



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 suppliers.

Partnership

We will build even better partnerships with all our suppliers, 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 suppliers both inside and outside the country.

Selection of Business Partners

Suppliers 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 supplier requests and notify our suppliers of any information required in transactions. At the same time, we seek useful information from our suppliers as well.

Observation of Trade Secrets

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

Promotion of Globalization

Our Group works to increase its overseas procurement ratio, share its group procurement strategy, collaborate with its overseas procurement bases (in Brazil and Korea), and establish a global procurement partnership. We will promote global procurement along with local production for local consumption at locations even closer to our customers, thereby increasing our global competitiveness.

Addressing the CSR Activity

We cooperate with Hitachi, Ltd. to promote CSR reinforcement activities in our supply chain. We disseminate our "Hitachi Group Supply-Chain CSR Deployment Guidebook" compliant with the guidelines of the Japan Electronics and Information Technology Industries Association (JEITA) to our business partners in order to share our CSR awareness with the whole supply chain.

In 2012, we initiated a document survey of our main business partners in China and Asia with regard to CSR. This allowed us to evaluate the environment, safety and health, human rights and labor, conflict mineral problems, fair trade and ethics, quality and safety, information security, contribution to society, and the status of other CSR risks.

We will continue working to ensure common awareness with our business partners through our CSR survey, and continuously upgrade our CSR efforts throughout our supply chain.

Collaboration with Our Business Partners

We work to collaborate closely with our business partners in order to create higher levels of value combined with compliance.

Through our business partner meetings (BPMs), we work to maintain fair trade relations and cultivate even better partnerships.

By sharing business principles and CSR efforts, we pursue a mutual win-win strategy and work to step up our supply chain.

We are also attempting to revitalize our activities by continuously recognizing business partners who have contributed greatly to stepping up our supply chain during each year.

Voice Business partners who received the Fiscal 2012 Excellent Performance Award

ROHM Co., Ltd.

The recent flooding in Thailand damaged our main factory, which significantly affected your company. Despite all that, you have recognized us as a business partner with the award, which is a great honor for us.

The fact that we managed to minimize the adverse impact on your production in such a critical situation has been the result of your considerable support and cooperation.



Commendation by the Video & Communication Systems Division

We wish to share information closely with your company at BPM, and so forth, make various proposals in our sales activities, and work to be of some help to your business.

Tateyama Machine Co., Ltd.

All members of our company are surprised and impressed to have recognized as your most excellent business partner of the year.

We would like to express our hearty thanks for allowing us to engage



Commendation by the Semiconductor Equipment Division

in production activities with the assistance of other business partners under your guidance. Under the motto of "Quality is life," we intend to strive with all employees joining forces as one unit, thereby contributing further to the development of your business. We request your continued guidance and cooperation, and earnestly encourage your further development.

Website for our business partners:



Home Page of Hitachi Kokusai Electric Inc.

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

or