

- **Promoting recycling in overseas Group companies**

The Hitachi Chemical Group is also pursuing recycling abroad by exchanging ideas and sharing information at annual Overseas Block Environmental Safety Conferences held in Southeast Asia and China.

For example, Hitachi Chemical (Dongguan) Co., Ltd. (China) and Hitachi Chemical (Johor) Sdn. Bhd. (Malaysia) are engaged in an initiative involving the repeated use of secondary materials, such as the center core of photosensitive film, in cooperation with customers, as we do in Japan.

Minimizing environmental impact in physical distribution

P16 CSR Policy 5

- **Improving transportation efficiency**

With a target of reducing CO₂ emissions per unit of production by 1% every year, the Hitachi Chemical Group seeks to save energy through greater transportation efficiencies and the promotion of modal shifts based on an analysis of energy consumption in physical distribution.

In fiscal 2008, Hitachi Chemical and Shin-Kobe Electric Machinery Co., Ltd., which are designated as specified shippers under the Law Concerning the Rational Use of Energy, reduced emission per unit by more than 1% compared with the previous year, calculated on the basis of how the two companies report emissions to the Japanese government.

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

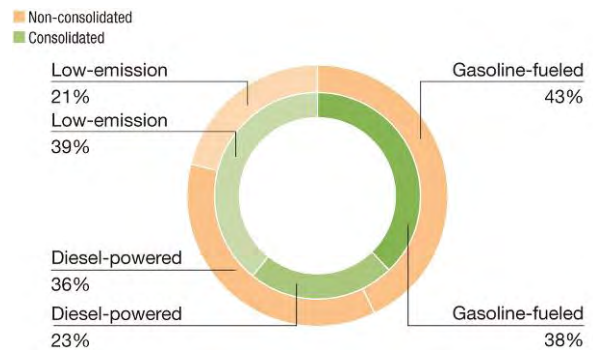
In fiscal 2008, the number of vehicles (including forklifts) owned by manufacturing sites totaled 295 on a non-consolidated basis (289 in 2007) and 768 on a consolidated basis (782 in 2007), of which low-pollution vehicles accounted for 21% (19% in 2007) and 39% (37% in 2007), respectively.

We will continue to reduce the overall number of company-owned cars and promote conversion to low-pollution vehicles such as hybrid vehicles.

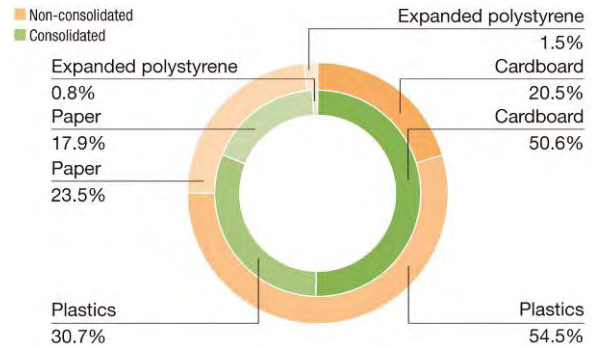
- **Scaling back on packaging materials**

The Hitachi Chemical Group is reducing the consumption of packaging materials to lower the environmental burden of product shipping. As part of this effort, we are actively adopting the use of returnable plastic containers and recyclable packaging materials both at home and abroad.

Ratio of low-pollution company cars (as of March 31, 2009)



Ratio of packaging materials (FY2008)



- **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 an emergency during transportation of products. We also use yellow container card labels that display emergency measures to ensure safety during the transportation and use of products containing hazardous and toxic chemical substances as well as to alleviate environmental impact in the event of an accident. In addition, we request that suppliers delivering raw materials also carry yellow cards.

Caring for the environment in offices

P16 CSR Policy 5

The Hitachi Chemical Group undertakes green procurement of office equipment, which places priority on purchasing products bearing the Eco mark or which comply with the Green Procurement Law. In fiscal 2008, the ratio of green procurement* was 59% on a non-consolidated basis and 56% on a consolidated basis. The ratios were lower than in the previous fiscal year because the decline in green procurement exceeded the drop in total amount of procurement.

Hitachi Chemical also utilizes the “e-sourcing” electronic ordering and purchasing system to raise the efficiency of its green procurement by centralizing purchasing control for Group companies.

* **Ratio of green procurement:** amount of green procurement / total amount of procurement