



Green Procurement and Purchasing

Green procurement of part materials with low environmental impact is essential for decreasing the environmental impact of products. That is why Murata asks its suppliers for their understanding and cooperation regarding environmental management.

Promotion of Green Procurement

Evaluating Suppliers' "Green Level"

Murata has distributed a Green Procurement Standards pamphlet describing the Group's green procurement philosophy and supplier requirements in order to promote green procurement with the understanding and cooperation of its suppliers.

When dealing with a new supplier, whether in Japan or overseas, we investigate the company's environmental management system (ISO or other management systems) and certification that parts and materials delivered do not contain certain hazardous chemical substances, and, in particular, we inspect the appropriateness of the company's chemical substance management system before making a decision regarding the supplier.

We conduct evaluations for all of our existing suppliers every other year, and for high-risk suppliers every year. We provide low-scoring suppliers with guidance in the form of improvement requirements and audits; however, we take a tough stance toward those failing to demonstrate improvement and we may even terminate the relationship.

We plan to implement the same system in certain international locations in fiscal 2008 as we begin to increase green procurement overseas.

Criteria for the Green Level of Suppliers

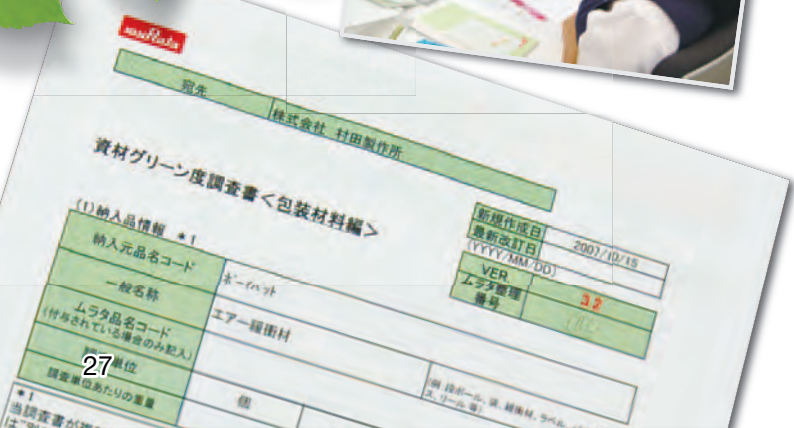
- Environmental management system
- Management system for chemical substances
- Submission of certification concerning the six RoHS-designated substances

Materials' Green Level Surveys

Before adopting new materials, Murata conducts a greenness survey for every one. The standards for those surveys are Murata's own technical standards prohibiting or limiting the use of materials according to legal regulations and customer requirements.

Specialized personnel investigate chemical materials that require particular care, recording accepted materials in a database

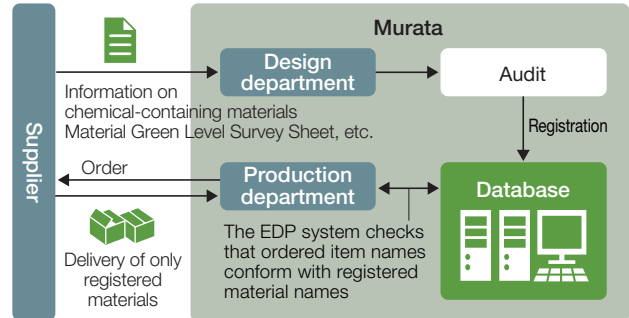
Green Level Survey



to enable the Group to procure only those approved materials.

Beginning in December 2006, Murata standardized the greenness surveys conducted at overseas locations. Using the standard surveys, the Group is able to reliably determine acceptable materials based on technical standards.

Scheme for Green Procurement of Materials



Employee Perspective

It Is Important that Suppliers Understand the Necessity of Managing the Chemicals Contained in Products



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We require suppliers to promote management of chemical substances contained in products in order to avoid inclusion of regulated substances in Murata's products. In fiscal 2007, we surveyed our suppliers' management systems. Because we made it easy for our suppliers to respond to the survey, we received replies from 100% of the companies that we needed to survey. These survey results showed us that approaches to management and awareness of the necessity of management differ greatly from industry to industry. We therefore intensified our educational activities for suppliers in fiscal 2008 in order to make suppliers understand the need for management systems for chemical substances contained in products.

Total Green Purchasing

Prioritizing the Purchase of Compliant Products

The 2001 Law on Promoting Green Purchasing requires national and regional public institutions as well as corporations to purchase products and services conducive to the reduction of environmental impacts. Murata makes it a top priority to purchase green products, which it defines as those complying with the standards set by this law or goods endorsed with recognized environmental labels.

At the end of March 2008, the green purchasing ratio at our domestic plants exceeded 99% on an itemized basis. We are increasing awareness in all divisions to achieve a 100% green purchasing ratio.