

## Responsibility to Employees—2

# Occupational Safety and Health

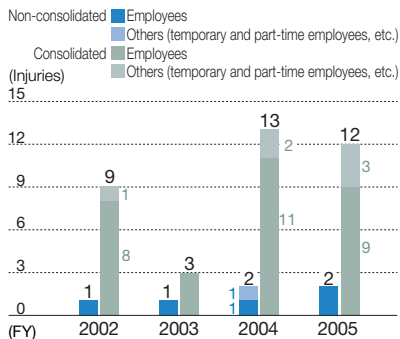
### Managing the occupational safety and health management system and improving safety standards

The Hitachi Chemical Group utilizes the Occupational Safety and Health Management System (OSH-MS), identifies dangerous work through risk management, and strives to improve the conditions of such work. We also ensure facility safety based on ISO 12100 and other international safety standards and implement such activities as the Safety Training Observation Program (STOP) developed by DuPont, Risk Prevention Training (KYT) and the “Hiyari-Hatto (Near-Miss)” program.

The Across-the-Board CSR Conference, which is held every March, is responsible for determining policies related to occupational safety and health for the whole Group. Based on the Group safety and health action plan established by the Conference, each site formulates and implements an action plan for their specific site characteristics. Cross-sectional safety and health activities are promoted by entities such as the Safety and Health Committee, which is responsible for the actual promotion at each site, and the Security Auditing Committee, which is responsible for auditing the safety of newly installed facilities.

In 2005, there were two lost-workday injuries on a non-consolidated basis and 12 on a consolidated basis. Therefore, in 2006 we will appoint new leadership to oversee the promotion of safety and health in each division and

### Number of lost-workday injuries



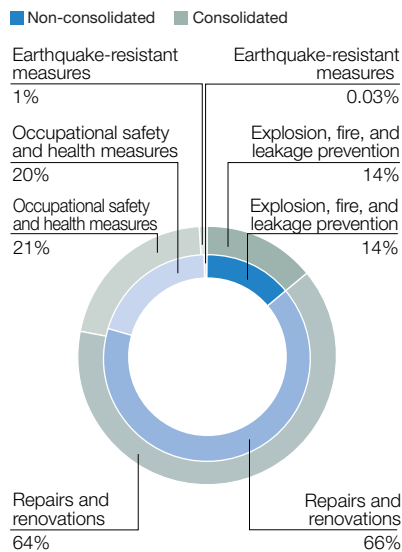
Number of lost-workday injuries is based on data compiled by the business entities included in the scope of reported environmental impact data as well as these five companies: Nippon Denkai, Ltd., Nikka Equipment & Engineering Co., Ltd., Namie Hitachi Chemical Co., Ltd., Nikka Kaseihin Co., Ltd. and Nikka Techno Service Co., Ltd.

further strengthen our system for monitoring safety and health measures and developing divisional plans.

### Investing in safety and disaster prevention

In 2005, ¥1.5 billion was invested on a non-consolidated basis, while ¥2.4 billion was invested on a consolidated basis, primarily for facilities refurbishment and occupational safety and health. As a result, cumulative invest-

### Breakdown of safety and disaster prevention investment (FY 2005)



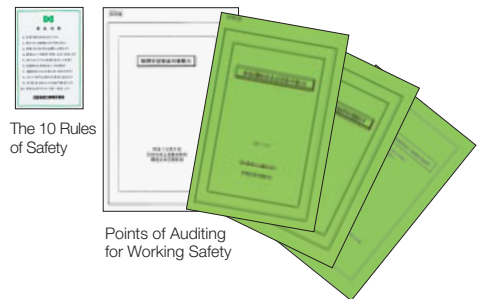
The data on safety and disaster prevention investment are collected within the range of environmental impact data collection. (See p. 1)

ment in this field by Hitachi Chemical since 1990 amounted to ¥7.4 billion.

### Promoting occupational safety and health education

The Hitachi Chemical Group requires employees to carry cards containing the Ten Safety Principles, which are based on an analysis of past accidents and their causes, and promotes education on occupational safety and health using tools such as the Focus of the Occupational Safety Audit, which summarizes the causes of past accidents and countermeasures as well as related checkpoints. In addition to the Japanese version published in 1998, we published English in 2004 and Chinese language versions in 2005 and are conducting educational activities for overseas Group companies.

We hold an annual presentation for managers and supervisors to exchange information on examples of improvements in safety and health.



### Conference on environmental safety and health for Group companies in Southeast Asia

The First Southeast Asian Region Group Conference on Environmental Safety and Health was held at Hitachi Chemical (Malaysia) Sdn. Bhd from December 6 to 9, 2005.

In addition to three Hitachi Chemical staff, 15 local staff primarily from four Group companies with production sites in Southeast Asia participated in training, auditing and presentations on the environment, health and safety.

During the training session, we focused on the purpose of CSR, explained the environment and safety principles, and cultivated auditors for conducting mutual audits between

overseas regions. The emphasis was on educating participants through lectures on auditing checkpoints, audit simulations and risk assessment methods for workplace safety, to increase participant skills and awareness of environmental safety.

Presentations highlighted the environmental safety activities at each company and participants were able to actively exchange their views.

In 2006, we plan to hold another conference in Southeast Asia, as well as an additional conference in Dongguan, China.

### Preparation drills for disasters and accidents

The Hitachi Chemical Group maintains its own firefighting teams to provide emergency response to sudden disasters and accidents. The teams regularly conduct voluntary drills and participate in joint drills organized by local municipalities in an effort to quickly respond to emergencies.

We have designated May 14 as a disaster prevention day for each site, and November 14 as the disaster prevention day for the whole Group. During the weeks surrounding these two days, which are designated disaster prevention weeks, the Group conducts comprehensive disaster prevention drills and other events to review its disaster prevention management plans and safety facilities as well as to raise employee awareness of safety.

### Implementing safety audits

The Environmental and Safety Auditing Committee of the Hitachi Chemical Group implements safety audits on production sites, R&D, and quality and physical distribution divisions. It also conducts an annual audit based on the OSH-MS.

In 2005, audits were conducted at 57 sites, including five overseas sites.

### Measures for physical and mental care

In recent years, the environment surrounding employees, including the social environment and working styles, has undergone dramatic change, giving rise to the serious issues of exhaustion and stress.

To realize an ideal working environment and promote employee health, the Hitachi Chemical Group actively endeavors to provide its staff with physical and mental support, including such activities as lectures by medical specialists along with interviews and guidance by company physicians. We also provide healthcare opportunities, such as employee relaxation seminars incorporating exercises and aromatherapy, as well as walking races.



Employee Relaxation Seminar held in July 2005 at Hitachi Chemical's Goi Works

### Report on the explosion at Hitachi Chemical Polymer's Tokushima Works

On February 8, 2006, an explosion occurred inside the dust collector of the grinding facility at Hitachi Chemical Polymer Co., Ltd.'s Tokushima Works. The blast resulted in partial burns on the face of one worker and the destruction of plant facilities.

The company immediately set up an accident investigation committee and sought to discover its cause with the cooperation of firefighting institutions and specialized investigative organizations for industrial accidents. Based on the committee's conclusion that the probable cause of the accident was a dust explosion ignited by a static charge, a prevention plan was developed and related reconstruction work was completed properly based on the plan. The company also met with local residents who were disturbed by the explosion to explain the steps taken following the accident and to assure them that conditions would return to normal when production resumed. Operations recommenced at the end of May after preventive measures had been completed.

As a result of this accident, we have thoroughly reviewed our safety management system and will conduct a comprehensive Group-wide effort to prevent such accidents in the future.

### Current status of asbestos use and measures taken by the Hitachi Chemical Group to address related health hazards

Although the Hitachi Chemical Group currently does not manufacture products using asbestos, white asbestos was used in the past. Therefore we have continued to provide legally mandated special health examinations for employees who may have been exposed to asbestos in the course of their work. The case of a production worker who had died after retiring was authorized under workman's insurance.

In 2005, the Group implemented voluntary health examinations at no cost in addition to the legally mandated examinations. Those eligible for these health examinations includes retired employees

who had been involved in manufacturing asbestos-containing products and employees and retirees who may have suffered indirect exposure, as well as family members who lived with employees and retirees who had been involved in asbestos-related work. As of March 2005, As of March 2005, we have received applications from 1,160 persons, who underwent health examinations at neighborhood clinics and at health institutions designated by each works.

We have investigated the use of asbestos-containing materials for roofs and walls of production sites and classified them into A, B, and C according to the

level of hazard. We prohibited entry into Level A exposed areas and have scheduled complete removal and conversion to alternative materials by the end of fiscal 2006.

With respect to the asbestos issue, we will continue to respond sincerely in close collaboration with government and related organizations and strive to appropriately provide information.

A list of asbestos-containing products manufactured in the past can be found on our corporate website.

URL [http://www.hitachi-chem.co.jp/english/information/2005/n\\_051003.html](http://www.hitachi-chem.co.jp/english/information/2005/n_051003.html)