

Pursue the Quality

Observing the fundamentals, doing things the right way, we think and act on our own mind from a customer's point of view, and work hard to improve continuously for each business process.

HiKQ innovation activities

Our group launched a new campaign of innovation activity which is called "HiKQ innovation" in August 2009. In order to create a brand of confidence that satisfies our customers, we are further expanding the scope of activities in quality improvement campaigns and business process reforms, to which we have long been committed, and are also promoting reforms in all tasks. We will cultivate a corporate culture that reactivates internal and external communications and conducts its tasks on the basis of customer satisfaction first. The gist of our activities consists of top-down "business process reforms" for reviewing each job with from a customer's point of view (see [Table 1]), "Step-up Activities" that promote bottom-up, proposal-type business improvement activities, and "HiKQ Net" for activating internal communications, along with various other measures that allow our employees to proactively tackle their tasks. In July 2010, we established the HiKQ Innovation Promotion Division to accelerate and enrich our activities even further. Each employee is promoting business process reforms while thinking, "What is the true value that satisfies our customers?"

■ [Table 1] Main themes of the business process reforms

Activity theme	Details
① Enhancing sales activities	<ul style="list-style-type: none"> Market-in-oriented sales activities Cultivation of a customer-oriented mindset among salespeople
② Job flow rectification	<ul style="list-style-type: none"> Quick at communication from sales to factories Buildup of quality in upper process and establishment of a basic design
③ Improvement of design quality	<ul style="list-style-type: none"> Risk management Establishment of design techniques for preventing nonconformities
④ Design process reforms	<ul style="list-style-type: none"> Pre-verification design of circuit simulation and other operations Realization by using design know-how and expanding the use of IT
⑤ Reinforcement of the Monozukuri	<ul style="list-style-type: none"> Improvement of production efficiency by developing Monozukuri craftsmanship Reinforcement of the value-added Monozukuri culture
⑥ Expansion of maintenance business	<ul style="list-style-type: none"> Establishment of maintenance agreements with selected customers Renewal of existing systems and addition of peripherals and functions
⑦ ES enhancement	<ul style="list-style-type: none"> Reactivation of step-up activities Reactivation of HiKQ Net use
⑧ Promotion of IT use	<ul style="list-style-type: none"> Improvement in the user-friendliness of the IT infrastructure

To inquire about our products and services:

Home Page of Hitachi Kokusai Electric Inc.
<http://www.hitachi-kokusai.co.jp/global/contact/>

or

*Usual inquiries concerning quality problems and repairs are supported by the relevant sales and service staff.

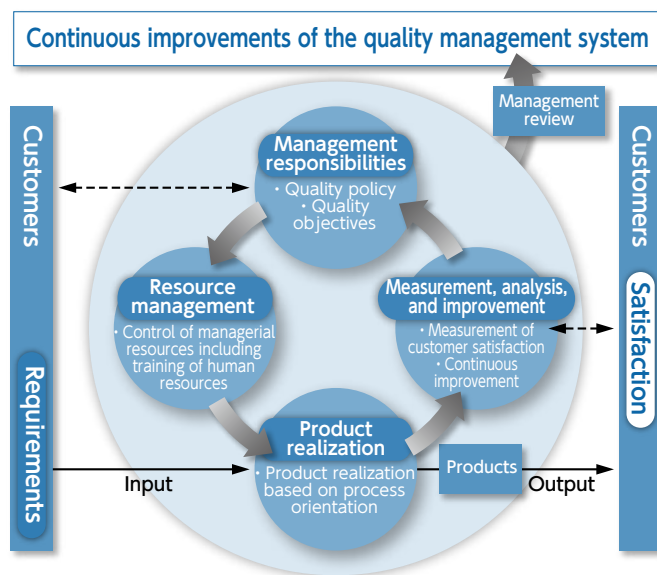
Policy to Improve Quality

We have certification of ISO 9001 (quality management systems) at all our Works and are continuously improving our quality management system by using the PDCA cycle in the process approach. In order to further satisfy various requirements of customers on products and services, we get certification of received JIS Q9100 and TL 9000 as applicable to certain product categories, and our sales departments are incorporated into the quality management system.

Policy to Address Quality Problems

A series of review and recurrence prevention activities based on thinking and acting from the customer's point of view is called *Ochibo Hiroi* (meaning "gleaning"), which identifies the direct technical causes of problems and the motivational problems that led to those causes, and involves working to prevent recurrence and verifying similar products in an attempt to prevent similar problems.

■ Flows of quality improvements



This poster expresses the attitude of our younger group employees working on HiKQ innovation activities to raise the awareness of each employee.

Providing Safe Products and Services

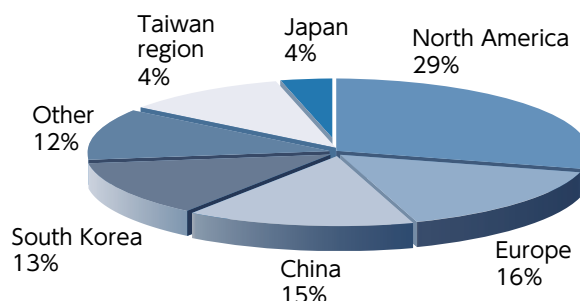
We comply not only with the Product Liability (PL) Law, domestic and international laws, and safety standards, but observe also internal standards for further safety in an attempt to improve the level of quality, thereby providing our customers with safe and high-quality products and services. Moreover, we hold the "Product Safety Conference" meeting to share information and consider ways of preventing nonconformities based on case studies of failure occurring both internally and externally.

Awards granted in a customer satisfaction survey by VLSI Research (a third-party organization) for 13 consecutive years

In an annual customer satisfaction (CS) survey conducted on semiconductor-manufacturing equipment by VLSI Research (a U.S. market survey company based in California), we were selected as one of the "10 Best." This year marks the 13th consecutive year of being selected as one of the "10 Best," and we were promoted in rank from fourth last year to second this year. This survey comprehensively evaluates customer comments about the targeted manufacturers in terms of user-friendliness, quality, performance, service support (parts supply, proposals for improvement, and after-sales service), and other factors, and has always evaluated us very highly.

To continue earning customer satisfaction, we will enrich the performance of our products and improve our quality and service. We will constantly set high goals, continue to tackle our challenges, and advance as a supplier of the best solutions.

Regional distribution of 1,290 replies to the 2010 questionnaire conducted by VLSI Research



The top 10 among 15 large suppliers of wafer processing equipment in overall rating

Rank	Company	Overall rating
1	Varian Semiconductor Equipment US	8.24
2	Hitachi Kokusai Electric Japan	7.86
3	Novellus Systems US	7.80
4	Dainippon Screen Mfg Japan	7.60
5	ASML Europe	7.49
6	Tokyo Electron Japan	7.46
7	Lam Research US	7.11
8	Nikon Japan	6.85
9	ASM International Europe	6.81
10	Canon Japan	6.61

(Results of the 2010 survey by VLSI Research)

Efforts to earn a high customer evaluation and the results

We continuously conduct various improvement activities to enable our customers to use our products long and effectively.

Some customers, particularly the world's leading semiconductor manufacturers, also encourage such efforts by periodically evaluating their clients and recognizing corporations that have achieved high results.

When we are highly evaluated and granted an award, we announce it as a news release and publish it on our website under the consent of the customer.

By modestly taking the award as encouragement and findings as a task, we will work toward further improvements and lessening our environmental impact.

Voice

We regard the results of the VLSI Research customer satisfaction survey as one element of the VOC*1 and will work toward improving quality to satisfy our customers even more. This customer satisfaction survey is designed for customers worldwide and offers a unique opportunity to hear frank comments of the numerous customers who use our products. Based on the survey's findings, we



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will continue our efforts to supply products offering high performance and quality, and which are safer and even more user-friendly.

*1 VOC: VOICE OF THE CUSTOMER

Website for publishing typical awards granted by customers:

<http://www.hitachi-kokusai.co.jp/global/news/>

or