

Together with Business Associates

To our business associates, procurement departments are windows into the company. We must constantly be wary of buyer's logic, or the logic of a party in a stronger position. To consistently engage in fair purchasing activities, we have adopted the following rationale: "Purchasing is the face of the company. Always be fair. Let's become a reliable and valuable Purchasing Group with gratitude toward others, humbly reflecting on our behaviors and giving our best efforts at all the times"

Relations with Business Associates

Kyocera regards business associates as "valued partners" and places great importance on joint growth and mutual improvement achieved by learning from each other. For instance, for business associates actively suggesting improvements, both parties can apply knowledge and insight toward bettering the quality, environment, delivery time and cost of a product or service.

Additionally, to foster a better understanding of Kyocera's basic approach to business transactions, we actively visit suppliers and use various opportunities to build communication. In this way, we build partnerships based on mutual trust.

Supplier Selection Policy

Kyocera adheres to the Supplier Selection Policy outlined below. If a new supplier seeks to conduct business with Kyocera, that prospective supplier is asked to provide a report giving a general overview of the company, and to complete a questionnaire about Environment-Related Activities.

The supplier is assessed and then selected or denied based on these materials and various findings as established in the Supplier Selection Policy. Similarly, established suppliers are periodically surveyed, assessed and reviewed.

Supplier Selection Policy

- Whether the fundamental thinking of the Kyocera Group is understood.
- Whether the thinking of the business operator and the management rationale of the prospective supplier are acceptable to Kyocera.
- Whether the company aims to improve management ability, technological strength and manufacturing ability; and whether business management is appropriate and stable in terms of scale and finances. (e.g.: VA/VE* proposal strength)
- Whether the company excels in such areas as quality, price, delivery time, service response, etc. (e.g.: ISO 9000 series or equivalent quality management systems; lead-time reduction activity)
- Whether the company is seriously involved in global environmental conservation activity. (e.g.: ISO 14001 certification)

* VA: Value Analysis

VE: Value Engineering

Supplier Seminars

Each year, business associates are invited to supplier seminars at Kyocera. The purpose is to give suppliers a better understanding of the Management Direction, business policies and other facets of the Kyocera Group, and to appeal for even greater cooperation in the future. In FY2009, Supplier Seminars were held in Yokohama and Kyoto. Some 384 people from 236 companies involved in communications equipment and solar energy businesses took part.

During these seminars, top management explained the Management Direction, future goals, measures for dealing with management issues, as well as policies of the procurement departments and details of business development in the various business fields. A social gathering held after each seminar provided an ideal opportunity for exchanging opinions with business associates and for building relationships based on trust.



Supply Chain CSR Questionnaire

Kyocera is systematizing CSR-related measures such as observance of laws and environmental conservation while implementing diverse sustainability measures. Promoting these activities requires further cooperation from business associates. Therefore, in FY2009 we prepared a "Supply Chain CSR Promotion Guidebook." The aim of the guidebook is to raise understanding among business associates regarding Kyocera's perspective of CSR. The guidebook was sent to about 800 business associate companies, together with a copy of "Kyocera Corporation Basic Policy on Purchasing." Additionally, the roughly 800 business associates were asked to complete a "Supply Chain CSR Questionnaire." The purpose of the questionnaire was to give Kyocera an understanding of the current state of CSR measures being taken by each company. In the future, Kyocera will be promoting various activities encouraging business associates to enhance measures relating to matters listed in the "Supply Chain CSR Promotion Guidebook."

