



Relations with Suppliers

Seeking opportunities for business activities all over the world, we procure parts, materials, equipment and so on that are the absolute best in terms of quality, quantity and cost, from regions all over the world. Furthermore, as a good corporate citizen, we aim to achieve "Optimized Global Procurement" that will also meet social requirements such as environmental preservation, through cooperation with suppliers on the basis of proper and fair business.

Procurement basic policy

Tokai Rika is developing global procurement of parts, materials and equipment which are superior in terms of quality, cost and delivery, on the basis of the following 5 principles for procurement.

We have stipulated that we will provide fair trade opportunities, no matter what nationality or company size, and develop good and long-term cooperative relationships with our suppliers. We carry out our activities in accordance with this.

□ Basic way of thinking with regard to procurement



Strengthening cooperation with suppliers

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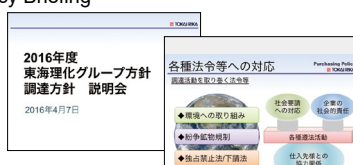


FY 2016 Procurement Policy Briefing

On April 7, 2016, we held a "Tokai Rika Group Policies and Procurement Policy Briefing" at our Head Office. With about 130 companies from among our main suppliers in attendance, including the 51 companies of the Tokai Rika Association, we conducted a briefing on our group policies and procurement policy, and also on quality prevention activity reports, quality function policy, and enhancements to initiatives with regard to environmental activities in response to customer requests.



Tokai Rika Group Policies and Procurement Policy Briefing



Association section meeting activities

With a view to achieving cross-industrial exchange as well, we have divided the 51 companies of the Tokai Rika Association into 5 groups, and have been conducting section meeting activities every other month. Through these activities, we are working toward mutual improvement in each field, by introducing actual examples from both within and outside our company, including ones related to "safety" and "quality," and introduce things such as information on changes to laws and ordinances pertaining to "environment" and actual examples of environmental near-misses.



Association section meeting activities

Disaster prevention activities

Our procurement department focuses on painting, casting processes and power receiving/transforming facilities as the main areas for disaster prevention, and conducts joint inspections of facilities in cooperation with suppliers and in-house dedicated committees. In FY 2016 as well, we conducted study sessions for 50 supplier companies with regard to the management of power receiving/transforming facilities, the appropriate storage and disposal of PCBs, and being prepared for earthquakes.



Power receiver/transformer disaster prevention briefing