



## Message from President and CEO

This March, I had the opportunity to visit a client in Korea. A gale-force spring wind was blowing through the city of Seoul, and the sky was covered by yellow sand. The power of nature, which is strong enough to cover the whole area of the East Asia—from the Northeastern China to Japan—with this yellow sand, was overwhelming for me. At our client's site, I saw for myself just how great the efforts being made to protect their semiconductor and LCD manufacturing processes from the sand-filled air were. I imagined how far-reaching and extreme climate changes and desertification caused by global warming were likely to impose immeasurable impacts on business and social activities. This experience in Korea was another reminder for me that we in the Hitachi Chemical Group must further develop our environmental management schemes to realize a sound coexistence between the group and the Earth's natural entities.

The year 2001 was marked "Year One" of the group's Environmental Management System. Since then, the Hitachi Chemical Group has been taking a variety of measures with the aims of "contributing to the building of a recycling-oriented society," to "help realize sustainable development by balancing economic growth and environmental conservation," and to "pursue group-wide environmental management." As a result, key group companies acquired ISO 14001 certification in fiscal 2002. In fiscal 2003, all of our manufacturing sites and six sites of group companies successfully achieved the important target of "zero emissions." As the next step, we will make even more intensive efforts in the development of environmentally friendly products and in the improvement of energy-saving business operations.

On April 1, 2004, Hitachi Chemical integrated each departmental function of safety and environment, compliance management, and risk management into a single "CSR Office." This was aimed at further promoting Hitachi Chemical's activities with regard to corporate social responsibility. As the slogan for the promotion of CSR activities, we selected "building a company that embodies the 'circle and harmony' of all living things, which can offer a sense of safety and reassurance to both people and the Earth." We are determined to develop a "circle" of all our stakeholders who support us and to nurture "harmony" with them so that we can deliver a sense of safety and reassurance to customers, along with our products and services.

"Economic benefit is merely an extra blessing—seek goodness for the three parties." This is the family creed of the merchants of Omi, a group of successful merchants from the Omi region in the medieval Japan. The "three parties" mentioned are the seller, the buyer, and society. I believe that this is still true even now in the era of globalization, and that we should not lose our long-term goal, "to achieve the sustainable development of the company and society" rather than seek short-term economic benefits.

This year, we have re-titled our environmental report as a "Social and Environmental Report" and included information on our environmental conservation activities, as well as social and economic contributions. We hope that this report will help you to better understand the Hitachi Chemical Group's principles and activities in furthering our social responsibility and environmental management programs. Readers' comments on this report are very valuable to us, and we sincerely look forward to receiving your candid opinions.

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Yasuji Nagase  
President, Chief Executive Officer and Director