

To all stakeholders

Every employee will reflect our fundamental philosophy in their actions in response to stakeholder trust and expectations.



Yasuji Nagase
President,
Chief Executive Officer and Director

A handwritten signature in black ink that reads "Y. Nagase". The signature is stylized with a large, sweeping "Y" and a cursive "Nagase".

Since its establishment in 1962 as an independent entity from Hitachi, Ltd., Hitachi Chemical has remained committed to its fundamental philosophy of contributing to society through the development of superior technologies and products. We are convinced that actions based on this fundamental philosophy constitute the very essence of corporate social responsibility (CSR). The fundamental philosophy of the Group will remain constant even as the challenges facing corporations undergo dramatic change from the globalization of economic activities.

The Hitachi Chemical Group will continue making steady progress toward its goal of meeting stakeholder expectations by offering new and innovative value based on our core chemical materials technology.

Trust as the our key value and aspiration

In the Corporate Vision formulated in 2004 based on our fundamental philosophy, Hitachi Chemical declared that trust is our key value and aspiration. The minimum requirement for the Hitachi Chemical Group to remain a going concern that enjoys stakeholder trust is to pursue business with integrity, rooted in both public law and corporate ethics. The increasing globalization of business particularly requires us to act in accordance with the rules of each country or region. Given this awareness, I intend to continue taking the lead on compliance and to further raise the ethical standards of each individual employee.

Providing the optimal solution to problems faced by customers and society

The Hitachi Chemical Group has sought to discover potential needs and develop technologies and products to solve problems through close communication with customers. These activities are embodied in our unique Material System Solution business model. We also seek to realize a better society as a corporate citizen by practicing sales activities with due consideration for CSR.

Dedicated steady effort on the part of each individual employee

The goal of CSR activities is to become a company that satisfies and wins the trust of the various stakeholders that support the Hitachi Chemical Group, as well as to contribute to the creation of a sustainable society that cares for the global environment. Our employees, as important stakeholders, are ultimately responsible for taking action. We therefore promote CSR activities that encourage the participation of all members of the Group.

Creating an ideal working environment

A key social responsibility for every corporation is to establish a pleasant working environment for all, regardless of gender or nationality. At the same time, this is a strategic corporate goal in the context of a social environment characterized by a declining domestic population and the globalization of economic activity. For these reasons, the Group

will strive to organize our employment system to support diversity in our human resources, including measures that encourage career development for women, and promote utilization of various support systems for balancing work and family.

Solving problems at manufacturing sites

The Hitachi Chemical Group has endeavored to provide customers with better products by promoting small group-based action, in which teams of eight to ten members are organized in each workplace to offer proposals and improvements from manufacturing sites. We have added to these activities concerns for the environment, health, and safety, to strengthen activities proposed from the workplace in the context of a broader and more flexible approach from the perspective of social responsibility.

Establishing an open corporate culture

The key to solving problems faced by individual employees can often be found in the workplace, which is also where employees gain a sense of accomplishment. We hope to take timely, effective action in response to employee problems by encouraging communication between management and employees, as well as between employees, to work together toward a better society and company.

Contributing to stakeholders based on active communication

In 2005, we communicated with our stakeholders through various opportunities, such as meetings at our business locations. Our activities have also been recognized through the company's selection as a member of the Dow Jones Sustainability World Index, a major index of socially responsible investment (SRI). I am convinced that dynamic communication at the workplace creates a corporate culture that enthusiastically responds to the voice of society and positively contributes to our stakeholders. We will therefore pursue firmly grounded CSR activities in 2006 that place priority on measures for boosting employee motivation and satisfaction.

"Challenge" is the President's Resolution I have set for myself in executing various measures in 2006, and I believe that dedicated steady effort represent the most important CSR challenge. CSR activities constitute an integral aspect of management. We will strive toward our near-term goal of becoming a corporation that is open and beneficial to society through the everyday actions of each individual employee, all of whom incorporate social responsibility into their daily tasks as the fundamental way we do our work.

We look forward to the continued support and encouragement of our stakeholders as the Hitachi Chemical Group advances its CSR activities.

July 2006

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, through enhanced harmony with environmental conservation and social contribution.

Action Guidelines

1. The people shall at all times behave with the spirit of working in harmony for a close collaboration within the Hitachi Chemical 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.