



## 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.

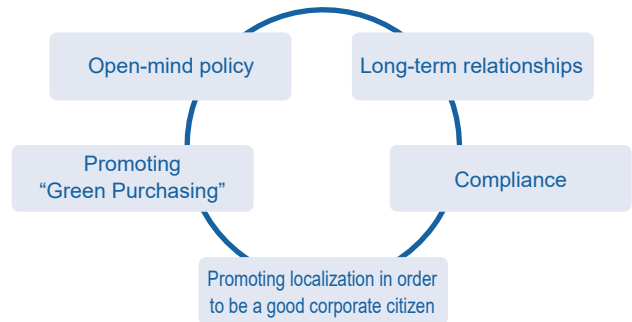
### Purchasing basic policy

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

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.

Upon selecting suppliers, we periodically review order policy on the basis of a comprehensive evaluation for each fiscal year.

#### Purchasing basic stance



### Strengthening cooperation with suppliers

In order to present the business environment that surrounds us and the direction we should take, and to enable people to understand our annual purchasing basic policy for the fiscal year on the basis of that, we hold a Supplier meeting in April each year.

We invite our main suppliers of products, processing, materials, equipment and molds to the supplier meeting, and make cooperation with suppliers close by giving a briefing on cooperation with regard to safety, quality, cost, technology, business development and various activities as a “Tokai Rika Group Policies” and “purchasing Policy.” We also praise and present awards to suppliers who have achieved outstanding results with regard to safety, quality, cost, and so on.



#### FY 2018 Supplier meeting

On April 12, 2018, we held a Supplier meeting at our Head Office. With about 130 suppliers from among our main suppliers in attendance, including 50 suppliers of Tokai Rika Kyouryoku-kai, among 400 parts suppliers, we explained on our group policies, purchasing policy, and also our policy regarding quality, and initiatives with regard to environmental activities, and more.

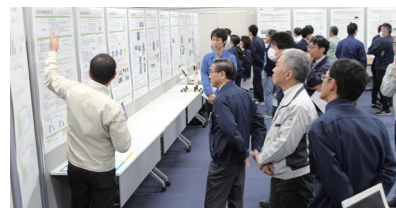


FY 2018 Supplier meeting



#### Activities of Tokai Rika Kyouryoku-kai

With a view to achieving cross-industrial exchange as well, we have been conducting section meeting activities every other month for 50 suppliers of the Tokai Rika Kyouryoku-kai with “safety,” “quality” and “personnel and labor affairs” being the three pillars. Through these activities, we are working toward mutual improvement in each field, by introducing actual examples from both within and outside our company. These examples include ones related to “safety,” “quality” and “personnel and labor affairs,” and by introducing things such as information on changes to laws and ordinances pertaining to “environment” and actual examples of environmental near-misses.



A scene at Tokai Rika Kyouryoku-kai Quality improvement exhibition

#### Disaster prevention activities

Our Purchasing Div. positions painting processes, casting processes, substrate mounting processes, semiconductor 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 2018 as well, we conducted joint inspections on the status of management at a total of 60 suppliers in the field of painting processes, casting processes, substrate mounting processes, semiconductor processes and power receiving/transforming facilities management on the basis of the activity plan.



Joint study session led by casting suppliers