

Relationship with Our Suppliers

At Murata, we take the approach that good electronics begin with good components, and good components begin with good materials. In this spirit, we strengthen partnerships with suppliers who adhere to ethics, laws and regulations, who emphasize product quality and timely delivery, and promote environmental protection.

Fair and Just Purchasing Activities

Murata believes that it is important to establish such business relations with suppliers that enable mutual prosperity. To build trusting relations with suppliers and promote close communication, we have prepared a business transaction guidebook that presents Murata's basic purchasing attitudes and mechanisms. In January 2004, we opened a website dedicated to our suppliers, to show our basic business transaction rules, requests and PR. Now that such information is available on the Web, we no longer need to send a written document describing such information to suppliers by postal mail. We will continue closely exchanging information with our suppliers in order to strengthen our partnerships with them.

Murata's Purchasing Policies (excerpt)

(1) Purchasing attitudes

- Murata's buyers will be polite to our suppliers, and conduct their dealings with suppliers in a fair, just, and sincere manner.
- Murata's buyers will responsibly carry out purchasing activities, practicing good manners and following the dictates of common sense.
- Murata's buyers will maintain friendly relationships with suppliers, but have no personal interest with them.
- Murata's buyers accomplish dealings in compliance with relevant laws, rules, and in-house regulations.

(2) Dealings with suppliers

- Based on rational standards, we will evaluate and select suppliers fairly and justly.
- We will not receive gifts of money or other valuable articles from suppliers, and will make no personal requests of them.
- We will not receive treatment or entertainment from suppliers that defies social common sense.
- We will not force suppliers to purchase Murata products.
- If suppliers provide us with information that is confidential, we will strictly manage the information and maintain its confidentiality.
- We will promote green procurement, always taking environmental protection into account.

Basic Attitudes That Murata Requires Suppliers to Take

Murata respects ethics, laws and regulations and emphasizes conducting our business transactions based on the spirit these imply. We therefore strive to deal with suppliers who also attach importance to ethics, laws and regulations as their basic management philosophy. The attitudes that Murata requires suppliers to take are as follows:

- Emphasizing quality and timely delivery
- Emphasizing initiatives targeting reduced environmental impact (green procurement)
- Emphasizing Value Engineering*
- Emphasizing the provision of information (on new technologies and products)
- Emphasizing efforts to accelerate material procurement
- Strictly safeguarding highly confidential information
- Emphasizing the application of IT

*The Society of Japanese Value Engineering defines value engineering as "a systematic team approach to conducting function-oriented research on products and services in order to achieve the required function at the lowest life cycle cost."

Flow of business transaction procedures

