

Relationships with Suppliers



Basic Approach

The MinebeaMitsumi Group's business is supported by relationships with numerous suppliers. The MinebeaMitsumi 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 MinebeaMitsumi 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 MinebeaMitsumi Group CSR Procurement Guidelines.

<http://www.minebeamitsumi.com/english/corp/company/procurements/index.html>

CSR Procurement

Considering the global scope of the MinebeaMitsumi 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 MinebeaMitsumi Group CSR Procurement Guidelines, which is based on the MinebeaMitsumi Group Code of Conduct.

In conjunction with the business integration by Minebea and Mitsumi Electric, in FY2017 we standardized CSR procurement guidelines. The unified CSR procurement guidelines were distributed to 1,337 Mitsumi Electric domestic and overseas suppliers, and we requested their understanding or and cooperation with the MinebeaMitsumi approach to CSR.

Supplier Selection Policy

Whenever the MinebeaMitsumi Group initiates a relationship with a new supplier, we ask the supplier to confirm its agreement with our Group's approach to materials procurement and to proceed in accordance with our New Supplier Certification Standards to ensure strict compliance with our Basic Procurement Policies. Specifically, we confirm whether suppliers are able to conduct business in a stable and continuous manner, can satisfy the Group's guidelines and standards on chemical substances in products, and agree to abide by the MinebeaMitsumi Group CSR Procurement Guidelines. When necessary, we conduct inspections of supplier production facilities.

Compliance with the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors

To ensure the establishment of fair and equitable trading relations with suppliers, in FY2017 the MinebeaMitsumi Group's domestic sites implemented self-auditing of compliance with the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors. We confirm compliance status through these audits and take measures for improvement.

We also conduct training on the Act at business sites to raise understanding of its requirements. In FY2017, a total of

565 persons including personnel from Mitsumi Electric participated in the training.



A training session on the Subcontracting Act at Mitsumi Electric

Green Procurement

We have established and revised the guidelines and standards on chemical substances in products 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, reports of analysis results, and other similar documentation.

In conjunction with the business integration with Mitsumi Electric, in FY2017 we integrated management standards on chemical substances in products into the MinebeaMitsumi Group Green Procurement Standard and its supplementary documents. When the new guidelines came into effect, we notified relevant parties about the changes and requested their cooperation.

Response to Conflict Minerals

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 from Democratic Republic of the Congo and its neighbor nations. We responded by formulating a MinebeaMitsumi Group policy* on conflict minerals in October 2012 and adding a section on our response to conflict minerals to the MinebeaMitsumi 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.

* In conjunction with the FY2017 business integration, the name was changed by including "MinebeaMitsumi Group."

Future Issues and Goals

We are creating a framework for global CSR procurement in order to promote CSR throughout our global supply chain.

In FY2018, we will distribute MinebeaMitsumi Group CSR Procurement Self-assessment Checklist to Mitsumi Electric's main domestic suppliers and collect them to confirm current conditions based on the responses.