

# Relationships with Suppliers

The Minebea Group aims to cultivate sound relationships with its suppliers by promoting fair and equitable competition, and we look forward to growing together with them by working together to be considerate of the environment.

## Basic Approach

Our business relies on relationships with many suppliers. The Minebea Group has adopted a Basic Purchasing Policy to support the development of a sound partnership. 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 in green procurement.

### Basic Purchasing Policies

1. Legal compliance  
To ensure proper procurement activity, we respect the spirits of applicable business laws and regulations. At the same time, we are also committed to abiding by such laws and regulations.
2. Open-door  
Under the open-door policy of providing all applicants with competition opportunities, we aim to do our best in business with you, regardless of whether you are located at home or abroad.
3. Equity and Fairness  
Based upon the principle of fair competition, we assure you of equitable treatment in the selection of suppliers, while making a comprehensive assessment of your quality, price competitiveness, delivery assurance, after-sales services, reliability and technological edges.
4. Green procurement  
To deploy business operations aimed at preserving the environment, we actively commit ourselves to the procurement of materials that gives full consideration to the global environment.
5. Secrecy  
Any trade and technical secrets known to us during the course of purchasing operations shall be kept confidential, and shall not be disclosed to any third parties without suppliers' permission.

## Green Procurement

In July 2004, we established the Minebea Group Green Procurement Standard to ensure compliance with RoHS<sup>(1)</sup>, REACH<sup>(2)</sup>, and other international laws and directives, in order to satisfy our customers' requirements in relation to environmental protection and reduce our own environmental burden. Under these guidelines, we require our suppliers to provide products, whether raw materials, sub-assemblies, components, or packaging, that are free of hazardous substances and to also submit certification of safety, analysis reports, and other similar documentation.

(1) RoHS directive: The Restriction of Hazardous Substances Directive prohibits the usage of six hazardous materials in electrical and electronic products used in the European Union.  
 (2) REACH: The European Union's Registration, Evaluation, Authorization and Restriction of Chemicals regulation was enacted to protect human health and the environment. This regulation requires companies to register and evaluate the safety of 30,000 different types of chemicals sold and used within the EU.

## Supplier Selection Policy

Whenever the Minebea Group starts dealing with new suppliers, we ask them to confirm their agreement with our approach to materials procurement and to proceed in accordance with our New Supplier Certification Standards, to ensure compliance with our procurement activities policy. These standards require us to assess 10 items, for example whether the company in question will be able to conduct business in a stable, continuous manner; whether it satisfies the Minebea Group Green Procurement Standard; and whether it agrees to abide by the Minebea Group Code of Conduct. Where necessary, we visit prospective suppliers in order to inspect their production facilities. In FY2009, we certified a total of 65 suppliers in this way.

## Communication with Suppliers

Minebea is committed to communicating effectively with its suppliers: one example of this is the supplier briefings that we hold whenever revisions are made to the Minebea Group Green Procurement Standard. When Panasonic Corporation transferred its information equipment motor business to Minebea Motor Manufacturing in FY2009, we held similar briefings for suppliers in both Japan and China. Since a number of that business's suppliers had no previous dealings with the Group, the briefings were held in part to explain our approach to procurement. The briefing in Japan was attended by 112 persons from 84 companies; 165 persons from 156 companies attended the China briefing.



Supplier briefing

## Future Issues and Goals

We intend to continue communicating effectively with our suppliers in order to improve quality based on shared values and to further strengthen our consideration for human rights and the environment.