

Relationship with our Suppliers

Our company has strong cooperative ties with suppliers and look to develop and grow together.

Highlight of fiscal 2008

- With respect to the labor management of suppliers, we conduct seminars, self-checking, and onsite confirmation and continuously promote compliance
- Proactive responses to discussion pertaining to supplier transactions

Basic Procurement Policy

Our basic procurement policy is to "establish a procurement platform beneficial to us and carry out optimum global procurement by presenting relevant offices and suppliers with procurement plans, policies, etc. that aptly reflect the changing procurement conditions as well as the attitudes of customers and competitors, so that we will be able to produce competitive products." Also, based on the idea that "suppliers support our company", through the principles of "Genchi", "Genbutsu", and "Genjitsu", we will put our company to work and develop supplier structural strengthening policies.

Holding a procurement policy explanation session



We hold a procurement policy explanation session every April to indicate the direction we should go toward creating the atmosphere that surrounds our company and have our procurement policy for the year firmly understood.

We ask approx. 200 suppliers of products parts, processing, materials, facilities, and metal molds to participate in this session to discuss "our challenges and actions to be taken" and, in relation to this year's "procurement policy", to talk about safety, quality, quantities, costs, technology, global expansion, CSR, etc. so we can enhance the level of coordination with these suppliers.

We also give awards to suppliers who have provided a noteworthy contribution in each field, showing our appreciation in order to encourage all the suppliers who participated to continue progress. This time, in addition to past awards given in the fields of quality, price, and technology, we also established an "Environmental Contributions Prize".



Procurement policy briefing session

Tackling quality improvement, compliance

We are taking actions to grow with our suppliers through standardized work maintenance, prevention of defective outflow for quality improvement, and the suppliers' participation regarding the design of metal molds and products and through cost reduction activities geared toward improving competitiveness.

With respect to the labor management of each company in fiscal 2008, we

conducted seminars, self-checking, and onsite confirmation to promote compliance even further.

Also, with respect to the worsening of economic conditions, we are proactively moving forward discussions with suppliers concerning management and responding to transaction problems.

Strengthening our collaboration with suppliers

Four times each year, about 100 suppliers participate in a procurement liaison meeting. The content of this meeting includes expansion of production information, quality control, compliance activities, safety activities, earthquake countermeasures, security management, harmful substances management, etc. We plan to enrich the content by, incorporating ongoing themes and introducing new themes such as public guarantees, lending, subsidies and lateral development regarding recommended ways to handle reduced production.

Promoting green procurement

Based on our company's "Green Procurement Guidelines (2nd Edition)" we continue to expand environmental activities. The structure of the guidelines is divided into 2 components: "environmental management" and "harmful substances management".

We have produced good results in "environmental management" by acquiring ISO14001 certification involving, energy saving and waste reduction.

In addition to continuing to respond to the EU's ELV^{*1} regulation, we are also conducting components confirmation in response to the EU's REACH^{*2} regulation. As a new theme we would like to unite with suppliers to move forward with VOC^{*3} management in "harmful substances management".

*1 End of Life Vehicle

*2 Registration, Evaluation, Authorisation and Restriction of Chemicals

*3 Volatile Organic Compounds