

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.



For detailed information on our Basic Procurement Policy and MinebeaMitsumi Group CSR Procurement Guidelines, please access the following link.
<https://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.

We created the MinebeaMitsumi Group CSR Procurement Self-assessment Checklist and request that suppliers respond in order to determine the status of CSR implementation by suppliers. In FY2018, we distributed the checklist to Mitsumi Electric's main suppliers in Japan and received responses from 630 companies. We provide feedback concerning the results to suppliers and engage in individual communications with suppliers in cases where issues concerning some measures were identified to ascertain the detailed status of those measures.

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 ensure the establishment of fair and equitable trading relations with suppliers, in FY2018 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 FY2018, 776 personnel members participated in the training.



A training session on the Subcontracting Act

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 improve the level of customer satisfaction, 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 FY2018, we held briefing sessions on the Green Procurement Standard in China and Malaysia, and 303 persons from 182 suppliers attended.

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.

Future Issues and Goals

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

In FY2019, we will distribute MinebeaMitsumi Group CSR Procurement Self-assessment Checklist to Mitsumi Electric's main overseas suppliers and collect them to confirm current conditions based on the responses.