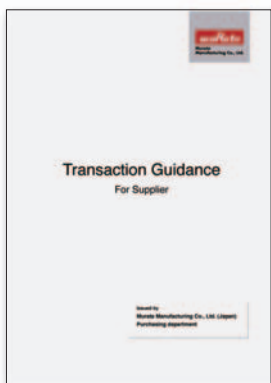


Responsibilities and Conduct toward Suppliers

At Murata, we believe that good electronics begin with good components, and good components begin with good materials. Cooperation with suppliers is vital to this approach, which is underpinned by striving for fair and impartial purchasing activities and reinforcing relationships based on trust.



The business transaction guidebook outlines Murata's attitudes to purchasing and dealings with suppliers, in addition to the basic attitudes that Murata requires of suppliers.



About the Subcontract Law

The Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors (Subcontract Law) prohibits the parent business operator (outsourcer) from using its advantageous standpoint to the detriment of the legitimate interests of the subcontracted business operator.

Basic Approach to Purchasing

A Purchasing Policy Based on Fairness, Impartiality and Honesty

Murata believes that it is important to establish relations of trust with suppliers that foster mutual prosperity. Accordingly, in our purchasing operations we respect good

manners, stress fair, impartial and sincere responses, abide by laws and regulations, keep dealings free from personal interests and act according to societal norms.

The Company has prepared a business transaction guidebook that presents and explains to suppliers Murata's attitudes to purchasing and dealings with suppliers. To further strengthen good relations, we have also established a section dedicated to suppliers on our website.

Murata's Purchasing Policies

1. Purchasing attitudes

- Murata's buyers will be polite to 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, in-house regulations and societal norms.

2. Dealings with suppliers

- During the selection of suppliers, we will consider quality, price, lead times, continuity of supply, environmental preservation, finances, human rights, occupational health and safety, the introduction of IT and other factors. We will make fair and impartial evaluations and selections based on rational standards.
- 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.
- We will not acquire private equity in supplier corporations nor purchase shares based on information not disclosed to the general public.
- In the eventuality of accidents or complaints, we will always respond swiftly and take thorough measures to prevent recurrence.

Employee Perspective

Continued Legitimate Materials Procurement to Boost Improvements

All Murata employees involved in materials procurement should aim to continue to conduct business in accordance with laws and ordinances, societal norms, and in-house and external rules and regulations. Toward this goal, actual cases that occur in the execution of business should be reflected in rules, alongside positive reinforcement to boost improvements on a daily basis through repeated executions of (1) education to keep employees thoroughly informed, (2) formulation of measures for actual enforcement and (3) auditing and correction to confirm correct enforcement.



Akiko Nakamura
Production Engineering unit,
Purchasing Department,
Administration Section

Legal Compliance in Purchasing

Thorough Compliance with Laws in Education, in Auditing and in Our Systems

Murata carries out education programs and in-house audits and constructs systems to ensure strict abidance by the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Anti-Monopoly Law), the Act Against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors (Subcontract Law) and other legislation relating to purchasing. We also hold regular briefing sessions for purchasing staff and related departments within the Murata

Group to publicize legal compliance issues.

In-house audits are in place to confirm that business is conducted in abidance with in-house rules and regulations, which are based on laws and ordinances. Any requisite improvements are implemented under guidance and subject to monitoring and confirmation.

In addition, we have formed a system to preempt legal violations by preventing delayed payment and other misdemeanors and are reinforcing our legal compliance system.

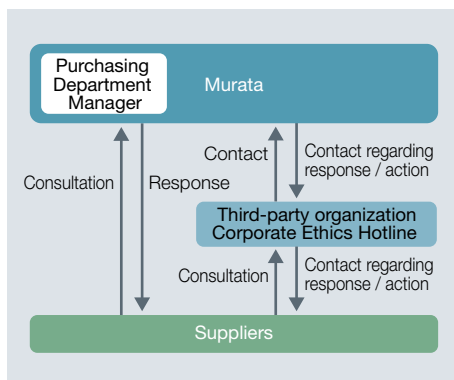
Consultation Services for Suppliers

Establishment of Two Consultation Channels for Improper Conduct

In the event of any sort of apparent legal or social impropriety in Murata's dealings, suppliers now have two types of consultation service available.

The first is an e-mail Company hotline option, direct to the manager of the Purchasing Department. The second is a Corporate Ethics Hotline, which is operated by a third-party organization, and can accessed via telephone or fax or online. We are bolstering our compliance stance by continually publicizing these two services to suppliers.

Two Consultation Services



Promoting CSR Procurement

Requiring CSR Procurement of Our Suppliers

As a company with globally developed operations, we demand corporate social responsibility not only of ourselves, but throughout the entire supply chain.

Accordingly, legal compliance, quality control and environmental conservation activities are also a prerequisite for our suppliers.

In the selection of suppliers, we make fair and impartial assessments, with consideration for human rights, occupational health and safety and other factors, in addition to quality, price and lead times.



About CSR Procurement

Emphasis on a supplier's CSR activities, spanning legal compliance, human rights, environmental conservation and other aspects, in addition to price, as criteria in the procurement of goods.

Basic attitudes that Murata requires of suppliers (outline)

Basic Attitudes that Murata Requires of Suppliers (Outline)

- 1. Comply with laws and regulations as well as social norms**
Suppliers should abide by national and regional laws and social norms. We emphasize legal compliance in its entirety, particularly regarding prohibition of child and forced labor, respect for human rights, maintenance of safe working environments and elimination of corruption.
- 2. Promote sound business management**
Suppliers should carry out healthy, fair business activities and appropriate disclosure of management policy and financial status.
- 3. Emphasize quality, lead times and stable supply**
Suppliers should observe prescribed quality and delivery standards and maintain stable supply of materials.
- 4. Emphasize initiatives targeting reduced environmental impact (green procurement)**
Suppliers should establish an environmental management system and supply eco-friendly products.
- 5. Emphasize Value Engineering activities**
Suppliers should improve new materials supply and costs through value engineering, to realize new product development and prices that meet customer needs through ongoing response.
- 6. Emphasize information disclosure**
Suppliers should provide information on new technologies and products (materials) relating to technological innovations and global environmental preservation.
- 7. Emphasize measures to accelerate material procurement:**
Suppliers should be able to cut materials procurement times through swift and flexible response to market changes.
- 8. Observe confidentiality**
Suppliers should strictly observe confidentiality of information necessary for transactions that relates to Murata's corporate security.
- 9. Emphasize IT application**
Suppliers should promote installation and utilization of IT environments that facilitate accelerated business procedures and reinforced relationships.



Web Data ● Management System for Purchasing

▶ <http://www.murata.com/csr/social/05.html>