

Appropriate Information Disclosure and Communication

Disclosing information through interactive communication with shareholders and investors

To have the market evaluate the Group's corporate value properly, the Hitachi Chemical Group endeavors to submit and receive information based on its medium- and long-term management policies, resulting in acquiring long-term shareholders and proper stock prices.

• Annual General Shareholders Meeting

To welcome more shareholders to the meeting, the Group avoids the peak meeting date and chooses a venue that is conveniently located and easy to reach. To facilitate voting, it sends out the invitation earlier than the statutory date and introduces a voting system via the Internet.

The 56th General Shareholders Meeting was held at Keio Plaza Hotel (Shinjuku-ku, Tokyo) on June 28, 2005. Ninety shareholders (including representatives by letters of attorney) participated, and the ratio of exercised voting rights reached 88.8%.

• Communication with Shareholders and Investors

The Company holds quarterly settlement explanatory meetings for corporate investors and securities companies. The Chief Executive Officer explains the results in the meetings for full-year settlement (in April) and semiannual settlement (in October).

A business explanatory meeting is held annually to explain major products and provide an opportunity for a factory tour.

In March 2005, the Chief Executive Officer and the Chief Financial Officer made the first visit to investors in Britain.

To disclose information fairly to all shareholders and investors, the Company submits information constantly on the Company's website, through the annual reports. Hitachi Chemical issued the first Intellectual Property Report in June 2004 to report the movement in R&D as well as fundamental technologies, the R&D policy and system, the outline and management policy of intellectual properties, etc. The second report was issued in July 2005.

Returning our profit to shareholders constantly with comprehensive consideration

The Company is committed to increasing dividends to shareholders constantly with comprehensive consideration, such as performance, and future business possibilities. Internal revenue funds are invested on the R&D of high-value added products, where high growth is expected, and revitalization of the existing business. It is also effectively utilized in establishment of robust financial standing.

About External Evaluation (inclusion in the SRI index and grading of the corporate bond)

The Company is included in such SRI (Socially Responsible Investment) indices as FTSE4 Good Global Index prepared by FTSE International Limited (from March 2004), "Companies with Advanced Measures on Corporate Social Responsibility" by The Japan Research Institute, Limited (from December 2004) and an eco-fund "Buna no Mori (Beech Forest)" by Sompo Japan Asset Management Co., Ltd. (from May 2004). All of our corporate debentures are rated "A" by Rating and Investment Information, Inc. (R&I).

Composition of shareholders (Number of shares and ratio of voting rights)

(as of March 31, 2005)

