

Procurement Procedure (Materials and Equipment)

1. INTRODUCING THE PRODUCTS YOU WOULD LIKE TO SUPPLY AND REGISTRATION SYSTEM

If your company wishes to introduce your products as a new supplier, we request that you first provide the data on the products you would like to supply, along with a copy of your company's brochure and related information. When promoting your products, you may consider demonstrating the excellence of your products specifically.

In case of the electric equipment products, they are subject to the supplier registration system. The Materials and Procurement Department and Engineering Department will examine your product prior to the registration, and if they judge that it has the potential to be purchased, you are requested to file an application for registration forms.

You do not have to register your products unless they are electric equipment products.

2. PRODUCTS TO WHICH THE SUPPLIER REGISTRATION SYSTEM APPLIES

If the products your company would like to supply are those to which the supplier registration system applies, namely, electric equipment products, you are requested to file an application for registration forms, along with related documents. Registration application forms and related information are available. The application forms must be filled in Japanese, and may be submitted to the Materials and Procurement Department at any time.

Based on the information provided in the application package, products are evaluated from various viewpoints such as needs, your company's financial condition, technical capabilities, production system, quality control system, after-sales service, and others.

In principle, suppliers shall be a Manufacturer and application forms must be submitted for each product separately. Some products to be procured on a regular basis are designed in advance, and such products must pass a type-approval inspection in accordance with the procedures and methods. After passing this inspection, your company will be registered as a supplier for the products which you specified and will receive written notification of the result of our evaluation.

3. PRODUCTS TO WHICH THE SUPPLIER

REGISTRATION SYSTEM DOES NOT APPLY

If the products your company would like to supply are those to which the supplier registration system does not apply, namely, products other than electric equipment products, you are requested to provide us with information about your company's financial condition and the products your company would like to supply. You may introduce your products at any time. Pursuant to the provision of the preceding paragraph, the products are examined based on the documents provided. If the products are highly evaluated in terms of cost efficiency, information on your company and its products will be filed in a specific database which we make its selection of prospective suppliers with.

4. SELECTION OF PROSPECTIVE SUPPLIERS

Selection of prospective suppliers will be made when a procurement request is tendered by a section requiring materials and/or equipment. The Materials and Procurement Department selects prospective suppliers either from the list of suppliers whose products qualified under the supplier registration system, or from the database of suppliers whose products passed the evaluation for products not subject to the supplier registration system.

5. REQUEST FOR QUOTATIONS

In general, we request quotations from two or more selected prospective suppliers. However, depending upon special considerations such as patents, research and development activities, compatibility with existing facilities, or, when the procurement need is urgent or only one prospective supplier either from the list of supplier is available, we may request quotations from only one supplier.

6. SUBMITTING QUOTATIONS

Quotations will be deemed valid only if they have met the deadlines, specifications and other conditions specified.

7. DETERMINING CONTRACT PRICE AND AWARDING CONTRACT

In principle, we will negotiate contract price and other terms and conditions with the company offering the lowest quotation, and a contract will be awarded after an agreement has been reached.

8. CONCLUDING THE CONTRACT

As a rule, a purchase contract will be concluded in writing. The contract will be made in accordance with the terms and conditions prescribed. If necessary, however, the contract may be made according to different terms and conditions mutually agreed upon between the successful supplier and us.

9. DELIVERY, INSPECTION, AND PAYMENT

Products are subject to inspection upon delivery. Payment will be made in the next month after which such products are accepted. In cases where a product

requires a long manufacturing lead time, or in other special cases, we will make special arrangements for payment with the successful supplier.

10. OTHERS

- (1) The Suppliers and the Company shall not disclose the confidential information to any third party without prior written consent of the other party.
- (2) The documents that we provide, including specifications, quotations for a request and contract documents, as well as quotations submitted by suppliers shall be written in Japanese.
- (3) During the procurement process, inquiries should be directed to us.