Singapore) Pte. Ltd. <Singapore>

We opened new offices in Thailand and India in order to further develop the East Asian market.



Maxell Tohshin (Malaysia) Sdn. Bhd. <Malaysia>

We conducted a blood donation campaign at shopping malls, cafeterias, and other such locations.



Wuxi Hitachi Maxell Co., Ltd. <China>

A total of 34 of our people, including employees and their family members, engaged in clean-up activities at Lake Taihu, which is famous for its beautiful scenic views.



PT. SLIONTEC EKADHARMA INDONESIA <Indonesia>

We provide PE sheeting from our production adjustments three times a year for use as matting by worshippers who cannot all be accommodated in the mosque.

Other Activities to Contribute to Society

- A cumulative total of 820 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 410 or more people on plant study tours, hands-on training, and internships (the Kyoto Works, the Ono Works, Finetech Division, Kyushu Maxell Division).
- Participation in and sponsorship of sports, industrial promotion, and other local events (the Kyoto Works, the Ono Works)
- Donation of products overseas (France). Participation in and sponsorship of nature conservation, cleanup, blood donation, fund-raising, and other volunteer activities as well as sports events (China, Malaysia)
- Donation of 27 cartons of winter clothing to poor farming villages (China)

Reputations with external

- The AirStash "MAS-A02" won a Gold Prize in the 2012 Summer Digital Camera Grand Prix by Ongnen Publishing Co., Ltd., and four products won awards in the 2012 Summer Visual Grand Prix (the "VDRR2000.G50" iV hard disk recorder, the Blu-ray disc for video recording, the "MXSP-HF5000" wireless transmission speaker, and the "HP-S20" canal-type sports headphones).
- The Ono Works received a prize in the 21st Hyogo Prefecture Environmentally Friendly Business Operator's Awards from the Agricultural and Environmental Affairs Department of Hyogo Prefecture.
- Commendation as a Green Enterprise by the Wuxi City Environmental Protection Agency for the 11th consecutive year (Wuxi Hitachi Maxell Co., Ltd., the Wuxi Plant in China)

- Awarded grand prize in the DVD category of the BCN Award 2013.
- Awarded a "2012 Certificate of Achievement of No. 1" in the GfK Japan Certified DVD and Blu-ray Disc category.

"GfK Japan Certified" trophy



"BCN Award 2013" trophy

Together with Employees

Occupational Health and Safety Activities

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

In fiscal 2012, the Hitachi Maxell Group Health and Safety Committee was the moving force in our efforts to maintain and improve occupational health and safety activities. It also promoted the creation of management systems that are compliant with OSHMS*1. The Health and Safety Committees at our various establishments in Japan also carried on efforts to improve occupational health and safety from fiscal 2011.

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.

In fiscal 2012, we conducted employee awareness surveys for the purpose of enhancing and energizing corporate activities. In light of the results, we are engaging in measures to strengthen global human resources and promote workplace communications.

We are also taking steps by means of the EAP*2 to help employees resolve their various problems and worries through counseling from outside consultation contact services.

Assuring Diversity

Hitachi Maxell has 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 had a ratio of employment of people with special needs of 2.10% in fiscal 2012. We had 31 rehired former employees who had reached the age of mandatory retirement, as well as 35 foreign employees.

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

*2 Employee Assistance Program

CSR Activity Report

Environmental Report

In order to make both the global environment and business activities sustainable, we are promoting measures to reduce our impact on the environment.



The information is also publicly accessible on the Web.

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

Ecological Mind and Global Environmental Management

Key Points Regarding Our Measures

The Maxell Group supports the Global Environmental Charter set forth by the Nippon Keidanren (Japan Business Federation), and we are formulating Environmental Protection Action Guidelines in accordance with our Corporate Behavior Standards.

Since fiscal 2009, we have been adding our endorsement to the Nippon Keidanren Declaration on Biodiversity, in which we

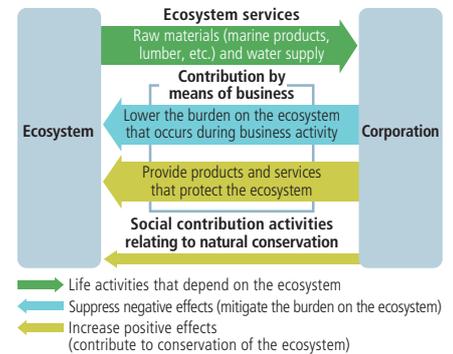
have been participating as "Declaration Promotion Partners."

Our environmental management systems acquired integrated ISO 14001 certification across seven domestic regions in 2008.

We did not have any environment-related accidents, violations, fines or complaints in fiscal 2012.

Our compliance with the REACH regulations on chemical substances in Europe in fiscal 2012 included notification to the ECHA*1 regarding substances used in our CR coin battery electrolyte that were added to the new SVHC*2 list.

Relationship between the ecosystem and a corporation



Environmental Action Objectives and Actual Results for Fiscal 2012

Category	Activity	FY2012 Target		FY2012 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*3: 81%	84%	🌳🌳
	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)		52% reduction	🌳🌳
		16% reduction in CO ₂ emissions per unit production**4 (Japan, compared with FY2005)		14% reduction	🌳
		Reduction in CO ₂ emissions per unit of production (Objectives by site) (Japan/Overseas, compared with FY2005) 21% increase (WHM)		21% increase	🌳🌳
		Energy reduction in transportation (Japan)		14% reduction	5% reduction
	Efficient Use of Resources	Reduction in waste discharge per unit of production*5	17% reduction (Japan, compared with FY2005)	13% reduction	🌳
Chemical Substance Management	VOC*6 emission rate*7	5% or less	3.8%	🌳🌳	

*1 ECHA: European Chemicals Agency

*2 SVHC: Substances of Very High Concern

*3 Ratio of Sales = (Eco-Products Sales) / (Maxell Group Sales)

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

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

*6 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.

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

Evaluation criteria 🌳🌳 : Target achieved 🌳 : Target partially achieved

Environmental Accounting

In fiscal 2012, we engaged in environmental accounting with a focus on capital investment for energy conservation. Costs diminished 4% year on year, however, reflecting the harsh business climate.

(Millions of yen)

	FY2011	FY2012
Costs	1,321	1,272
Investment	177	35
Economic Benefits	69	1,140

Providing Next-Generation Products and Services

Expansion of Eco-Products

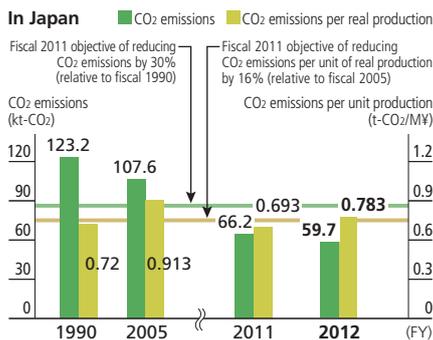
We are promoting the development of Eco-Products Select. These are products evaluated for their environmental impact at every stage of their lifecycle in accordance with the items established in the Hitachi Group environmental suitability design assessment criteria. This is a higher standard of environmental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

In fiscal 2012, we registered 25 of our products, including shavers, as Eco-Products, and we registered one product as an Eco-Product Select.

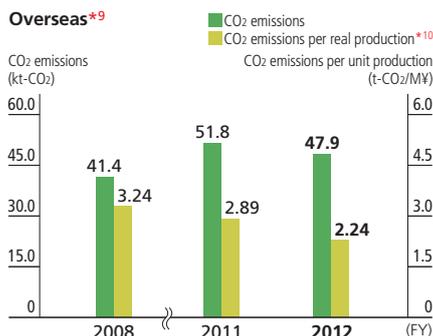
Eco-Products Select Certification Standards

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

CO₂ Emissions*⁸ and CO₂ Emissions Per Unit Production



*⁸ Electric power/CO₂ conversion coefficients: For fiscal 1990, 0.417 t-CO₂/MWh; for fiscal 2005, 0.423 t-CO₂/MWh; and for fiscal 2011 and fiscal 2012, 0.36 t-CO₂/MWh



Topics



Eco-Products Select "iV" Cassette Hard Disk (1TB)

With its large one-terabyte capacity, this cassette hard drive (HDD) can record approximately 800 hours of full HDTV video stream. It has a proprietary shock-resistant frame that achieves a balance of impact resistance and compact size, with 8 cm width and 11 cm length.



Environmental Communication

Dialogue with Stakeholders

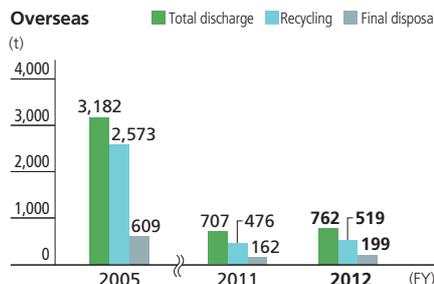
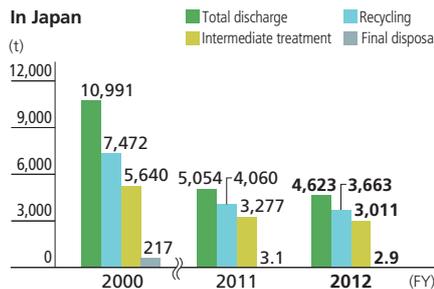
A forum was established for the fifth dialogue held with 15 university students taking the Introduction to Global Environmental Studies course in the Division of Global Architecture in the Osaka University School of Engineering.

On the day of the event, an exchange of views with the visitors took place regarding the environmental vision of the Hitachi Group and the environmental activities of the Maxell Group.



Dialogue with Stakeholders

Waste Situation



*⁹ These are the UK Plant (MEL), the Malaysia Plant (MTM), the Wuxi Plant in China (WHM), and the Indonesia Plant (PT. SLIONTEC EKADHARAMA INDONESIA).

*¹⁰ 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.
Electric Power/CO₂ Conversion Coefficients: United Kingdom 0.487, Malaysia 0.656, China 0.745, Indonesia 0.726

Works and Offices with a High Level of Environmental Consideration

Electricity-Saving Measures

We again took active measures to save electricity at all our sites in Japan in fiscal 2012, including the adoption of holiday rotation systems and demand management of facilities. We also engaged in electricity-saving measures in other countries, and notably at Wuxi Hitachi Maxell Co., Ltd. (the Wuxi Plant in China).

In fiscal 2013, we plan to introduce solar power generation facilities with a total output of 2.9 MW at our Fukuchiyama Works and Ono Works.

Topics

Power Consumption Reduced by Using Welder Exhaust



Zues Zhang

Wuxi Hitachi Maxell Co., Ltd.
(the Wuxi Plant in China)

Lithium-ion batteries have to be fabricated in dry rooms under very low humidity, and much of the energy involved is required for dehumidification.

The exhaust from laser welders was therefore directed back into the dry rooms and used there. This is achieving an annual reduction in electric power consumption of approximately 260 MWh.



Device to direct welder exhaust into dry rooms

Business Operations and Environmental Impact

INPUT

- ▶ **City water, industrial water, ground water**
Japan 722km³ Overseas 200km³
- ▶ **Energy**
Electricity: Japan 100,000,000kWh Overseas 67,000,000kWh
Fuel oil (heavy oil, gasoline, etc.): Japan 1,099kL Overseas 28kL
Gas (city gas, LPG) (oil equivalent): Japan 9,961kL Overseas 692kL
- ▶ **Procured materials** (Japan figures for the Maxell Group)
Ferrous metal materials 1,900t Nonferrous metal materials 3,600t
Synthetic resin materials 15,500t
Other nonmetal materials 14,200t
Other composite materials 18,500t
- ▶ **Handled amount of PRTR*¹¹ chemicals**
Japan 4,719t Overseas 164t

Logistics 54,000t*¹²

OUTPUT

- ▶ **Wastes and valuable resources**
Total emission amount: Japan 4,623t Overseas 762t
Final disposal amount: Japan 2.9t Overseas 199t
Recycled amount: Japan 3,663t Overseas 519t
Release and transfer volume of PRTR chemicals:
Japan 179t Overseas 51t
- ▶ **Discharged water**
Discharged water amount: Japan 722km³ Overseas 200km³
BOD*¹³ Japan 11.8t COD*¹⁴ Japan 1.2t
- ▶ **Exhaust gas**
CO₂ emissions: Japan 59,700t-CO₂ Overseas 47,900t-CO₂
SO_x: Japan 600Nm³*¹⁵ NO_x: Japan 21,100Nm³*¹⁵

*¹¹ Pollutant Release and Transfer Register

*¹² Japan figures for the Maxell Group

*¹³ Biochemical Oxygen Demand

*¹⁴ Chemical Oxygen Demand

*¹⁵ Volume of emissions by designated domestic facilities



Hitachi Maxell, Ltd.

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

