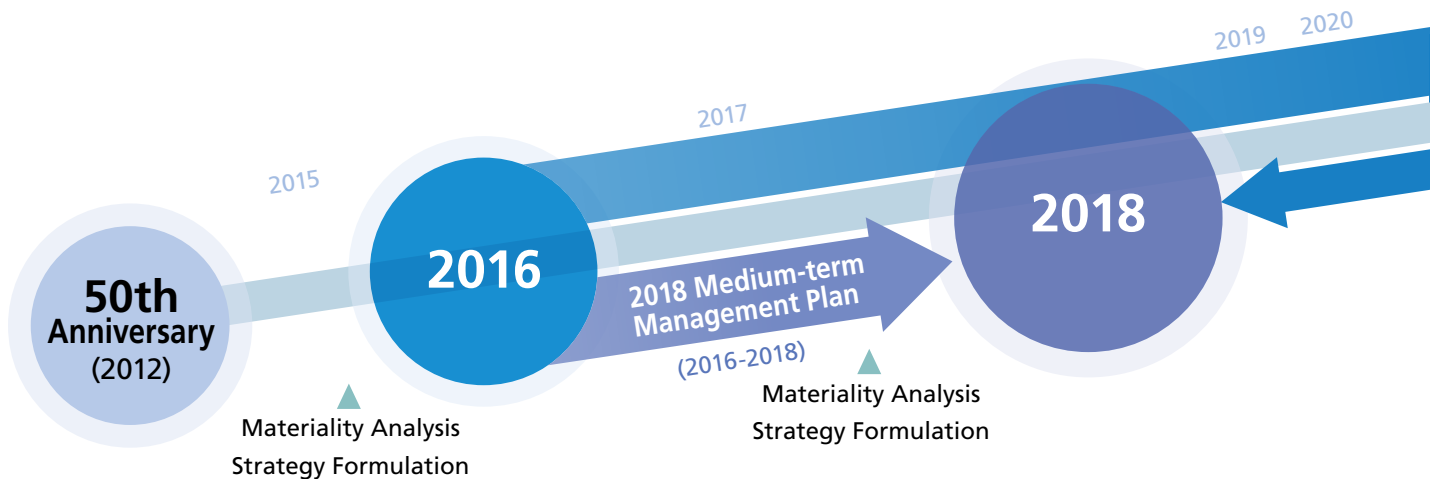


Strategy Development Process

Backcasting from “where we want to be in ten years’ time”

In fiscal year 2015, as a first step towards the next 50 years, we outlined our “where we want to be in ten years’ time” and settled on the 10-year Strategy to implement it. Backcasting from there, we formulated our 2018 Medium-term Management Plan. We regularly conduct gap management on the progress of this three-year medium-term management plan and review the annual plan. We also conduct materiality analysis every three years and reflect it in our medium-term management plan.



For information on “communication workshop,” refer to [Hitachi Chemical’s website](#) ▶ [About Hitachi Chemical](#) ▶ [CSR](#) ▶ [Social Report](#) ▶ [Engagement with Stakeholders](#) ▶ [Stakeholders’ Dialogue “Moving Ahead the Next 50 Years.”](#)



For the Hitachi Chemical Group Identity, refer to [P.02](#).



For WOW-BB activities, refer to [P.07-08](#).

2012

Creation of Management Message Looks to the Future

In 2012, at the 50th anniversary of Hitachi Chemical, we held a communication workshop in which the entire Group workforce could participate, in order to encourage all employees to participate in management. We summarized “What will Hitachi Chemical be aiming for over the next 50 years and how will it face up to those aims?” in the form of Management Message Looks to the Future and shared it with all employees.

Management Message Looks to the Future

What will Hitachi Chemical be aiming for over the next 50 years and how will it face up to those aims?

Our Business

EXPAND our business beyond “Chemical” to create value for the future

Our Value

DISCOVER the world’s future needs,
EXCEED our customers’ expectations
INTEGRATE our knowledge and technical expertise in materials to meet our customers’ needs

Our People

Stay INNOVATIVE to keep ahead of fast-changing markets

Our DNA

Hitachi Chemical’s DNA =
Pioneering Spirit, Flexible, Customer-centric
– Innovation is a never-ending cycle –

2013

Formulation of Hitachi Chemical Group Vision and Launch of WOW-BB Activities

In order to fulfill the Management Message Looks to the Future, we further engaged in a series of discussions in fiscal year 2013, and as a result, reviewed the existing Hitachi Chemical Group Vision and established the Hitachi Chemical Group Identity comprised of our Mission, Values and the Hitachi Chemical Group Vision.

We also launched Working On Wonders Beyond Boundaries (WOW-BB) activities in fiscal year 2013 toward making the Hitachi Chemical Group Vision a reality. WOW-BB activities consist of two pillars: the WOW Global Awards; and the 10-year Strategy.





Hitachi Chemical's Strength

At a Glance

Our Strategy

Our Initiatives

2015

Formulation of 10-year Strategy and 2018 Medium-term Management Plan

In fiscal year 2015, in order to realize the Hitachi Chemical Group Vision, we conceived a hypothetical future with a long-term outlook in our “where we want to be in ten years’ time,” and then formulated the 10-year Strategy for its actualization. By defining “Improve Quality of Life (QOL)” and “Realize Sustainable Environment” as the “values” to be realized by Hitachi Chemical through its businesses, we are seeking growth that is not just an extension of our traditional operations.

Backcasting from the time at which the 10-year Strategy would have been fulfilled, our destination in three years’ time is presented in our 2018 Medium-term Management Plan. We will endeavor to create value by strengthening our global business and management base. We are also making efforts in the field of environmental, social and governance (ESG) activities by setting quantitative targets for CO₂ emissions and female managerial positions.



For the 10-year Strategy and the 2018 Medium-term Management Plan, refer to [P.25-28](#).

Hitachi Chemical's Materiality

Hitachi Chemical conducts materiality analysis based on which priorities are identified and utilized in management. In conjunction with the formulation of the 2018 Medium-term Management Plan, we performed a materiality review in accordance with the following steps in fiscal year 2015. We plan to conduct materiality analysis again in fiscal year 2017, for the next medium-term management plan.

- Step 1 Issue identification**
 - Analyze ESG trends both domestically and abroad, and identify key issues relevant to our business strategy
 - Assessment of identified issues by external experts
- Step 2 Priority evaluation by Executive officers**
- Step 3 Management team approval**



For Hitachi Chemical's Materiality, refer to [Hitachi Chemical's website](#) ▶ [About Hitachi Chemical](#) ▶ [CSR](#) ▶ [Governance and CSR Management](#) ▶ [Hitachi Chemical's Value Creation and Materiality](#).

<Key issues>

- 1 Creating new businesses and products
 - 2 Augmenting global business expansion
 - 3 Resolving customer and social issues by strengthening marketing capabilities
 - 4 Development of technologies and products that help resolve social issues
 - 5 Swift decision-making and resolution of customer issues by promoting localization
- There are 36 issues, including the above (please refer to our website).