

Our high-RPM power tools and centrifuges exhibit high-performance capabilities supported by outstanding quality. To develop products with superior quality, Hitachi Koki's Quality Assurance Department participates in the process from the product-development stage. We are also creating and applying an ISO 9001 Quality Management System to further improve the quality of our products.

With the slogan of "providing customers with top quality products and services," the entire Hitachi Group is carrying out a campaign called "QF21" (Quality First 21) to further improve product quality. As part of the QF21 campaign, we are working to achieve "quality improvements on a global basis" with a view to improving quality at both domestic and overseas manufacturing plants and making further progress on our ongoing Six Sigma program.



Six Sigma

Since April 2001, Hitachi Koki has used the Six Sigma program to eliminate potential waste and product defects in operations throughout the Company. In fiscal 2002, ended March 31,

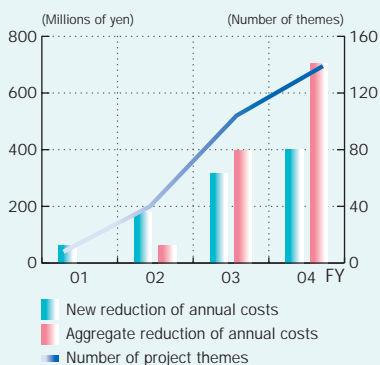
2003, to reinforce the implementation of this campaign and enhance the effectiveness of the Six Sigma program, we established a Six Sigma Center, set up companywide themes applicable to all related segments of the Company, and fostered not only the Master Black Belt holders, but also the Black and Green Belt holders, thereby enabling the Company educate its own employees.

In fiscal 2003, we began developing our in-house training system under the guidance of our newly certified Master Black Belt. In addition to the manufacturing section, the R&D and sales sections were also involved in this campaign, and our agenda included 104 themes. As a result, we achieved new fiscal effects of ¥316 million.

In fiscal 2004, we launched 139 Six Sigma projects in the manufacturing section, R&D section, and other sections throughout the Company. These project improvements are expected to have the effect of reducing annual costs by ¥400 million. Moreover, from December 2004, we have applied the Six Sigma methodology to our overseas manufacturing plants. Overall, the aggregate annual cost reduction from the completed program from fiscal 2001 through fiscal 2004 was ¥705 million.

Hitachi Koki will continue to implement Six Sigma programs to further improve the quality of its products.

Expansion of Six Sigma Programs



History of Certification under ISO 9001-2000

Company	Certification	Date obtained
Domestic Plant		
Hitachi Koki Co., Ltd.		
Power Tools Sector	ISO 9001-2000	Sept. 2002
Life-Science Instruments Sector	ISO 9001-2000	Dec. 2002
Overseas Subsidiaries		
Hitachi Koki (Malaysia) Sdn. Bhd.	ISO 9001-2000	Dec. 2002
Fujian Hitachi Koki Co., Ltd.	ISO 9001-2000	July 2003
Guang Dong Hitachi Koki Co., Ltd.	ISO 9001-2000	July 2003
Hitachi Koki Asia Co., Ltd.	ISO 9001-2000	Dec. 2002
Hitachi Koki Europe Ltd.	ISO 9001-2000	Sept. 2003