

Pursuing Customer Satisfaction

Hitachi's Approach

As a company that offers a broad range of products and services, we believe it is important to engage in corporate activities with the general public in mind, not just the corporate and individual consumers with whom we deal directly.

To improve customer satisfaction (CS), we have created the Customer Satisfaction Management Guidelines. We share customers' thoughts obtained through direct dialogue, customer service counters, and other means within the relevant divisions and reflect these in our management, products and services, and solution strategies.

The opinions and requests we receive from our corporate clients, as well as the more than 2.3 million comments submitted each year by a broad spectrum of individual customers, are shared with all Hitachi divisions engaged in manufacturing. Drawing on our strengths as a provider of solutions for consumer issues, we apply this feedback in implementing improvements in a full range of products, from industrial equipment to consumer appliances.

We also look to communicate information through our advertising and public relations activities in a truthful and appropriate manner that does not mislead customers or in other ways that may adversely affect society, such as by reinforcing human rights infringements. These guidelines and activities are shared with a continually larger number of Group companies outside Japan, enabling Hitachi to enhance customer satisfaction from a global perspective.

Customer Satisfaction

CS Improvement Activities

Using the Customer Satisfaction Management Guidelines, one of the pillars of the company's business management, Hitachi continues to improve CS with the goal of creating innovation through collaboration with customers.

Customer Satisfaction Management Guidelines

1. Listen to our customers, who determine the value of products and services
2. Review information from our customers is another source of improvement
3. Offer prices and quality that are competitive
4. Respond rapidly to keep our promises to our customers
5. Adopt systems that prevent accidents and minimize their impact

Formulated in 1994

Reflecting Customers' Voices

Our sales and marketing division uses customer input in developing management, product, and solution strategies. We identify key customers who will help grow our business, then assign an account manager (AM) to each one. The AMs serve as customers' "portals" into Hitachi Group companies in Japan, and the whole Group works with them to build closer relations with customers and to boost customer satisfaction.

Our Hokkaido, Tohoku, Chubu, and Shikoku area operations hold executive seminars for local customers. In the Kansai area, Hitachi, Ltd. works with Group companies to stage Hitachi Group exhibitions. Through direct dialogue with customers participating in these seminars and lectures, we

incorporate their expectations for Hitachi and their opinions into product strategies.

To accelerate collaborative creation with customers in Hitachi's evolving Social Innovation Business, we also hold the Hitachi Social Innovation Forum in North America, Europe, Asia, and other regions, providing lectures, exhibits, and more. Our sales teams invite our customers to these events to deepen their understanding of Hitachi's business. We also collect feedback from these events to improve our future operations.

Our R&D Technology Community program provides opportunities for collaborative creation with customers. Project leaders invite customers to their research labs to see exhibits of products and systems currently being developed.

Applying Advertisement Guidelines

Based on its Customer Satisfaction Management Guidelines, Hitachi, Ltd. applies advertisement guidelines to ensure that its advertising activities comply with laws and regulations showing proper consideration for society as a whole. We will continue to create advertisements that reflect ongoing changes in society, that provide customers with clear and concise messages, and that are appropriate for a company committed to contributing to society.

As issues that arise from advertisement activities can have broad impact on the company, we have established in each business unit a framework for evaluating the expressions in advertisements that stands independent of the ad production process. Following this institutional check, we also evaluate advertisements to ensure that they are socially appropriate.

We designed our advertisement guidelines to be flexibly adjusted and applied to the entire Hitachi Group's diverse operations. At our business locations outside Japan in particular, we strive to ensure appropriate advertising activities by confirming all items on the checklist included in the guidelines.

Providing Customer Support Online

Hitachi offers comprehensive customer support on its website. This enables us to process customer inquiries, opinions, requests, and complaints—in collaboration with the customer support offices of Hitachi Group companies in Japan—to improve our business operations, as well as our products and services. We also conduct training courses to provide better handling of these inquiries.

As one initiative, we have been holding the Web Inquiry Responsiveness Improvement Course since fiscal 2009. In fiscal 2016, 49 Hitachi Group company employees took the course (bringing the cumulative total to 750 participants), which features case studies on responses to inquiries. Going forward, we will strengthen coordination among Group companies to respond more quickly and effectively to customer inquiries, using the website as an important contact tool.

Improving Customer Satisfaction in Electric Home Appliances

The Electric Home Appliances Customer Satisfaction Division has enabled the expansion of Hitachi's business from electronic and electric equipment to the environment business by drawing up a vision for environmental value creation, actively promoting various service areas.

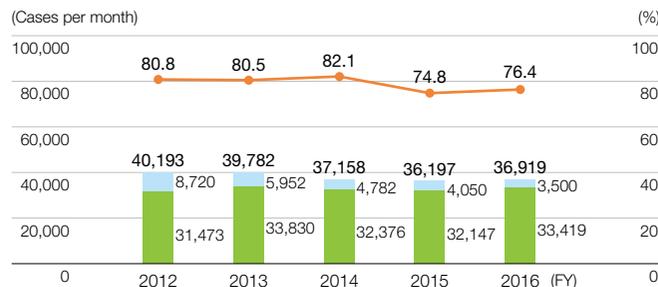
Our call center and website handle about 2.36 million customer inquiries, repair requests, and complaints about washing machines, LCD TVs, and other appliances per year.*1 We have undertaken a number of initiatives to better respond to inquiries and to reflect customer feedback in our *monozukuri* craftsmanship, including improving the contact success rate by using outsourcing; creating a database of customer feedback, including consultations, inquiries, and complaints; and enhancing our website's FAQ section.

We also conduct semiannual customer service evaluation surveys at approximately 90 service centers in Japan. Based on the answers, we improve services through CS training courses and other programs.

With the expansion of Hitachi's markets outside Japan, sales offices have been opened in nine countries in Asia and the Middle and Near East. We are also working on unifying management of operations outside Japan.

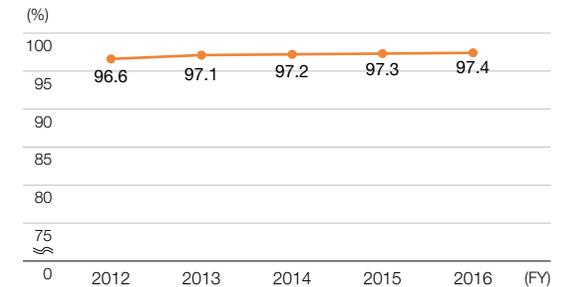
*1 Since fiscal 2013, technical inquiries from suppliers and parts orders have been excluded from these statistics.

Customer Contact Cases, Call Completion Rate (12-Month Average)



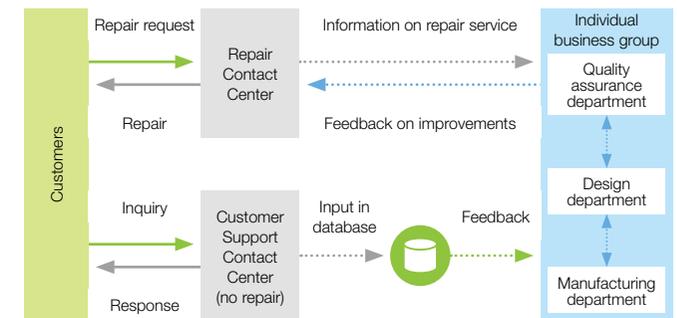
■ White goods (electric home appliances and other products) (left scale)
■ Brown goods (electronic equipment) (left scale) —●— (Call completion rate) (right scale)

Results of Evaluation Survey for Customer Repair Services (Customer Satisfaction)



Note: Evaluation survey for fiscal 2016 carried out in June–July 2016 (35,400 respondents; 38.0% response rate) and December 2016–February 2017 (28,800 respondents; 36.1% response rate).

Flow of Customer Service



→ Response activity ⇄ Flow of information ⇄ Information sharing