



# Promoting CSR Activities in Our Supply Chain

We will extend our supply chain from a global perspective and strengthen partnerships with our business partners.

## Basic policy for material procurement

The Hitachi Hokusai Electric Group procures materials, services, and other commodities necessary for production and supply from global markets with appropriate prices, delivery dates, and qualities in order to provide products that are valuable and satisfactory to its customers.

The group also emphasizes strict compliance with laws and environmental considerations, engages in fair and open transactions, and promotes the buildup of partnerships with its business partners.

### Partnership

We will build even better partnerships with all our business partners, thereby deepening mutual understanding and fully utilizing relationships based on trust.

### Open Door

We will base ourselves on the principles of free competition and engage in fair and just transactions with business partners both inside and outside the country.

### Selection of Business Partners

Business partners will be selected based on a sufficient evaluation and appropriate procedures regarding material quality, prices, delivery dates, material reliability, environmental considerations, and technical development ability.

### Supply of Information

We respond in good faith to business partners' requests and notify our business partners of any information required in transactions. At the same time, we seek useful information from our business partners as well.

### Observation of Trade Secrets

All trade secrets provided by any business partner will be strictly controlled in an attempt to ensure confidentiality.

## Promotion of globalization

We are trying to establish a global procurement partnership in order to enhance our global competitive power, by expanding the ratio of our overseas procurement, reinforcing collaboration with our overseas procurement bases (in Brazil and Korea) by sharing our Group procurement strategy, thoroughly implementing CSR in our supply chain, and so forth. From now on, we will further reinforce our procurement infrastructure by promoting the "local production for local consumption" type of global procurement and augmenting our procurement personnel overseas.

## Addressing the CSR activity

As a means of thoroughly following the principle of the "basics and ethics" in procurement, we are attempting to comprehensively fulfill our CSR and increase the level of our divisions related to procurement by providing compliance education for such divisions and regularly checking the company's status of compliance.

## Collaboration with our business partners

We share the procurement policy and Hitachi Group Guidelines with our business partners through our positive activities to strengthen communications with them, commencing with the business partner meeting (BPM) to promote CSR activities together with our business partners.

We are also attempting to revitalize our activities by continuously recognizing business partners who have positively made efforts during each year. During fiscal 2011, many of our business partners provided support for our reconstruction activities following the Great East Japan Earthquake.

Voice

### Business partners who received the Fiscal 2011 Excellent Performance Award

#### Murata Manufacturing Co., Ltd.

Thank you for recently presenting us with this award. The Great East Japan Earthquake severely damaged our Tome plant. As the products manufactured there are adopted for your company's major models of equipment, we became anxious about the impact on your production activities immediately after the disaster, but were able to avoid the crisis thanks to close collaboration with your company, for which we are very grateful. I



Commendation by the Video and Communication Systems Division

also believe that we were able to supply the necessary products from our inventory, even when our company's production was shut down, as a direct result of your company's usual standardization promotion activity. From now on, we will continue our efforts to contribute to your company's business through our day-to-day sales activities.

#### Eagle Industry Co., Ltd.

We are very much honored to have recently received the award for Most Excellent Business Partner of the Year. Last year we were forced to face a situation in which we had difficulty continuing our usual production activities due to an indirect impact of the disaster, but thanks to the great support from your company and its affiliates, we were able to secure our regular production volume with our interim operational structure. We are very grateful to you because we never would have been able to manage such a difficult situation on our own. Toward the future, we will continue efforts to secure our production volume and improve quality under our cooperative structure with your Group companies.



Commendation by the Semiconductor Equipment Division



Website for our business partners:

Home Page of Hitachi Kokusai Electric Inc.

<http://www.hitachi-kokusai.co.jp/global/csr/procurement/index.html>

or

Hitachi Kokusai Electric Inc. CSR information

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