

Establishing Good Partnership

Environmentally friendly, fair and transparent purchasing business

The Hitachi Chemical Group purchases various materials through the purchasing network. We have the network extend abroad, Germany, Singapore, Malaysia, Hong Kong and Taiwan.

Hitachi Chemical procures environmentally friendly materials through fair and transparent procedure in accordance with the Primary Concepts of Purchasing Business. The Company made this policy to build up fair relationship with suppliers, and to clarify human rights protection including the prohibition of child labor and forced labor.

Hitachi Chemical introduces major procurement materials and other related information such as domestic and overseas procurement bases,

through its website.

The Company investigates and examines quality/specifications, safety, price level, time to delivery (stableness in supply), level of technology, level of quality control, level of environmental management, company profile (management policy, potential, financial conditions, credibility, etc.) and so on.



Enhancing cooperation with suppliers through information disclosure

The Hitachi Chemical Group disclose information in explanatory meetings for suppliers or on website. Hitachi Chemical held the meeting to explain the introduction of the environmental management system, etc. in 2004.

In May 2004, the Yuki Works of Hitachi Housettec Co., Ltd. had a ceremony to offer testimonials to suppliers. This ceremony has been held annually to express their gratitude to suppliers which contributed to improve performance in various areas such as price reductions and quality improvements of the supplied materials.

The Hitachi Chemical Group intends to strengthen cooperation with suppliers.

Primary Concepts of Purchasing Business

Hitachi Chemical executes the following rules in purchasing business.

Equality

Hitachi Chemical continually strives to improve mutual prosperity and dependable relationships from a long-term point of view, building impartially cooperative relationships with suppliers.

Global Mind

Hitachi Chemical wishes to expand our purchasing network into the global market with broad views and provide an excellent service based on the security of proper competition and impartial business.

Objective Evaluation

The selection of suppliers is determined by factors such as quality, price, delivery performance, and technical expertise.

Social Liability

Hitachi Chemical properly serves under regulations relative to the purchasing business. Confidential information of those suppliers who have contacted us through our purchasing business is protected.

Environmental Purchasing

In the selection of materials, environmentally friendly materials always take precedence. Therefore, those suppliers who organize a framework of environmental management will have first claim in supplying us with materials.

e-Purchasing

An EDI (Electronic Data Interchange) system is executed for quality and efficient transactions of our purchasing business. Hitachi Chemical also positively adopts e- Marketplace in the purchase of materials and parts.

Consideration for Human Rights and Labor Conditions

Hitachi Chemical respects human rights and is committed to securing occupational health and safety. We also ask for partners' cooperation as a part of the total supply chain. If any partner should infringe human rights, including child labor, the Company may disqualify it and terminate the business relationship.

Standard Purchasing Procedure

