

Green Procurement

Through "green procurement," whenever possible, we purchase products, parts, and materials that have less impact on the environment. We are also actively engaged in manufacturing more amounts of green products.

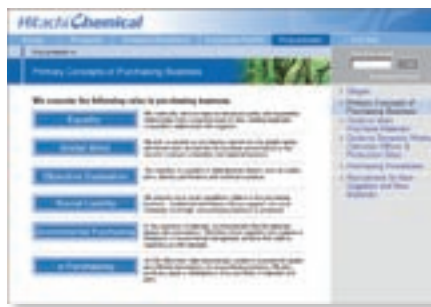
Green Procurement

In order to promote effective environmental activities, the Hitachi Chemical Group participates in "green procurement," an action to place priority on environmentally friendly products, parts, and materials for procurement.

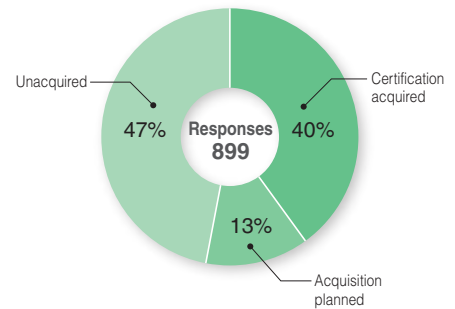
In 2001, we launched the Procurement Plaza on the Hitachi Chemical Web site to explain our ideas and methods on green procurement to existing and potential suppliers and asked them for their cooperation in taking a survey on their acquisition of ISO 14001 certification. According to the survey we conducted, more than half (53%) of the 899 suppliers who answered the survey have already acquired or are planning to acquire ISO 14001 certification (as of March 2003). We will continue such cooperation with suppliers to further increase the procurement of environmentally friendly products and materials.

Our office equipment is also subject to green procurement efforts. Since fiscal

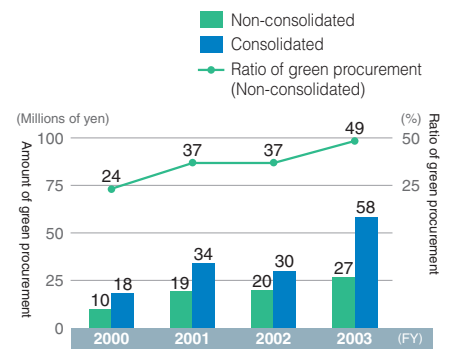
2000, we have been conducting surveys of the goods we purchase for their compliance with the Eco Mark and the Law on Promoting Green Purchasing. In fiscal 2003, the proportion of eco-friendly goods among our purchasing increased substantially (49% for Hitachi Chemical alone and 37% for the consolidated group).



■ Acquisition status of certification under ISO 14001 by material suppliers



■ Green procurement of office equipmen



The "Greenness" of Our Own Products

We are also striving to increase the eco-friendliness, or "greenness" of the products that we manufacture. For example, we have discontinued or decreased the use of hazardous chemical substances (e.g., hexavalent chromium and lead solder) in our products. This is to lower the adverse influences of products on human health while in use and to reduce the usage of chemical substances that may pollute the environment when discarded.

We also cooperate with our customers in their own green purchasing activities by preparing group-wide measures to answer their requests. In 2003, for example, we submitted quality certificates and accepted

inspections for environmental and quality assurance.

In European countries, RoHS,* a regulation for the use of six chemical substances including hexavalent chromium, polybrominated biphenyl, and other chemical substances in electrical and electronic equipment, will be implemented in 2006. We have been reviewing our products that are exported to European countries, and applicable substances in the designated items have been replaced with other materials so that electrical and electronic manufacturers can safely use our products.

* RoHS: Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment.
RoHS Directive: Enforced in February 2003; applicable from July 2006. Regulations to restrict the use of six specific chemical substances used in electrical and electronic equipment within the borders of EU member countries.

Next Step

We will continue our green purchasing activities to increase the ratio of green goods and services in our purchasing. We will conduct a hazardous substance survey for purchased materials in order to discontinue or reduce the use of these chemicals in our products. To increase the greenness of our own products, we will continue to reduce the use of hazardous substances used in production.