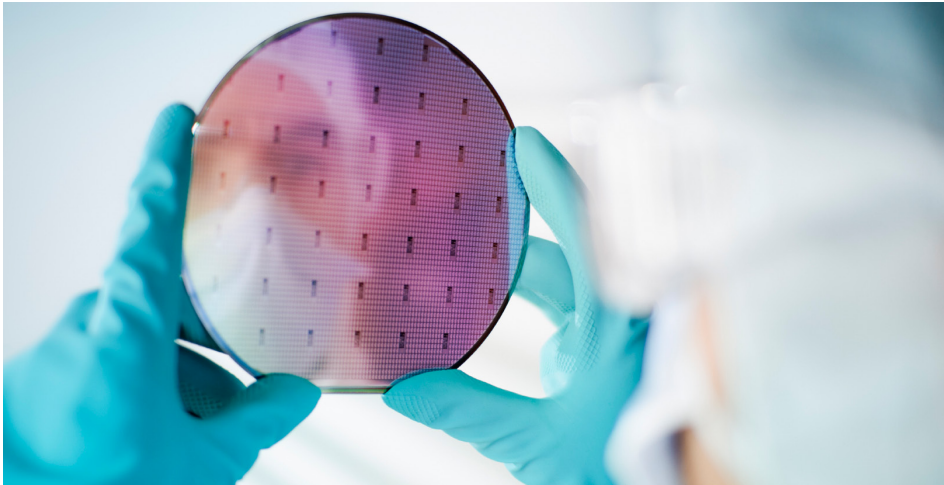


Semiconductors



Today, semiconductor companies are faced with the challenge of managing the many facets of the value chain. Some of the biggest challenges include the increasing complexity of customer requirements, identifying and penetrating new markets, moving from design phase to manufacturing, and getting products to market quickly as product life cycles continue to become shorter.

As the pressure to innovate increases, semiconductor companies must respond to new market demands. They require more effective internal processes to satisfy the needs of the marketplace. Hitachi Consulting understands the semiconductor industry's needs:

- **Evolving High Tech Industry** – The continuing increase in product requirements and time-to-market pressures continue to challenge semiconductor companies as they manage strategies to provide customers with products that incorporate diverse functions and advanced computing capabilities.
- **Efficient Management of Global Operations** – Reconciliation of invoices from distribution channels, reconciliation of invoices from suppliers, operation yield-based costing at suppliers, taxation of overseas business units, and revenue recognition are all tough challenges facing semiconductor companies.
- **Increased Risk of Cost and Innovation** – Complex design requirements have led directly to higher fab development costs and higher design costs. More complex development and manufacturing process stages increase the total cost of ownership.
- **Inventory Control** - Visibility of inventory in distribution channels can impact management of the sales pipeline. Long lead times and competition for capacity with outsource partners has led to capacity allocation. The need for quick ramp up and ramp down of current and next generation products can create a gap in meeting customer demands.
- **Accurate Forecasting** – Uncertain yields, price sensitivity, and pressures from the consumer electronics segment can make forecasting difficult. Semiconductor companies are challenged with overcoming a lack of steady, predictable demand for current and future products.
- **Collaboration with Partners, Vendors, and Distributors** – Management of partner contracts, volumes, and release of WIP is a key factor in production scheduling. There is a complex outsourced network across multiple partners using multiple systems where end-to-end planning can be challenging due to unreliable or untimely information.

Revenues Rising

World Semiconductor Trade Statistics projects semiconductor revenues will rise 2.6% to \$310.2 billion in 2012. They added that revenue is expected to grow another 5.8% in 2013 to surpass \$328 billion for the first time in history. For a semiconductor company to get a piece of these new market opportunities, it will need to be at peak efficiency and innovation.

Hitachi Consulting works with your team to help enhance processes and operations to meet expanded market demand.

Our experience includes advisory, business process re-engineering, and system implementation across the semiconductor value chain:

- Supplier Collaboration with Design and Material Vendors
- Integration of Foundries
- Testing, Assembly, and Packaging
- Contract Manufacturing
- Distribution Channels and Providers

Semiconductor companies face a growing need for flexible and responsive business systems and structures. Hitachi Consulting brings insight from many years of experience in the field and a collaborative approach to every engagement, working with teams to help solve critical business issues.



Solutions for Increasing Customer Requirements:

- Improved collaboration and streamlining of supply chain processes
- KPI's for Plant Performance with real time data and dashboards
- Business flows to improve productivity using a single global instance



Solutions for New Markets and New Routes to Market:

- CRM best business practices used to improve sales opportunities
- Channel partner collaboration enabling more accurate forecasting
- Create a common view across channels and markets for greater visibility



Product to Solutions:

- Integrated functionality between PLM and ERP to increase support for NPI Processes
- Global visibility of manufacturing capacity leading to efficient utilization of capital equipment
- Eliminate the risk of business interruption due to incompatible applications



Solutions for Time to Market/Time to Volume:

- Shift from reactive to proactive driven engineering
- Collaboration with design partners during the planning and change management process
- Create a global, virtual plant floor with an enterprise-wide financial background

WHY HITACHI CONSULTING?

Hitachi Consulting is a company with a solid approach to delivering advanced technology solutions that drive business improvement, reduce cost, and mitigate risk. The services provided by Hitachi Consulting cover the solutions lifecycle from technology selection, project planning and management, to outsourcing solutions and offshore development.

Hitachi Consulting has a dedicated Managed Services team integrated with its Management Consulting and Technology Implementation teams. This ensures continuity of resources and avoids the problem that arises when 'bench' or trainee consultants are used to deliver support services. Our Managed Services personnel are highly experienced consultants in their own specialist areas and have a passion for customer service.

For more information on Hitachi Consulting and its High Tech Industries practice, go to www.hitachiconsulting.com or (call current number).

www.hitachiconsulting.com

Hitachi Consulting Solutions for Semiconductor Companies

Hitachi Consulting is helping semiconductor companies achieve their strategic goals by combining a working knowledge of industry and leading practices. We understand your industry and can help drive measurable value through practical solutions. Our consultants will work with your team to address the specific needs of your business.

Contact Hitachi Consulting to learn more about our semiconductor solutions:

For a list of our global offices visit:

<http://www.hitachiconsulting.com/officedirectory.cfm>

<http://www.hitachiconsulting.com/hightech.cfm>

About Hitachi Consulting

As the global business and IT consulting company of Hitachi, Ltd., Hitachi Consulting is committed to helping clients bring their business visions to life through industry-led services and solutions. The company is uniquely positioned with the agility and client-focused approach of a boutique firm combined with the stability and innovation that comes from the Hitachi heritage.

Hitachi, Ltd. (NYSE: HIT / TSE: 6501), headquartered in Tokyo, Japan, is a leading global electronics company with more than 100 years of innovation. As a world leader, the company is committed to creating richer lives and a better society by providing products and services with a new level of value and potential based on the latest advances in technology, especially knowledge and information technology.

Hitachi Consulting –Building the Market Responsive Company®

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