

10-year Strategy

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,” then formulated the 10-year Strategy for its actualization.



For materials explaining our “10-year Strategy,” refer to: [Hitachi Chemical's website](#) ▶ [Investor Relations](#) ▶ [IR Library](#) ▶ [Presentation Materials](#) ▶ [FY2015](#) ▶ [Medium-Term Management Plan and Consolidated Results for the Fiscal Year Ended March 31, 2016.](#)

Where We Want to Be in Ten Years’ Time

A globally developing innovative solutions beyond the boundaries of chemistry, with advanced Functional Materials as core and extending to devices, systems and services

2015 → 2025 Growth Target

A globally active innovator providing high value-added solutions unattainable by other companies, demonstrating performance that will prevail in global competition

Operating margin: **14%+**

Key Businesses Going Forward

Having analyzed medium- and long-term changes in the business climate and major industry trends, we see that “high efficiency” and “smart” will be important keywords for future markets. Further, utilizing various core technologies that constitute our core competencies, we will

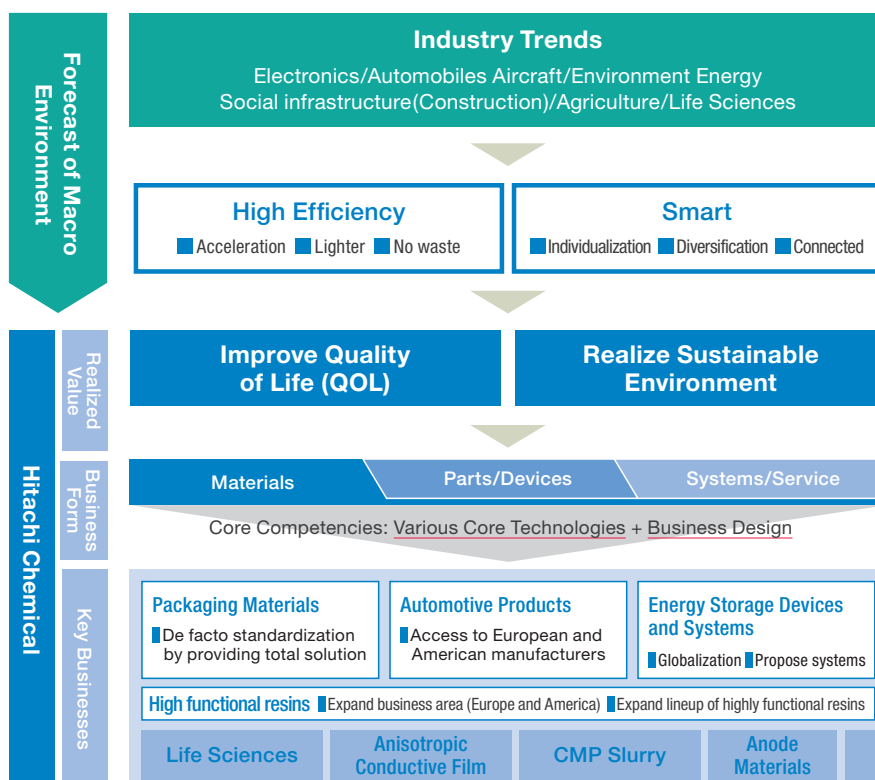
provide solutions in line with customer needs with materials, components and devices, as well as systems and services, promoting our key businesses such as Functional Materials, Automotive Products, Energy Storage Devices and Systems, and Life Sciences.



For information on Various Core Technologies, refer to [P.03–04.](#)

Business Design

It is indispensable at the inception of a new enterprise. Along with social currents, prominent industry trends, and customer information, we incorporate technological seeds from within and outside the Group. For the resulting new products and fresh business ideas, Business Design is a process of creating structures that 1. understand the competitive climate of the market, 2. along with corporate value planning and 3. increase profits.



Long-term Growth Milestones

Four businesses	Short-term (1-3 years)	Medium-term (4-6 years)	Long-term (7 years+)
Functional Materials (Packaging materials/High functional resins, etc.) Fast product cycles, but areas that can generate short to medium-term cash	<ul style="list-style-type: none"> Strengthen electronics packaging materials Strengthen top share products 	High functional products for new electronic devices (Next-generation packaging materials such as 3D)	
Automotive Products Areas with many new business opportunities for materials that will support stable growth for the next 10 years	Preparation <ul style="list-style-type: none"> Accelerate global development Strengthen revenue base 	Lighter weight materials Adhesives Heat management materials IoT-related materials	
Energy Storage Devices and Systems Areas that can grow as a base business through business expansion from global developments	Preparation <ul style="list-style-type: none"> Accelerate global development Strengthen revenue base 	Lead/LiB (hybrid) storage battery systems Energy management systems Materials for new energy (Hydrogen/wind power)	
Life Sciences Areas that will contribute to long-term growth beyond 10 years	Preparation <ul style="list-style-type: none"> Strengthen business base 		Genetic diagnosis Regenerative medicine

LiB
Lithium-ion Rechargeable Battery

Top Message

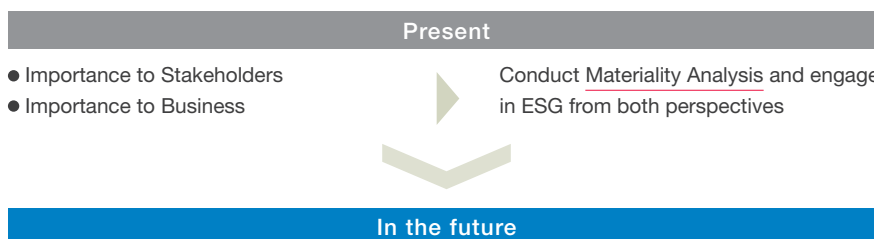
Change How We Compete, Reflecting Changes in Business Climate

	Present	In the future
Business climate	Japanese companies are market drivers Key is close ties with winner customers	Business becoming borderless A global, multifaceted approach is essential
Value provided	Distinctive materials	Solution functions
Business style	Material properties/Process differentiation Best product appeal	Erecting higher barriers to entry Business model appeal
Core competencies	Materials technologies that bring forth function/Process products/Evaluation technologies to translate needs Various core technologies	Ability to discern true needs Ability to offer Business Design Business conceptualization ability + Various core technologies

At a Glance

Our Strategy

Promotion of ESG Management



For information on ESG management, refer to P.37-46.

For information on Materiality Analysis, refer to P.19-20.

Our Initiatives

In addition to the above, we will disclose information in a timely and appropriate manner while taking into account the UN Sustainable Development Goals (SDGs) and further enhancing the initiatives.



For detailed information on ESG management, refer to Hitachi Chemical's website ▶ About Hitachi Chemical ▶ CSR.

Environment (E)	Society (S)	Governance (G)
<ul style="list-style-type: none"> ● Carbon Management Strategy (reduce CO₂ emissions) ● Reduce water usage ● Reduce waste ● Promote sustainable engineering 	<ul style="list-style-type: none"> ● Promote diversity ● Promote occupational health and safety ● Respect human rights ● Promote activities that contribute to local community 	<ul style="list-style-type: none"> ● Secure shareholder rights and equality ● Appropriate collaboration with stakeholders ● Secure appropriate disclosure and transparency ● Fulfill responsibilities such as Board of Directors meetings ● Dialogue with shareholders