

We report, in an easy to understand way, the paramount issues for CSR in relation to stakeholders and the Group's core operations.

The *Sustainability Report 2008* summarizes the corporate social responsibility activities of the Hitachi Chemical Group with a focus on paramount issues for CSR in relation to the Group's core operations and each of our stakeholders.

The first commitment period of the Kyoto Protocol begins in 2008, so we have a special feature in this report on carbon management strategies, through which we aim to achieve a further reduction of CO₂ emissions. As in the

2007 report, our editorial policy for reporting our performance is based on the action plans set forth in 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 2007.

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 2007, from April 1, 2007 to March 31, 2008, and it also includes reports on activities prior to and beyond fiscal 2007.

● Organizations covered

This report basically covers Hitachi Chemical Co., Ltd. and its 53 consolidated subsidiaries. Environmental impact data were collected from the companies listed below. Exceptions are clearly identified. Hitachi Housetec Co., Ltd. has been removed from consolidation due to the stock transfer in January 2008. Therefore, the Group's data on environmental load for fiscal 2007 do not include the aforementioned company's information in fiscal 2006 and, for Group data from fiscal 2006 or earlier, we exclude the Hitachi Housetec's data retrospectively.

The diagrams and statements in this report contain the terms "Hitachi Chemical," "the Company," and "non-consolidated," which 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 15 business entities, representing 32 business sites:

Hitachi Chemical Co., Ltd., Shin-Kobe Electric Machinery Co., Ltd., Hitachi Powdered Metals Co., Ltd., Hitachi AIC Inc., 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.

● Guidelines used as reference

- GRI (Global Reporting Initiative) G3 Sustainability Reporting Guidelines
- Environmental Reporting Guidelines (2007 version), Ministry of the Environment of Japan
- Environmental Accounting Guidelines (2005 version), Ministry of the Environment of Japan

We disclose CSR-related information on our website

Our website has the latest CSR-related information, topics, policies and rules, which are not covered in this printed report, as well as calculated data for eco-efficiency, eco-factors and a report on implementation of the Green Curtain Project. Back issues of our CSR reports are also available on the website.

We will work on timely updates and enhancements to our website, keeping it in line with the printed report.

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

