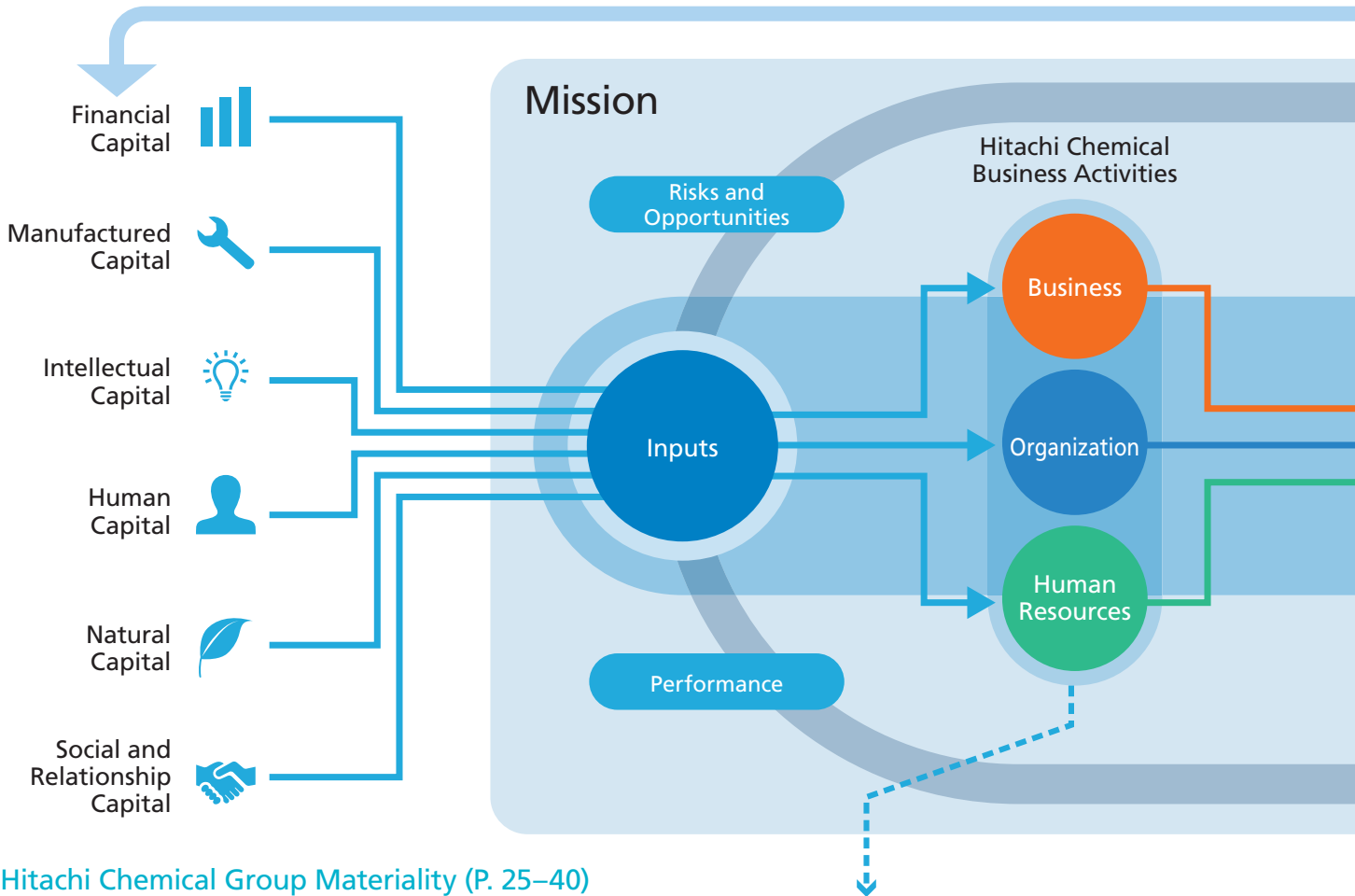


Hitachi Chemical's Value Creation Process

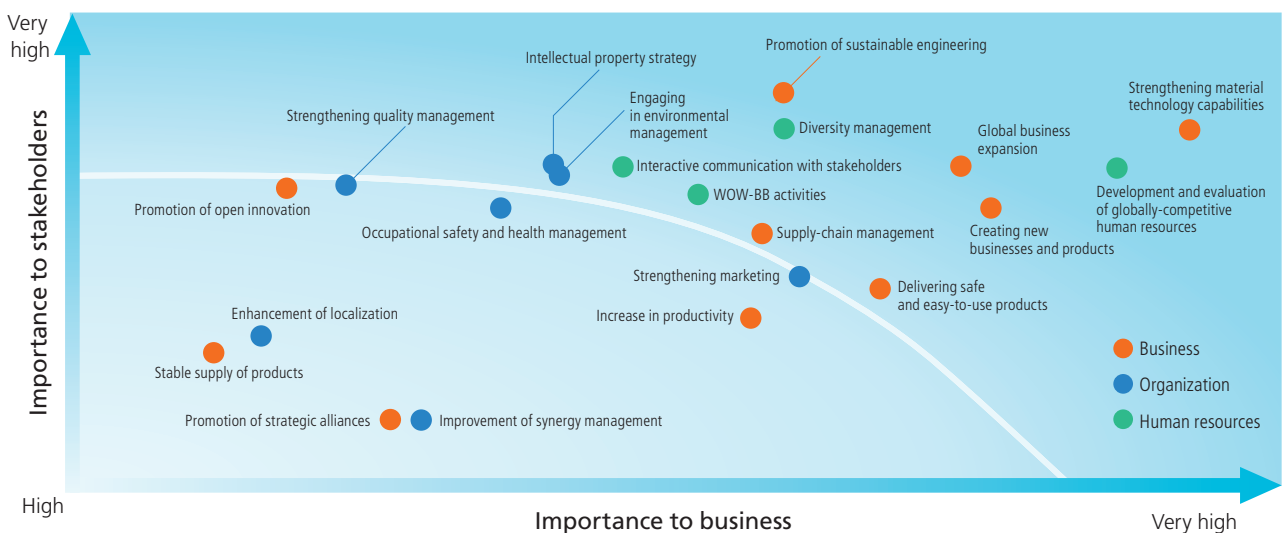
Hitachi Chemical does business considering the materiality identified through external environment analysis and risk/opportunity analysis, based on our mission to "contribute to society through the development of superior technologies and products." Going forward as well, we will maintain sustainable growth with a view to maximizing values for our stakeholders.



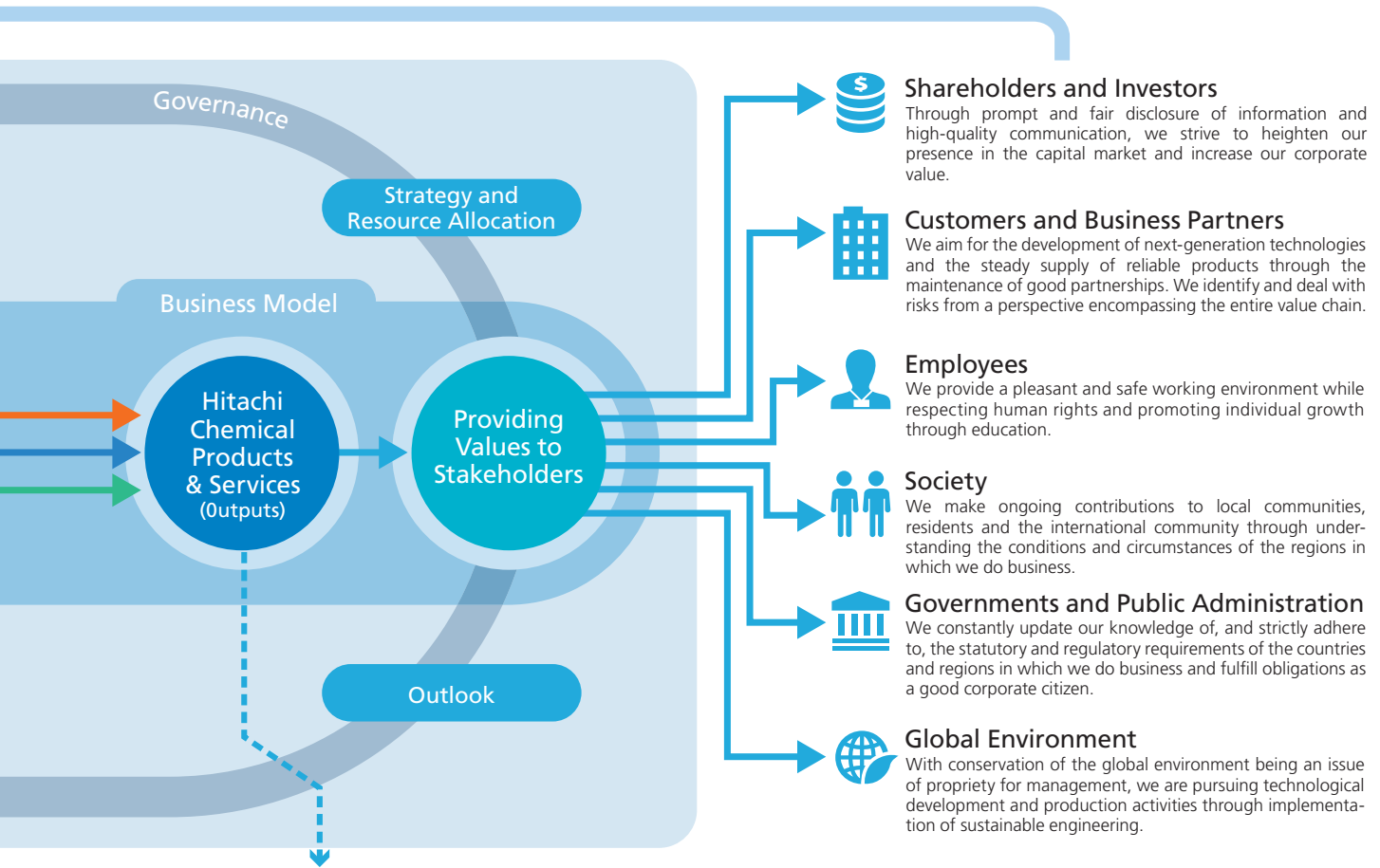
Hitachi Chemical Group Materiality (P. 25–40)

Hitachi Chemical uses materiality analysis to accurately grasp and appropriately prioritize key management and business issues. The materiality matrix shown below plots the issues derived from the analysis according to their

importance to the business and stakeholders. We will review this regularly in the future and use it as a basis for management decisions.



Visit our website for more details of the materiality analysis process.
<http://www.hitachi-chem.co.jp/english/csr/group/materiality.html>



Results produced by our business activities (P. 11–14)

Hitachi Chemical produces materials, parts, and components. It has two reporting segments based on the degree of processing: Functional Materials, and Advanced Components and Systems.

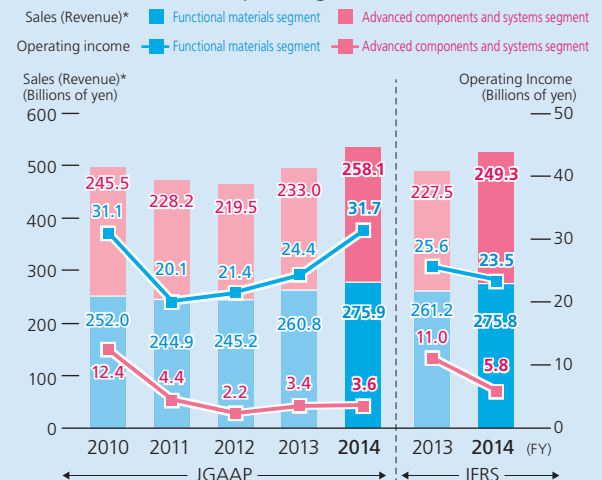
Functional Materials Segment

The main products are electronics materials, inorganic materials, resin materials, and printed circuit board materials. Hitachi Chemical uses its extensive fundamental technology in organic and inorganic chemistry and other fields cultivated over many years to offer solutions to its customers through cutting-edge functional materials.

Advanced Components and Systems Segment

The main products are automotive components, power storage devices and systems and electronic components. By combining and integrating our accumulated advanced materials technology and processing technology, we have developed reliable advanced components and systems to meet our customer's needs in the fields of automobiles, industrial energy, electronics and life sciences.

Net Sales (Revenue)*/Operating Income



*Terms in parentheses are used for IFRS.