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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 ranked higher in importance has been put into concise, organized form in our report communicate if 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

Japan

Production: Hitachi Maxell, Ltd.; Hitachi Joei Tech Co., Ltd.; Maxell Smart Communications Co., Ltd.

Overseas

Production: Maxell Tohshin (Malaysia) Sdn. Bhd.; PT. SLIONTEC EKADHARMA INDONESIA; Wuxi Hitachi Maxell Co., Ltd.; Hitachi Digital Products China Co., Ltd.; Maxell Finetech (Thailand) Co., Ltd.

Sales: 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.

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 2014

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

Period Covered by this Report

The period covered is fiscal 2013, from April 1, 2013 to March 31, 2014. In some instances, however, the subject matter relates to fiscal 2014.

*1 Corporate social responsibility

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

Corporate Profile

Our Businesses

Energy:

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

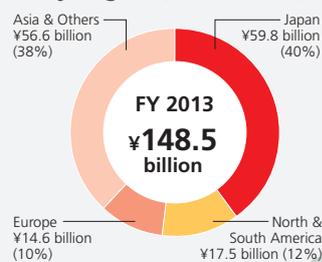
Industrial materials:

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

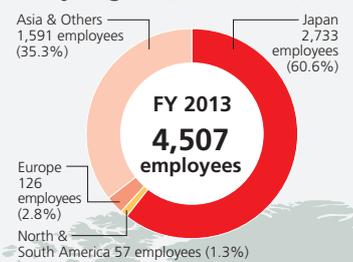
Electronic appliances/Consumer products:

Projectors; small electronic appliances; health care equipment; audio equipment; cassette hard disks; optical discs; power bank; chargers; wireless charging equipment; accessories; dry batteries; audio tapes/video tapes

Breakdown of Sales by Region (Consolidated)



Breakdown of Employees by Region (Consolidated)



Message from the Management

Aiming at Becoming the “No. 1 Smart Life Company” That Will Help Make People’s Lives and Society Smarter



The environment surrounding our company is changing at an unprecedented speed. Technology, trade conditions and demand are all changing at a pace exceeding our expectations. So, it is important that we heighten our sensitivity to change to anticipate the unexpected.

Against this backdrop, in fiscal 2013, Hitachi Maxell got to grips with various reforms to show further growth to the world. Reforms began in May with the establishment of Maxell Smart Communications, the new company for its skin check business. This was followed by the inauguration of the Optoelectronics Division Headquarters in July and the launching of the new electric storage system business in September. We expect these new businesses to add extra breadth, depth and significance to the Maxell Group's current business portfolio and generate further synergy in each of the business divisions and operating companies in and outside Japan. At headquarters, too, we promoted reforms intended to reduce organizational weight and strengthen organization abilities.

The aim of Hitachi Maxell is to become the “No. 1 Smart Life Company” that will enrich people’s lives and provide them with comfort (Smart Life), and in doing so, contribute to society. Amidst these reforms, we have adopted the three domains of Automobiles, Living & Infrastructure and Health, Hairdressing and Beauty as the pivots of our long-term strategy. This way, we hope to sense changes in society ahead of others and propose secure and safe living, simple living and exciting living.

Unique technologies, brands and solutions will become the driving force for achieving this and attaining global growth. The new Optoelectronics Division Headquarters that was inaugurated in 2013 will add extra significance to our company's unique technologies. With respect to brands, we are working to further enhance brand strength with product development conducted mainly by Hitachi Maxell Global (Hong Kong) and

with beauty consumer electronics from Kyushu Maxell. In the area of solutions, we will accelerate the launching of the electric storage system business and other new businesses. We are aiming at global growth concurrent with this by advancing overseas expansion, cost improvements, and business shift over to high value-added fields in parallel.

Hitachi Maxell is pushing ahead with diversity management for making the best use of human resources that are critical for this kind of growth. We are already engaged in projects to promote women's activities. In addition, we have promoted the appointment of young employees, the full use of experienced workers and local human resources, and appointment to important posts, to mention but a few. In keeping with the spirit of the “FUNs” program we shall put greater effort into fostering human resources with greater “footwork” and “unique” technology aiming at “niche top” who will have a sense of “speed.”

Hitachi Maxell is also devoting efforts to strengthening its system of governance. In September 2013, we set up the Hitachi Maxell Group Human Rights Policy which defines policy for respecting human rights that employees should fulfill upon our global business expansion. We also established the Compliance Management Committee to strengthen the system of corporate compliance. Through initiatives such as these, we will respond to the demands and expectations of the market and society on Hitachi Maxell, which are increasing more and more as a result of its stock offering, with a view to fulfilling its social responsibility. At the same time, we will strictly observe the basics and rightness and the thorough assurance of quality towards establishing a resilient management culture and reinforcing the foundation of our global business.

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 held firmly since the start of this company, together with the process technologies, components and materials that form the core of the business, and to the Smart Life. Our aim is to earn the trust of all our stakeholders and become a corporation that elicits anticipation.

June 2014



Yoshihiro Senzai
President and Representative Director
Hitachi Maxell, Ltd.

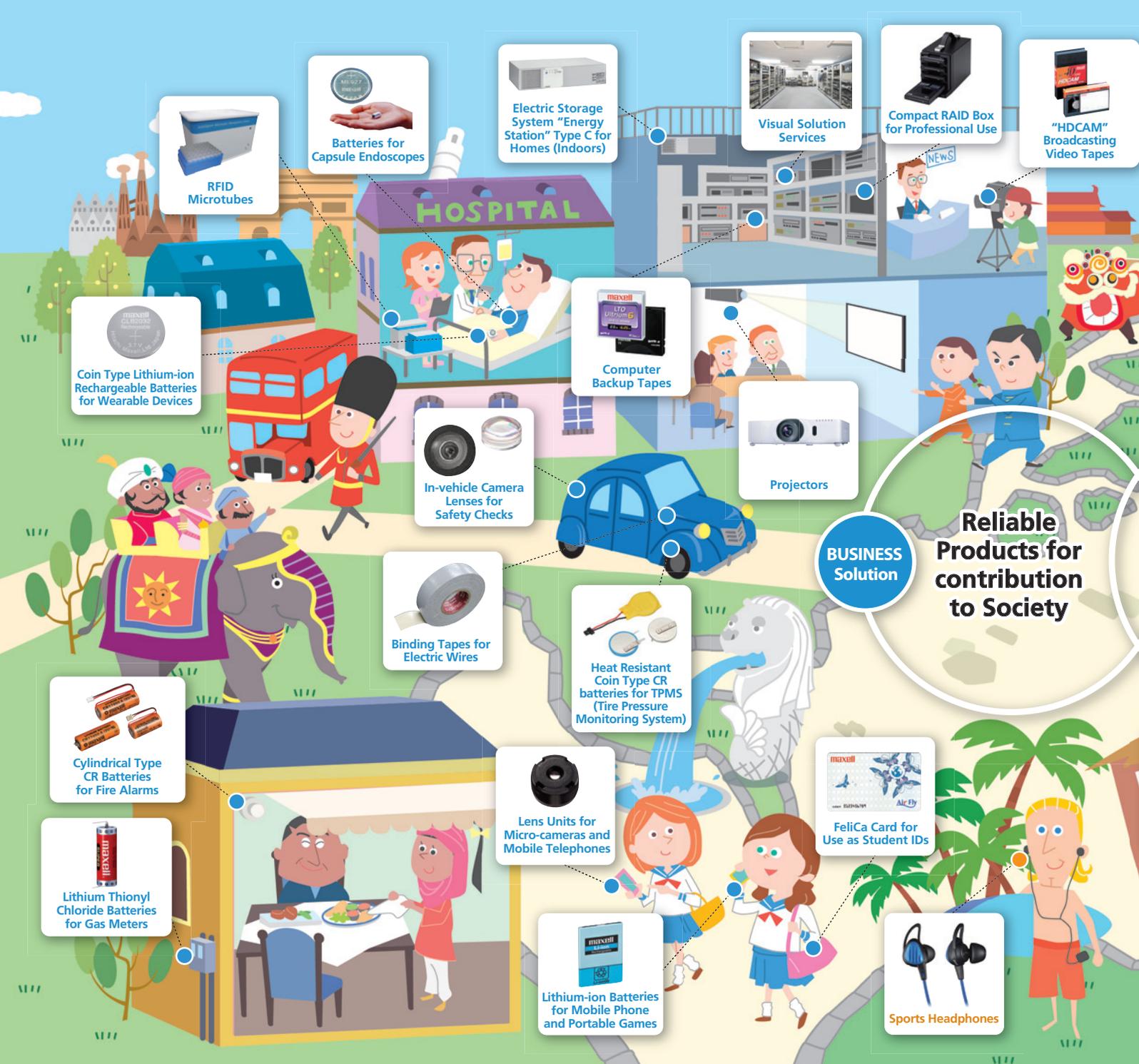
We are accelerating our long-term strategy by relisting on the stock exchange.

On March 18, 2014, Hitachi Maxell was listed on the First Section of the Tokyo Stock Exchange. This meant that we were relisted since our becoming a wholly owned subsidiary of Hitachi in April, 2010.

By our listing on this section of the stock exchange, we have set in place a system that allows us to swiftly execute decision-making and business judgments, and flexibly raise funds. We are also aiming at further growth in the future by actively taking on mergers and acquisitions and new alliances and focusing on acquiring outstanding and talented personnel worldwide.

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 2014) |
| Consolidated net sales | ¥148.5 billion (for the year ended March 31, 2014) |
| Number of employees (consolidated) | 4,507 (as of the end of March 2014) |



Reliable Products for contribution to Society

BUSINESS Solution

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

BUSINESS Solution

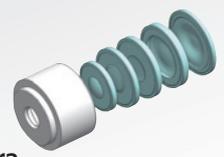
High-brightness, High-resolution Projector in a Slim and Flat Design

We added three new models that feature enhanced brightness and resolution to our "8000 series" of liquid crystal display (LCD) projectors for large halls, convention rooms and auditoriums. By means of the proprietary technology "ACCENTUALIZER™," gloss, sharpness and shade of the image are enhanced, enabling even sharper images to be projected.



Equipped with a variety of interchangeable lens options and motorized shift, the 8000 series projectors allow for a greater range of installation possibilities. Making effective use of imaging technology garnered in TV development, unique optics technology such as free-form surface optical systems and production technology, we will continue to promptly put onto the market distinctive products.

Satoshi Nakayama
Projector Department,
Optronics Division



Lens Unit for Ultra High-resolution Mobile Telephones

The mobile telephones such as smart phone have trend towards to high resolution, high definition and more compact size. The Fine Tech Division provides customers with plastic products using with advanced production technology of molding die tools and injection molding.



BUSINESS Solution Products and services we provide to enterprises

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 equipment 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

Hiroaki Usami

Molding Section, Components Department, Fine Tech Division



We have earned customers' trust about molding die tools and injection molding technologies which have used thinner thickness of plastic lenses to realize precision lens shape and eccentricity that are needed to achieve the ultra-resolution cameras for mobile telephones. We are aiming to improve upon these technologies even further in the future.

Binding Tape for Electric Wires

We have developed new tapes for binding electrical wires by applying solvent-free processes that do not involve the use of organic solvent materials. Reduced VOC (volatile organic compound) products such as these have been in demand in the automobile industry these past recent years. Compared with conventional products, these tapes feature higher self-extinguishing and cushioning properties, which are evaluated highly by our customers.



We have studied solutions to these kinds of issues from a variety of angles, and have succeeded in developing products that satisfy requirements in terms of both properties and manufacturing processes. We will continue to push ahead with the development of environmentally friendly products by reducing the amount of organic solvents used and by other means.

Yasunari Murakami

No. 2 Engineering Section, Slion Components Department, Sliontec Division



Visual Solution Services for Digitization of Video Content

So that valuable video assets recorded in the analog era can be handed down to future generations, we provide comprehensive support in the operation of customers' video content by various services such as format conversion of analog tape and file conversion for web distribution.



The need for converting analog media to digital format is increasing due, for example, to the discontinued production of playback hardware and conclusion of maintenance contracts. The visual solution services we provide are based on the expertise we have accumulated in the broadcasting industry. In this way, we provide total support for archiving and effective use of customers' video assets.

Yukari Wada No.1 Section, Business Solutions Division

"Energy Station" Electric Storage System for Homes

This is the world's smallest and most lightweight HEMS (Home Energy Management System) compatible lithium-ion electric storage for condominiums and detached housing.* It is designed in a thin structure, making it easy to install in dead spaces, and is equipped with UPS functions, etc. for automatically detecting power interruptions.



Within the current trend to effectively use renewable energy, this new initiative by Maxell will stimulate entry into the electric storage market. We will be actively making efforts to realize the "provision of products that will help our customers' lives."

* In ECHONET Lite-compatible lithium-ion electric storage systems As of September, 2013, according to a Hitachi Maxell survey

Daisuke Murakami
LB3 Section,
Sales Department,
Energy Division

Providing a FeliCa LiteS IC Card High-quality Design

FeliCa IC cards are widely used in a variety of applications such as traffic tickets and electronic money. In particular, cards which mounted FeliCa Lite-S of Sony Corporation that are relatively cheap and used in single-function applications such as reward point cards and event tickets are elegantly designed, which is driving sales.



With entertainment type members' cards, the emphasis is given to design. In response to customer wishes, we are proposing and providing attractive cards that also impart the element of pleasant surprise.

Mayu Ogawa
Production Section, Information Security Department,
Kyushu Maxell Division



"CR" Coin Type Manganese Dioxide Lithium Batteries

These compact, lightweight batteries have a 3V operating voltage and wide operating temperature range. As a result, they are extensively used as power sources for a variety of electronic equipment.



"CR" coin type batteries are used in a variety of applications including automobile keyless entry systems. As production professionals, we attach great importance to and are actively committed to "quality first" production in Japan. We will continue to make products that each and every one of our customers can be satisfied with.

Masaru Ishihara
Micro Battery Production Department,
Energy Division



Started "Hada more" Skin Check Service on Smartphones

The "Hada more" service judges six check items – such as texture and blemishes – based on images of the skin taken by a "skin lens" attached to a smartphone lens, compares the result with previous data, and provides skin care advice suited to the weather and season. Users of this service can also view a past log of check data.



About 80% of women are worried about their skin. "Hada more" provides a total score for six anxiety points – texture, blemishes, slight wrinkles, pores, transparency, and bleaching. By learning more about changes to skin that occur due to the season and physical condition, skin care is more complete and can help maintain skin in its ideal condition. We will expand this service with content and functions in line with customers' wishes.

Fumie Kusumoto
Maxell Smart Communications Co., Ltd.

Mobile Air Massager That Runs on Dry Batteries

We have prepared a lineup of three models for the calves, legs and hands. These air massagers impart a firm sensation like that of a hand massage by means of a massager that runs of dry batteries. They are compact and cordless, making them easy to carry around and usable anywhere. You can enjoy a massage at your leisure in the office or on your couch at home even.



The area of health household appliances is a potential growth market not only in Japan but also overseas. We are committed to providing customers with original functions suited to their requirements and to making products using leading-edge technology.

Takashi Shinagawa
Health-care Equipment Development Section,
Electronic Appliances, Kyushu Maxell Division



Quality of LIFE

LIFE Line

Safety-conscious Power Bank That Can be Charged Directly from Power Outlets

This handy mobile charger has an integrated AC plug. It is built in a safe design with the internal lithium-ion battery mounted separately in an exclusive original case. As a result, the inside of the main unit will not be adversely affected even if a problem occurs with the internal battery.



There is an increasing need for mobile chargers as an auxiliary power source for smartphones. In addition to products that apply Maxell lithium-ion batteries, we will develop products matched to diverse needs and expand our product lineup.

Hideaki Matsuoka
Business Planning and Advertising Group,
Product Planning Department, Consumer Business & Sales Division

Enjoying LIFE

"MXH-DBA900" Dual-hybrid Structure High-class Headphones

These headphones are equipped with balanced armature type and dynamic type hybrid drivers, and their housing is designed in a dual-hybrid structure comprising a high-rigidity aluminum alloy and resin hybrid body. A clear high-range and vibrant, dynamic mid-range and bass tones ensure that the original sound is delicately reproduced.



Due to widespread use of smartphones, there are now more situations for listening to music. This, in turn, has increased the need to listen to music with better audio quality. We are committed to developing audio products that better meet the needs of users who enjoy their music.

Makoto Ochiai
Product Development Section, Product Planning Department,
Consumer Business & Sales Division

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.

WEB
This information is also 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.

Also, 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.

System of Governance

At Hitachi Maxell, we have opted for a company organization comprising a Board of Directors and Board of Company Auditors having double auditing check functions, auditing of corporate management by directors and auditing by company auditors. We have also appointed external auditors and directors so that we can audit management of the company from an independent and

fair position. By adopting a system such as this, we believe that we can maintain a highly transparent governance system.

In order to push on ahead with more effective execution of our business and make our system of accountability even more transparent, we will be introducing a system of corporate officers starting July 1, 2014.

Compliance

The Maxell Group is continuously engaged in building an appropriate management structure, pursuing the improvement of internal governance systems, and developing our compliance structure.

In fiscal 2013, we set up a new committee, the Compliance Management Committee, and appointed a CCO or Chief Compliance Officer with a view to strengthening our system of compliance. We also held a compliance lecture which was attended by 388 employees.

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.

Risk Management

Every year, Hitachi Maxell conducts risk

assessments that also focus on compliance in each of our departments. The results of these assessments are reported to the Compliance Management Committee comprised entirely of directors.

We handle priority issues by cutting across and over organizational boundaries.

Information Security

In accordance with our Information Security Policy, the Maxell Group is promoting the reinforcement of rules, systems and safety measures, and is committed to educational activities for heightening the awareness of each and every employee. In fiscal 2013, we implemented "Preparedness When Using Social Media," "Threat of Malware" and "Involvement in Privacy Protection" and other activities.

Also, we acquired privacy mark certification in April 2013.

Human Rights Education

The Maxell Group set up the Hitachi Maxell Group Human Rights Policy in September, 2013 based on the International Bill of Human Rights and the Declaration on Fundamental Principles and Rights at Work of the International Labor Organization (ILO).

Again, in fiscal 2013, all employees took part in the Business and Human Rights e-learning course as part of human rights education.

Long-term Strategy

◆ Aiming at Additional Growth in Three Major Domains — Automobiles, Living & Infrastructure and Health, Hairdressing and Beauty

Maxell has unveiled a long-term strategy of expanding its business of responding to customers' needs by solutions that effectively apply its unique technology and global business network in the three major domains of Automobiles, Living & Infrastructure and Health, Hairdressing and Beauty. We are developing products that leverage company strengths in each of these domains where market growth is anticipated — in automobiles, heat-resistant CR batteries and on-board cameras; in living and infrastructure, liquid crystal display projectors and tapes for building materials; and, in health, hairdressing and beauty, health-care equipment, for example.

Maxell is aiming at further future growth by concentrating its investments in these domains.



Automobiles

- ◆ Sensor batteries
- ◆ TPMS module batteries
- ◆ EV battery electrodes
- ◆ On-board lens modules for cars
- ◆ Lenses for LED headlights, etc.



Living & Infrastructure

- ◆ Infrastructure batteries
- ◆ Functional materials
- ◆ Projectors
- ◆ Long-distance communication compatible readers/writers
- ◆ Multi-tapes, etc.



Health, Hairdressing and Beauty

- ◆ Beauty-treatment household appliances
- ◆ Health-care equipment
- ◆ Personal cloud products for smartphone applications, etc.

Social Activity Report

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

Together with Customers

Enhancing Customer Satisfaction

The Maxell Group is making efforts to enhance customer satisfaction (CS) by conducting analysis in operating divisions for products that are improved by incorporating customer views and wishes and reflecting the results of this analysis in products and services.

As part of CS improvement efforts, the Customer Service Center uses response rate and rate of gratitude calls as indices so that it can respond promptly and appropriately to customer questions and requests for consultation. During fiscal 2013, the response rate fell to 71% but the rate of gratitude calls was 5.5%, a 0.7% increase over the previous year.

Enhancing Product Liability and Quality

We are continuously promoting in-process quality assurance activities in production processes 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. Also, during product development, everyone in related departments such as design, production and quality assurance makes a concerted effort to prevent malfunctions occurring in products and services.

In fiscal 2013, there were no malfunctions in newly released products.

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 daily procurement activities organized by each operating division, at customary New Year's celebration forums, and other such occasions. In this way, we are sharing a common awareness of CSR with suppliers.

At the New Year's celebration forums held in January 2014, the president requested suppliers to cooperate in promoting CSR and to engage in thoroughgoing observance of basics and rightness.

Also, we are globally pressing ahead with VE (Value Engineering) that



WEB

This information is also accessible on the Web.

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

makes full use of VE practical education in work for local national personnel overseas.

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 reviewed controlled substance categories with the primary intention of compliance with the various regulations for product chemical substances, and, in particular, compliance with controlled and approved substances and SHVCs as laid down in the REACH regulations in Europe. We also issued and distributed the Green Procurement Guidelines Ver. 7.0 to our suppliers.

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 the Maxell Group's 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.



Exhibiting examples of VE activities

TOPICS

Hitachi Maintains the Leading Share in the Chinese Projectors Market for Seven Straight Years*

Hitachi projectors have captured the leading share in the Chinese market for the past seven years since 2007. As of fall 2013, the total number of projectors shipped to China has topped 1,000,000 units, an industry first.

In addition to the educational market in China, the demand for high-brightness, high-resolution projector models for use in office conference rooms has increased in recent years. We present an extensive lineup of models suited to a variety of applications including ultra-short image projection models that incorporate the Maxell proprietary free-form surface optical system, models featuring enhanced dustproof functions and durability, and models that achieve high brightness and high resolution in a compact casing.

As of January, 2014, sales of "Maxell" branded LCD projectors for the Chinese market also were started. We are aiming a further growth in the Chinese market in the future hand-and-hand with our business partners.

* Source: Projector Window research data, as of Jan 2014



World-First* Blu-ray HDD Recorder "iV-Blue" with iVDR Slot

The "iV-Blue" Blu-ray HDD recorder was developed in response to user needs for recording content without worrying about hard disk drive capacity, removing and playing back recorded TV programs on other equipment, and family members creating their own content libraries.

Three recording media — internal hard disk, Blu-ray disc and "iV" hard disk capable of extending recording time indefinitely — can be flexibly selected to match specific recording applications, allowing users greater and smarter freedom in enjoying their audio-visual content.

* As of March, 2013, as a Blu-ray HDD recorder (Maxell survey)



Together with Local Communities and Societies

Expanding Social Contribution Activities Deeply Rooted in Regions 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.

Europe



Maxell Europe Ltd.

We provided DVD+Rs, CD-Rs and USB memories to groups supporting children with disabilities.

Wuxi Hitachi Maxell Co., Ltd.

We started classes on environmental protection in elementary schools. We got the students to submit pictures, and chose the best 10 works from among them.

China



Hitachi Maxell

We held Hitachi Science Seminar classes on how to make dry batteries jointly with Hitachi Metals and Hitachi. Eighteen fourth to sixth graders participated in the seminar.



Japan

Hitachi Digital Products China Co., Ltd.

Eight volunteers instructed 60 fourth graders in experiments for observing the photosynthesis of plants with microscopes.

China



Maxell (Shanghai) Trading Co., Ltd.

As well as taking part in a tree planting program in parks, we provided aid to 20 elementary school children who needed economic assistance.



China

Malaysia



Maxell Tohshin (Malaysia) Sdn. Bhd.

We held our 12th blood donation drive. 107 employees participated in this drive, a 24% over the previous year.



Hong Kong/China



Taiwan



Thailand



Maxell Finetech (Thailand) Co., Ltd.

We raised donations from employees for Makha Bucha (Buddhist observance holiday) in February, and visited temples in the neighborhood and made donations to priests there.



Indonesia

PT.SLIONTEC EKADHARMA INDONESIA

Neighboring districts are often hit by floods in the rainy season. We donated funds for maintaining ditches with poor drainage.

Hitachi Maxell Global Ltd.

Maxell (Shenzhen) Trading Co., Ltd.

A total of 16 employees and their families helped clean up a beach in the city of Shenzhen.



Singapore

Maxell Asia (Singapore) Pte. Ltd.

In a huge market that takes in 109 countries from Oceania, Southeast Asia extending to West Asia and Africa, we conduct sales and marketing activities day after day. We will push ahead with developing products suited to individual regions mainly in the high-growth regions of ASEAN and India, and will make the Maxell brand an established name in the market.

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, Kyushu Maxell Division and Hitachi Joeli Tech Co., Ltd.).
- Provided polyethylene sheet and tape needed when praying outside Islam mosques three times in year. (Indonesia)
- Took in social education trainees from neighboring middle and senior high schools. (Indonesia)
- Participated in blood donor activities. (China, Malaysia)

- Collected leftover food that can be stored from homes and can juice pull tabs, and donated all to various groups. (United States)
- Participated in beach cleanup activities jointly with group companies. (Hong Kong)
- Donated two badminton courts and gave Hitachi education funds. (Hitachi Digital Products China Co., Ltd.)

Reputations with external

- Won an award in the BCN AWARD 2014 DVD Media Category hosted by BCN Inc.

- Canal-type headphones and TV surround speakers won prizes at the 2014 Visual Grand Prix by Ongen Publishing Co., Ltd.
- iV hard disk recorder, canal-type headphones, Bluetooth speaker and Blu-ray discs for recording won prizes at the 2013 Summer Visual Grand Prix by Ongen Publishing Co., Ltd.
- Commendation as a Green Enterprise by the Wuxi City Environmental Protection Agency for the 12th consecutive year (Wuxi Hitachi Maxell Co., Ltd., the Wuxi Plant in China)

Together with Employees

Occupational Health and Safety Activities

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

In fiscal 2013, 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 2012.

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

Strengthening Mental Health Activities

Hitachi Maxell is taking steps by means of the EAP*2 to help employees resolve their various problems and worries through outside consultation contact services.

Moreover, in fiscal 2013, line (foreman) care training was conducted with the purpose of paying greater attention to daily changes among subordinates, which resulted in the early discovery of problems.

*2 Employee Assistance Program

Creating an Enriching Workplace

In fiscal 2013, Maxell 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.

Promotion of Diversity Management

Hitachi Maxell has incorporated diversity (the effective use of versatile human resources) into its management and business strategies. By making full use of human resources with differing values, sensitivity and experience, we aim to improve the problem-solving capabilities, creativity and flexibility of the organization.

From this year onwards, we will be inaugurating projects to promote women's activities, and will be putting greater efforts into ensuring continued women's work and furthering women's careers.

We had a ratio of employment of people with special needs of 2.02% in fiscal 2013. We had 51 rehired former employees who had reached the age of mandatory retirement.

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.

Ecological Mind and Global Environmental Management

Key Points Regarding Our Measures

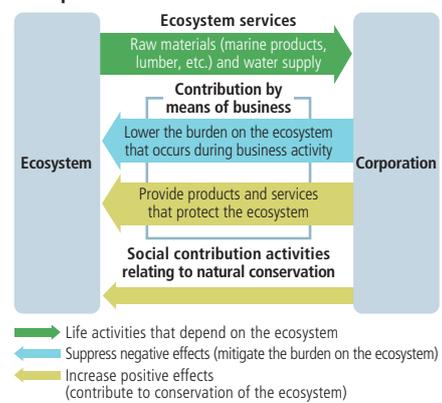
The Maxell Group supports the Global Environmental Charter set forth by the Nippon Keidanren (Japan Business Federation), and we are formulating Environmental Protection Action Guidelines in accordance with our Corporate Behavior Standards. Since fiscal 2009, we have been adding our endorsement to the 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, and in fiscal 2013 the Optronics Division Headquarters and Hitachi Joei Tech Co., Ltd. who have been engaged in business expansion will be joining us in developing our environmental activities.

We did not have any environment-related accidents, violations, fines or complaints in fiscal 2013. Furthermore, we reviewed chemical substance management workbooks with the primary intention of compliance with the latest laws and regulations, and, in particular, compliance with controlled and approved substances as laid down in the REACH regulations in Europe and SVHC*1 in Japan.

Relationship between the ecosystem and a corporation



Environmental Action Objectives and Actual Results for Fiscal 2013

| Category | Activity | FY2013 Target | FY2013 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 Environmental CSR Manufacturing | REACH regulations compliant | Implemented study of component contents | 🌳🌳 |
| | Promotion of Eco-Products | Expansion of Eco-Products Ratio of sales*2: 86% | 88% | 🌳🌳 |
| Works and Offices with a High Level of Environmental Consideration | Global Warming Prevention | 40% reduction in CO ₂ emissions (Japan, compared with FY1990) | 53% reduction | 🌳🌳 |
| | | Energy consumption basic unit percent improvement*3: 29.4% or more (Japan/Overseas) (compared with FY2005) | 23.2% improvement | 🌳 |
| | Efficient Use of Resources | Quantity of waste valuables outbreak basic unit percent improvement*3: 42.0% or more (Japan/Overseas) (compared with FY2005) | 44.0% improvement | 🌳🌳 |
| | Chemical Substance Management | VOC*4 atmosphere discharge basic unit percent improvement*3: 25.9% or more (Japan/Overseas) (compared with FY2006) | 31.7% improvement | 🌳🌳 |

*1 Substances of Very High Concern

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

*3 Numerical values obtained by performing weighted average by the load ratio on the percent improvement in the basic unit (load/activity) with respect to a reference year

*4 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.

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

Environmental Accounting

In fiscal 2013, we engaged in environmental accounting with a focus on energy saving investments. Costs, however, rose 1% over the previous year due to increases in R&D costs.

| | (Millions of yen) | |
|-------------------|-------------------|--------|
| | FY2012 | FY2013 |
| Costs | 1,272 | 1,285 |
| Investment | 35 | 18 |
| Economic Benefits | 1,140 | 792 |

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 2013, we registered 25 of our products, including air massagers, 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

Environmental Communication

Dialogue with Stakeholders

A forum was established for the sixth dialogue held with 12 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

TOPICS

Birth of the 6th Generation Ultrium Format

With LTO Ultrium6, a storage capacity (when data is compressed) of 6.25 TB or 30x or more than the 1st-generation product LTO Ultrium1 has been achieved as a result of atomized magnetic substances and other proprietary technology. This new format will prove highly useful in the highly efficient backup and the building of archive environments for the ever-increasing volume of information assets.



Works and Offices with a High Level of Environmental Consideration

Electricity-Saving Measures

At our bases throughout Japan, we are proactively implementing energy savings checks, and are tackling various electricity-saving measures which include demand management of facilities, restraint in using peak power, taking turns to suspend operation of air-conditioning equipment, reducing air feed pressure on compressors, and the installation of green curtains.

As a result, in fiscal 2013, we achieved an 11.5% reduction, which was lower than budgeted.

TOPICS

Start of Solar Power Generation

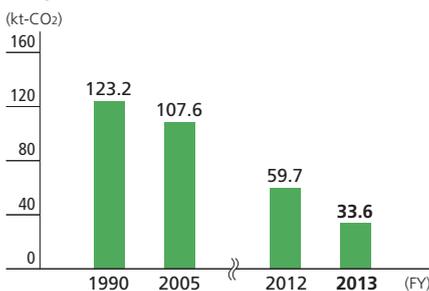
On February 4, 2014, we started solar power generation at the Ono Works (plant capacity 1.2 MW) and the Fukuchiyama Works (plant capacity 1.7 MW). Annual electric power generation of 2,800 MWh is anticipated, which equates to roughly 1,100 tons when converted to CO₂. By selling electricity as a renewable energy, Maxell will contribute to the popularization and expansion of natural energy, reduce the environmental impact on society as a whole, and further promote the prevention of global warming.



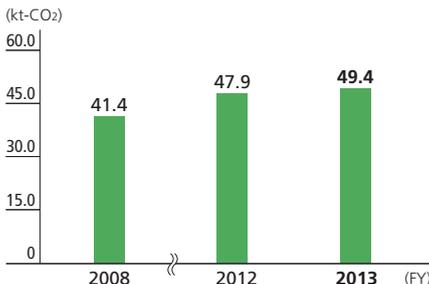
Solar power generation

CO₂ Emissions

In Japan*5

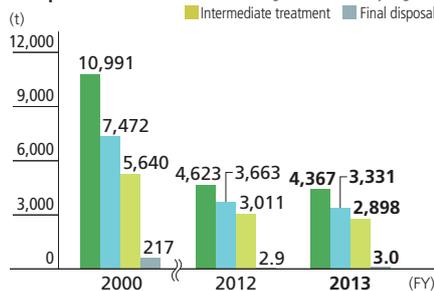


Overseas*6

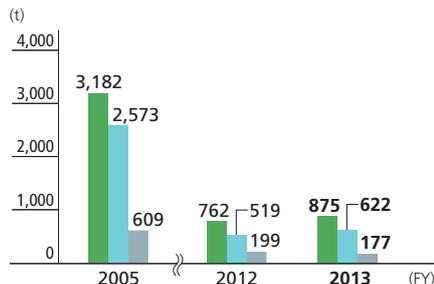


Waste Situation

In Japan



Overseas



Business Operations and Environmental Impact

INPUT

- ▶ **City water, industrial water, ground water**
Japan 636km³ Overseas 196km³
- ▶ **Energy**
Electricity: Japan 93,000,000kWh Overseas 71,000,000kWh
Fuel oil (heavy oil, gasoline, etc.): Japan 1,044kL Overseas 38kL
Gas (city gas, LPG) (oil equivalent): Japan 10,543kL Overseas 531kL
- ▶ **Procured materials** (Japan figures for the Maxell Group)
Ferrous metal materials 1,800t Nonferrous metal materials 3,600t
Synthetic resin materials 15,900t
Other nonmetal materials 13,800t
Other composite materials 16,000t
- ▶ **Handled amount of PRTR*7 chemicals**
Japan 2,362t Overseas 168t

Logistics 51,000t*8

OUTPUT

- ▶ **Waste and valuable resources**
Total emission amount: Japan 4,367t Overseas 875t
Final disposal amount: Japan 3.0t Overseas 177t
Recycled amount: Japan 3,331t Overseas 622t
Release and transfer volume of PRTR chemicals:
Japan 120t Overseas 56t
- ▶ **Discharged water**
Discharged water amount: Japan 636km³ Overseas 196km³
BOD*9 Japan 12.8t COD*10 Japan 0.7t
- ▶ **Exhaust gas**
CO₂ emissions: Japan 33,600t-CO₂ Overseas 49,400t-CO₂
SOx: Japan 700Nm³*11 NOx: Japan 21,500Nm³*11

*5 Electric power/CO₂ conversion coefficients (unit: t-CO₂/MWh): For fiscal 1990, 0.417 t-CO₂/MWh; for fiscal 2005, 0.423 t-CO₂/MWh; and for fiscal 2012 and fiscal 2013, 0.36 t-CO₂/MWh

*6 These are the UK Plant (MEL), the Malaysia Plant (MTM), the Wuxi Plant in China (WHM), and the Indonesia Plant (PT. SLIONTEC EKADHARAMA INDONESIA). Electric Power/CO₂ Conversion Coefficients (unit: t-CO₂/MWh): United Kingdom 0.487, Malaysia 0.656, China 0.745, Indonesia 0.726

*7 Pollutant Release and Transfer Register

*8 Japan figures for the Maxell Group

*9 Biochemical Oxygen Demand

*10 Chemical Oxygen Demand

*11 Volume of emissions by designated domestic facilities



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