

- Basic Approach to Purchasing
- Legal Compliance in Purchasing
- Supplier Consultation Channels
- CSR Procurement



[Suppliers]

Murata's legal compliance in purchasing is a matter of course.

We request legal compliance and consideration of society and environment to suppliers for our mutual prosperity.



We promote fair and sincere purchasing

Toyama Murata Manufacturing Co., Ltd.
Administration Dept.

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Education on fair purchasing helps us win supplier confidence

Compliance with laws and regulations is indispensable for fair and equitable purchasing. Here, the most important rules are stipulated in the Subcontract Act*. Like all legal text, however, the content of the law is difficult to understand. Despite its significance, therefore, it is understandable that very few people have the patience or fortitude to read through it with the attention it deserves. A possible consequence of this is, unfortunately, that insufficient knowledge may lead to unintended violations of the law. To address this potential problem, employee education is essential. It is also indispensable to provide relevant information for suppliers so that they share our understanding of the legal requirements. In September 2010, the purchasing departments of the Head Office conducted an "operational diagnosis" of our company, which identified certain areas of concern such as, for example, problems with items indicated by suppliers on their quotations. In view of these findings, we are currently reviewing our purchasing rules and further developing our education activity. Since procurement is managed under Murata's own "procurement system," it is entirely possible to ensure complete

compliance with laws and regulations as long as we perform purchasing operations on that system. Regardless of the best intentions, however, it is dangerous to depend entirely on any system. I believe effective compliance requires that we continually raise our awareness. Abstruse legal text can be understood more easily when it is accompanied by specific cases as examples. This is why we have introduced new ideas to our education activities, such as including a collection of FAQs and answers. But frankly, I myself still have much to learn. Every day, I study relevant material to respond to queries from internal departments and suppliers that are striving to comply with laws and regulations, and I have committed myself to daily self-improvement with the clear goal of establishing even stronger mutual trust between Murata and its suppliers.

*Subcontract Act:

This is the abbreviated name for the "Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors," which has been established to prevent main subcontracting entrepreneurs from using their advantageous position to impede subcontractors from gaining fair profit.