

Guidelines for Procurement Activities

These guidelines define business transaction standards which shall be applied to all HITACHI executives and employees, etc. in connection with their activities purchasing necessary materials, products, services, and information, etc. from outside sources.

1. Overall procurement activities of Hitachi shall adhere to the “Hitachi Group Codes of Conduct”.
2. HITACHI shall maintain proper partnerships, mutual understanding, and reliable relationships with procurement partners with a view to the long term results.
 - (1) HITACHI shall treat all procurement partners impartially and be prohibited from favoritism such as giving unfair priority to any specific procurement partners.
 - (2) HITACHI respects fair business dealings with procurement partners and will avoid any improper act which might cause a loss to a procurement partner apart from normal and customary business transactions.
 - (3) HITACHI shall keep procurement partners’ trade secrets strictly confidential and prevent them from being revealed or improperly used.
3. HITACHI develops procurement partners to maintain competitiveness from a worldwide point of view. Especially keep the following points in mind.
 - (1) HITACHI responds to all procurement partners’ offers sincerely, and is always willing to offer the information necessary for procurement partners to complete on an even playing field.
 - (2) In ongoing procurement transactions, HITACHI shall periodically check and review procurement partners’ performance and will confirm advantages of maintaining current procurement partners.
4. Through a designated selection process, procurement partners shall be evaluated by product quality, reliability, delivery, price, procurement partners’ business stability, technical development ability, fair and transparent information release, compliance with societies’ rules, regulation compliance, respect for human rights, elimination of discrimination in respect of employment and occupation, elimination of all forms of child labor, forced and compulsory labor, environmental preservation activities, social contributions, good working environment, recognition of social responsibilities with business partners,

elimination of antisocial transactions, elimination of illegal transactions such as bribery of public officials and others, elimination of money laundering, information security, and social responsibilities including export control regulations.

- (1) HITACHI shall not request quotations from procurement partners with whom there is no intention to enter into a future business relationship.
 - (2) In accordance with specified internal procedures, the role and responsibility for specifications, terms and conditions, product acceptance and inspection belongs to each Requester, Procurement Department and Quality Assurance Department.
 - (3) Procurement Departments shall be a representative of HITACHI when contracting with procurement partners.
5. HITACHI members are prohibited from receiving any personal gifts or offers from procurement partners.