

QUALITY ASSURANCE

To foster high-quality management activities focused on customer satisfaction and realize cost reductions in each of its operational fields, Hitachi Koki began Companywide Six Sigma programs in April 2001. To foster high-quality management activities focused on customer satisfaction and realize cost reductions in each of its operational fields, Hitachi Koki began Company-wide Six Sigma programs in April 2001 under the leadership of then President and Director Yasutsugu Takeda.

In April 2002, a Six Sigma Center was established to ensure that Six Sigma programs are sustained and related benefits are maximized. To enable the implementation of Companywide, horizontally integrated project themes and undertake

in-house training of Six Sigma project leaders, in addition to arranging for the training of Master Black Belt employees, the Company is also training Black Belt and Green Belt employees, and Six Sigma programs focused on 43 themes have been completed.

In fiscal 2002, with the completion of the training of its Master Black Belts, Hitachi Koki made the transfer from being guided by a consulting company to taking complete control of all Six Sigma programs. Six Sigma programs focused on roughly 100 themes are planned.

History of Certification under ISO 9001/9002

Company	Certification	Date obtained
Domestic Plant, Subsidiaries		
Hitachi Koki Co., Ltd.		
Power Tools Sector	ISO 9001	July 2000
Life-Science Instruments Sector	ISO 9001	October 1995
Overseas Subsidiaries		
HKM (Malaysia)	ISO 9002	December 1997
HKF (Fujian, China)	ISO 9001	March 1997
HKG (Guangdong, China)	ISO 9002	January 1999
HKA (Hong Kong)	ISO 9002	February 1996
HKE (Ireland)	ISO 9002	April 1995

ENVIRONMENTALLY CONSCIOUS

Quick to recognize the importance of environmental protection issues, Hitachi Koki began the proactive implementation of environmental protection programs at an early stage, and, with the advent of the 21st century, the Company has further strengthened these programs in line with its commitment to the environment.

Starting in November 2000, with a sweeping reevaluation of Companywide systems with a view to improving environmental protection activities, Hitachi Koki implemented a five-year environmental protection program for the period from fiscal 2001 to fiscal 2006 that

expanded the scope of environmental issues and reevaluated environment-related targets. In fiscal 2002, the Company's headquarters in Tokyo was added to the list of facilities for ISO 14001 certification, and environmental management measures were further intensified.

In fiscal 2001, initiatives to reduce carbon dioxide emissions and conserve power and water were very successful. The ratio of environmental costs (cost of environmental activities, including human resource costs) to environmental effects (actual income and reduction in expenses, not including intangible effects) used in

environmental benefit-cost accounting reached 69%, roughly double that of fiscal 2000. In fiscal 2002, Hitachi Koki focused its environmental protection activities on four major themes: improving environmental management, the manufacture of environmentally friendly products, environmentally friendly production activities, and environment-related interaction with the local community. As a result, the volume of water used was reduced 18% compared to fiscal 2001, and a 5% reduction in the ratio of carbon dioxide emissions to net sales was achieved. Also, the number of environmentally friendly products manufactured by the Company has jumped from 7 to 52.

Hitachi Koki has designated environmental protection as one of management's top priorities and, going forward, will continue to proactively encourage environmental protection activities with the firm conviction that further progress in this area is both essential and achievable.

History of Certification under ISO 14001

Company	Date obtained
Domestic Plant, Subsidiaries	
Hitachi Koki Co., Ltd.	September 1996
Hitachi Koki Haramachi Co., Ltd.	January 2000
Overseas Subsidiaries	
HKA (Hong Kong)	November 1997
HKE (Ireland)	January 1998
HKS (Singapore)	December 1998
HKM (Malaysia)	July 2001