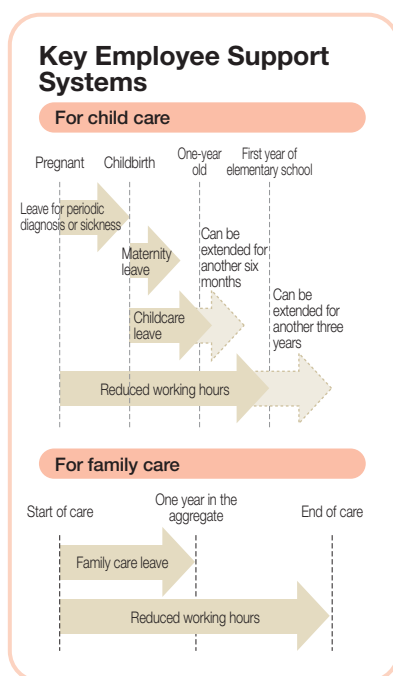


# Creating Ideal Working Environment

## Enhancing employee support systems to value both work and family

The Hitachi Chemical Group is improving the working conditions for employees who have the will to balance work and family. Employees who have to take care of their children or other family members are able to benefit from the systems of leave of absence, reduced working hours (actual working hours of six hours a day), exemption from late-night work, and limitations on overtime work for a specified period of time. Nursing leave for family care as well as a teleworking system and a reemployment system for child or family care are also available.



## Cafeteria benefit program introduced to allow selection based on individual needs

As part of its benefit program, a cafeteria plan was introduced that allows employees to choose from a predetermined menu based on individual needs.

Dormitories, company houses, and

financial support for housing expenditures are also available. The Company supports employees who purchase housing with an asset-building housing fund system and a housing loan system.

## Preventing sexual harassment through education and training of all employees

The Hitachi Chemical Group makes the issue of sexual and power harassment known to all employees without exception, using the CSR Guidebook. Each site has consultants and a complaint processing committee to produce a prompt and appropriate response in case harassment should occur. Consultation and individual communication are accepted and dealt with through the Hitachi Chemical Group Hotline.

## Promoting employee health including mental health care

For the realization of ideal working conditions and the promotion of employee health, the Hitachi Chemical Group makes efforts to provide its staff with mental health support, including such activities as lectures by medical specialists and interview and guidance by company physicians. Each site also plans and hosts employee walking races and other activities as opportunities for health care.

## Revision of the Reward System for Developers by corporate researchers revised

Hitachi Chemical has established its Rules for Handling Inventions in regard to acquisition and management of intellectual property, and is working to implement these rules appropriately. For employee inventions, we have improved our system for compensating inventors in

accordance with the revised Japanese Patent Law enacted in April 2005. The new system facilitates more effective application of research and development results to business strategies, and inventors are compensated proportionately based on the degree of contribution of their invention to the Company's business. In addition, the Company is working to maintain and increase the motivation of inventors by disclosing both the criteria and reasons for such compensation to gain their understanding and acceptance of the system.

## Fostering communication between the Company and employees and establishing healthy and smooth labor-management relationship

Hitachi Chemical holds a labor-management committee meeting and a special committee meeting on the reduction of working hours monthly, both of which consist of company management and the labor union; the former discusses issues concerning working conditions, and the latter discusses reasonable working hours. A central council and site council are also called regularly; the former discusses issues pertaining to the whole Company like managerial policies, production plans, budgets, and settlement of accounts, and the latter discusses matters specific to the site. They are to facilitate mutual communication by carefully listening to the opinions of union members and to maintain a healthy, smooth labor-management relationship.