

Relationships with Suppliers

Basic Approach

The Minebea Group's business is supported by relationships with numerous suppliers. The Minebea Group has adopted a Basic Purchasing Policy on which healthy partnerships are built. We also ask our suppliers to comply with the Minebea Group Code of Conduct, which includes provisions regarding respect for human rights, and we aim to encourage environmentally friendly business practices by promoting cooperation for green procurement.*

*The Basic Purchasing Policy and the Minebea Group Code of Conduct are published on our web page.

- **Basic Purchasing Policy**
<http://www.minebea.co.jp/english/procurements/policy/index.html>
- **Minebea Group Code of Conduct**
<http://www.minebea.co.jp/english/company/aboutus/conduct/declaration/index.html>

Supplier Selection Policy

Whenever the Minebea Group initiates a relationship with a new supplier, we ask the supplier to confirm its agreement with our approach to materials procurement and to proceed in accordance with our New Supplier Certification Standards to ensure strict compliance with our Basic Purchasing Policy. In particular, we assess suppliers on the basis of ten attributes, including whether or not the company in question will be able to conduct business in a stable, continuous manner, satisfies the Minebea Group Green Procurement Standard, and agrees to abide by the Minebea Group Code of Conduct. Where necessary, we conduct inspections of the supplier's production facilities. In FY2010, we certified a total of 83 suppliers in this manner.

Green Procurement

In July 2004, we established the Minebea Group Green Procurement Standard in response to international laws and directives, to satisfy our customers, and to reduce the use of substances having an environmental impact. Under these guidelines, we require our suppliers to provide products (raw materials, parts, components, and packaging materials) that are free of hazardous substances, and also to submit safety certifications, analysis reports, and other similar documentation. In FY2010, 1,724 suppliers to the overall Minebea Group were cooperating with our Green Procurement policies.

Response to Conflict Minerals from the Democratic Republic of the Congo

Such raw materials as gold, tantalum, tin and tungsten are contained in Minebea Group products, and in some cases such materials may have been extracted in a conflict zone and sold to perpetuate that conflict. The Minebea Group is monitoring U.S. regulatory developments. We have already established a research database and are taking action to respond to this issue, but any formal action, including action by our suppliers, is pending the issuance of guidelines by the U.S. government.

Communication with Suppliers

● Briefings Related to Revised the Minebea Group Green Procurement Standard

In promoting Minebea Group Green Procurement, healthy partnerships with our suppliers are considered essential. When changes are made to our procurement requirements, we give our suppliers an opportunity to hear the reasons for such changes in detail. When the revised 4th Edition of the Minebea Group Green Procurement Standard was released in FY2010, a briefing was conducted in Thailand for our suppliers. The briefing was attended by 264 people from 222 companies.



Supplier briefing, Thailand

● CSR Report Distribution

The Minebea Group distributes this CSR report to domestic suppliers to communicate our CSR views. In FY2010, we sent questionnaires to 1,640 suppliers and received responses from 121 companies. Questionnaire responses are utilized for the next fiscal year's CSR activities.

Future Issues and Goals

For the Minebea Group to maintain good relations with its suppliers, we plan to carry out training and self-audits related to Japan's Subcontracting Act. We are also working to build a framework for CSR procurement, and we will further strengthen our consideration for human rights and the environment.