

Relationships with Suppliers

► Basic Approach

The Minebea Group's business is supported by relationships with numerous suppliers. The Minebea Group has adopted Basic Procurement Policies on which healthy partnerships are built. In order to promote CSR throughout our supply chain, we have distributed the Minebea Group CSR Procurement Guidelines to our suppliers and are striving to facilitate their understanding and cooperation.



Please see our website for detailed information on our Basic Procurement Policy and Minebea Group CSR Procurement Guidelines.

<http://www.minebea.co.jp/english/corp/company/procurements/index.html>

► CSR Procurement

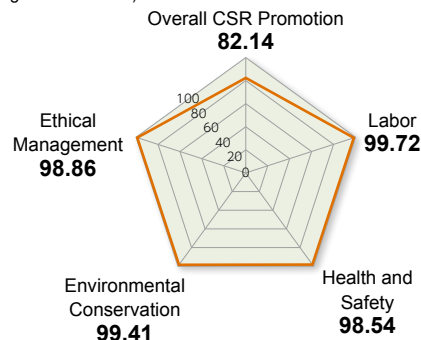
Considering the global scope of the Minebea Group's business activities, we believe it is important to promote CSR throughout our supply chain. In March 2012, we took steps to establish a framework for CSR procurement with the formulation of the Minebea Group CSR Procurement Guidelines, which is based on the Minebea Group Code of Conduct. In November 2012, we added a section on our response to conflict minerals to the guidelines and requested cooperation from our suppliers.

We have also created the Minebea Group CSR Procurement Self-assessment Checklist in order to grasp the status of CSR activities at our suppliers, and we continue to survey suppliers using the checklist. The checklist includes 54 questions in five areas defined by our guidelines: Overall CSR Promotion; Labor; Health and Safety; Environmental Conservation; and Ethical Management. This provides a comprehensive view of our suppliers' CSR promotion status. We have conducted surveys of suppliers in Japan and Thailand, enabling us to confirm their progress on CSR activities.

In FY2015, we requested suppliers to four plants in China (Shanghai, Xicen, Suzhou, and Zhuhai plants), which together represent 81% of all supplies procured in the country, to respond to our checklist. Of a total of 500 points, our suppliers have averaged 479 points, significantly higher than our baseline standard. This demonstrates that our suppliers take CSR very seriously and are responding to our requests. We are providing feedback to suppliers who completed the checklist and communicating individually with suppliers in cases where there were issues with some of their initiatives. In these ways, we are confirming details of their CSR measures.

► Results of Checklist Survey at Chinese Sites

(Average for Each Item)



► Green Procurement

We have established and revised the Minebea Group Green Procurement Standard to ensure compliance with countries' laws and directives on chemical substances, 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.

Furthermore, in FY2015, we published Minebea Group Green Procurement Standard, 5th edition in June 2015. In conjunction with the revision, we held seminars for green procurement suppliers in Thailand and China which were attended by a total of 385 companies.

► Response to Conflict Minerals from Democratic Republic of the Congo

In August 2012, the U.S. Securities and Exchange Commission adopted a disclosure rule mandated by U.S. financial reform legislation requiring companies to disclose the use of conflict minerals. We responded by formulating a Minebea Group policy on conflict minerals in October 2012 and adding a section on our response to conflict minerals to the Minebea Group CSR Procurement Guidelines. Our suppliers have been asked to cooperate with the revised guidelines.

Additionally, we continue to respond to research requests from customers by providing responses using our research database.

► Future Issues and Goals

We are creating a framework for global CSR procurement in order to promote CSR throughout our global supply chain. In FY2016, we plan to distribute the Minebea Group CSR Procurement Self-assessment Checklist among major suppliers based in Malaysia and Singapore and analyze the results to confirm the status of their activities through the responses.