

Responsibility to Employees—1

Creating a Better Working Environment

Respecting human rights, promoting and utilizing diverse human resources

The Hitachi Chemical Group believes sustainable corporate development requires respect for human rights and the

personality of each employee as well as the creation of a corporate culture that allows workers to freely demonstrate their individuality and creativity.

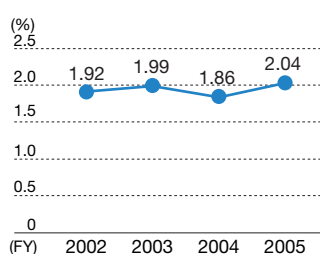
To this end, we not only establish a sound working environment and treat

employees in accordance with the laws of each country and region, we also promote the following programs to encourage employees to work with enthusiasm and fully realize their potential.

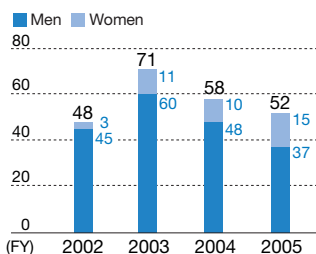
Category	Major Programs and Activities
Recruiting and deploying human resources without discrimination	Recruitment of handicapped persons We promote normalization in employment and expand job opportunities and available positions for handicapped persons.
	Fair and transparent hiring process Our selection process focuses on interviews and follows the same procedures for all applicants, regardless of age, sex, nationality or other attributes. In 2005, we hired 52 new graduates and mid-career employees (37 men, 15 women).
	Human rights education We undertake training to protect the human rights of each employee. In 2005, we conducted training for managers and new employees.
Cultivating employee motivation and capabilities	Promotion of women We are committed to establishing a corporate culture that supports good performance by encouraging employees to fully demonstrate their capabilities, regardless of gender, and we actively promote the hiring of women for career track positions and their promotion to management positions. In 2005, there were four women in management positions, 0.95% of all managers.
	Career management system We offer a system in which employees determine their future careers and skill attainment and discuss these goals with their supervising department managers. The intent of the system is to provide an opportunity for each employee to think about their own careers, to learn, and to seek self-fulfillment by communicating with their supervising department managers.
	Open opportunity application system in the Group When new personnel are required for the strategic launch of a new business, for example, we first seek applicants from within the Group through an open position offer system on our intranet.
	Internal free agent system This system enables highly motivated employees to apply their skills in a different work setting. Four employees took advantage of this system in 2005.
	Over-sixty employment system This system utilizes the motivation and years of accumulated experience and knowledge of employees who wish to remain in the workforce after mandatory retirement. Three such workers were re-employed in 2005.
	Employee commendation system We honor employees who contribute to new discoveries through the presentation of the President's Patent Award and the Patent Contribution Award. In 2005, 31 employees received President's Patent Awards for seven contributions.
Ideal working environment	Support system for balancing work and family Both men and women can benefit from this system, which includes leaves of absence, reduced working hours, telecommuting, limited overtime and late-night work, and family care leave. Specific details are clearly explained on the intranet.
	Prevention of harassment We conduct educational activities using CSR Guidebook and respond quickly and appropriately through complaint processing committees set up at each office as well as through consulting and reporting points for the entire company.
	Employee benefit program In 2006, we replaced our "cafeteria plan" that allowed choices according to employee needs with a system of monthly allowances to further encourage employees to utilize the benefit program.
	Employee awareness survey We conduct a survey once every two years to determine employee awareness of CSR and personal satisfaction at work. The next survey will be conducted during 2006.

Hitachi Chemical's achievements

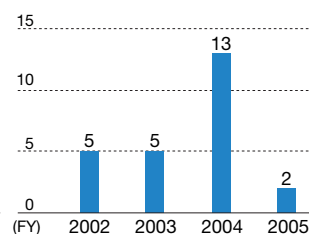
Ratio of handicapped employees



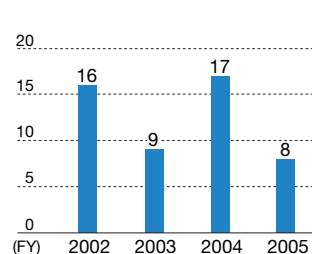
Number of graduates hired



Employees using the open opportunity application system in the Group



Employees using childcare leave



Encouraging employee career development

Hitachi Chemical provides various employee educational and training opportunities for enhancing abilities and skills. Our company-wide education system is organized under two overarching categories—training by job level and training by job category. We also provide elective courses that employees can freely choose.

Training by job level courses are designed for acquiring the necessary knowledge according to employee position level, and are divided into new-recruit and job level-oriented training. Courses include basic education, coaching and learning methods for communicating with subordinates, planning methods, international training for inter-cultural communication, and

foreign language skills. A total of 622 employees participated in 2005.

Training by job category courses offers training that corresponds with employees' current job requirements and broadly covers quality assurance, manufacturing and production technology, the environment and safety, patents, financial accounting and sales. We offer courses on technologies related to the manufacturing process, including production technology, quality assurance, safety, legal information on chemical substances and intellectual property and required knowledge for ISO auditors. A total of 410 employees participated in 2005.

Each training course not only provides knowledge but also incorporates a variety of learning methods, such as case studies, role playing, and practical

exercises, to encourage participants to think for themselves.

In 2005, in addition to environmental education (eco-mind education) offered via the Internet, we began offering various educational courses in an e-learning environment, such as on compliance, information security and export controls. We also promote the acquisition of necessary knowledge and skills by broadly utilizing external educational institutes as well as the Hitachi Institute of Management Development and its affiliated training center and foreign language school, which are open to all Group employees. Furthermore, we support employees' personal growth by subsidizing fees for correspondence courses.

Voices

Developing a supportive system for balancing work and family



Mami Horiuchi
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In this era of falling birthrates, corporations are increasingly called upon to take an active role in educating the next generation as part of their civic responsibility. Since the early 1990s, Hitachi Chemical has sought to comply with the revised Law for Equal Employment Opportunity for Men and Women and the Law for Childcare and Nursing Leave, and has been working to establish an ideal workplace for women by developing a support system for balancing work and childcare.

More recently, in 2002 we extended the term of reduced working hours for childcare up to the child's entry into elementary school and eliminated constraint conditions requests for half-day annual leave. In 2004 we established a childcare leave program for spouses and extended the period for childcare leave. The childcare program was used by 17 employees in 2004 and eight in 2005, and the reduced working hours program involved four employees in 2004 and four in 2005.

In 2005, we opened a website on balancing work and family on our intranet to further publicize these programs and increase the convenience for employees requiring support. We provided an outline of the programs according to specific needs of various life stages, for example, pregnancy, childbirth and childcare, and provided information on application rules and guidelines.

As a member of the Human Resources Planning Group and a working mother, I hope to work on ways to

support employees returning to work from maternity leave and childcare leave, such as providing standard company information and lectures on skill enhancement, and to develop a network for working mothers to share their concerns. In response to the growing number of dual-career couples, I would also like to create a corporate environment in which male employees with childcare needs can easily obtain childcare leave and work comfortably.



Intranet: Balancing Work and Family website