

Reducing environmental impact in physical distribution

← P5 CSR Policy ⑤

● Promoting a modal shift and improving transportation efficiency

To reduce CO₂ emissions, the Hitachi Chemical Group collaborates with transport companies that carry our products and raw materials to promote a modal shift and to boost the efficiency of transportation. We also ask our suppliers to consider delivery methods with lower CO₂ emissions. In 2007, we plan to analyze transportation volume and energy consumption to reduce CO₂ emissions per unit of production by 1% compared to 2006 levels.

Following revisions to the Law Concerning the Rational Use of Energy in April 2006, Hitachi Chemical and two other members of the Hitachi Chemical Group are expected to be designated as “specified shippers” (as of June 2007).

● Ensuring safe transportation of products and raw materials

The Hitachi Chemical Group issues “yellow cards” (emergency contact cards) that clearly specify measures to be taken in the event of emergencies during the transportation of products, and uses “container yellow

card” labels that display emergency measures to ensure safety during the transportation and use of products containing hazardous and toxic chemical substances.

We also request that suppliers delivering raw materials carry yellow cards.

● Reducing the number of company cars and introducing low-pollution vehicles

In 2006, the number of vehicles (including forklifts) owned by manufacturing sites totaled 278 on a non-consolidated basis (258 in 2005) and 822 on a consolidated basis (769 in 2005), of which low-pollution vehicles accounted for 18% and 39%, respectively. We will reduce the overall number of company-owned cars and promote conversion to low-pollution vehicles such as hybrid vehicles.

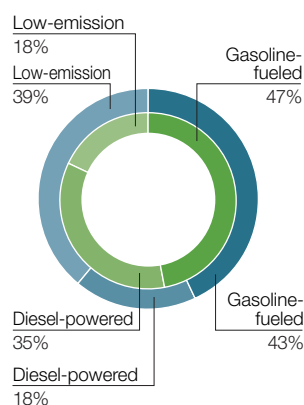
● Reducing packaging materials

The Hitachi Chemical Group is targeting a 10% reduction in the consumption of packaging materials from 2000 levels by 2010 and is promoting simplified product packaging and broadening the use of returnable containers.

We also ask our suppliers to adopt similar activities when delivering materials in an effort to reduce packaging materials throughout the entire supply chain.

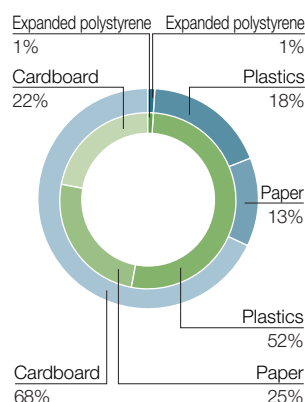
Ratio of low-pollution vehicles in company cars
(as of March 31, 2007)

■ Non-consolidated ■ Consolidated



Ratio of packaging materials
(FY2006)

■ Non-consolidated ■ Consolidated



Development of recycling technology for FRP

Fiber Reinforced Plastic (FRP) is a composite material made of resin and glass fiber that exhibits superior resistance to corrosion, outstanding weatherability and strength, and is broadly used in housing equipment, automobile parts, and both fishing and recreational boats. These same properties, however, make it difficult to recycle products made from this material.

Hitachi Chemical developed a technology for melting this resin under normal pressure to recycle the glass fiber and filler. By combining new fiber and resin, recycled glass fiber can now be reused as a structural material.