

About quality-assurance activities

In response to the inappropriate numerical values stated in an inspection report announced on April 27, 2020 (“quality-assurance problem” hereafter), we have devised measures to prevent recurrence of such a problem a top priority and are doing our utmost to implement those measures so that such a problem will never happen again. Based on the recognition that quality is an important management issue for Hitachi Metals Group to enhance its corporate value and

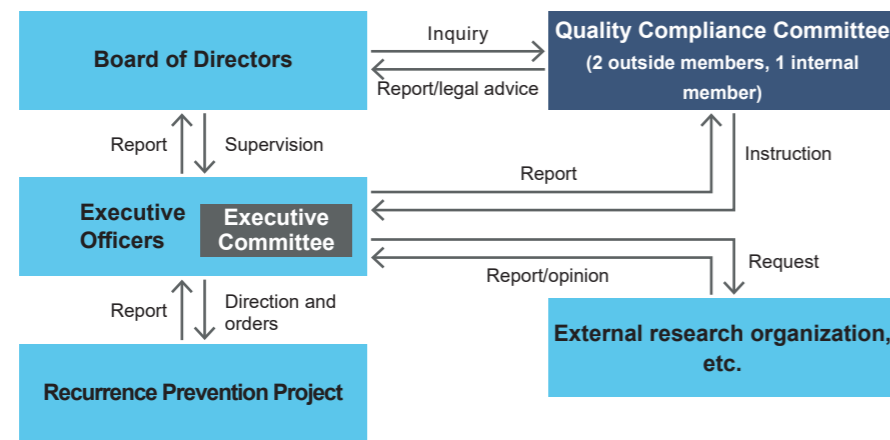
achieve sustainable growth over the medium to long term, the Group has set “Quality as a Strong Point” as one of our six materialities. Aiming to provide our customers with a stable supply of high-quality products, we will work together to thoroughly implement measures to prevent recurrence of quality assurance-problems and to make quality a strength of our group that differentiates us from our competitors.

Established the Quality Compliance Committee as an advisory body to the Board of Directors

On April 1, 2021, we established the Quality Compliance Committee, which consists of two external experts and our Chief Quality Officer (CQO), as an advisory body to the Board of Directors. Since its establishment, the Committee

has met 26 times as of March 31, 2022, and under the committee, measures to prevent recurrence of quality-assurance problems have been implemented and their effectiveness verified.

Relationships with Quality Compliance Committee



Progress of measures to prevent recurrence of quality-assurance problems

Under the direction and supervision of the Quality Compliance Committee, we have set up three working groups (WGs) to implement measures to prevent recurrence: Technical Problem-Solving WG, Risk Management WG, and Quality-Assurance Problem-Solving WG.

Recurrence Prevention Project Structure



Review of company-wide QMS (quality-management system)

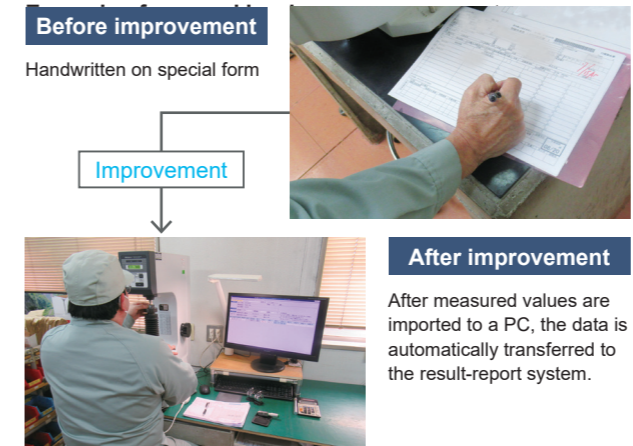
Quality-Assurance Problem-Solving WG

In an investigation report on quality-assurance problems released in January 2021, it was pointed out that “quality-assurance-related policies were inadequately established, and even in the case of those policies that were established, many of them were not functioning properly.” As for one of our countermeasures to address these quality-assurance inadequacies, we have developed a company-wide “quality-management system” (QMS) and established company-wide detailed regulations related to quality assurance, which form the basis of the QMS, to prevent quality-assurance problems from being repeated.

Securing the inspection system

Quality-Assurance Problem-Solving WG

“Securing the inspection system” means establishing a system that automatically imports measured values from measurement equipment to a PC, automatically determines whether a product passes or fails on the basis of that measurement data, and automatically prepares a report to be submitted to the customer. That automated system is in stark contrast to the conventional one that involves human intervention such as writing the measured values on a special form by hand or entering them into a PC during the inspection process. Moreover, it eliminates the need to write down the measured values and the occurrence of operational errors such as incorrectly writing or mis-typing the measured values. It also improves inspection efficiency by eliminating the need to write down the measured values on special paper or input them into a computer. While we have been sequentially completing the process of “making it unnecessary to rewrite data” since 2020, we will continue to improve the inspection system by incorporating the opinions of employees in its design in a manner that strengthens the inspection system even more.



We will continue to improve the content of our training and repeatedly educate our employees on important topics so as not to dilute their awareness of quality compliance.

4M normalization activities

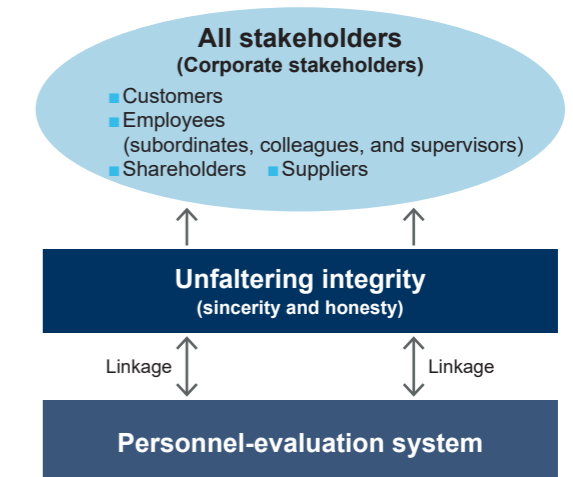
Technical-Problem-Solving WG

“4M normalization activities” are daily activities to recognize, minimize, and control variations in the 4Ms: “Man” (manpower), “Machine” (equipment), “Materials,” and “Methods,” and we position them as particularly important quality-control activities in the Group. During 4M normalization activities, we place importance on collecting small “insights” about a process and making improvements to these small insights. The continuation of these small improvements will lead to a large improvement effect over time.

Changing Attitudes and Behaviors to Focus on Quality

Risk-Management WG

To enhance our employees’ understanding of quality compliance and ensure the effectiveness of reform, the CEO, CQO, and other layers of management send out messages on quality compliance and hold town-hall style meetings on quality on an ongoing basis. At the same time, since 2021, we have been adding “integrity,” “sincerity,” and “honesty” as evaluation items in personnel evaluations of managers.



Holding International QA Meeting

Quality-Assurance Problem-Solving WG

On November 17 and 18, 2021, the first International QA Meeting of the Hitachi Metals Group was held. It was attended by more than 130 people, including quality-assurance managers from group companies around the world and employees involved in quality assurance in Japan. The meeting was divided into three blocks with the objectives of “stimulating communication,” “sharing information and best practices related to quality assurance and quality control,” and “discussing the establishment of a globally unified QMS system.” The session began with the sharing of the company-wide quality activity philosophy, followed by presentations of quality improvement and QMS enhancement case studies from the eight representative sites and a question-and-answer session. From 2022 onward, the International QA Meeting will be held twice a year as a forum for a global dialog on quality with the aim of invigorating the quality activities of the entire Hitachi Metals Group.

Quality-compliance education

Risk Management WG

Hitachi Metals Group designates April as “Quality Compliance Month” and April 27 as “Quality Compliance Day” every year, and in conjunction with “Quality Month” in November, which is a nationwide initiative, we take these opportunities to reaffirm our commitment to quality activities by all employees. In 2021, we conducted quality-compliance training and questionnaire surveys in April and October (and partially in November). More than 99% of the respondents to the surveys answered that they understood the content of the training in both April and October, and that result confirmed the effectiveness of the training.