

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/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.

In FY2013, we created the Minebea Group CSR Procurement Self-assessment Checklist in order to grasp the status of CSR activities at our suppliers. The checklist was sent to 250 suppliers in Japan and their responses were received. We are analyzing the results and will collaborate with our suppliers to enhance CSR promotion throughout our supply chain.

(Please see page 6 for details of this initiative.)

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 Procurement Policies. 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 FY2013, we certified a total of 52 suppliers in this manner.

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. In FY2013, 1,547 suppliers to the Minebea Group were cooperating with our Green Procurement policies.

We are also preparing an update to the Minebea Group Green Procurement Standard which is scheduled to be released in FY2014.

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. As part of this initiative, by the end of FY2015, we plan to distribute the Minebea Group CSR Procurement Self-assessment Checklist to suppliers in Thailand and China and analyze the status of activities through the responses.