



Chemical substance control in our products is thoroughly exercised by operating under the Comprehensive Chemical Substances Control System.



We revised product labels for the domestic market to include 99 substances designated by GHS.

customers for certificates that verify that toxic substances are not contained in products and have not been used. The Hitachi Chemical Group has quickly responded to the requests by applying our Comprehensive Chemical Substances Control System as well as installing equipment for analyzing the chemical content of products.

In 2006, the Occupational Safety and Health Law was revised in response to the Globally Harmonized System of Classification and Labeling of Chemicals (GHS), and the Hitachi Chemical Group accordingly revised labels containing safety information and other data for products sold in the domestic market that contain any of the 99 designated substances. We are also gradually revising labels and MSDS since GHS will be applied to regions around the world starting in 2008.

Through these activities, we are disclosing appropriate information on chemical substances contained in products to meet customer green procurement requirements and reducing the environmental impact of products throughout their life cycles.

Supplying people- and environment-friendly products

← P5 CSR Policy 26

The Hitachi Chemical Group intends to create a sustainable society by providing products and services

that contribute to the safety and health of people and preserve the global environment.

We are striving to control chemical substances and to reduce environmental impact focused on the manufacturing stage (see p. 30), and are actively engaged in developing products that contribute to the well being of humans and the environment. We are endeavoring to develop products with less environmental impact throughout their entire life cycles by verifying the environment-friendliness and safety of products under development based on Guidelines for Green Product Assessment and Registration System (see p. 29) and by evaluating environmental efficiency and other factors (see p. 29). In addition, we will renew our efforts to develop products and technologies in a way that reuses resources, conserves energy and is energy-efficient.

As the severity of global environmental issues increases and environmental consciousness among consumers rises, manufacturers of end products—our customers—are also aggressively engaged in developing products that are environment-friendly. The Hitachi Chemical Group will promote MSS (see p. 13) through closer collaboration with customers and suppliers to meet the needs of society.

Promoting “Environmental CSR-Compliant *Monozukuri*” in the active pursuit of security and safety for customers and society

Hitachi Chemical is promoting Environmental CSR-compliant *Monozukuri* in the active pursuit of security and safety for customers and society, in addition to adhering to environmental regulations. As part of this initiative, we organized the Environmental CSR-compliant *Monozukuri* Committee in 2005 to ensure environmental compliance centered on controlling chemical substances in products company-wide.

Environmental regulations around the globe require corporations to exercise voluntary control across the entire supply chain, and Hitachi Chemical must also seek closer collaboration among its business division and its quality assurance division and other related divisions. Clearly the control of chemical substances and the disclosure of information are directly connected to Hitachi Chemical's business strategy. The committee is

therefore strengthening its activities to achieve optimum impact by encouraging greater collaboration among business divisions by way of better communication and bolstering our business strategy, while also developing a Risk Control Support System by incorporating an IT system for centralized control.

* *Monozukuri*: *Monozukuri* literally means “manufacturing.” In this context, it means the entire process of creating value in the products and services we produce.

Fulfilling Our Responsibilities Through Business

Responsibility to Customers and Suppliers

Example of People- and Environment-Friendly Products—1

Electronics Products

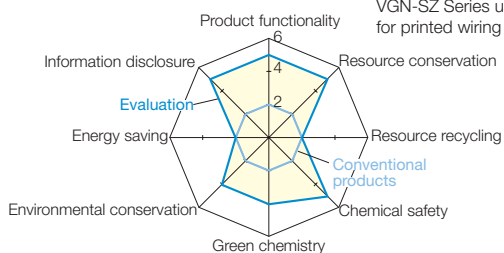
Copper-clad laminate for printed wiring boards: MCL

Materials for printed wiring boards are used in electronic devices such as home electronics, cellular phones, personal computers and telecommunications equipment.

As the diversity and functionality of electronic devices increase, materials for printed wiring boards are becoming more sophisticated. In recent years, demand has increased for halogen-free materials and for lead-free solders, which reduce impact on the global environment. To respond to these needs, we developed MCL-BE-67G, standard multilayer material, and MCL-E-679FG, high-Tg multilayer material.



Example: SONY VAIO VGN-SZ Series uses MCL for printed wiring board material



Radar charts show the results of green product assessment (see p. 29).

Example of People- and Environment-Friendly Products—2

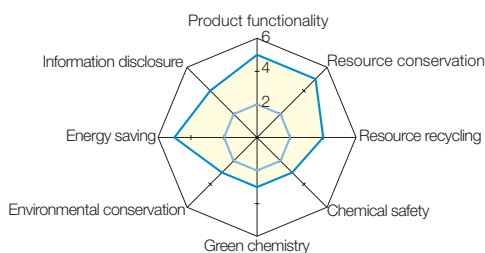
Advanced Performance Products

Plastic back door modules for automobiles

Plastic back door modules significantly reduce the weight of vehicles compared with conventional steel-type products and contribute to bringing down CO₂ emissions associated with automobiles. We were able to lower specific gravity by using high-strength, high-rigidity glass-fiber reinforced thermoplastic for inner panels and to reduce weight by rationalizing structure through the integrated molding of spoilers and trims utilizing the excellent moldability of resins. We also reduced energy consumption during manufacturing processes and enhanced recyclability by using a general-purpose resin.



Infiniti FX, Nissan Motor Co., Ltd.



VOICE

We developed new MCL that responds to the environmental needs of our customers



Printed Wiring Board Materials R&D Dept.

Masafumi Yano

We received two requests from customers for important technological solutions regarding printed wiring board material that is suitable for lead-free soldering and halogen-free.

The first was to add greater heat resistance to printed wiring board materials for lead-free soldering, since higher heat is the trade-off for eliminating the use of hazardous lead during the mounting process. The second was a technology to enhance inflammability without using bromine-based, anti-combustion agents that generate dioxins. Hitachi Chemical developed MCL-BE-67G and MCL-E-679FG to

satisfy these requirements. They have both met UL94V-0 inflammability standards by using resin with excellent heat resistance and inflammability instead of bromine-based anti-combustion agents. In particular, MCL-E-679FG achieves an optimum balance between high heat resistance and inflammability by utilizing our proprietary Filler Interface Control Technology to raise filling levels.

We hope to continue playing a major role in caring for the environment by overcoming the challenges posed by increasingly sophisticated requirements.



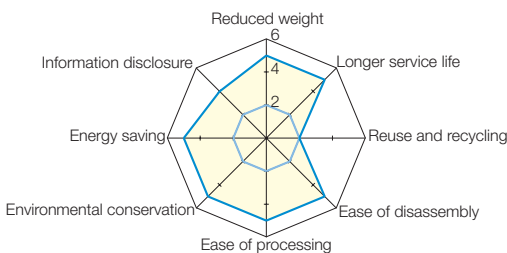
Hitachi Hometec Co., Ltd. has seven customer centers nationwide for providing meticulous customer support.

Example of People- and Environment-Friendly Products—3

Housing Equipment and Environmental Facilities

A natural refrigerant heat pump hot-water heater “Eco Cute” (Manufacturer: Hitachi Hometec Co., Ltd.)

“Eco Cute” Natural Refrigerant Heat Pump Hot-Water Heater is environment-friendly by absorbing heat from the atmosphere and transmitting it to a natural CO₂ refrigerant that retains heat, thus generating three times the energy for heating water than applying electricity to a heat pump. In January 2006, we became the first in the industry to commercialize a mist (humidified) sauna product using hot water generated by Eco Cute. The mist sauna function is achieved by spraying hot water mist inside a bathroom while concurrently warming it with a bathroom heater to maintain an internal temperature of approximately 40°C with 100% humidity.



Post-delivery product support

P5 CSR Policy 2

Preventing product-related accidents

Hitachi Chemical has assigned persons in charge of product-related accidents in each sales office and division to prepare for possible defects in products delivered to customers. These personnel report to the division and immediately visit the site.

Each office holds quality review meetings more than once a year to uncover the underlying causes of product defects that occur during a given period and to verify the effectiveness of preventive measures and how well customer satisfaction has been retained.

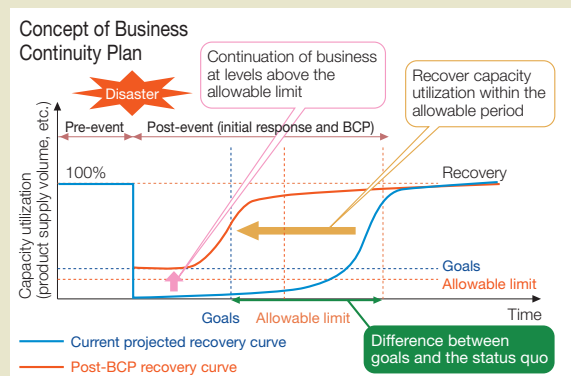
After-sales service for housing equipment and environmental facilities—Hitachi Hometec Co., Ltd.

Hitachi Hometec Co., Ltd. maintains its service concept of making the utmost effort to ensure that delivered products are consistently effective throughout their product life cycle and that customers always feel satisfied. We support customers by standing ready to implement repairs 365 days a year and offering precise refresh services for waterworks at seven customer centers and 39 service stores at 83 locations nationwide.

Dispersed production bases and a business continuity plan for a more stable supply system

Hitachi Chemical constructed two new factories in Yuki and Kamisu, Ibaraki Prefecture, to improve the stability of product supply through a two-base manufacturing system for the ANISOLM, anisotropic conductive film for displays, and surface protection films for optical sheets, manufactured at the Goshomiya Works.

In addition, to meet the demands of our customers and the market, we are formulating the Business Continuity Plan (BCP) in order to be prepared for natural disasters and major fires, avoid disruption in the supply of core products and ensure rapid recovery in the event any disruption occurs.



Source: Business Continuity Guideline issued by Cabinet Office, Government of Japan