

Quality Management

Aiming at offering customers satisfactory products and services based on the recognition of quality being an important management issue, we deal with company-wide quality improvement and work hard to continuously improve our quality management system.

Quality policy

We define providing products and services that assure customer satisfaction as the quality policy of Hitachi Kokusai Electric in conformity with the code of conduct.

We are always committed to our customer creed, respond to customers' trust and expectations through sincere sales activities, and devote ourselves to improving our quality management system in all our business activities including planning, development, design, manufacturing, sales, and service.

Quality organization

The Quality Assurance Center that controls the whole company and the Quality Assurance Departments that take charge of products and services lead and promote quality management systematically based on the quality policy under the control of the quality management officer.

Approach to greater customer satisfaction

We conduct regular CS research with which we can understand customers' requests via questionnaires handled by a service company and ordinary communication in order to improve the customer satisfaction level regarding products and services.

The results of CS research are properly reflected in products and services and also in the improvement of our quality management system. We strive to improve customer satisfaction level from many directions.

Approach to quality improvement

We have acquired ISO9001 certification at all our production factories, and attempt to continuously improve our quality

management system by using the process approach (PDCA).

What is more, we have the Quality Assurance Promotion Committee that meets regularly. The chairman is the quality management officer, responding to quality problems quickly, and making sure of the activity policy for quality improvement in the presence of the president, division heads, and other top management.

In addition to that, internal audit is taken place regularly to verify the activity is executed and the policy of Committee is progressed.

Moreover, the Quality Assurance Senior Managers Committee, composed of all the quality assurance senior managers, meets and implements preventive measures against quality problems and quality information sharing in order to enhance quality management.

※PDCA:Plan Do Check Action

Approach to safety

To provide customers with safe products and services, we observe our internal standards established for safety in addition to domestic/international laws, regulations and standards. Our Product Safety Promotion Committee, of which the chairman is the general manager of the quality assurance center, meets and discusses information sharing regarding product safety and measures to prevent problems from reoccurring, based on real cases occurring internal and external of Hitachi Kokusai Electric.

Approach to quality problems

Our Quality Assurance Promotion Committee mentioned above meets regularly, establishing a system where serious problems are reported to the president and top management as soon as they occurred in order to handle the quality problem quickly by the president and top management.

We discuss and determine information disclosure from the customers' point of view.

Procurement

With regard to procurement activities, we strive for coexistence and mutual prosperity while deepening our mutual understanding with business partners, based on the promotion of fair business and the observance of social rules including laws and regulations.

Basic policy for Hitachi Kokusai Electric Group material procurement

Hitachi Kokusai Electric group procures materials, services, and other items necessary for production and supply from global markets with reasonable prices, delivery time, and quality to provide customers with valued and appreciated products.

We conduct fair and open business, promoting the establishment of partnerships with business partners focusing on compliance with the laws concerned and environment-friendliness.

- Partnerships** Better partnerships with all business partners deepens mutual understanding, and we cherish the relationship of mutual trust.
- Open door** We conduct equal and fair business on the basis of free competition domestically and overseas.
- Selection of business partner** Selecting business partners is conducted by sufficient evaluation data regarding material quality, price, delivery time, management reliability, environment-friendliness, and capacity for technological development as well as following appropriate procedures.
- Provision of information** We sincerely respond to requests from business partners, informing business partners of information necessary for business. At the same time, we request useful information from business partners.
- Sales confidentiality** We strictly supervise confidential sales information and maintain confidentiality.

Partnership

To establish strong partnerships with business partners on the basis of our motto of coexistence and coprosperity with business partners, we hold our Business Partner Meeting (BPM) to which major business partners are invited twice a year (April and October). In BPM, we provide invited guests with useful

information such as our budgetary policy, product development, production trends, and other information. We also attempt to strengthen the partnership by deepening the communication between managers from partners and our managers.

We also strive to build a system to work speedily such as by forecasts on the Web, data transmission for order placement, and establishing a delivery time management system by using a cooperative structure with partners.

Green procurement

To promote green procurement, we are checking whether our major partners have acquired ISO14001 certification. We call ISO certified companies Green Suppliers, and this certification is an important criterion for partner selection.

We promote environmental standards recommended by Hitachi, Ltd. such as Hi-KES, EcoStage, and EcoAction21, mainly among medium and small enterprises that have difficulty acquiring ISO certification. We approve companies that have acquired any of those standards as Green Suppliers.

We aim to improve the Green Supplier rate among our business partners via our activities.

$$\text{Green supplier rate} = \frac{\text{Green procurement certified count}}{\text{Major supplier count}}$$

The Green Supplier rate at the end of FY 2004 is 60%. Our target rate on March 2007 is 100%.

Green purchasing

We promote purchasing environment-friendly items, mainly office supplies, by using an Internet procurement system serviced by Hitachi Procurement Service Co., Ltd.

Interaction with local communities

Hitachi Kokusai Electric considers it important for all its business institutions to develop sound relationships and mutual trust with their local communities. Therefore, we aim to deepen communication with local people via various activities and contributions to local communities.

Toyama Works



Participation in a local sports event, Challenge Day 2004

Cosponsorship of a local festival, Etyu Yatsuo Owara Kazenobon



Winning the championship in the 16th self-defence fire-fighting team operation competition (2 consecutive years)

Koganei Works

Cosponsorship of a local festival, Kodaira Citizens Festival



Participation in event held by the Kodaira Traffic Safety Association



Acceptance a company visit for environment study by local junior high school students

Hamura Works



Participation in Kaze no Owara



Participation in Flower Campaign in Hamura-shi