

Improving Our Corporate Social Responsibility (CSR)

Hitachi Chemical Group, as a member of society, promotes activities to fulfill corporate social responsibilities (CSR activities) to contribute to the development of a sustainable society.

Establishment of a CSR Office

The social responsibility of a corporation means more than offering high quality products and services to customers at a reasonable price. It is also important as part of the social responsibility of a corporation to make efforts to reduce the impact that its operational activities may have on the global environment and to carry out appropriate corporate activities that are in line with laws, regulations, and social codes.

Originally, Hitachi Chemical assigned various activities related to compliance and environmental protection to each division in charge within its range of responsibilities. In April 2004, a CSR Office was established to integrate these activities and to further enforce socially-responsible activities from a company-wide standpoint.

Hitachi Chemical's Standards of Corporate Conduct

Hitachi Chemical Co., Ltd. first stipulated Standards of Corporate Conduct in 1983. Since then, we have been raising the awareness of staff about the Code through various opportunities. We believe that Hitachi Chemical can be a socially responsible company only when all employees have a common understanding of the Fundamental Philosophy and follow the Action Guidelines in their corporate activities.

Slogan for the Promotion of CSR Activities

As the slogan for the promotion of CSR activities, we selected "building a company that embodies 'circle and harmony' of all living things, which can offer a sense of safety and reassurance to both people and the Earth." We are determined to develop a "circle" of people who support us and to nurture a sense of "harmony" with them so that we can deliver a sense of confidence and safety to customers along with our products.



Hitachi Chemical's Standards of Corporate Conduct

Hitachi Chemical is fully aware of its mission and the role it should play, and with the aspiration of sustaining its growth and dynamism as a truly global enterprise, we hereby declare its standards of corporate conduct as follows.

Fundamental Philosophy

The fundamental philosophy of Hitachi Chemical, since we became independent from Hitachi Ltd. in October 1962 as a separate entity, is to further enhance Hitachi's founding principles of harmony, sincerity and pioneering spirit. And we take resolute pride to be "the people" (people of Hitachi Chemical) and contribute to the society in which we are taking part through the development of superior original technologies and products with untiring and creative efforts. We fully recognize that a company is a member of a society where it belongs. We implement our commitment to corporate activities in justice and transparency. We strive as a responsible corporate citizen toward bringing about a prosperous society.

Action Guidelines

- 1.The people shall at all times behave with the spirit of working in harmony for a close collaboration within Hitachi Chemical Co., Ltd. and its consolidated group as well as the Hitachi Group, while endeavoring to create mutual understanding and ties of friendship with all nations of the world.
- 2.The people shall strive to develop advanced, highly reliable technologies and products to meet the requirements of customers with integrity so as to ascertain accurately the changing needs of the global market.
- 3.With the pioneering spirit, the people shall work to take an initiative role in research and development activities in the world.
- 4.The people shall act to cultivate their knowledge for capacity building, but at the same time they shall act according to the rule of law and corporate ethics.
- 5.Employees shall at all times observe a fair and orderly principle of competition.
- 6.Employees shall give full respect to the value of business and technical information possessed by other companies. And at the same time, they shall be fully conscious of the value of Hitachi Chemical's business and technical information, and shall work carefully towards establishing a strict and vigorous system of information management.
- 7.The people shall understand that maintaining global peace and security is crucial for improving both credibility of Japanese industries and the nation. Therefore they shall strive to comply with laws and regulations relating to international trade at the same time.
- 8.The people in the management positions of Hitachi Chemical shall, in accordance with this standards of conduct, take the initiative and provide appropriate guidance to their staff, thereby to facilitate the conduct of corporate business affairs, and shall also work toward creating a vigorous working environment in which correct workplace discipline is maintained and employee morale is raised.

Compliance: Hitachi Chemical's Concept

The term "compliance" or to "comply" is generally used to mean to "comply with legal regulations." At Hitachi Chemical, we interpret this term with a broader meaning: to comply with our Standards of Corporate Conduct when making decisions, and acting as a corporation that is a responsible member of society.

Office Responsible for Compliance

In April 2004, Hitachi Chemical established a CSR Office to integrate the tasks of overseeing the full observance of corporate ethics by the Ethics and Business Conduct Office (established in January 1998) and the Compliance Management Office (established May 2002). This will enable us to promote complete compliance and social contribution activities from a company-wide standpoint.

Safety and Environmental Management

The Safety & Environmental Management Group aims to reduce the environmental impact from corporate activities and to secure the safety of local communities and employees. Safety and environmental measures of the whole Hitachi Chemical Group are promoted through various activities, such as the improvement of environmental conditions, the control of chemical substances, safety education from the fundamental standpoint of safety, and measures to increase the intrinsic safety of the working environment.

Employee Education on Compliance

Hitachi Chemical published the Corporate Ethics Guidebook*1 and the Antitrust Law Handbook*2 to ensure that business activities, R&D, and other corporate activities are conducted properly. We are also working to instill awareness of compliance through educational workshops for all employees.

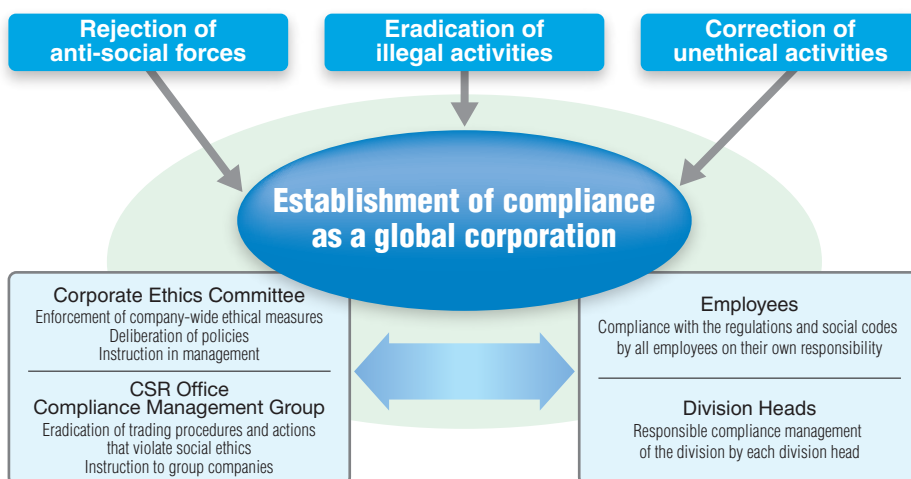
In fiscal 2002 and 2003, in-house study sessions on compliance were held for sales personnel in the Hitachi Chemical Group

with the aim of thorough compliance awareness in all sales divisions. We will continue to provide employees with educational opportunities and awareness-raising activities to maintain our corporate compliance level.

*1 Corporate Ethics Guidebook: Guidelines for Hitachi Chemical's corporate ethics, published in 1998, distributed to all company members.

*2 Antitrust Law Handbook: Published in 1992 and distributed to sales personnel.

Hitachi Chemical's concepts for corporate ethics



Export Management

The Corporate Export Regulation Group ensures legal compliance in exporting processes. Specifically, the Group focuses on export management that promptly responds to changes in regulations, thorough implementation of inspections, improvement of education and monitoring programs, and alliances with other group companies.

Risk Management

The Risk Management Group takes risk countermeasures to proactively prevent risks that would hinder business activities at Hitachi Chemical Group companies in Japan and overseas.