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Forward-Looking Statements

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 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.

Editorial Policy

The Sustainability Report 2007 summarizes the corporate social responsibility activities of the Hitachi Chemical Group with a focus on paramount issues that affect the relationships between each of our stakeholders and us or our core operations. As in the 2006 report, our editorial policy is based on the action plans set forth by Hitachi Chemical Group's CSR Policy. We have sought to present this report in a way that is easy to understand, including concrete examples of activities in fiscal year 2006 on each page.

The Hitachi Chemical Group intends, through this report, to encourage communication with stakeholders and further enhance its CSR activities.

• Period covered

In principle, this report covers fiscal year 2006, from April 1, 2006 to March 31, 2007, although it also includes reports on activities prior to and beyond fiscal year 2006.

• Organizations covered

This report basically covers Hitachi Chemical Co., Ltd. and its 60 consolidated subsidiaries. Environmental impact data was collected from the companies listed below. Exceptions are clearly identified.

In diagrams and statements contained in this report, the terms "Hitachi Chemical," "the Company," and "non-consolidated" only refer to Hitachi Chemical Co., Ltd., whereas "the Hitachi Chemical Group," "the Group," and "consolidated" refer to the Hitachi Chemical Group.

Environmental impact data collected from the following 16 business entities, representing 36 business sites:

Hitachi Chemical Co., Ltd., Shin-Kobe Electric Machinery Co., Ltd., Hitachi Powdered Metals Co., Ltd., Hitachi AIC Inc., Hitachi Housetec Co., Ltd., Japan Brake Industrial Co., Ltd., Namie Japan Brake Industrial Co., Ltd., Hitachi Chemical Automotive Products Co., Ltd., Hitachi Kasei Polymer Co., Ltd., Hitachi Chemical Filtec Inc., Hitachi Chemical Industrial Materials Co., Ltd., Hitachi Chemical Coated Sand Co., Ltd., Hitachi Chemical (Singapore) Pte. Ltd., Hitachi Chemical (Johor) Sdn. Bhd., Hitachi Chemical Co. (Taiwan) Ltd., Hitachi Chemical (Dongguan) Co., Ltd.

Report Publication

The Hitachi Chemical Group has consistently reported its CSR activities to stakeholders by publishing a report each year since 1999 when the first Environmental, Safety and Health Report was released. Both Japanese and English language editions of the Sustainability Report 2007 were published in July 2007. The 2008 edition is scheduled to be published in July 2008.

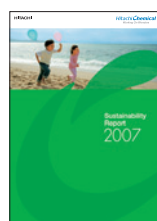
The Group reports on the status of its corporate activities through its website and the following annually published reports:



Annual Report

Annual Reports disclose the Group's financial condition and related management and business strategies, primarily focused on the interests of shareholders and investors. It includes discussion on management, business and financial conditions in 2006 and explains medium-term management and business policies.

URL <http://www.hitachi-chem.co.jp/english/ir/ar.html>



Sustainability Report

This report presents information for all stakeholders on the status of corporate social responsibility policies and activities in 2006, including environmental preservation, social contributions, occupational safety, business ethics, and compliance.

URL <http://www.hitachi-chem.co.jp/english/csr/index.html>



Intellectual Property Report

This report summarizes the Group's R&D activities and intellectual assets, including policies on basic technologies and R&D as well as the acquisition and management of intellectual property. It also explains our R&D programs and the current status of patent applications and ownership.

URL <http://www.hitachi-chem.co.jp/english/company/ip/index.html>