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Editorial Policy

The Sustainability Report is the first report focusing on the corporate social responsibility of the Hitachi Chemical Group, consisting of four chapters each representing Market, Global Environment, Employees, and Society, to report the Group's CSR activities to each stakeholder. The Group intends to facilitate communication with stakeholders through this report and improve its CSR activities.

Scope of Information Disclosure

• Period covered

The period covered by this report is 2004 fiscal year, running from April 1, 2004 to March 31, 2005.

• Organizations covered

Basically, the report covers Hitachi Chemical Co., Ltd., and the 62 consolidated subsidiaries within the Hitachi Chemical Group. Environmental impact data are collected from Hitachi Chemical Co., Ltd., and the 13 major group subsidiaries only*.

The "Hitachi Chemical", the "Company" or "non-consolidated" as used in the statement or the diagrams of this report refers solely to Hitachi Chemical Co., Ltd., while the "Hitachi Chemical Group", the "Group" or "consolidated" refers to the whole Hitachi Chemical Group.

***14 organizations (36 sites) the environmental impact data are collected from:**
Hitachi Chemical Co., Ltd., Shin-Kobe Electric Machinery Co., Ltd., Hitachi Powdered Metals Co., Ltd., Hitachi AIC Inc., Hitachi Housettec Co., Ltd., Japan Brake Industrial Co., Ltd., Hitachi Chemical Automotive Products Co., Ltd., Hitachi Kasei Polymer Co., Ltd., Hitachi Chemical Fitec Inc., Hitachi Chemical Industrial Materials Co., Ltd., Hitachi Chemical Coated Sand Co., Ltd., Hitachi Chemical (Singapore) Pte. Ltd., Hitachi Chemical (Johor) Sdn. Bhd., and Hitachi Chemical Co. (Taiwan) Ltd.

• Scope of the report

This report covers the policies, plans, efforts, and results by the Hitachi Chemical Group focusing on the environmental and social aspects based on the philosophy of triple bottom lines, with reference to "Sustainability Reporting Guidelines 2002" issued by the Global Reporting Initiative (GRI) and "Environmental Report Guidelines (fiscal 2003)" issued by the Ministry of the Environment of Japan.

Publication of Reports

The Hitachi Chemical Group has issued reports in this field annually since 1999, when the Environmental, Safety and Health Report was issued, changing the names and styles as in the Environmental Report in 2003 and the Social and Environmental Report in 2004 which covers social, environmental and economic dimension. Both the Japanese and English editions of the Sustainability Report 2005 were issued in July 2005. The next edition (2006) is scheduled for publication in July 2006.

Predictions, Anticipations and Plans for the Future

This report includes predictions for the future based on the plans and prospects as of the date of issue, in addition to the past and present facts about the Hitachi Chemical Group. The predictions are the results of assumptions or judgments based on the information that available when this report was prepared. Therefore, the results of future business activities or phenomena that may occur in the future may be different from the predictions if any condition changes.