

With suppliers

EBARA Group builds a partnership with suppliers
(of products, materials and services)
and practices fair trade
under the following procurement policy:

Procurement policy

Deal with fair and equitable opportunities

We widely provide open and impartial opportunities to all suppliers based on ISO9001. To start a business relationship, we conduct technological and commercial assessment in accordance with our certification system based on ISO. Then the basic agreement or the work basic agreement is concluded before starting the business.

Selection of Supplier

In selecting suppliers, we adequately assess the quality of materials, reliability, delivery time, price, technological development capability, proposal capability and financial soundness of suppliers. Assessment criteria may differ depending on the product or agreement condition with the customer.

Confidentiality

We do not disclose to third parties any confidential matters we have learned through our business without the approval of our suppliers.

Mutual trust

We aim for mutual growth as well as building a relationship of trust and partnership with suppliers. All of the procurement section members keep in mind that they must always keep good relationships with the internal and external sections concerned, and they and the sections concerned are mutually cooperative and are involved in creative activities. We make efforts to allow all the operations to function smoothly and effectively.

Social trust and compliance spirit

In purchasing activities, we observe Japanese and overseas laws and conduct transactions in accordance with sound business practices. We always think primarily of contributing to the sound growth of society.

Green procurement

We promote environmentally friendly procurement in cooperation with suppliers to pursue effective product manufacturing, considering the conservation of the global environment.

Suppliers seeking new transactions based on the above procurement policy will be subjected to review by the procurement and related departments in advance in the procedure as described below.

Flow to start new business





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On compliance

Regarding the procurement policy, especially in relation to the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors, which is highly relevant to suppliers, the Integrated Procurement Department is established under the CSR Division for monitoring the day-to-day operations of the multiple procurement departments in the entire corporate organization so that the status of payment is monitored and supervised every month to ensure that suppliers will not be inconvenienced. In addition, employees are given education every year to prevent any illegal act due to lack of knowledge of laws and ordinances.

Promotion of CSR procurement

We consider a better understanding by suppliers as the first step toward promotion of CSR procurement. As an activity for that purpose, supplier questionnaires regarding CSR have been conducted in phases starting in 2008. The collection rate of questionnaires as of the end of 2009 is 49% and over 70% of the respondent companies answered that they have started or planned to make efforts. We see this as a stage in which the CSR awareness is under development. We will continue to make efforts by taking various opportunities to improve communication, carry on with enlightening activities and improve awareness of CSR.

Cooperative structure with suppliers

Each company and business unit are individually conducting procurement activities suited to the business for the purpose of improvement of quality, reduction of costs and establishment of a system to stably supply materials. In the process, they build partnerships with suppliers intended for mutual development based on the spirit of "enthusiasm and sincerity." One example is the *Association for VE Cooperation* founded at EBARA Fujisawa Plant (for custom, industrial and standard pumps), a cooperative association where 28 suppliers engaged in machining and assembly work together to carry out information exchange and training sessions for mutual development and friendship. The association holds a workshop once a year under such themes as technology, environmental conservation, quality assurance, and VE^{*1}. The association also strives to maintain cooperative relationships through activities such as touring other companies' plants to increase knowledge and share EBARA Fujisawa Plant's policy of the year.

Production of 15 million units of standard pumps achieved together with suppliers

In November 2008, we achieved the production of 15 million units of standard pumps in total. The production of standard pumps requires the participation of many suppliers including the cooperative association and this record would not have been possible without their tremendous cooperation for the improvement of production engineering and quality as well as material supply systems. We intend to continue to communicate closely with suppliers to build even better relationships for mutual continuous growth.

Voice!

To continue with manufacturing based on solid cooperation

Mr. Tozaemon Sato
President
Okura Seiki Co., Ltd.
Chairman of Association



Association has been active since 1991 as EBARA Fujisawa Plant's cooperative association, with a membership of 28 companies engaged in machining. The production record of 15 million units of standard pumps achieved in November 2008 is very gratifying to us, too, who have shared the long-standing struggle of trial and error in planning, prototyping and mass producing EBARA products. I always think that the process of delivering products to the market by satisfying all factors including material procurement, delivery time, performance, quality and pricing would not be possible without the solid cooperation between us, the cooperative association and EBARA.

We would like to work hard together for the next major target of 20 million units.



Workshop organized by the cooperative association

*1 [VE] VE (Value Engineering) is the method to improve the *value* of a product or service by understanding the relationship between the *function* to be served and the *cost* to achieve it, and using a systemized procedure.