

● **Environmental efficiency evaluation of contribution to environmental load reduction by customers**

The Hitachi Chemical Group is working to reduce environmental impact throughout the life cycle of its products. As part of this effort, we have been utilizing the “Environmental Efficiency” index since fiscal 2005 to measure product value created while controlling environmental impact and resource consumption. We have assessed 29 products as of fiscal 2008.

In fiscal 2008, we initiated an effort to evaluate our contribution to reducing environmental impact on the user (customer) side of our products. We will continue these efforts with the goal of introducing Life Cycle Assessment (LCA) methods.

Appropriate control of hazardous chemical substances

P16 CSR Policy 5

The approach to regulating chemical substances in products is shifting worldwide from managing toxic substances, as represented by the ELV and RoHS directives, to ensuring safety through risk management, as represented by the REACH*¹ Regulation. As a result of this shift, the Chemical Substance Control Law is now under consideration in Japan, and individual countries are seeking to harmonize the labeling for hazardous properties of chemical substances in line with GHS*². The Industrial Safety and Health Law of Japan was also revised to require information disclosure in MSDS and on labels based on GHS Classification.

The Hitachi Chemical Group is working to enhance product safety by eliminating and reducing the use of hazardous chemical substances, developing alternative product technologies, reinforcing its administrative system and building a support system as part of its responsibilities as a company that handles chemical substances, while promoting access to data through the global supply chain and providing fair and accurate information (see p. 25).

*1 REACH (Registration, Evaluation, and Authorization of Chemicals) Regulation: EU law under which all chemical substances are registered by use and assessed for risk; only those products confirmed to be safe may be imported and used while high risk items are subject to approval and restriction.

*2 GHS (Globally Harmonized System): Universal guidelines for standardizing information on MSDS (Material Safety Data Sheets) and labels to enable stakeholders who handle chemical substances in the supply chain to understand the hazardous properties associated with those substances.

Preventing pollution from chemical substances

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● **Reducing emissions of chemical substances into the atmosphere**

2008 Result: 9% of 2000 levels (Target: 11% or less)	2009 Target: 10% or less of 2000 levels
VOCs: 9% (Target: 15% or less)	VOCs: 12% or less

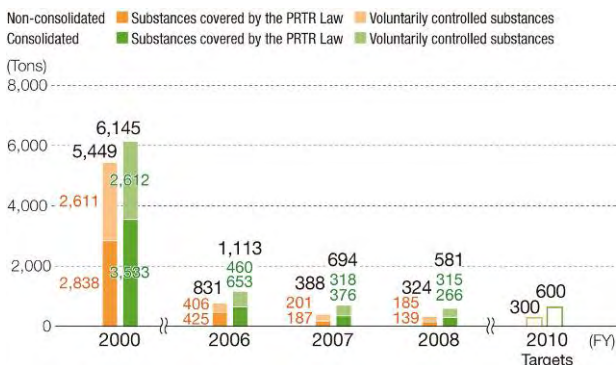
The Hitachi Chemical Group is systematically working to reduce the use and atmospheric emissions of 480 substances identified in a PRTR survey conducted by the Japan Chemical Industry Association, including 354 substances subject to the PRTR Law. We also voluntarily control 7 substances including acetone and methyl ethyl ketone, not subject to this law, to curb their release into the atmosphere considering their significant emission volume.

Under the revised Air Pollution Control Law, we reported on our large drying facilities that handle volatile organic compounds (VOCs) and have been monitoring the allowable concentration at their exhaust outlets. We are also working on reducing our output of 41 substances that are released in greater volumes (more than 90% of the Group’s total VOC emissions).

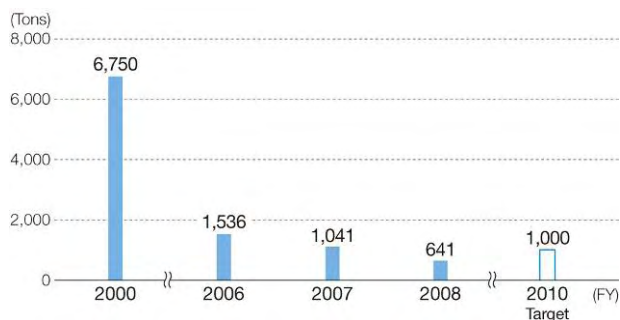
In fiscal 2008, exhaust-gas treatment equipment we installed the previous fiscal year started to function as designed, and we replaced some raw materials covered by the PRTR Law with substances not subject to this law. The release of chemical substances into the atmosphere was reduced to 6% of 2000 levels on a non-consolidated basis and 9% on a consolidated basis, or 324 tons and 581 tons respectively.

VOC emissions in fiscal 2008 were reduced to 6% of 2000 levels on a non-consolidated basis and 9% on a consolidated basis.

Release of chemical substances into atmosphere



Release of VOCs into the atmosphere (consolidated)



● Preventing air pollution

The Hitachi Chemical Group is striving to reduce emissions of sulfur oxide (SOx) and nitrogen oxide (NOx), which cause air pollution.

In fiscal 2008, SOx emissions were 5,000 Nm³ on a non-consolidated basis and 17,000 Nm³ on a consolidated basis, while NOx emissions were 184,000 Nm³ and 196,000 Nm³ respectively.

● Preventing water pollution

The Hitachi Chemical Group is working to prevent discharge of polluted water through surveillance based on our voluntary standards, which are stricter than legal mandates. We are also systematically reinforcing the capacity of our waste water processing equipment.

In fiscal 2008, discharge into public waters was 4,626,000 m³ on a non-consolidated basis and 10,559,000 m³ on a consolidated basis. Discharge into sewage systems was 313,000 m³ and 2,180,000 m³ respectively. Biochemical Oxygen Demand (BOD) was 29 tons (non-consolidated) and 77 tons (consolidated), while Chemical Oxygen Demand (COD) was 36 tons and 149 tons respectively.

● Preventing soil/groundwater pollution

In the past, some works of the Hitachi Chemical Group caused soil or groundwater contamination through the usage of chlorinated organic solvents. We started purification of the soil and groundwater immediately after identifying the incidents. There was no contamination outside of Company premises.

We will continue purification at the works in fiscal 2009 and thereafter, while continuing surveillance of possible contamination at all of our works.