

Murata has carried out its own independent surveys and evaluated the environmental soundness ("greenness") of its suppliers. Based on these results, we preferentially procure goods from suppliers that have been actively working on environmental conservation activities.

Green Procurement

At Murata, among goods to be procured, parts and materials used in production are procured through a green procurement system. Under this system, we evaluate the environmental soundness ("greenness") of suppliers of these parts and materials, and preferentially procure them from suppliers that have been actively working on environmental conservation activities.

Regarding the implementation of green procurement, we have compiled Murata's concept and requirements for suppliers into a document describing our green procurement standards, based on which we promote green procurement initiatives, with the understanding and cooperation of our suppliers.

Evaluating a Supplier's "Greenness"

Before we begin to deal with a new supplier, we conduct our own surveys to check, for instance, whether the supplier has properly established an environmental management system (e.g., if it has acquired third-party certification, such as ISO 14001 and KES*) and whether the supplier can guarantee that it will not deliver parts and materials containing chemical substances prohibited by laws and regulations. We employ these criteria when considering whether to do business with a prospective supplier.

We also evaluate the greenness of current suppliers every year. For suppliers that have received a low evaluation, we will give instructions through audits to improve their environmental management. If there is no improvement even after we have provided such instructions, we consider ending our relationship with these suppliers. We have thus adopted a strict attitude concerning green procurement.

Evaluation Items of Suppliers' "Greenness"

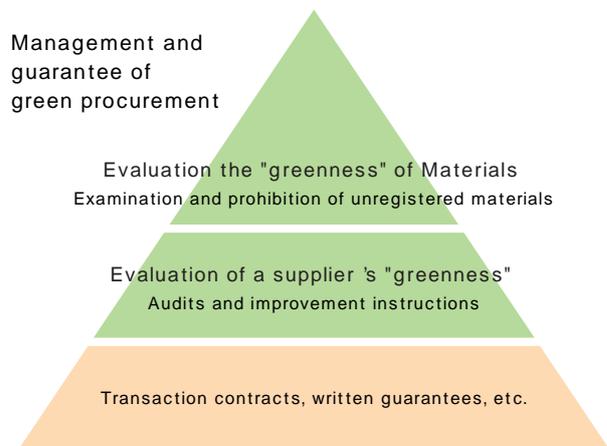
- Environmental management system
- Management system for chemical substances
- Submission of examination forms concerning the six substances subject to the RoHS Directive

* Standards for the environmental management system developed by the Miyako Agenda 21 Forum

Evaluating the "Greenness" of Materials

As for materials (chemical substances, products and packaging) used in our products, Murata has established its own technological standards for prohibition or reduction of their use, according to laws and regulations as well as to customer requests. Before adopting these materials, we confirm that they do not include chemical substances prohibited by these technological standards.

Our expert staff stringently examines chemical substances that must be used and handled with care. We have introduced and implemented a system by which we register in our database only those chemical substances that have passed our inspection. We do not procure any chemical substance that is not registered in this database.



Green Purchasing

Murata has made group-wide efforts to promote green purchasing, which applies to certain goods falling within the specified category of office supplies and equipment not related to the production of Murata products. We define goods that comply with the Law on Promoting Green Purchasing, as well as goods bearing environmental labels (e.g., Eco Mark; the mark which indicates the use of recycled paper; the green mark, etc.) as "green products." These products are given priority over others when we purchase applicable goods.

As of March 2006, the green purchasing ratio in our domestic sites reached 90% on an itemized basis. We are redoubling our efforts to achieve an even higher green purchasing ratio.