

# MinebeaMitsumi Group

## CSR REPORT 2017



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## Editorial Policy

On January 27, 2017, Minebea Co., Ltd. had business integration with MITSUMI ELECTRIC CO., LTD. by converting MITSUMI ELECTRIC CO., LTD. into a wholly owned subsidiary through a share exchange. Subsequently, the company became MinebeaMitsumi Inc. We publish the MinebeaMitsumi Group CSR Report annually as a way to inform our stakeholders of our Group's CSR approach and initiatives.

In the report for FY2016, we present special features highlighting the new value creation achieved through the synergy of business integration; and also a summary of activities that we are independently undertaking through our bases worldwide to contribute to educating the next generation as a manufacturing company.

We also continue to share the progress of our specific CSR initiatives in the pages of our "Management Report," "Social Report," and "Environmental Report" sections. Note that because the a large part of the period covered by this report falls prior to the business integration, activities described include those undertaken under the structures before the business integration.

We consider the publication of the CSR Report to be an important means of communication with stakeholders, and in keeping with this approach, we have endeavored to make the contents relevant and clear. We always appreciate receiving forthright opinions and feedback from our readers.

### ● Scope of report

MinebeaMitsumi and 97 group companies

### ● Period covered by this report

FY2016 (April 1, 2016–March 31, 2017)

However, this includes some activities before this period and from FY2017.

### ● Publishing information

Published September 2017 (previous edition published September 2016; next edition planned for September 2018)

### ● Referenced guidelines

Japanese Standards Association, ISO 26000:2010

(Guidance on social responsibility)

GRI "Sustainability Reporting Guidelines" (4th edition)

Japanese Ministry of the Environment "Environmental Reporting Guidelines" (2012 edition)

### ● Enquiries regarding this report

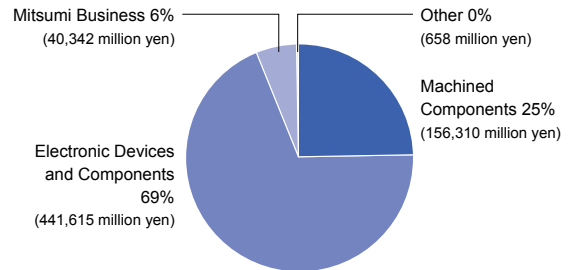
CSR Promotion Office, Personnel & General Affairs  
Headquarters, MinebeaMitsumi Inc.

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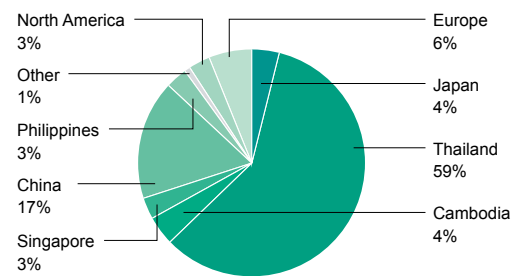
## Corporate Profile (as of March 31, 2017)

<b>Corporate name</b>	MinebeaMitsumi Inc.
<b>Headquarters</b>	4106-73 Oaza Miyota, Miyota-machi, Kitasaku-gun, Nagano 389-0293, Japan TEL: +81-267-32-2200
<b>Tokyo Head Office</b>	3-9-6 Mita, Minato-ku, Tokyo 108-8330, Japan TEL: +81-3-6758-6711
<b>Established</b>	July 16, 1951
<b>Capital</b>	68,258 million yen
<b>Representative</b>	Yoshihisa Kainuma, Representative Director, CEO and COO
<b>Main business</b>	Machined component business, electronic devices and components business
<b>Net sales</b>	Consolidated: 638,926 million yen
<b>Operating income</b>	Consolidated: 49,015 million yen
<b>Ordinary income</b>	Consolidated: 48,393 million yen
<b>Net income attributable to owners of parent</b>	Consolidated: 41,146 million yen
<b>Number of employees</b>	Consolidated: 78,957 people
<b>Number of consolidated subsidiaries and affiliates</b>	89 companies

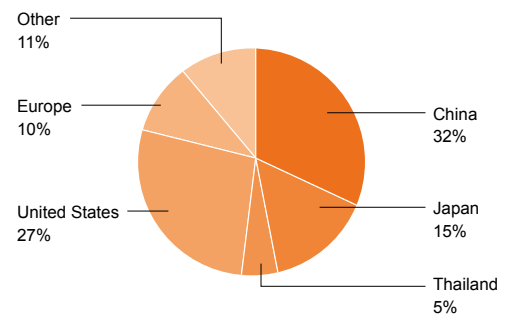
## Sales by business segment (FY2016)



## Total production by region (FY2016)



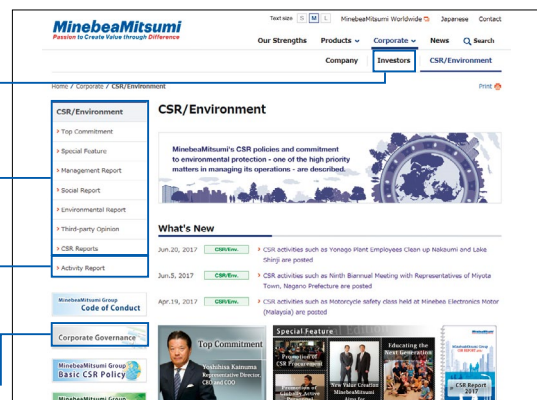
## Sales by region (FY2016)



Information available on the CSR website: <http://www.minebeamitsumi.com/english/corp/environment/>

The MinebeaMitsumi Group website is regularly updated to provide information on corporate governance and other detailed information on activities not included in this report. The website also offers information for investors. Please refer to the website for these types of information.

- Information for investors
- CSR Report 2017 detailed data
- Recent CSR activities
- Corporate governance information



# Commitment from the CEO

## Looking Back on FY2016

On January 27, 2017, Minebea Co., Ltd. and MITSUMI ELECTRIC CO., LTD. conducted a business integration of the two companies, with Minebea Co., Ltd. allocating its shares to MITSUMI ELECTRIC CO., LTD. shareholders at a ratio of 1:0.59 and MITSUMI ELECTRIC CO., LTD. becoming its fully-owned subsidiary. We changed our company name to MinebeaMitsumi Inc. and embarked on a new start.

During FY2016, we focused efforts on extensive cost-cutting, development of high value-added products and new technology, and marketing activities in order to realize further enhancement of profitability. As a result, for FY2016, we posted consolidated net sales of 638,926 million yen, an increase of 4.8% over the previous year. Our consolidated operating income declined 4.7% to 49,015 million yen, while our net income increased 13.1% to 41,146 million yen. We thereby recorded our highest ever consolidated net sales and net income.

The MinebeaMitsumi Group now offers a wide product portfolio combining Mitsumi Electric's specialized range of input, conversion, and control devices and Minebea's range of output devices. We will fully exercise these strengths in order to achieve even more rapid business expansion. The key to this is the development of new devices for the Internet of Things (IoT). Until now, the Internet has connected people to other people and to information, however now we are in an age when it is used to connect devices to each other. Through business integration, we are able to consolidate diverse core technologies to accelerate development of new, essential devices for the era of IoT in the fields of automobiles, health care, and infrastructure.

Meanwhile, we are also aware of the increasing requirement for corporate social responsibility. In order to strengthen our CSR globally, it is imperative to have the cooperation of all of our stakeholders. We will pursue the spirit of the Five Principles, our company credo, as a Group, and further enhance our corporate value.

Regarding our supply chain overall, we conducted a survey of CSR procurement practices in Singapore and Malaysia, following similar surveys in Japan,



Yoshihisa Kainuma  
Representative Director  
CEO and COO  
MinebeaMitsumi Inc.

A handwritten signature in black ink, appearing to be 'Y. Kainuma', written over a white background.

Thailand, and China while strengthening our systems for promoting CSR collaboratively with suppliers. Furthermore, it is important for us to contribute to the local community wherever our bases are located, both in Japan and overseas. We conducted hands-on work experience programs at each of our offices and production sites for the next generation who will be responsible for manufacturing, and we continue to provide support for local facilities and events.

## New Challenges Utilizing our Combined Strengths

As a manufacturer of precision products supporting society, the MinebeaMitsumi Group is working in accordance with its Basic CSR Policy "to contribute to the sustainable development of the global environment and of humanity." Following business integration, we have worked to contribute to the development of society by making it our priority to propose and provide products and new solutions that leverage the

respective strengths of Minebea and Mitsumi Electric.

For example, in automotive devices, we are promoting development of products combining advanced sensor technology, such as is used in strain gauges, with the optical technology such as that used for LED backlights. Meanwhile, we have concluded joint business development agreement with Ricoh Co., Ltd. and plan to soon commercialize bed sensors. We hope to make this the platform for the healthcare business of the MinebeaMitsumi Group.

In addition, we will expand sales in the United States of our LED lighting equipment "SALIOT" (Smart Adjustable Light for the Internet Of Things), which combines optical technologies we developed in the manufacture of LED backlights with circuits, motors, and wireless communication technologies. Also, we will continue to work to develop a world-class smart city project in Phnom Penh, Cambodia, by the end of this fiscal year.

Previously, we announced our medium- to long-term goal of achieving either consolidated net sales of 1 trillion yen or consolidated operating income of 100 billion yen by the end of FY2020. Now, with the launch of our new Group following business integration, we have defined our "Seven Spears" to clarify the specific business portfolios we focus on, and have worked to ensure awareness of the strategy among all employees. These seven business fields each have a large market scale, and we have selected niche fields where we can carve out a strong presence as well as fields and

regions where long-lasting demand is forecast. We do not intend to aim for short-term revenue and profit, but instead have indicated our Group's intention to strive for expansion of a portfolio of new products from a medium- to long-term perspective.

## Offering New Value with "Passion to Create Value through Difference"

Nothing is more important for us than to have an attitude, concept, and strategy towards manufacturing that is shared across all Group companies. There is no change to the commitment which the MinebeaMitsumi Group has hitherto enforced of "manufacturing with sincerity," our philosophy of manufacturing higher quality products at a lower price, faster, in greater quantities, and smarter.

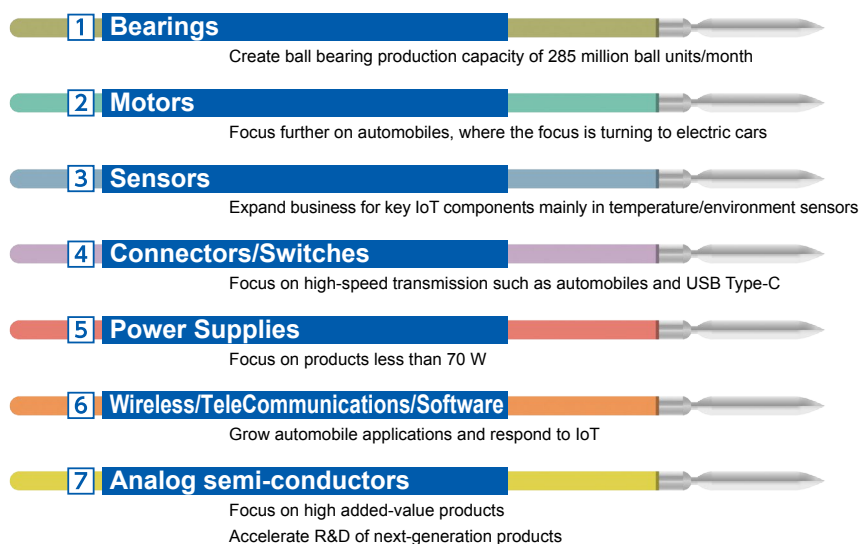
Moving forward, society will continue to demand new value in manufacturing. We have created a new corporate logo which incorporates our slogan: Passion to Create Value through Difference. We will strive to create new value through "difference" that surpasses common practice, with a shared determination to exercise our unique strengths.

This report explains the MinebeaMitsumi Group's business activities and CSR activities. We encourage all readers of this report to provide us with their honest feedback. The valuable opinions and requests which we receive from our readers will help us improve our business activities going forward.

### MinebeaMitsumi's

## "Seven Spears" Strategy

We position bearings, motors, sensors, connectors/switches, power supplies, wireless/telecommunications/software, and analog semiconductors as the "seven spears" of the core business, into which we will actively invest the management resources of people, objects, and money.



## Global Promotion of CSR Procurement

The MinebeaMitsumi Group, as a company expanding its business globally, is promoting CSR in its supply chain in order to fulfill its responsibilities to society.

### Promotion of CSR Procurement

As the scope of corporate social responsibility expands, issues emerging in the supply chain are arising as a business risk, which could also impact upon the brand value of the MinebeaMitsumi Group. We believe that by meeting the demands of society throughout the supply chain, we can realize prosperity based upon mutual trust with our suppliers. For this reason, our Group established the MinebeaMitsumi Group CSR Procurement Guidelines\* in March 2012, and works to promote CSR-based procurement.

In particular, since FY2013, we have asked suppliers to respond to our MinebeaMitsumi Group CSR Procurement Self-assessment Checklist, whereby we strive to entrench our guidelines and to be aware of current circumstances. The checklist includes 54 questions in five areas defined by our guidelines: Overall CSR Promotion; Labor; Health and Safety; Environmental Conservation; and Ethical Management.

We began to conduct this survey in Japan in 2013, followed by our main overseas bases in Thailand, China, Malaysia, and Singapore, whereby we have been able to confirm the current circumstances at suppliers who account for 72% of our business in financial terms in the countries targeted. Of a total of 500 points, our suppliers have averaged 476 points, significantly higher than our baseline standard. This survey allowed us to confirm that there were no major problems.

With the business integration in January 2017, our Group's network has grown further. Moving forward, we will accelerate the promotion of CSR procurement under our new post-integration structure to build a supply chain which allows us to fulfill our responsibilities to society.

\* With the business integration of Minebea and Mitsumi Electric in January 2017, the name of our guidelines was adapted for the MinebeaMitsumi Group, and the respective guidelines were updated.

### ► Chronology of CSR Procurement Promotion

#### FY2011–2012

- Establishment of the CSR Procurement Guidelines
- Holding of Dialogue with Suppliers

#### FY2013

- The MinebeaMitsumi Group devised a CSR Procurement Self-assessment Checklist for distribution among and collection from suppliers in Japan.

#### FY2014

- Distribution among and collection from suppliers in Thailand

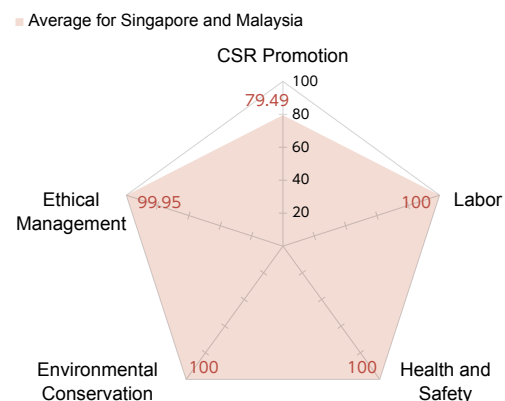
#### FY2015

- Distribution among and collection from suppliers in China

### FY2016 Initiatives

In FY2016, we requested suppliers to two plants in Singapore and one plant in Malaysia, which together represent 72% of all supplies procured in those countries in monetary terms, to respond to our Self-assessment checklist. Our suppliers have averaged 479 points, significantly higher than our baseline standard. This demonstrates that our suppliers take CSR very seriously and are responding to our requests. For suppliers who do not reach full marks on the checklist, we conduct individual hearings regarding their circumstances to ensure there are no issues.

#### ► Results of Self-assessment Checklist Survey (Average Score of Each Item)



# Promotion of Globally Active Personnel

The MinebeaMitsumi Group nurtures global personnel and promotes their activities in order to facilitate further growth of its business on the global stage.

## Acting as a Global Business

The MinebeaMitsumi Group began overseas expansion in the United States in the 1960s, and has subsequently expanded operations in the Americas, Europe, and Asia. Currently, overseas business accounts for over 80% of the Group's sales and 90% of its production, and the importance of the overseas business continues to increase. Furthermore, only 6% of our employees are Japanese. For a global corporation such as our Group, nurturing and activating global personnel is a key management issue.

Consequently, the MinebeaMitsumi Group is hiring diverse human resources and also conducting various training to nurture personnel who can operate globally.

### Appointment of Global Human Resources

We are actively hiring diverse human resources both in Japan and abroad in order to increase the number of our personnel who can participate globally. To this end, the Group is actively hiring international students studying at Japanese universities. We are also actively recruiting new employees outside Japan, including Japanese overseas students studying in the United States and new Chinese graduates in China. In October 2016, we hired four new Chinese employees, and in April 2017, we hired three Japanese overseas students who had just graduated.



Recruitment activities

### Training to Nurture Global Personnel

The MinebeaMitsumi Group offers many opportunities for Japanese employees to be stationed overseas in order to nurture global personnel, and has also established diverse training opportunities, such as dispatch of employees to business school in the United States. We also strive to develop our overseas employees. We provide leadership training for management level employees, and our operational divisions and head office invite overseas staff to Japan for periods ranging from a few months to a year in order to enhance their skills, and to support their efforts to learn Japanese and to network.

### Our Mission is to Nurture Truly Global Personnel

VOICE



Tatsuro Odawara  
General Manager, Human Resources Development Department  
Personnel & General Affairs Headquarters

The MinebeaMitsumi Group is a company which is competitive both in its ultra-precision machining technology and its overseas mass-production capabilities. Consequently, the presence of personnel able to operate globally is a requisite of the company. In order to be called truly global, our personnel need more than simply the ability to communicate in English. They also need skills for building long-term relationships with people from other countries, and to possess both enthusiasm and a fastidious approach to manufacturing-- characteristics epitomizing the personnel sought by our Group. We believe that people can truly be called global personnel when they are able to produce the value sought by our customers in any environment.









Through business integration, we have expanded opportunities to further enhance the value of products that combine more elements than previously. In order to leverage these opportunities, we need to transcend conventional business barriers, common sense, and international borders to coordinate diverse personnel. To this end, we will strive to nurture personnel with more than simply superficial skills, who are passionate about manufacturing and who are adapted to our future.

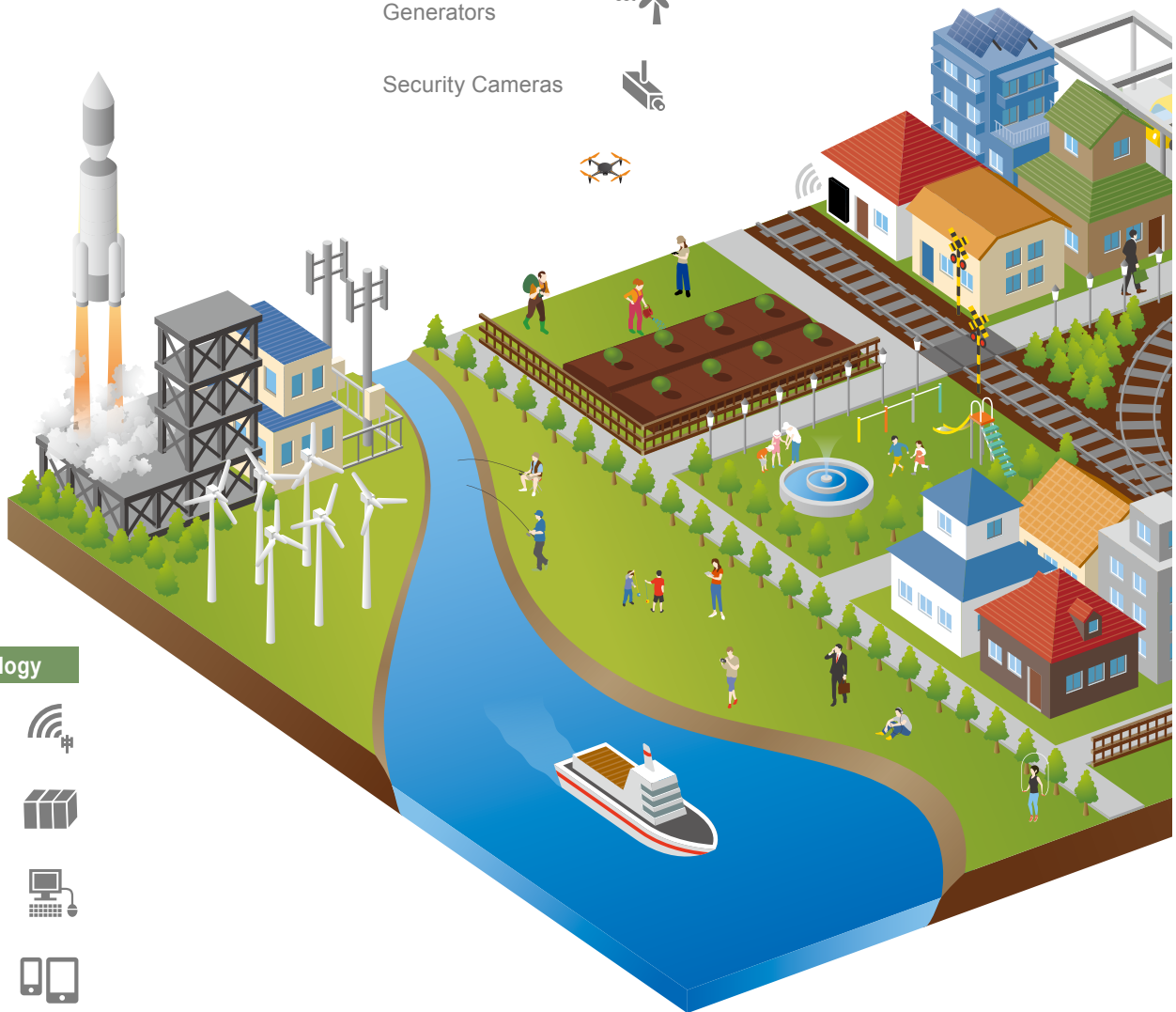
# MinebeaMitsumi Products in Society

The ball bearings, motors, and electronic devices that we manufacture are incorporated in a wide range of final products, improving the lives of people around the world, and helping to bring about a richer society.





Although our products are not normally visible to consumers, this page will introduce the role they play in society.

## Smart City & Infrastructure










- Solar Power Generators  Smart Lighting Devices 
- Battery Modules  Smart Street Lights 
- Smart Locks  Parking Sensors 
- Wind Power Generators  Security Cameras 



## Information Technology

- Telecommunication Base Stations 
- Data Centers 
- PCs 
- Smart Phones/ Tablet Devices 

## Home & Entertainment

- Fishing Equipment  Portable Music Players 
- Toys  Game Devices/DVD & Blu-ray Disc Players 
- Digital Cameras/ Action Cameras  Televisions  AV Systems 
- Set Top Boxes 
- Air Conditioners 



## Industrial

Industrial Scales



Inspection Equipment



Truck Scales



Industrial Machinery



Tank & Hoppers



Crossing Gates



ATMs



Multi-Function Copier-Printers



3D Printers



## Robotics

Drones



Service Robots



## Transportation

Space Rockets



Aircraft



Automobiles



Electric Bikes



Railroad Crossing



Trains



Ships/  
Hydrofoil Boats



## Health Care

Dental Handpieces



Bed Sensors



CT Scanners/MRI



Home Health  
(Bathroom Scales,  
Blood Pressure Monitors)



Medical Infusion  
Pumps



Electric Fans



Bidets



Refrigerators



Electric Toothbrushes  
and Shavers



Power Tools



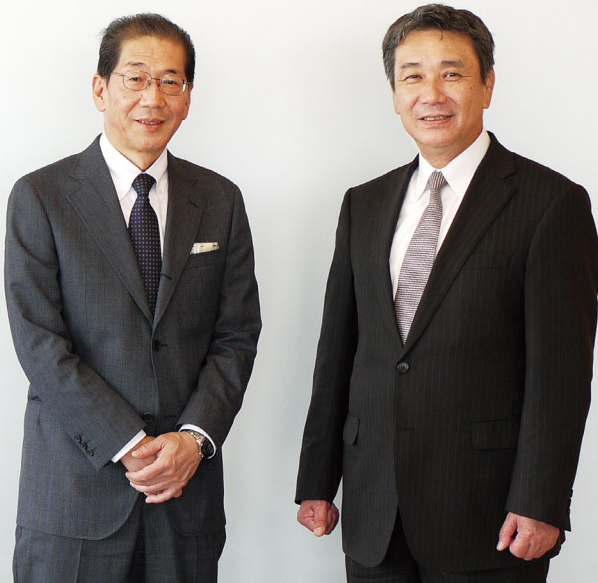
Suitcases



Vacuum Cleaners



# The New Value Creation Which MinebeaMitsumi Aims for by Leveraging the Synergy of Business Integration



Through business integration, MinebeaMitsumi has taken its first steps as a new corporate group, fusing the respective strengths of Minebea Co., Ltd. ("Minebea") and MITSUMI ELECTRIC CO., LTD. ("Mitsumi"). We interviewed directors who came from each company about the technology development synergy which is the driving force behind growth.

## Dialogue

### Michiya Kagami

Director, Managing Executive Officer  
Chief of Engineering Headquarters

### Hiroshi Aso

Director, Managing Executive Officer  
Deputy Chief of Engineering Headquarters  
Managing Executive Officer of MITSUMI ELECTRIC CO., LTD.

## Background to Business Integration

**Kagami:** Minebea has focused its efforts on expanding the electronic product business in order to realize further growth. However, the company actually suffered from a severe deficiency of in-house engineers. In considering how to supplement this, we realized that Mitsumi, which had over 1,000 diverse and highly specialized personnel, was our ideal partner.

**Aso:** Mitsumi has operated for many years as a manufacturer of components for electronic devices, and was bolstering efforts in precision mechanical components with an eye on the future. Minebea, with its foundation in mechanics, possessed proficiency in microfabrication, and was therefore able to supplement Mitsumi in the area of precision products, which had been a deficiency of the company. Furthermore, by combining electrical elements of Mitsumi's circuit and wireless technologies with Minebea's business, centered on ball bearings, we will be able to make better products faster. I believe that the combination of seemingly opposite elements of a mechanical company with an electronics company will enable us to achieve a greater synergistic effect.

**Kagami:** Minebea did not have such great breadth in its technological development. Hitherto, it expanded based upon a certain number of core technologies, developing unsurpassed products in those fields. Meanwhile, from Minebea's perspective, Mitsumi had a very wide expanse of technologies. It excelled at quickly responding to the demands of customers and society to develop new products.

**Aso:** Originally, Mitsumi purchased components for assembly, and had a history of producing high value-added products. By working with Minebea, which possessed a core of strong technologies, we create a situation where we have what we need without the need to acquire products and technologies from outside the company. By fusing together the different types of technologies possessed by the two companies, we will achieve greater results than the simple sum of the two elements.

**Kagami:** In addition, we can see that Minebea's product line-up was centered on output devices such as actuators and monitors, while Mitsumi's line-up included many input devices, such as sensors and cameras. The fact that the two companies specialized in the different fields of input and output meant they could supplement one another, which is why we had high expectations for the integration.

## The DNA of Minebea and Mitsumi

**Kagami:** The DNA of Minebea lies in the sincerity of its manufacturing. For many years, we have worked faithfully to create strong technology in niche fields. We followed an uninterrupted path of steady and diligent efforts for the improvement of products such as ball bearings, enhancing their precision, for over 50 years until the present. Karuizawa Plant, the “mother plant,” or launch-pad, of Minebea, has developed these beliefs over many years.

**Aso:** I have been strongly impressed with Minebea’s sincerity, fastidiousness, and seriousness toward manufacturing since we started working together following integration. It was an area where Mitsumi was lacking, and which we hope to actively incorporate.

**Kagami:** On the other hand, Minebea actually had a culture resistant to ready introduction of new technologies and products. Although, as a manufacturer, we strove to provide the world with “higher quality products, at a lower price, faster, and in greater quantities,” we viewed products a risk if it would be difficult to achieve volume, and we tended to avoid them. We considered Mitsumi to be more flexible in this regard.

**Aso:** Working with the customer in order to create products the world needs is in Mitsumi’s DNA. We grew by creating innovative products, developed through extensive communication with customers, and by expanding our reach in the periphery. Currently, the Tama Business Division, which manages Mitsumi’s head office functions, continues that tradition, supporting manufacturing as a base for design and development.

## Exercising the Synergy of Integration

**Kagami:** A good example of products where we can readily produce synergy are the sensors required for the future IoT<sup>\*1</sup> society. Minebea boasted among the highest volume of strain gage production globally, while Mitsumi possessed a line-up of sensors utilizing MEMS<sup>\*2</sup> technology. By combining our sensors, developed through different approaches, we believe that we can

gain an advantage unmatched by our competitors.

**Aso:** We will certainly be able to leverage the strengths of the two companies in force sensors, which measure load. In addition, we will also be able to propose products which utilize sensors developed by Mitsumi for temperature, humidity, and airflow. For example, we could combine them with back lights and actuators, which are Minebea’s specialty.

**Kagami:** Because Minebea produces various output devices, if we are able to successfully combine these with sensors, which are input devices, we can easily produce composite products and thereby achieve synergy.

**Aso:** Exactly. In addition, we will also attempt to apply technology from Mitsumi’s semiconductor business for the control of motor products manufactured by Minebea to produce further synergy.

\*1 Internet of Things: Connecting of various physical devices via the Internet.

\*2 Micro Electro Mechanical Systems: Devices with micro-level construction comprised of sensors, actuators, electrical circuits and other mechanical elements assembled upon the silicon, glass, or organic material bases of conductors.

## How to Produce Synergy

**Kagami:** Firstly we need to survey the technologies possessed by each company. With the fusion of the two companies, the engineers are able to easily share their respective cultures, due to the shared language of technology, and differences in awareness are virtually undetectable in matters such as the focus of business. We are also sharing all of our data and engaging in open discussions.





**Aso:** Following the organizational changes undertaken as part of our integration, there have been many cases where we have realized that the other party had technologies that we had been looking for. We have held frequent joint discussions on a range of topics whereby we have been able to arrange systems for advancing the projects comprised of members from each party.

**Kagami:** Presently, we are giving serious consideration to the technology-focused marketing we are advancing separately from that conducted by the sales division. Even if you are able to imagine the generalities of concepts which could improve people's lifestyles, in many cases it is difficult to identify the technology needed to achieve this. For example, we believe that the field of AI\* is a key focus, and we must consider its progress to date, its future direction, and what auxiliary technologies are required for its promulgation.

**Aso:** We need to anticipate how society will change in the future and aim to create the products and technologies that will be necessary. Although this is not easy, this is our ideal.

\*Artificial Intelligence

### The Challenge Faced by the New Company MinebeaMitsumi

**Kagami:** When considering IoT and AI, which are the keys to the future of society, there is a tendency to focus on digital aspects such as how to handle data processing. However, another indispensable factor is how analog and digital phenomena can be mutually converted. This includes the aspects of "entry" that

converts analog phenomena detected by sensors into digital data, the subsequent data processing, and the "exit" that converts digital signals into analog movement through motors and actuators. This is an area where MinebeaMitsumi, with its analog focus, can make a major contribution.

**Aso:** There will be no change to the fact that we, as analog specialists, will have unique strength in offering value in areas linking analog and digital. In addition, there is also the potential for the secondary creation of new business related to the digital sector. For example, we will be able to readily imagine how to take digitized breathing and pulse data measured with bed sensors and utilize it for the benefit of society.

**Kagami:** From the perspective of markets, we believe that, in addition to the medical and care fields, the automotive field will see significant growth. With the spread of hybrid and electric cars, there is strong demand for motor, actuators, and sensors. In addition, in focusing upon the field of smart cities, we can combine hitherto already highly efficient LED street lighting with the cloud network to create systems for the comprehensive management of various functions of urban life.

**Aso:** We also anticipate growth in the field of robotics. Both input and output technologies are essential in robotics. MinebeaMitsumi possesses technology such as sensors and cameras, which are the "eyes" of robots, with the ball bearings and motors used to enable movement, together with circuit technology which can enable more effective motor operation. We believe that this is a field we can tackle by exercising our synergy.

### The Value which MinebeaMitsumi can Offer toward Resolution of Society's Challenges

**Kagami:** By working toward "stable supply and making reliable products with low energy consumption widely available," which we state in our Basic CSR Policy, we will contribute to the realization of a sustainable society. In particular, as a device manufacturer, MinebeaMitsumi will continue to focus upon miniaturization and enhanced efficiency, which has a direct impact upon resource and energy conservation in products and

production processes. The initiatives which are our core business are already playing no small part in the reduction of society's environmental burden, and we believe that this is the very reason for the existence of device manufacturers.

**Aso:** This is exactly correct. Nowadays, how we address environmental issues is indispensable for meeting client demands. By sincerely responding to the needs of society, our products naturally tend to be more environmentally friendly.

**Kagami:** Motors account for approximately 40% of global energy usage, while lighting accounts for approximately 25%. Improving the efficiency of these will certainly have a significant impact in reducing energy usage. Because we are a component manufacturer, we are not readily able to produce large-scale final products. However,

we believe that, through provision of superior products and solutions, we play a valuable role in supporting the realization of the ideas of companies who are focused on challenging new possibilities for the future. Based upon our Basic CSR Policy, we will align our awareness and work together as a united company.



## The Base Supporting MinebeaMitsumi's Manufacturing

### Karuizawa Plant

Karuizawa Plant has operated for over 50 years since its establishment in natural surrounds on the tablelands of Nagano Prefecture in 1963. Not only does it operate as a base for manufacturing in Japan, it also plays an important role in the expansion of our production overseas.

As the mother plant for production bases in each country, it designs and produces various machinery, dies, and jigs, develops production technology, and conducts training and education of employees abroad, supporting production activities and thereby contributing to the development of other countries through manufacturing.



### Tama Business Division

Mitsumi was established in Yukigaya, Ota-ku Ward, Tokyo, in January 1954, and expanded after it found success in the development of POLYVARICON\* for pocket radios. In 2002, it transferred its headquarters to Tama City, Tokyo, where it is still located.

The Tama Business Division conducts design and development of connectors, electric power components, and automotive products. It also works to bolster the production technology for overseas manufacturing bases and provides production support. It supports manufacturing based upon Mitsumi, contributing to the supply of high quality, high precision products.

\* Polyethylene variable capacitors, which use polyethylene film as dielectric. Invented and developed by Mitsumi. Product name of Mitsumi.



## Contributing to Educating the Next Generation as a Manufacturing Company

**Contributing as a manufacturing company to development of the younger generation who will lead us in the future.**

**MinebeaMitsumi is implementing various initiatives at its bases globally in order to achieve this.**

**We interviewed key players responsible for lessons at schools, work experience, and environmental education about the aims and results of such initiatives.**



### Mitsumi Robotics Laboratory

CEBU MITSUMI, INC. (Philippines)

Ms. Desiree Peralta  
Recruitment Specialist  
Human Resource Division  
CEBU MITSUMI, INC.

In recent years, securing engineers has become a critical issue for manufacturers in the Philippines. At Cebu Mitsumi, we are working to make it more appealing for members of the younger generation to build a career as an engineer. We lease our research and testing facilities to universities and established the Mitsumi Robotics Laboratory in 2016, whereby we dispatch employees to give lectures.

Universities do not always have the most up-to-date research facilities. By offering use of our facilities, students are able to experience higher level research and the latest technology. Naturally, this contributes to nurturing better engineers, which makes this an extremely valuable program for the students, the university, for ourselves, and for the manufacturing industry as a whole.

It was not always easy to gain cooperation from universities, but by holding discussions with universities about the needs of industry and the academic field, we have been able to conduct plant tours and OJT\*, which led to the success of this latest initiative.

To date, almost 100 students from two universities have participated in our Laboratory. Surveys of participants indicate a very high level of satisfaction, and some students chose to take part in OJT with us immediately following the lectures. Furthermore, our Laboratory has been designated as a required unit for graduation by the computer engineering department at one university.

Moving forward, we are considering an initiative whereby participating students will launch projects aimed at actually resolving regional issues. At the same time, we hope to hold Laboratories at more universities in order to contribute to the development of excellent engineers.

\* On the Job Training: Work-based training of employees.



Lecture given by an employee

## Environmental Education for Children

Bang Pa-in Plant (Thailand)



Ms. Charini Phunkasem  
Training and Development Center Staff  
Human Resources and Administration Division  
NMB-Minebea Thai Ltd.

Since 2016, Bang Pa-in Plant has been working to raise the environmental awareness of children at schools in Ayutthaya Province through initiatives to teach the importance of separation of garbage.

This includes teaching the children about the state of Thailand's garbage problem, systems for processing garbage and recycling, and explaining the consequences when garbage is not separated. In addition, we use various group activities and games for the students to experience actual garbage separation and to convey the significance of the activities. Furthermore, we donated 12 containers for garbage separation with the

aim of ensuring that it will continue, and also supplied 1,133 items including books, posters, and pamphlets concerning resource conservation and energy issues.

Everybody considers education to be important. In particular, it is crucial to nurture awareness of environmental protection among the younger generation who will lead our communities in the future. Our company helped contribute to the formation of better communities through activities such as this, and we take pride in our efforts.



Activities at the elementary schools

## Lessons at Schools about Environment and Hygiene

Lop Buri Plant (Thailand)



Ms. Thitaporn Kingnon  
Environment Staff  
OHS & ENVI Division  
NMB-Minebea Thai Ltd.

Lop Buri Plant has been cooperating with the local community and schools in supporting education. In November 2016, we gave lessons for 35 students in grades 4 and 5 at a local elementary school to raise awareness regarding the natural environment and hygiene.

A total of six lessons were given, covering five key topics of waste disposal; a survey of mosquitoes and larva; animals and insects that spread disease; nutrition and food safety; and handwashing.

Many of the materials used are specialized and difficult, however we prepared animations to help the children's understanding and devised quizzes and games to help convey the information. As a result, the children showed

great interest and the school indicated that it hoped that we could plan similar activities in the future.

We believe there is still a lack of awareness and many misunderstandings concerning environmental issues and hygiene, both in the community and in schools. We hope that our efforts can play a part in spreading correct understanding of these matters.

Furthermore, we feel that such activities can help to build a good relationship between the community and the company. Moving forward, we hope to expand such activities to other schools and communities.



Lesson given at the school by an employee



### TECHNOlino: Providing Opportunities to Experience Scientific Technology

myonic GmbH (Germany)

Mr. Franz Bauhofer  
Trainer  
myonic GmbH

Since 2009, we at myonic GmbH have been conducting an activity known as TECHNOlino for local preschool-aged children. This includes plant tours for children, and visits to kindergartens by our trainees to perform experiments and hold craft classes. This project, conducted under the auspices of a federation of business operators which our company belongs to, aims to provide opportunities to preschool-aged children that nurture their interest in science and technology.

In deciding upon the content of the lessons, we selected activities which children of that age could perform themselves, and most importantly, ensured that there was no risk of accidents. The children were

brimming with curiosity and even posed some difficult-to-answer questions. These experiences provide significant learning opportunities for our research students, and also provoke new ideas throughout the company.

We certainly hope that some of the children who took part in the classes may grow up to become interns or trainees in our company in the future. Furthermore, we hope to continue such initiatives and develop them further in the future, whereby we can encourage more people to take an interest in our company.



Trainees instructing the children



### Nurturing Human Resources in Collaboration with the Community

New Hampshire Ball Bearings, Inc. (U.S.)

Mr. Gary Groleau  
Corporate Manager  
Labor Relations & Organizational Development  
New Hampshire Ball Bearings, Inc.

In New Hampshire, where New Hampshire Ball Bearings, Inc. (NHBB) is based, the manufacturing industry is less popular than other fields, and recruiting personnel with high-level technical skills is therefore a great challenge. For this reason, we conduct initiatives in collaboration with the community, accept university student interns, and arrange work experience, which we will continue moving forward in order to nurture human resources for the future.

For example, each year, New Hampshire Manufacturing Week is held state-wide through collaboration between the Manufacturing Extension Partnership (MEP), in which I also act as an advisor, and state education and economic departments.

During Manufacturing Week, manufacturers including NHBB conduct plant tours and other activities for junior

high and high school students.

Through these efforts, we hope to make students aware of the wide range of products being manufactured, and also offer opportunities for them to discuss their possible career path\* in the manufacturing industry. This program was started by NHBB's Laconia Plant but it was quickly adopted as a state-wide program.

In FY2016, NHBB welcomed visits by 1,850 students from 44 schools during Manufacturing Week. Furthermore, in fiscal 2017, the program will be held on a much larger scale, and Manufacturing Week will be expanded to Manufacturing Month.

\*The way that a person progresses in their work, how they are employed, and what experiences and skills they acquire.

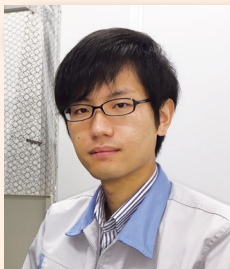


Training at regional technology educational facilities



## Lectures at Elementary Schools

Yonago Plant (Japan)



Mr. Akihiro Mito  
Section 1, Brushless Motor Engineering Department  
DC Motor Business Unit

In February 2017, we gave a lesson to 60 students in grade 5 at Minokaya Elementary School in Yonago City. The topic was “Learning about motors.” In the lesson, the children divided into groups and assembled simple motors, with the aim of nurturing their interest in motors and manufacturing. We held discussions with the teachers ahead of the lessons to develop content that would most appeal to the children.

On the day, the children raised their hands to ask many questions, and their enthusiasm almost overwhelmed our employee who gave the lessons. Some of the children experienced difficulties with the assembly, but

in the end, all of the groups succeeded and they were thrilled when the motors worked.

Through these classes, we believe we were able to raise the students’ awareness of the existence of devices such as motors, that enhance our lives, building upon topics that they study about at school such as electricity and magnetism. Moving forward, we hope to continue such activities, whereby children will hear about MinebeaMitsumi, and we can increase the number of young people interested in working at our company.



Motor assembly

## Work Experience for Junior High School Students

Karuizawa Plant (Japan)



Mr. Hirofumi Shigenobu  
Supervisor  
Personnel & General Affairs Division  
Karuizawa Plant

At the Karuizawa Plant, we have long been accepting high school students for internships and giving lessons at junior high schools. Since 2014, we began also accepting junior high school students for work experience.

Under this program, three to four students from Miyota Junior High School visited the plant for two days and experienced processes such as the assembly of ball bearings. There was very strong demand to participate in our work experience, and in the selection process. All the applicants proved to be serious and enthusiastic students. After the experience, feedback from students included messages such as “I want to work at MinebeaMitsumi in the future.”

We believe it is an important mission for us to provide junior high school students, who have many options for the future, with the opportunity to experience manufacturing, in order to enhance their interest so that we can prepare the next generation. In addition, it provides our employees with an opportunity to feel pride in their company when they receive feedback from the children. Moving forward, we hope to continue to contribute to the community in various ways so that even more students will show interest in taking part in work experience at our company.



Work experience orientation

# CSR Promotion Activity Goals and Results

## ● Results for FY2016 and Goals for FY2017 and the Medium Term

		FY2016 Goals	FY2016 Results	
Management	CSR Management	Promote global PDCA management through communication with overseas sites <b>CSR</b>	Communicated with overseas bases to share the state of CSR activities and the FY2017 plan	
		Conduct CSR awareness initiatives and discussions with CSR Officers and CSR sub-staff in and outside Japan <b>CSR</b>	Shared state of CSR activities through hearings with CSR officers and CSR sub-staff in Japan and overseas. Promoted CSR awareness through public relations activities	
	Corporate Governance Compliance Risk Management	Continue to build a compliance structure in China and Southeast Asia <b>Compliance</b>	Established compliance committee in Thailand	
		Conduct compliance training for local managers in China <b>Compliance</b>	Conducted compliance training for local managers in China	
		Conduct compliance training through e-learning programs for all Japanese employees working for Minebea <b>Compliance</b>	Conducted compliance training through e-learning programs for all Japanese employees working for Minebea	
Risk Management	Formulate basic BCP for Thailand; formulate basic BCP and action plans for Malaysia; formulate BCP action plans for Shanghai, Suzhou, and Zhuhai <b>GA</b>	<ul style="list-style-type: none"> <li>Formulated basic BCP and BCP action plans for Bang Pa-in Plant in Thailand</li> <li>Formulated basic BCP and BCP action plans in Malaysia</li> <li>Formulated BCP action plans for Shanghai, Suzhou, and Zhuhai</li> </ul>		
	Promote BCP drills at Japanese facilities, Thailand, and other sites <b>GA</b>	<ul style="list-style-type: none"> <li>Conducted thrice yearly BCP drills at Karuizawa</li> <li>Acquired ISO 22301 in Thailand and planned the implementation of BCP drills. Conducted flooding countermeasure simulation training</li> </ul>		
Society	Relationships with Customers	Continue to promote quality assurance agreement among suppliers <b>Quality</b>	<ul style="list-style-type: none"> <li>Continued to expand quality assurance agreement among suppliers for automotive products</li> <li>Prepared quality assurance agreement for general components</li> </ul>	
		Prepare for transition to ISO 9001:2015 <b>Quality</b>	Conducted briefings for all business divisions and training for internal auditors in preparation for transition to ISO 9001:2015	
		Unify bar code labels for Thai measuring products, PMA products, PM motor products, and micro actuators <b>Logistics</b>	Unified bar code labels for Thai PM motor products and micro actuators, etc.	
		Unify bar code labels for bearings <b>Logistics</b>	Unified bar code labels for bearings	
		Promote acquisition of AEO certification in South Korea <b>Logistics</b>	Promoted preparation of application for acquisition of AEO certification in South Korea	
Relationships with Local Communities and Global Society	Promote dialogues with communities at all sites in and outside Japan <b>CSR</b>	Conducted ongoing dialogues with communities of the Karuizawa, Yonago, and Hamamatsu plants		
Society	Relationships with Employees	Continue to strengthen human rights education <b>Human Resources Development</b>	Provided anti-harassment training in rank-based training, and education on human rights prior to overseas assignment	
		Continue to strengthen development and utilization of personnel suited for global development <b>Human Resources Development</b> <ul style="list-style-type: none"> <li>Strengthen training to nurture next-generation leaders</li> <li>Nurturing of local management leaders overseas</li> </ul>	<ul style="list-style-type: none"> <li>Deliberated training to nurture next-generation leaders for the integration of MinebeaMitsumi</li> <li>Conducted local manager training in Thailand, China, and Cambodia</li> </ul>	
		Continue to promote active roles for female employees <b>Human Resources Development</b>	<ul style="list-style-type: none"> <li>Provided opportunities for interaction to boost awareness among managers</li> <li>Conducted training for assistant supervisors to raise their awareness and reconfirm their roles</li> </ul>	
		Continue to promote initiatives relating to work-life balance <b>Personnel</b>	Allowed family care leave and childcare leave to be taken in half-day units	
		Meet legally required rate of employees with disabilities and support their continued employment <b>Personnel</b>	Rate of employees with disabilities was 1.75% (as of June 2016)	
		Promote mental health support measures <b>Personnel</b>	Conducted stress checks for all employees	
Relationships with Suppliers	Confirm status of CSR promotion at Malaysian and Singaporean suppliers using the CSR Procurement Self-assessment Checklist <b>Procurement</b>	Distributed the CSR Procurement Self-assessment Checklist to Malaysian and Singaporean suppliers, received responses, and analyzed status		
Relationships with Shareholders	Continue to promote active information disclosure relating to progress and implementation of business plan <b>IR</b>	Promoted information disclosure on Medium-term Business Plan and policies through general shareholders' meeting, semiannual business report, and website information		
	Continue to promote active communication with domestic and international investors <b>IR</b>	Held four briefings on financial results and conference calls for institutional investors and securities analysts and one tour to visit investors in the U.S., Europe, and Asia		
Environment	Environment	Start operations based on ISO 14001:2015 <b>Environment</b>	Started operations based on ISO 14001:2015 from April 2016	
		Set CO <sub>2</sub> emissions reduction targets for period through FY2020 <b>Environment</b>	Established targets to reduce CO <sub>2</sub> emissions per basic unit of output by 15% compared with FY2015 by FY2020	
		Reduce CO <sub>2</sub> emissions per basic unit of output by 1% compared with FY2015 <b>Environment</b>	Increased CO <sub>2</sub> emissions per basic unit of output by about 3% compared with FY2015 (actual emissions of 737,211 tons)	
		Reduce amount of generated waste by 1% per basic unit of output compared with FY2015 <b>Environment</b>	Increased amount of generated waste by 8.5% per basic unit of output compared with FY2015 (actual amount of waste ultimately disposed of as landfill totaled 2,133 tons)	
		Continue to promote palletization of product packaging <b>Logistics</b>	Deliberated preparations for palletization of product packaging and undertook necessary arrangements	



## CSR Promotion Activity Goals and Results

The MinebeaMitsumi Group believes it is important to manage CSR promotion activities and results appropriately using the

Plan-Do-Check-Act (PDCA) cycle, and sets CSR goals accordingly. In order to systematically promote CSR activities, we have set medium-term goals to accomplish by FY2020.

Evaluation	FY2017 Goals	Medium-term Goals (target year of FY2020)
○	<ul style="list-style-type: none"> <li>Promote construction of a CSR management system for the MinebeaMitsumi Group <b>CSR</b></li> </ul>	<ul style="list-style-type: none"> <li>Promote CSR management based on key CSR issues developed through an understanding of stakeholders' expectations and requests <b>CSR</b></li> </ul>
○		
△		
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○	<ul style="list-style-type: none"> <li>Construct systems in China and the Philippines and provide training to promote the permeation of compliance <b>Compliance</b></li> <li>Conduct employee compliance awareness surveys <b>Compliance</b></li> <li>Formulate basic BCP and BCP action plans for Lop Buri Plant in Thailand <b>GA</b></li> <li>Promote BCP drills at Japanese facilities, Thailand, and other sites <b>GA</b></li> </ul>	<ul style="list-style-type: none"> <li>Establish and strengthen a global compliance system for the MinebeaMitsumi Group <b>Compliance</b></li> <li>Ensure adherence to BCP at major bases worldwide <b>GA</b></li> </ul>
○		
○		
○	<ul style="list-style-type: none"> <li>Revise, execute, and ensure awareness of quality management regulations <b>Quality</b></li> <li>Support transition to ISO 9001:2015 certification <b>Quality</b></li> <li>Promote introduction of unified bar codes for all products <b>Logistics</b></li> <li>Promote continual acquisition of AEO certification <b>Logistics</b></li> <li>Promote visualization to further enhance logistics quality <b>Logistics</b></li> </ul>	<ul style="list-style-type: none"> <li>Promote construction of a quality management system for the new organization of the MinebeaMitsumi Group <b>Quality</b></li> <li>Unify bar code labels and promote visualization <b>Logistics</b></li> </ul>
△		
○	<ul style="list-style-type: none"> <li>Promote dialogues with communities at all sites in and outside Japan <b>CSR</b></li> </ul>	<ul style="list-style-type: none"> <li>Continually conduct CSR penetration activities in and outside Japan <b>CSR</b></li> </ul>
○		
○	<ul style="list-style-type: none"> <li>Continue to strengthen human rights education <b>Human Resources Development</b></li> <li>Strengthen training to nurture next-generation leaders for the MinebeaMitsumi Group <b>Human Resources Development</b></li> <li>Continue to promote active roles for female employees <b>Human Resources Development</b></li> <li>Meet legally required employment percentages for the handicapped and support their continued employment <b>Personnel</b></li> <li>Promote reform of work environment based on results of stress checks <b>Personnel</b></li> <li>Continue to reduce overtime <b>Personnel</b></li> </ul>	<ul style="list-style-type: none"> <li>Leverage the synergy of an integrated MinebeaMitsumi Group, and strengthen the development of human resources in order to support the active expansion and development of global business <b>Human Resources Development</b></li> <li>Raise the ratio of female managers (aim to double the ratio in 2021 compared with 2016) <b>Human Resources Development</b></li> <li>Proactively incorporate demands of society and promote measures to support employee motivation <b>Personnel</b></li> </ul>
○		
○	<ul style="list-style-type: none"> <li>Promote unified CSR procurement activities for the MinebeaMitsumi Group               <ul style="list-style-type: none"> <li>Establish unified CSR guidelines, distribute them to suppliers, and request that they undertake CSR initiatives <b>Procurement</b></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Promote activities to boost awareness of the CSR Procurement Guidelines of the MinebeaMitsumi Group and confirm the progress of CSR using the CSR Procurement Self-assessment Checklist <b>Procurement</b></li> </ul>
○	<ul style="list-style-type: none"> <li>Continue to promote active information disclosure relating to progress and implementation of business plan <b>IR</b></li> <li>Continue to promote active communication with domestic and international investors <b>IR</b></li> </ul>	<ul style="list-style-type: none"> <li>Continue to actively disclose information and promote communication among a wider group of shareholders and investors to deepen their understanding of MinebeaMitsumi <b>IR</b></li> </ul>
○		
○	<ul style="list-style-type: none"> <li>Reduce CO<sub>2</sub> emissions by 6% per basic unit of output compared with FY2015 <b>Environment</b></li> <li>Reduce amount of generated waste by 6% per basic unit of output compared with FY2015 <b>Environment</b></li> <li>Recycling of 97.2% of generated waste <b>Environment</b></li> <li>Reduce use of service water by 6% per basic unit of output compared with FY2015 <b>Environment</b></li> <li>Promote the protection of biodiversity <b>Environment</b></li> <li>Drive improvement of packaging to increase loading efficiency for marine shipping containers <b>Logistics</b></li> <li>Further promote palletization of product packaging <b>Logistics</b></li> </ul>	<ul style="list-style-type: none"> <li>Reduce CO<sub>2</sub> emissions by 15% per basic unit of output compared with FY2015 by FY2020 <b>Environment</b></li> <li>Reduce amount of generated waste by 15% per basic unit of output compared with FY2015 by FY2020 <b>Environment</b></li> <li>Recycling of 97.5% of generated waste by FY2020 <b>Environment</b></li> <li>Reduce use of service water by 15% per basic unit of output compared with FY2015 by FY2020 <b>Environment</b></li> <li>Promote the protection of biodiversity <b>Environment</b></li> <li>Improve the quality and efficiency of logistics through palletization of product packaging, etc. <b>Logistics</b></li> </ul>
×		
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△		

**CSR** CSR Promotion Office **Compliance** Compliance Promotion Office **GA** General Affairs Department **Quality** Group Quality Management Department **Logistics** Logistics Department **Human Resources Development** Human Resources Development Department **Personnel** Personnel Department **Procurement** Procurement Department **IR** Investors Relations Office **Environment** Group Environment Management Department

# MinebeaMitsumi Group CSR

## Basic Approach

The MinebeaMitsumi Group believes that the mission of a company is to contribute to the sustainable development of the global environment and of humanity, not only through strict adherence to laws and regulations, but also through fair and proper business management in accordance with business ethics. To achieve this mission, we have established the “Five Principles” as our company credo, and on the basis of this credo, we have formulated the MinebeaMitsumi Group Basic CSR Policy and the

MinebeaMitsumi Group’s CSR Implementation Principles to guide our CSR activities.

In April 2015, we revised the Group’s CSR Implementation Principles. Based on our commitment to creating beneficial value for society through our products, we added the principle of “Creation of social value through our products.” We also stress the importance and strive to fulfill the Ten Principles of the UN Global Compact, to which we announced participation in 2012.

## The Five Principles

- Be a company where our employees are proud to work
- Earn and preserve the trust of our valued customers
- Respond to our shareholders’ expectations
- Work in harmony with the local community
- Promote and contribute to global society

## MinebeaMitsumi Group Basic CSR Policy

As a manufacturer of precision products supporting society, the MinebeaMitsumi Group is working toward stable supply and making reliable products with low energy consumption widely available, to contribute to the sustainable development of the global environment and of humanity.

## The MinebeaMitsumi Group’s CSR Implementation Principles

### 1. The Five Principles and Our Code of Conduct

In promoting CSR activities, the MinebeaMitsumi Group will appropriately manage the organization in accordance with the “Five Principles,” and adhere to its Code of Conduct.

### 2. Creation of Social Value through Products

As a manufacturer of precision products supporting society, the MinebeaMitsumi Group is actively developing reliable products which reduce energy consumption, and making them widely available.

### 3. Continuous Improvement and Raising of Awareness

We will put forth goals to be achieved, based on understanding the MinebeaMitsumi Group’s social responsibilities and the key problems that need to be addressed, and continue to improve our CSR activities through implementation and continual review. We will also strive to raise awareness of CSR among all employees through CSR activities.

### 4. Dialogue with Stakeholders

Constructive dialogue with stakeholders (employees, customers, shareholders, local communities, global society, suppliers, and the environment) allows us to meet expectations and respond to requests, and we will improve transparency and accountability in our corporate activities.

## ● MinebeaMitsumi Group Stakeholders



## ● Supporting the UN Global Compact



Network Japan  
WE SUPPORT



## MinebeaMitsumi Group Stakeholders

Our stakeholders are defined as employees, customers, shareholders, local communities, and global society, which are affirmed in our company credo, the “Five Principles,” as well as suppliers and the environment that supports our society. In carrying out CSR activities, the Group believes that it is essential to maintain communication with each stakeholder group and meet their expectations.

## CSR Promotion Structure

The MinebeaMitsumi Group has established a CSR promotion structure, overseen by the CEO and COO who is assisted by the Chief of Personnel and General Affairs Headquarters. Its purpose is to better promote CSR activities on the basis of the MinebeaMitsumi Group’s Basic CSR Policy and CSR Implementation Principles.

We have also established the CSR Promotion Office which operates as an office for further strengthening of CSR structure and to develop activities for internal CSR promotion. At each work site, we appointed CSR Officers (head officer) and sub-staff in charge of CSR to promote CSR awareness and monitor the status of activities. The officers collaborate with CSR sub-staff to promote PDCA management globally.

Going forward, we will further reinforce our CSR structure across the Group to promote CSR activities.

## Analyzing the Status of CSR Activities

The MinebeaMitsumi Group conducts its CSR activities based on the seven key themes proposed by international social responsibility standard ISO 26000—Organizational Governance, Human Rights, Labor Practices, the Environment, Fair Operating Practices, Consumer Issues, Community Involvement and Development—as well as

Social Responsibility Awareness and Integration into Entire Organization. In relation to these themes, we confirm the status and importance of our activities, while identifying priority issues we need to tackle.

Through these analyses, we confirmed the need to systematically pursue CSR through collaboration between worldwide sites and the head office, as well as the need to share cutting-edge initiatives among all sites.

In FY2016, we coordinated with the CSR Officers at all our worldwide sites worldwide to check the state of CSR activities in each region and to confirm plans for FY2017. Moving forward, we will continue to promote PDCA management through communication with our CSR Officers.

## Internal CSR Diffusion Activities

Since FY2012, we have been holding CSR study meetings among working-level coordinators in each division to discuss goals for our CSR promotion activities.

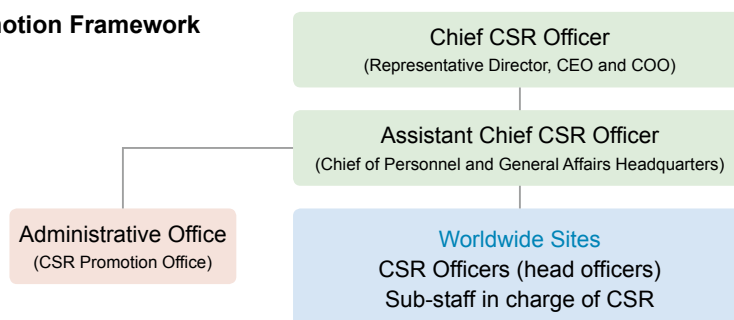
In FY2016, we continued to check the progress of initiatives at all bases in Japan and overseas. In addition, we promote CSR awareness through articles in the biannual employee magazine.

## Future Issues and Goals

As a global enterprise, the MinebeaMitsumi Group aims to promote CSR based on ISO 26000 and other international standards. We will strive to establish a Group-wide CSR strategy, inclusive of overseas sites, and promote management activities in order to instill CSR throughout the Group.

Furthermore, we will boost the promotion of CSR understanding internally, and drive the enhancement of CSR management under the new structure.

### ● CSR Promotion Framework



# Compliance

## Basic Approach

The MinebeaMitsumi Group believes that implementing compliance is an essential part of promoting CSR. Accordingly, we have established the MinebeaMitsumi Group Code of Conduct and MinebeaMitsumi Group Officer and Employee Compliance Guidelines, and on the basis of these policies, we strive to achieve fair, appropriate and highly transparent management.



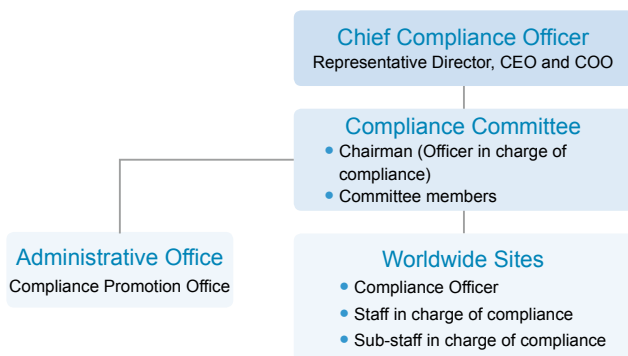
Please visit the website below for detailed information regarding the MinebeaMitsumi Group Code of Conduct and MinebeaMitsumi Group Officer and Employee Compliance Guidelines.  
<http://www.minebeamitsumi.com/english/corp/company/aboutus/conduct/declaration/index.html>

## Compliance Promotion Structure

The CEO and COO of the MinebeaMitsumi Group has ultimate responsibility for compliance. He is supported directly by the Compliance Committee. Meeting twice a year, the committee ensures implementation of the Code of Conduct and makes decisions on emergency response measures in the event of significant violations of the code. The Compliance Promotion Office acts as the administrative body for the Compliance Committee, creating various policies for the promotion of compliance.

In addition, we have appointed compliance officers for each site in order to bolster the Group's compliance management. In FY2016, we established a new compliance committee in Thailand which is working to strengthen their systems.

### ● Compliance Framework



## Compliance Awareness Survey

MinebeaMitsumi conducts two compliance awareness surveys each year to gauge employees' understanding of compliance. The survey found that employees are developing a more positive interest in compliance. Furthermore, based on the results of the survey, we are working to raise awareness about how to use the compliance consultation service. The next survey is scheduled for implementation in FY2017.

## Compliance Education

The MinebeaMitsumi Group also provides training to deepen employees' understanding of compliance. Compliance training is provided along with rank-based training programs. In FY2016, 202 employees received training. We also provide lectures in and outside Japan as part of regular training on compliance with Japan's Antimonopoly Act (competition law). Lectures were given to 74 employees in Japan and overseas, and 4,050 employees took part in e-learning on the topic.

During FY2016, we provided compliance training to employees in China and Thailand. The lectures were attended by 90 staff in Thailand and 20 staff in China.

## Internal Reporting System

The MinebeaMitsumi Group provides internal and external consultation services for employees to contact when they have questions about whether their own conduct violates the MinebeaMitsumi Group Code of Conduct, or in cases where employees believe others may be in violation of the code. We respond appropriately to all reports received by these services.

## Future Compliance Promotion

The MinebeaMitsumi Group believes that employee awareness and knowledge of compliance should be deepened to establish a corporate culture in which each employee maintains an awareness of compliance in conducting business activities. Moving forward, we will enhance our training programs and thoroughly raise awareness of consultation centers, while strengthening collaboration among countries to improve our compliance promotion structure covering the entire MinebeaMitsumi Group.

# Risk Management



## Basic Approach

Because our response to risk could profoundly affect the MinebeaMitsumi Group's business fundamentals, we believe that risk management is vital to the management of the company. We established the MinebeaMitsumi Group Basic Rules for Risk Management which define preventive measures we should have in place, our response in crisis situations, and the type of system the group should put in place.

## Risk Management System

The CEO and COO of the MinebeaMitsumi Group has final responsibility for risk management, with major decisions regarding risk management being made by the Risk Management Committee. As a precautionary measure, MinebeaMitsumi attempts to predict and classify tangible risks in advance, and remains vigilant against such risks. In the unlikely event of an emergency, the severity of the situation is assigned a level of one to three, and after consultation by the Risk Management Committee, management headquarters and local countermeasures offices are established, to respond rapidly and effectively to the situation. Further, MinebeaMitsumi has organized a system under which—depending on the nature of the risk being managed—a supervisory division may be appointed to handle a situation, for which it will draft and implement responses.

## Information Security

### Information Security Structure

The MinebeaMitsumi Group believes that protecting information assets is essential for building a relationship of trust. We have therefore established the Information Security Basic Policy, which we thoroughly implement.

We have also established an Information Security Committee, while organizing a promotion structure to implement measures in each country.

### Information Security Training

To improve employee awareness of information security, the MinebeaMitsumi Group conducts information security training. Information security briefings are held annually, and tutorials are conducted in addition to training for new and experienced employees when they enter the company. In FY2016, a total of 13,753 employees attended information security briefings, including temporary employees and subcontracted employees.

Moving forward, we will continue to use our education systems to confirm prohibited actions and required actions

regarding information security, share points that often lead to security incidents, and take other initiatives to raise employee awareness.

### Initiatives to Protect Personal Information

Personal information retained by the MinebeaMitsumi Group is managed in accordance with our Personal Information Protection Policy. The purposes for which this information is utilized have also been clearly defined, and we strictly adhere to the parameters for scope of information use.

## BCP Initiatives

In the event of a major disaster, influenza, act of terrorism or other emergency, we believe that our Group's social responsibility includes confirming the safety of our employees and their families, as well as ensuring that, as a manufacturer of products with world-leading market shares, we can continually supply our customers and minimize the impact to our business. For that reason, we have begun formulating and implementing business continuity plans (BCP) for major business sites in and outside Japan.

BCP are plans based on an analysis of conceivable risk scenarios for each site, and their contents are determined in accordance with the risk levels. In terms of specific activities, BCP encompass the creation of emergency manuals, earthquake strengthening of facilities, storage of food, establishment of an internal fire brigade, disaster drills, and introduction of a personnel safety confirmation system, among other measures.

In FY2016, we formulated basic BCP for the Bang Pa-in Plant in Thailand and the Malaysia plant, and completed formulation of a BCP action plan for the Shanghai, Suzhou, and Zhuhai plants in China. Furthermore, at the Karuizawa Plant, we conducted BCP training drills three times to simulate our response to an earthquake. In addition, several divisions in Thailand acquired ISO 22301, an international standard for business continuity management. They also formulated plans for BCP drills and conducted training drills simulating flooding.

## Future Issues and Goals

Moving forward, we will establish a BCP structure responsive to the various risks at our key bases worldwide and firmly establish the structure through risk management initiatives.

# Relationships with Customers

## Basic Approach

The MinebeaMitsumi Group aims to be a comprehensive manufacturer of precision components which can make contributions to the development of global society. To this end, we practice the MinebeaMitsumi Group Quality Policy, which is based on the company credo the “Five Principles,” to ensure the quality of products we develop, manufacture, and sell and thereby earn the trust of customers worldwide. Additionally, we use limited resources efficiently to prevent waste.

In support of our goals, we establish and operate quality management systems, while continually verifying their effectiveness and seeking ways to improve them.

## Quality Management

### Quality Management Framework

We have created a Quality Management Manual covering the entire MinebeaMitsumi Group as part of our measures to ensure the safety of our products and services and prevent accidents. In FY2016, with the changes in our organizational structure and operations accompanying business integration, we made preparations to revise our Quality Management Manual.

The chief officer of the quality management framework is the President and Chief Executive Officer, who is supported by the Quality Management Committee. Its subordinate organization, the Group Quality Assurance Managers Meeting, comprises managers responsible for quality in each business unit. At these meetings, managers regularly share information on specific quality issues and work to implement internal measures to ensure similar problems do not reoccur. The Group Quality Management Department

acts as the administrative office for the Quality Management Committee and the Group Quality Assurance Managers Meeting, and provides quality management support and guidance to each business unit.

Established in FY2013, the Group Safety Regulation Council ensures compliance with the Electrical Appliance and Material Safety Act (in Japan), shares and promotes information on safety standards in each area of the world, and works to strengthen the Group’s safety response.

### Risk Assessment

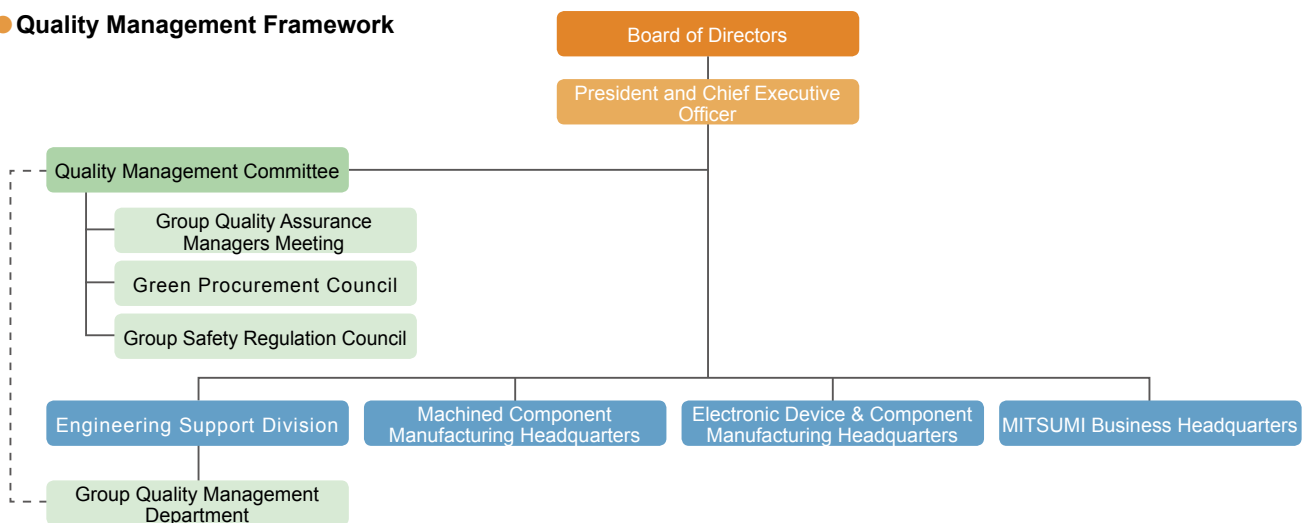
Based on its internal standards, the MinebeaMitsumi Group conducts risk assessments on medical, automotive, and aircraft products—three types of end-products in which the MinebeaMitsumi Group’s parts are commonly used and which could pose a serious impact on society in the event of a problem. These risk assessments are carried out collaboratively between the Group Quality Management Department and the business units. In the event the organizations identify a risk in design or manufacturing, actions are taken to mitigate the risk.

## Quality Improvement Measures

### Quality Assurance Agreement for Suppliers

The MinebeaMitsumi Group seeks the cooperation of suppliers to ensure that their products and services conform to the quality requirements of the Group. In addition to basic contracts, we conclude quality assurance agreements with suppliers and offer instruction through the Quality Manual. In this way we ensure that the entire supply chain can meet customers’ quality requirements.

### Quality Management Framework



\* The Group Quality Assurance Managers Meeting, Green Procurement Council, and Group Safety Regulation Council are comprised of representatives selected from the Manufacturing Headquarters and each business unit. Additionally, the Group Quality Management Department serves as the administrative office for the Quality Management Committee and its sub-organizations listed above.  
 \* As of April 1, 2017





### Promoting Quality Management System Certification

The MinebeaMitsumi Group acquires quality management system (QMS) certifications necessary at each business unit. We are also acquiring certifications in conjunction with the development of new products. Additionally, the Group Quality Management Department holds internal auditor training to continually nurture internal auditors and maintain its auditing capabilities.

In FY2016, we worked toward the transition to ISO 9001:2015 and IATF 16949:2016 for all business units. In addition, we conducted training on ISO 9001 for approximately 200 quality supervisors from all business units.

### Quality Management and Quality Control Examination

The MinebeaMitsumi Group promotes employees' acquisition of quality certification through quality control examinations (QC certification) recognized by the Japanese Society for Quality Control and administered by the Japanese Standards Association and Union of Japanese Scientists and Engineers since September 2008. The certification improves each employee's quality assessment and management abilities, which leads to the improvement of higher product quality for the entire MinebeaMitsumi Group. Moreover, we bore the cost of examination fees, and provided a database available to all employees whereby they can access teaching materials for study to enhance their knowledge of quality management. We also provide seminars twice a year prior to examinations.

In FY2016, many employees received certification, bringing the cumulative certification total for the entire MinebeaMitsumi Group to around 700 employees.

### Acquiring AEO Certification

The MinebeaMitsumi Group is strengthening and improving logistics management in order to perform trade and logistics properly and efficiently. As part of this effort, we are working to acquire Authorized Economic Operator (AEO) certifications. In FY2016, we made preparations and submitted applications for acquisition in Malaysia and South Korea.

### Promoting Unified Bar Codes for All Manufacturing Labels

We began implementing logistics management activities in 2013, such as unifying manufacturing labels and bar codes throughout the Group to prevent mistaken product shipments and raise the productivity of verification processes. In FY2016, we began using the system for Thai PM motor products and micro actuators. We will continue to make preparations to expand this initiative to all of our manufactured products.

### Visualization to Further Enhance Logistics Quality

The MinebeaMitsumi Group is promoting visualization in order to improve the quality of its logistics. We summarize data from delivery origin and destination for visualization, conducting simulations in order to optimize storage locations and logistical methods.

#### Disclosure of Product-related Information

Most products from the MinebeaMitsumi Group are ultimately integrated into finished products that pass into consumers' hands. For this reason, we provide safety related information to our customers as requested. Also in response to customer requests, we provide information about chemical substances incorporated in our products, based on information obtained from suppliers.

#### Communication with Customers

##### Customer Satisfaction Surveys

Within the MinebeaMitsumi Group, individual business units conduct their own customer satisfaction surveys. The survey results are provided to the sales and development departments of each business unit. If customers should evaluate any criterion below a specific satisfaction level, we assess and implement improvements across all divisions.

#### Responding to Quality-related Issues

In the event there is a major quality issue concerning MinebeaMitsumi Group products or services, we refer to our Quality Management Rules to take necessary measures in response.

#### Future Issues and Goals

Moving forward, we will strengthen our measures to further improve quality. Specifically, we are providing support to business units for their transition to ISO 9001:2015 and IATF 16949:2016, and also working to strengthen the quality management system under the new structure of the MinebeaMitsumi Group.

For logistics operations, we are strengthening management by activities such as unifying labels and bar codes for overseas manufactured products and visualizing logistics.

# Relationships with Employees

## Basic Approach

Since its founding, the MinebeaMitsumi Group has recognized that employees are its most valuable resource, and one of our “Five Principles” is that the company should become a place where its employees are proud to work. The MinebeaMitsumi Group is committed to maintaining and improving workplaces where each of our employees can work safely and in good health, and fully exercise his or her abilities.

### ● Number of Employees (Group) (As of March 2017)

	Employees	Japanese staff on overseas assignment	Total
Japan	6,067 persons	n/a	6,067 persons
North America	2,085 persons	42 persons	2,127 persons
Europe	2,109 persons	38 persons	2,147 persons
Asia	68,057 persons	559 persons	68,616 persons
Total	78,318 persons	639 persons	78,957 persons

### ● Work Status (Non-consolidated) (FY2016)

Average length of employment	Average age	Retirement/Resignation	Turnover rate
17 years, 6 months	43 years, 10 months	144 persons	3.7%

### ● Overtime Work Data (Non-consolidated) (Averages for April 2016–March 2017)

Average number of overtime hours/month	7.26 hours/month
Average overtime wages/month	16,559 yen/month

## Workforce Diversity

As an organization that conducts global business activities, the MinebeaMitsumi Group believes it is important to strengthen human resource capabilities through workforce diversity. We strive to create work environments in which a diverse group of employees can maximize their talents, regardless of gender, age, nationality, or disabilities.

### Promoting Active Roles for Women

As one of its important management strategies, the MinebeaMitsumi Group promotes workforce diversity and encourages the active involvement of its diverse talent as a way to generate new values and competitiveness while supporting the company’s sustainable growth.

We have made the promotion of active roles for female employees a priority. We formulated an action plan in March 2016 to establish employment environments in which female employees can perform at high levels, support an increase in the number of female managerial candidates, and establish work environments where female managers

can thrive. The action plan includes a target of doubling the ratio of female managers by 2021 (actual rate in March 2017 in MinebeaMitsumi Inc.: 1.2%).

Additionally, in order to improve leadership and other skills, female employees need to perform managerial duties. In FY2016 we provided training on leadership basics and execution.



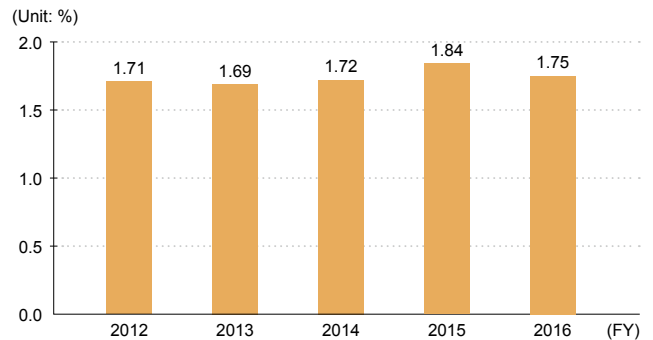
Please visit the MinebeaMitsumi Group website for detailed information regarding the action plan.  
[http://www.minebeamitsumi.com/english/corp/environment/sociality/employees/2016/\\_icsFiles/afieldfile/2016/04/13/minebea\\_action\\_plan\\_en.pdf](http://www.minebeamitsumi.com/english/corp/environment/sociality/employees/2016/_icsFiles/afieldfile/2016/04/13/minebea_action_plan_en.pdf)

### Initiatives Regarding Employees with Disabilities

MinebeaMitsumi actively hires persons with disabilities. As of June 2016, the rate of employees with disabilities was 1.75%. We plan to bolster our efforts to raise employment of persons with disabilities to the legally mandated rate (2.0%).

Our initiatives also consider improvement in the workplace environment by ensuring that all employees, no matter whether or not they have a disability, are motivated to work by having people with specialized skills acting in leadership roles.

### ● Rate of Employees with Disabilities in the MinebeaMitsumi Group Workforce (Non-consolidated)



\* Aggregate results from Minebea (non-consolidated) prior to business integration

## Human Resources Development

The MinebeaMitsumi Group strives to develop human resources with a passion for manufacturing, a global mindset, and the ability to think for oneself and work independently with enthusiasm. We utilize rank-based group training, specialized skill acquisition and enhancement training, and on-the-job (OJT) training.

### Global Human Resources Development

The MinebeaMitsumi Group is actively developing global human resources. In FY2016, we conducted 21 training sessions for employees prior to their overseas appointments, which were attended by a total of 50 employees. Additionally, we are strengthening programs for employees to improve their English language skills and so on.



Our personnel guidelines stipulate five-year terms for overseas assignments as a way to provide as many employees as possible with opportunities to work in the global arena.

In order to localize the management of overseas sites, our subsidiaries outside Japan provide training to local employees based on their respective training programs. Additionally, overseas employees are invited to Japanese plants and divisions in Headquarters as trainees so that we can share new technologies, manufacturing know-how, and management skills. For management-level local employees, we offer an overseas local manager leadership training program to nurture talent capable of leading our global business.

### Fair and Balanced Evaluation

At the MinebeaMitsumi Group, impartiality and objectivity are our prime concerns in evaluating the abilities and performance of our employees. In FY2014, we revised the personnel evaluation system to raise objectivity and are setting new standards for promotion based on ability, experience, and other factors. We held seminars to explain the new system to employees and raise transparency.

Moving forward, we will implement personnel policies to flexibly respond to changes in the workplace environment and employment structure, with the aim of creating workplaces where employees perform to their maximum potential and where high motivation is rewarded.

### Experience of Training in Japan VOICE



**Thanyakorn Nantaofai**  
Japanese Administration Div.  
NMB-Minebea Thai Ltd.

My role in General Affairs for Japanese Staff at NMB-Minebea Thai entails providing business support for Japanese staff stationed in Thailand and those visiting on business trips. I participated in training in Japan for one year from April 2016 to March 2017, which was a very valuable experience. At the beginning, I was unsure if I would be able to communicate in Japanese and handle documents and data written in Chinese characters, but all of the

Japanese staff in each division gave me support. It was the same with life outside of work. The Japanese communication skills that I acquired from training has been extremely useful in my work since returning to Thailand. My aim now is to make the most of all that I learned in Japan to revise and make improvements to our work.

### Respect for Human Rights

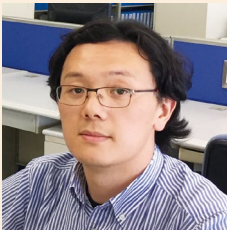
The MinebeaMitsumi Group prohibits discrimination based on such factors as race, age, gender, nationality, and religion. We provide various types of education to ensure this policy is followed, including new employee training using the MinebeaMitsumi Group Officer and Employee Compliance Guidelines, sensitivity training to employees before their assignments to regions with different cultures, and anti-harassment training as part of our rank-based training program. Moreover, we are working to prevent human rights abuses by providing a consultation center and an internal reporting system.

### Initiatives for Creating Environments Conducive to Working

#### Labor Relations

As recited in the MinebeaMitsumi Group Code of Conduct, the MinebeaMitsumi Group recognizes freedom of association and endeavors to build harmonious labor relations by holding regular labor-management meetings and taking other measures to actively communicate with labor unions and employee representatives on issues such as the work environment and working conditions.

### Experience of Training in Japan VOICE



**Wei Wei**  
Personnel and General Affairs Division  
Minebea Electronics & Hi-Tech  
Components (Shanghai) Ltd.

Between April 2016 and March 2017, I underwent a year of training in personnel and general affairs in Japan. It was a great experience, where I was able to learn about our operations at Tokyo Head Office and at plants in Japan. More than anything, I was able to gain a good understanding by studying about Japan's labor-related laws and learning about the remuneration and social security systems.

There are many differences between China and Japan in laws and regulations and their interpretation, as well as in culture. However, I believe that we can apply the commonalities between the countries, and the advanced social and management systems of Japan to operations in MEHC\*. For example, we can use it in digitization of employee information and in development of topics for training. Since returning to China, I have undertaken the digitization of MEHC employee information and other work leveraging my experiences in Japan.

\*MEHC: Minebea Electronics & Hi-Tech Components (Shanghai) Ltd.

#### Support for Diversity in Work Patterns

We believe that the MinebeaMitsumi Group's attention to the work-life balance of its employees will be rewarding them and lead to a sense of fulfillment. To this end, we have a flexible system that enables employees to take time off for childbirth, childrearing, caring for family members, and other important events in their private lives. We have also established the Vacation for Veteran Employees Program, which gives employees who have worked for over 30 years an opportunity to rest and recuperate.

In FY2016, we enhanced personnel systems to enable employees to flexibly choose their working style, such as by allowing family care leave and childcare leave to be taken in half-day units.

**Main Welfare Systems and Number of Users (Japan Group Companies)** (FY2016)

Benefit	Description	Total users
Childcare leave	Paid leave or shorter working hours for employees caring for children	43 persons
Spousal childbirth leave system	System providing leave when a spouse gives birth (up to 2 days)	50 persons
Family care leave	Paid leave or shorter working hours for employees with family members requiring care	1 person
Vacation for veteran employees	Travel coupons for employees with 30 years of service, and their families	120 persons

**My Experience Using the Travel Coupons for Employees with 30 Years of Service** **VOICE**

**Nobuko Seki**  
Business Administration  
Department, Sales Division

In 2016, I received the opportunity to use the travel coupons available to employees with 30 years of service, and visited Kyoto

to view the beautiful autumn leaves. There were some places that were inaccessible due to renovations in preparation for the 2020 Tokyo Olympics. It was a new experience for me to feel the vibrancy of a tourist destination leading up to an Olympics.

The fact that I was able to achieve 30 years of service was thanks to my family, everyone from inside and outside of the company and, more than anything, our customers. I am so grateful to be able to enjoy the wonderful experience afforded to me by the travel coupon in addition to this. From now on, I hope to make the most of the rest and deep emotions I gained from the trip in my work, and will work day-to-day with renewed vigor.

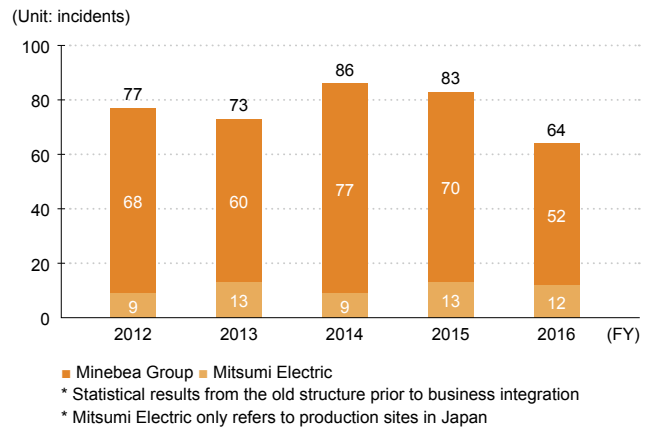
**Health and Occupational Safety Management**

The MinebeaMitsumi Group firmly believes that a safe, healthy workplace is key to improving product and service quality, consistency of manufacturing operations, and employee morale.

Each plant holds regular meetings of their Health and Safety Committee, comprised of working groups involved in health and safety operations and so on. At the meetings, each working group shares its progress toward its targets. In addition, the MinebeaMitsumi Group's principal plants in its mass production bases of Thailand, China, Singapore, Philippines, and Malaysia have obtained OHSAS18001 certification.

In the event of a fire, workplace injury, traffic accident, or other similar incident, safety managers take the lead in identifying the cause and handling the issue. Information about such incidents is shared with other Group production sites to prevent similar incidents in the future.

**Workplace Injuries and Other Accidents in the MinebeaMitsumi Group**



**Promoting Health Management**

The MinebeaMitsumi Group strives to maintain and improve the health of its employees in accordance with health-related laws in each country and the circumstances of each work site. We provide employees with regular health checkups, offer health consultations, send notices to employees to curb overtime work hours, and have industrial physicians make regular rounds at work sites. In regard to mental health care, which has drawn social interest in recent years, we have conducted stress checks since 2016.

We also have a consultation structure in place to ensure that employees can discuss issues with industrial physicians and counselors. The health advisors working at each plant meet quarterly to discuss issues.

**Future Issues and Goals**

Moving forward, we will take various measures to improve work-life balance and strengthen health management in order to encourage high levels of motivation and maintain a work environment in which employees can work energetically.

Furthermore, we continue to take various measures to create work environments which can nurture global-minded employees, pass down know-how from one generation to the next, and leverage diversity. These measures will support our growth as a global enterprise.

# Relationships with Suppliers



## Basic Approach

The MinebeaMitsumi Group's business is supported by relationships with numerous suppliers. The MinebeaMitsumi Group has adopted Basic Procurement Policies on which healthy partnerships are built.

In order to promote CSR throughout our supply chain, we have distributed the MinebeaMitsumi Group CSR Procurement Guidelines\* to our suppliers and are striving to facilitate their understanding and cooperation.



Please see our website for detailed information on our Basic Procurement Policy and MinebeaMitsumi Group CSR Procurement Guidelines.

<http://www.minebeamitsumi.com/english/corp/company/procurements/index.html>

## CSR Procurement

Considering the global scope of the MinebeaMitsumi Group's business activities, we believe it is important to promote CSR throughout our supply chain. In March 2012, we took steps to establish a framework for CSR procurement with the formulation of the MinebeaMitsumi Group CSR Procurement Guidelines, which is based on the MinebeaMitsumi Group Code of Conduct. In November 2012, we added a section on our response to conflict minerals to the guidelines and requested cooperation from our suppliers.

We have also created the MinebeaMitsumi Group CSR Procurement Self-assessment Checklist in order to grasp the status of CSR activities at our suppliers, and we continue to survey suppliers using the checklist. We are providing feedback to suppliers who completed the checklist and communicating individually with suppliers in cases where there were issues with some of their initiatives. In these ways, we are confirming details of their CSR measures. (See page 5 for details)

## Supplier Selection Policy

Whenever the MinebeaMitsumi Group initiates a relationship with a new supplier, we ask the supplier to confirm its agreement with our approach to materials procurement and to proceed in accordance with our New Supplier Certification Standards to ensure strict compliance with our Basic Procurement Policies. In particular, we assess suppliers on the basis of ten attributes, including whether or not the company in question will be able to conduct business in a stable, continuous manner, satisfies the Group's guidelines and standards on chemical substances in products, and agrees to abide by the MinebeaMitsumi Group Code of Conduct. Where necessary, we conduct inspections of the supplier's production facilities.

## Green Procurement

We have established and revised the MinebeaMitsumi Group's guidelines and standards on chemical substances in products to ensure compliance with countries' laws and directives on chemical substances, to satisfy our customers, and to reduce the use of substances having an environmental impact. Under these guidelines, we require our suppliers to provide products (raw materials, parts, components, and packaging materials) that are free of hazardous substances, and also to submit safety certifications, reports of analysis results, and other similar documentation.

## Response to Conflict Minerals from Democratic Republic of the Congo

In August 2012, the U.S. Securities and Exchange Commission adopted a disclosure rule mandated by U.S. financial reform legislation requiring companies to disclose the use of conflict minerals. We responded by formulating a MinebeaMitsumi Group policy\* on conflict minerals in October 2012 and adding a section on our response to conflict minerals to the MinebeaMitsumi Group CSR Procurement Guidelines. Our suppliers have been asked to cooperate with the revised guidelines.

Additionally, we continue to respond to research requests from customers by providing responses using our research database.

## Future Issues and Goals

We are creating a framework for global CSR procurement in order to promote CSR throughout our global supply chain. In FY2017, we will establish and develop unified CSR procurement guidelines under the new structure of the MinebeaMitsumi Group.

Following this, we also plan to distribute the MinebeaMitsumi Group CSR Procurement Self-assessment Checklist among Mitsumi Electric's major suppliers based in Southeast Asia and analyze the results to confirm the status of their activities through the responses.

\* With the business integration of Minebea and Mitsumi Electric in January 2017, the names of the CSR Procurement Guideline and Policy on Conflict Minerals were adapted for the MinebeaMitsumi Group, and the respective guidelines were updated.

# Relationships with Local Communities and Global Society

## Basic Approach

As an enterprise operating on a global scale, the MinebeaMitsumi Group believes in the importance of building sound partnerships with local communities through good communication. To establish firm roots in those communities, we carry out social contribution activities meeting local needs based upon our “Five Principles.”

## Contributing to Global Society

### Initiatives in Europe

#### Activities to Support Regional Education

We undertake activities to support the education of young people through all of our bases in Europe.

At our Lincoln Plant in the UK, we offer a one to two week work experience program to students in the region.

Meanwhile, our subsidiary myonic s.r.o., in Slovakia, supports sports events at elementary schools and makes donations to a school for hearing-impaired children.

### Initiatives in China

#### Supporting Community Development

At the Zhuhai Plant in China (Minebea Electronics Motor (Zhuhai) Co., Ltd.), employee volunteers participate in a program to deliver donated goods to the elderly in senior citizen homes and children in welfare facilities. Employee volunteers deliver traditional Chinese cakes and other food supplies as well as stationery and other goods needed by the facilities. They also take part in recreational and other activities to deepen friendships with people at the facilities.

Our Shanghai Plant conducts various activities to support community development. It dispatches employees to provide support at hospital when local people with disabilities visit hospital for a check-up.



Social exchange at a facility for the elderly

### Initiatives in the Philippines

#### Donations for Construction at Local Elementary Schools

Our production base in the Philippines, Cebu Mitsumi, hosts a charity marathon each year.

The event provides an opportunity for employees to improve their health, while aiming to raise funds for facilities

and educational materials for local schools. The event was held for the fourth time in April 2017, and 817 people took part. The construction of two classrooms at elementary schools in the city is planned with the money collected through event t-shirt sales and donations.



Participants in the charity marathon

### Initiatives in Thailand

#### Coral Conservation Activities

NMB-Minebea Thai conducts activities to support environmental conservation in local communities.

In December 2016, we lent our support to coral conservation activities in Samaesam island, Chonburi province with the aim of assisting protection of the ocean ecology. Approximately 100 employees took part in planting 140 coral polyps in the ocean at a marine research facility on the island.



Participants in coral conservation activities

## Participation in Coral Conservation Activities VOICE



Thanakorn Narongkitti  
Turning Section PCMB Division  
NMB-Minebea Thai Ltd.

It was my first time to take part in the activities. I learned about coral and the ocean’s ecosystem, which was a great opportunity to realize how grateful we should be for our environment. In the future, I hope to share what I learned with staff who weren’t able to join us to help raise awareness about environmental conservation. I am also extremely proud that I was able to participate

in such environmental conservation activities. I hope that I can take part in such activities again in the future.

## Contributing to Local Communities

### Support for Earthquake Recovery

MinebeaMitsumi established the “Charitable Trust-MinebeaMitsumi Scholarship Fund for Orphans of the Great East Japan Earthquake” as an endowment for children orphaned by the Great East Japan Earthquake. The scholarship fund provides annual grants of 100,000 yen to orphans of elementary school and junior high age. Every March, third-year junior high school children receiving support from the trust are invited to Tokyo to celebrate their graduation alongside employee supporters.

### Interactive Activities with Children VOICE



Shinichi Yoshizawa  
Personnel Department  
Personnel & General Affairs  
Headquarters  
Tokyo Head Office

I have been involved since the establishment of the education fund from an administrative perspective, and March 2017 was the fifth time we could celebrate the graduation of junior high school students we supported. Supporter employees have given cooperated exhaustively, even if only for short periods, over two days and one night, to ensure the junior high school students could fully enjoy themselves.

Initially, I had many doubts about what to talk about with the children who experienced the earthquake, and how to help them enjoy themselves. But it has been a relief to see children develop normally after talking with them, taking part in school club activities and studying hard for their high school entrance exams, full of hope for their new life starting in spring. In the future, we will continue to hold celebrations to bring a smile to the faces of the junior high school students who join us.

### Participation in the Fukuroi City Fureai Yume Market

Based upon feedback received at a community meeting in May 2016, Hamamatsu Plant has been proactively engaged in community activities.

In FY2016, we took part in the Fukuroi City Fureai Yume Market, which supports “Local production for local consumption,” regional revitalization, and interaction between local producers, consumers, and residents. We produced a display of products, focusing on those from Hamamatsu Plant, and used it as an opportunity to explain the Group’s technological capabilities to local residents.



The Minebea exhibition booth

### Support for NPO Asama Highland Sports Club

As part of its amateur sports promotion, the Karuizawa Plant supports curling through donations to the Asama Highland Sports Club, an incorporated nonprofit organization. The monetary donations assist the club in holding curling competitions and support junior and wheelchair teams.



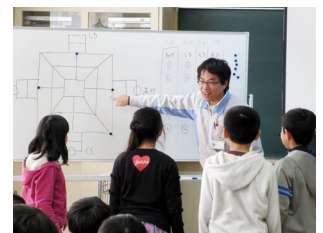
The Minebea Cup curling tournament

### Holding Classes at Schools for International Exchange

Yonago Plant held classes at nearby Minokaya Elementary School, in Yonago city, Tottori Prefecture, on the topic of “international exchange.” A Cambodian employee from our company introduced the children to the culture, school system, food, and customs of Cambodia, and played the Cambodian version of rock-scissors-paper with the children, giving them a great opportunity to experience another culture. Moving forward, we will continue to show our support for schools in the region.



A staff member introduces Cambodia



Cambodian-style rock-scissors-paper game

### Regular Discussions with the Community

The Karuizawa and Yonago plants hold regular discussions with members of their local communities to facilitate continual dialogue.

The Karuizawa Plant holds semiannual discussions with local community members. At the eighth regular meeting held in November 2016, plant employees and community members exchanged ideas on a broad range of topics, including road safety, wastewater processing, the town’s 60th anniversary ceremony, and cultivation of the yamayuri, the town’s floral emblem.

The Yonago Plant held its second regular discussion in January 2017. On the day, we shared information about community activities of Yonago Plant, and also exchanged information about education, local activities, sports promotion, and business exchange.



Meetings with the community  
(above: Karuizawa Plant; below: Yonago Plant)

### Future Issues and Goals

By continuing to make active contributions to local communities in and outside Japan, the MinebeaMitsumi Group will strive to be an organization which deepens its community roots and expands sustainably with local communities.

# Relationships with Shareholders

## Timely Disclosure/Disclosure Policy

In addition to disclosing information required by applicable laws and regulations in terms of timing and level of detail, MinebeaMitsumi has also established its own disclosure policy to ensure a proactive and fair approach in this regard.

## Communication with Shareholders

### General Meeting of Shareholders

MinebeaMitsumi's Ordinary General Meeting of Shareholders is held annually in June. In addition, we provide shareholders with semiannual reports to keep them informed of the state of the company's business and our management policies.

### Communication with Institutional Investors

MinebeaMitsumi holds investor meetings and conference calls on financial results for institutional investors and securities analysts. This information is also published on our website in Japanese and English, simultaneously or as soon as possible.

We spend approximately one week per year in each region visiting investors in North America, Europe, and Asia.

We also participate in investor seminars sponsored by securities companies, while holding numerous private meetings as part of active efforts to disclose financial and non-financial information.

## Shareholder Returns

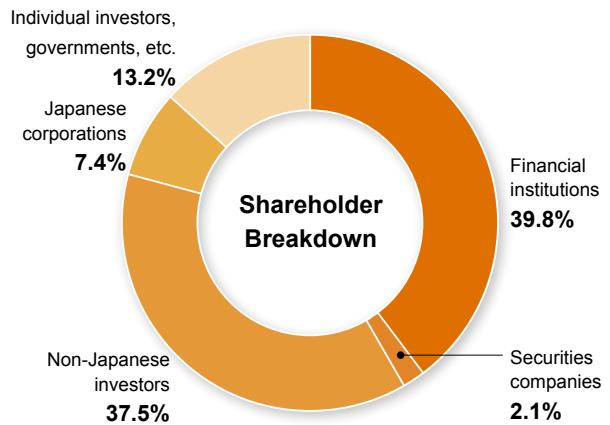
Starting with the appointment of the current president and chief executive officer in FY2009, MinebeaMitsumi has worked toward two goals: maximizing earnings per share and enhancing corporate value, and solidifying the corporate foundation for our centennial.

Despite the stronger yen, both net sales and net income for FY2016 hit record highs due to solid growth in ball bearings and motors and the positive impact from the two-month consolidation of results for Mitsumi Electric, which was integrated in January 2017. As a result, we delivered an annual dividend of 14 yen per share. We expect both net sales and profits for FY2017 to increase. Although sales for LED backlights are expected to decline due to competition with OLEDs, production and shipments at many of our businesses, such as ball bearings and motors, are expected to increase steadily. On top of that, we expect a huge contribution from Mitsumi business after a full year's consolidation. Our assumption for the yen to U.S. dollar currency exchange rate is 105 yen.

In addition, we repurchased our shares three times in the past to enable us to pursue flexible capital policies in response to the changing business environment. In February this year, we made a decision for a further share

repurchase (maximum of 12 million shares, maximum total value 15 billion yen, by September 22, 2017).

## Shareholder Breakdown (As of March 31, 2017)



## IR Website

MinebeaMitsumi's (IR) website won the 2016 Internet IR Excellence Award from Daiwa Investor Relations Co., Ltd., as well as the 2016 Company Website Best Company Award from Nikko Investor Relations Co., Ltd., in the all listed company website ranking and the sector-based ranking. Additionally, our website won the Gomez IR Site Overall Ranking 2016 Silver Award from Morningstar's Gomez Consulting Division. We have won all three of these awards for nine consecutive years.



## Future Issues and Goals

Through enhanced IR activities, we will work to expand our communication with shareholders and to promote greater understanding of the MinebeaMitsumi Group among all types of investors.



# Environmental Management

## Basic Approach

The MinebeaMitsumi Group has established an environmental management system based on the MinebeaMitsumi Group Environmental Policy, and all Group companies are striving to contribute to the protection of the earth's environment and the sustainable development of human kind.

As examples of specific initiatives in this regard, we adopted highly energy-efficient equipment and processes and reduced total Group CO<sub>2</sub> emissions per basic unit of output by 55% by FY2015 compared with the baseline year of FY2010. Going forward, we plan to reduce total Group CO<sub>2</sub> emissions per basic unit of output by 15% by FY2020 compared with the baseline year of FY2015.

In FY2016, the first year of our plan, and the first in which we aggregated statistics following business integration, unfortunately CO<sub>2</sub> emissions increased by 3% compared with the baseline year. We believe that this is because while our production volumes increased, our production did not increase by the same proportion in monetary terms due to the impact of the exchange rate.

We are also strengthening initiatives to minimize waste materials and wastewater from our plants in order to effectively utilize raw materials and water resources. We also make contributions to the environment through our products, including the active development of communications control technologies, sensors and new materials which are central to energy management in highly efficient motors, lighting, and energy conversion devices, as well as "smart" buildings, plants, and urban residential environments.

## Environmental Management System

### Environmental Management Structure

In order to carry out the MinebeaMitsumi Group Environmental Policy, the MinebeaMitsumi Group has an environmental management structure headed by the Board of Directors and the President and Chief Executive Officer. We also have an Environment Management Committee, a promotion organization composed mostly of executive officers, and a Group Environmental Protection Committee, which is staffed by working-level members. This structure enables rapid implementation of environmental policy. Each work site also has a Plant General Manager of Environmental Management and a Manager of Environmental Management who promote specific environmental conservation measures at plants and offices.

### ISO 14001 Certification

The MinebeaMitsumi Group is promoting the acquisition of ISO 14001 certification at each of its major sites worldwide. For newly constructed and recently acquired plants, we have begun environmental management activities based on the certification acquisition plans. Mitsumi Electric, which was added to the Group in January 2017, also acquired ISO 14001 certification at all of its plants in Japan and overseas.

Furthermore, in response to the September 2015 edition of the ISO 14001 standard, all plants and offices plan to complete the transition to certification under the 2015 standards by September 2018.



On-site ISO 14001 audit (Tokyo Head Office)

## Environmental Education

### Basic Approach and FY2017 Initiatives (Japan)

The MinebeaMitsumi Group provides fundamental environmental management education to all new employees, midcareer hires, trainees, returnees from overseas assignments, and other employees in order to raise the environmental consciousness of each employee.

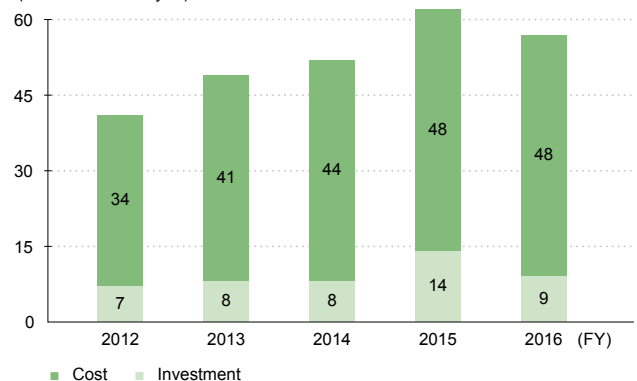
Additionally, all employees receive environmental management education covering the MinebeaMitsumi Group Environmental Policy, along with each site's environmental targets and action plans. Educational programs also cover waste separation and training drills for responding to emergencies.

## MinebeaMitsumi's Environmental Accounting

The MinebeaMitsumi Group conducts environmental accounting to confirm its costs for environmental protection activities and the effect of its investments. The Japanese Ministry of the Environment's Environmental Accounting Guidelines 2005 is used as a reference. The MinebeaMitsumi Group's environmental conservation costs totaled 5,715 million yen in FY2016, an 8% decrease over FY2015 due to reduced investment costs.

### Environmental Protection Costs, FY2012–FY2016

(Unit: 100 million yen)



## Initiatives to Protect Biodiversity

### Basic Approach

In the MinebeaMitsumi Group Environmental Policy, the item “contribution to the international community” states that we recognize that our business activities may have an effect on biodiversity and ecosystems, and that we will work to conserve nature.

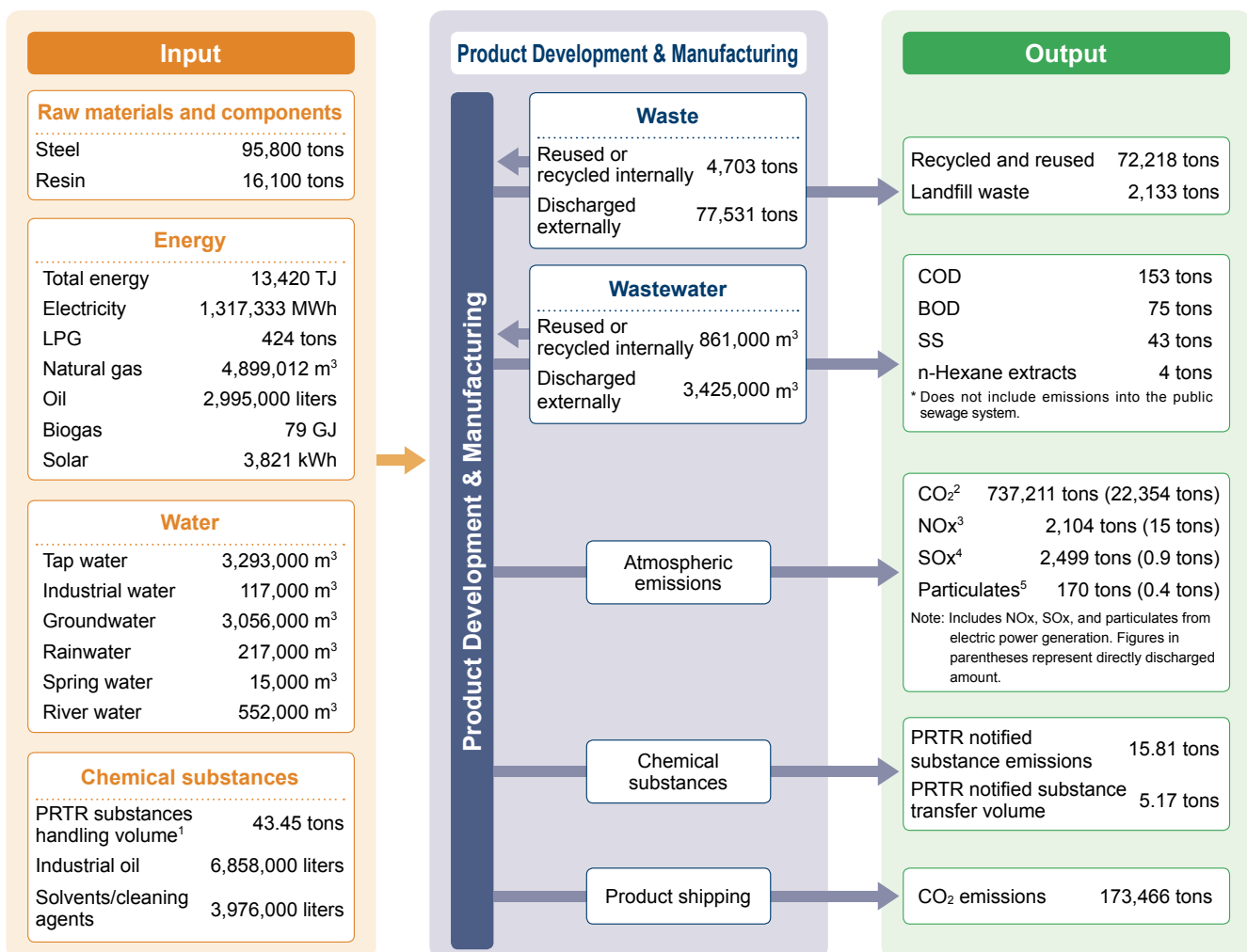
## MinebeaMitsumi’s Environmental Impact

The MinebeaMitsumi Group has plants in 16 countries around the world, manufacturing and selling a range of products including bearings—our main product—as well as machined components, electronic devices, and rotary components. When environmental impact is viewed in terms of the ratio of total production by region to sales, Asia (excluding Japan) is estimated to account for approximately 80% of the MinebeaMitsumi Group's consumption and output.

In FY2016, with our business integration, we saw consumption increases in total energy, industrial oil, solvents/cleaning agents of approximately 38%, 14%, and 59% respectively.

The Group’s environmental impact for FY2016 is summarized below.

### ● Input and Output (FY2016 Actual)



1. PRTR chemicals: Substances included in the PRTR law (The Chemical Substance Control Law/Domestic Japanese Law), for which companies must register and report volumes released and transferred. The figures shown are those reported to authorities.  
 2. CO<sub>2</sub>: Carbon dioxide  
 3. NO<sub>x</sub>: Nitrogen oxides  
 4. SO<sub>x</sub>: Sulfur oxides  
 5. Particulates: Microscopic solid matter contained in exhaust gas generated through combustion, heating, or chemical reaction

# Initiatives for Preventing Global Warming

## Basic Approach

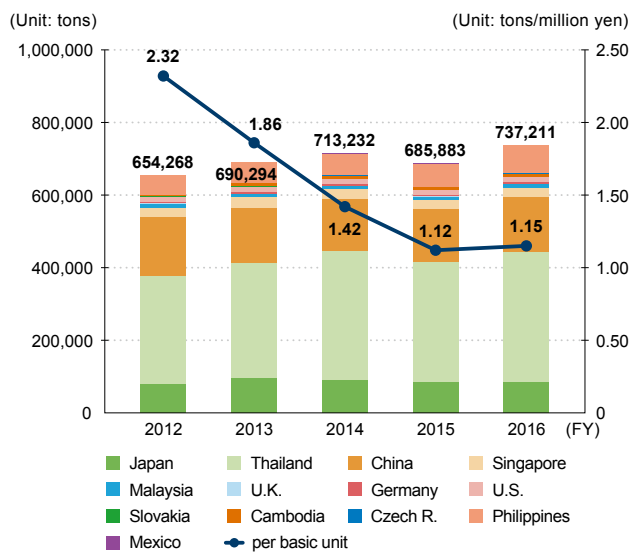
The MinebeaMitsumi Group recognizes that the international issue of global warming, along with the related issues of soaring energy prices and abnormal climatic conditions, pose a significant threat to the sustainability of its business activities.

In response, each office and plant in the MinebeaMitsumi Group is proactively promoting energy efficiency initiatives in order to combat global warming.

## Results of FY2016 Initiatives

The MinebeaMitsumi Group's emissions of CO<sub>2</sub> in FY2016 totaled 737,211 tons, 7% more than in FY2015. In terms of basic units of production, CO<sub>2</sub> emissions increased 3% over FY2015 to 1.15 tons per million yen of production. With our business integration, CO<sub>2</sub> emissions have increased, however due to the change in exchange rate, the value of our production has not increased in line with the increase in production volume.

### CO<sub>2</sub> Emissions (Total and Per Basic Unit)



## Initiatives at our Offices and Plants

### Contract with Local Waste Disposal Operator (Mitsumi Electric, Akita Business Division)

In the past, Mitsumi Electric's Akita Business Division had disposed of mixed plastic and paper waste\* with an operator in adjacent Yamagata Prefecture, since no operator in Akita Prefecture handled such waste. However, because the operator was over 200 kilometers from the Akita Business Division, the fuel consumption and CO<sub>2</sub> emissions required for waste collection was a significant issue for our company.

With assistance from Akita Prefecture, we therefore entered into negotiations with several Akita-based operators.

Following successful negotiations with one operator, we conducted a survey of the disposal site.

The survey determined that there were no particular issues with the waste processing or management, and consequently we concluded a contract for waste disposal (March 13, 2017). With the change from the Yamagata-based operator, we have been able to reduce CO<sub>2</sub> emissions by 33% and consignment expenses by approximately 40%.

\*All is recycled into refuse-derived fuel (RDF)



Survey of the waste disposal site (Akita Prefecture)

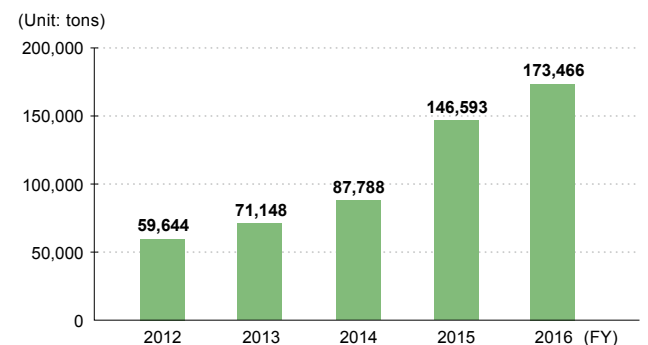
## Initiatives at Logistics Divisions

### Reducing CO<sub>2</sub> Emissions from Logistics

In addition to direct CO<sub>2</sub> emissions from business activities categorized as Scope 1 (gas and oil) and Scope 2 (electricity, steam, and heat), the MinebeaMitsumi Group also strives to grasp CO<sub>2</sub> emissions from logistics activities (product shipment) categorized under Scope 3 (other).

In FY2016, MinebeaMitsumi Group's emissions of CO<sub>2</sub> related to product shipments totaled 173,466 tons, an increase of 18% compared with FY2015.

### CO<sub>2</sub> Emissions from Logistics Activities



## Future Issues and Goals

The MinebeaMitsumi Group will continue to advance its measures to prevent global warming.

In regard to long-term goals for 2020 and 2030, we are taking into consideration the Intergovernmental Panel on Climate Change (IPCC) report, as well as measures in each country, as we make progress on our global warming countermeasures.

# Initiatives for Effective Use of Resources

## Basic Approach

The MinebeaMitsumi Group recognizes that there are limits to the availability of resources used in its products, which include metals, plastics, and other raw materials, along with oil, natural gas, and other energy sources. Additionally, with regard to rare earth elements indispensable to the manufacture of electronics, since the number of countries producing and exporting the materials is limited, they are more susceptible to export restrictions.

We believe that the effective use of resources is critical to the continuation of our business activities, and to that end we are taking various measures.

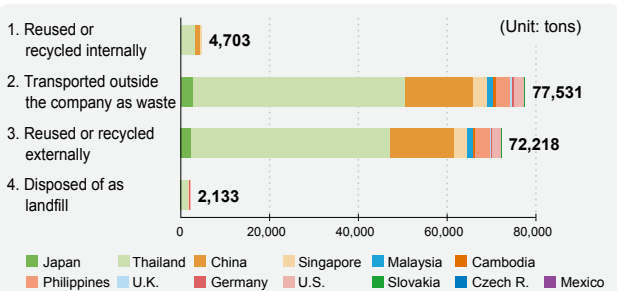
## Results of FY2016 Initiatives

In FY2016, principal raw materials used by the MinebeaMitsumi Group included 95,800 tons of steel and 16,100 tons of resin, and the total amount of materials used increased about 12% compared with FY2015.

The amount of landfill waste generated by the Group's operations in FY2016 totaled 2,133 tons, an increase of 193 tons compared to FY2015.

At our mass production plants in Thailand and China, we are recycling water inside the plants to the greatest extent possible and prevent external emissions through our "Plant Wastewater Zero System." Water emissions from Group plants in FY2016 totaled 3,425,000 m<sup>3</sup>, an increase of 339,000 m<sup>3</sup> compared with FY2015.

### Waste Processed (FY2016 Actual)



## Initiatives at Business Sites

### Effective Use of Rain and River Water (Thailand)

In Thailand, our plants collect rainwater in a reservoir on the plant grounds and purify it at rainwater reuse facilities for reuse as industrial water, thereby reducing the amount of tap water used.

In addition to this system, one of the Thai plants took further steps in FY2012 to substantially reduce tap water consumption by drawing water from the nearby Chiang Rak Noi Canal and purifying it to use as an alternative to tap water. With the start of this system, the plant has reduced both its tap water consumption and its water related costs.



Bang Pa-in Plant's rainwater reservoir and rainwater reuse facility

### Conversion of Raw Food Waste into Biogas (Thailand)

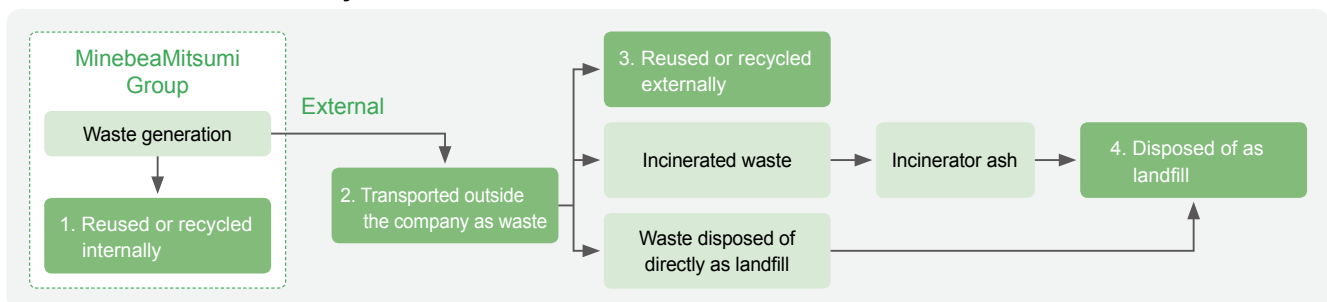
NMB-Minebea Thai is taking part in a project by the Thai Ministry of Energy to promote the recycling of raw food waste into biogas energy. Both the Bang Pa-in and the Lop Buri plants have installed biogas generation systems on site. The generated biogas from the plants boasts a low environmental footprint, and is used as an alternative to LP gas for cooking meals in the cafeterias.

## Future Issues and Goals

For FY2017, the Group's goal is to reduce the amount of waste sent to landfill by 6% per basic unit of production compared with FY2015.

In addition, we are presently conducting a survey of the current situation, and market analysis, of waste products disposed of in landfill with the aim of achieving still further reductions in the future.

### Flow of Waste Generated by MinebeaMitsumi and Confirmation Methods



# Initiatives for Reducing Impacts on the Environment

## Basic Approach

Atmospheric emissions and wastewater from plants can be a source of water, air, and soil pollution that poses a threat to local communities. At the MinebeaMitsumi Group, we believe that harmony with local communities is indispensable to our business activities, and as such, we are striving to reduce our impact on the environment.

## Results of FY2016 Initiatives

The MinebeaMitsumi Group ensures compliance with the environmental laws and regulations of each country and locality. For plant wastewater and other types of waste, we have established in-house environmental standards exceeding the national and local regulations and monitor waste management on a daily basis. In FY2016, at all of our Group plants, we further strengthened daily monitoring and environmental patrols to ensure there are no leakages, foul odors, noise, vibration or other issues that could inconvenience surrounding communities.

## Plant Initiatives

### Plant Wastewater Purification

Prior to releasing wastewater into rivers, MinebeaMitsumi Group plants use their own processing equipment to purify wastewater to within fixed environmental standards. These plants adhere to environmental laws of the countries and localities in which they operate, and independently monitor such wastewater discharges, including regular testing for such metrics as pH<sup>1</sup>, COD<sup>2</sup>, BOD<sup>3</sup>, SS<sup>4</sup>, and n-hexane extracts<sup>5</sup>.

1. pH: A scale indicating whether substances are acidic or alkaline. pH7 is neutral. pH values below 7 indicate increasing acidity, while values above 7 indicate increasing alkalinity.
2. COD (chemical oxygen demand): The amount of oxygen consumed to oxidize organic substances (pollution) in water. COD measurement takes less time than BOD measurement, but is less reliable. COD is generally used as a metric in wastewater management for sea, lake, and marsh waters.
3. BOD (biological oxygen demand): The amount of oxygen required for bacteria to consume and decompose organic matter (pollution) in water. Higher values indicate greater degrees of pollution. Measurement takes several days. BOD is generally used to observe effluent water in rivers.
4. SS (suspended solids): The volume of substances suspended in water. The higher the number, the greater the degree of water pollution.
5. n-Hexane extracts: Substances extracted from oils and detergents that are difficult to volatilize in water using a substance called n-hexane as solvent. In this report they signify mineral oils.



Fujisawa Plant's wastewater processing facility

## Implementation of Environmental Patrols at Overseas Plants (Thailand, China, Singapore, Cambodia)

Members of the Japanese Group Environment Management Department of the MinebeaMitsumi Group regularly visit overseas plants to implement environmental patrols together with members of the local environment management departments.

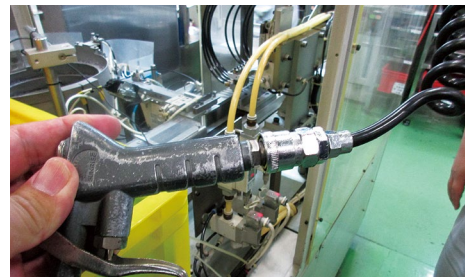
In FY2016, we conducted joint patrols at all plants in Thailand, China, Singapore, and Cambodia.



Inspection of drainage at the Ayutthaya Plant, Thailand



Situation check at waste disposal site for the Cambodia Plant



Energy conservation patrol at the Shanghai Plant (facility inspection)



Plant vicinity patrol in Singapore

## Future Issues and Goals

The MinebeaMitsumi Group conducts business operations in compliance with environmental laws in Japan and around the world, and is proceeding with cleanup work in areas where it has caused environmental contamination in the past.

# Product-related Initiatives for the Environment

## Basic Approach

Since its products are utilized in many different kinds of end-products, the MinebeaMitsumi Group believes that it is important to consider environmental contributions throughout the product life cycle. This responsibility extends from ensuring that its parts are free of materials hazardous to the environment, to energy-efficiency, resource-efficiency, and long-life.

## Group's Environmentally Conscious Products

The products that the MinebeaMitsumi Group produces and sells are environmentally conscious. This means that they satisfy various countries' environmental laws and customers' environmental requirements from the development and design stage as well as undergoing voluntary product chemical substance evaluations and product assessments.

### New LED lighting fixture "SALIOT CUBE"

By using motors to control the distance between the LED and the lens, SALIOT made it possible to adjust the light radiation area and distribution angle from 10 to 30 degrees. In addition, through the application of wireless technology in the development of our original software, this product allows users to easily control the vertical and horizontal orientation of lighting, the light distribution angle, and brightness with a smartphone or tablet.

The external appearance of SALIOT CUBE has been brought together in a minimal cubic style, simple and robust, and able to harmonize with the installation space.



External view of SALIOT CUBE

### Swing Coolant Jetting Device "Wavy Nozzle 2"

The MinebeaMitsumi Group developed a new model of its Wavy Nozzle<sup>®</sup> swing coolant<sup>1</sup> jetting device for removing machining dust and chips with the "Wavy Nozzle 2," launched in April 2017.

1. Cutting fluid and grinding fluid used to cool and lubricate parts being machined during machining

### Further enhanced freedom of fixing location due to miniaturization

By thoroughly reviewing the internal structure, we succeeded in miniaturizing the size of the jet unit to 49.7% of its previous size, while maintaining the same nozzle performance. The new model can be mounted to machine tools operating in small working areas where mounting of the previous model would have been difficult.

### Powered up with double the maximum coolant supply pressure

The maximum coolant supply pressure was enhanced from the conventional 2MPa to 4MPa. This made it possible to directly supply coolant from almost any medium-pressure coolant pump device. We hope to achieve the next-level in machining dust and chip removal by combining a stronger coolant jet and nozzle swing, which will contribute to improved quality and processing efficiency in the machining of precision components.



External view of Wavy Nozzle 2

### LED Backlight Units for LCD Displays

The MinebeaMitsumi Group develops, manufactures, and sells LED (light-emitting diode) backlight units which illuminate smartphone and tablet computer LCD displays from the rear.

The optical guide plate is critical to spreading LED light evenly over the display, as the LED backlight units are positioned on the edge of the device. We leveraged our superior plastic injection molding processes using our proprietary design development and our precision molds to successfully develop optical guide plates measuring 0.3 mm thick or less. The thinner optical guide plates not only help to make the end products thinner, but help to reduce power consumption, weight and size compared with previous models.



LED backlight unit for LCD displays

## Future Issues and Goals

The MinebeaMitsumi Group will continue to accurately grasp the detailed needs of society in order to develop products that can contribute to safety, energy-efficiency and resource-efficiency.

# Comments on the MinebeaMitsumi Group CSR Report



**Mr. Keisuke Takegahara**

Executive Officer  
Deputy Chief Research Officer  
Development Bank of Japan Inc.

The MinebeaMitsumi Group CSR Report 2017 is the first CSR report published by the Group since its business integration in January 2017. Consequently, while it generally follows the format of the previous edition, the content provides insight into many new initiatives. I also strongly sensed the intention of the Group to display the creation of new value through “difference” that surpasses common practice, as declared in the new corporate slogan “Passion to Create Value through Difference.” By rearranging the information using these words as the key, the content can be summarized as: the new growth strategy, global expansion, and the emphasis on human capital.

The new growth strategy is evident in the Commitment from the President at the beginning of the report and discussions concerning the significance of business integration and future directions in the interviews with executive officers in Special Feature 1. The “Seven Spears” strategy indicates the comparative strengths of the two companies, including mechanical and electronic, analog and digital, input and output, together with new key business portfolios which combine these. It clarifies specific growth fields, such as devices (for automobiles and robotics), which underpin the age of IoT, and health care.

Global expansion has long been a fundamental theme of this report, however this year, the focus on CSR procurement and human resource development as one of the “Hot Topics” makes the unique characteristics of your company even clearer. With the anticipated shrinkage in the Japanese market, there will be more companies that proclaim a global strategy,

however there are still few companies that are able to indicate their response to global ESG issues,<sup>1</sup> which is important non-financial information. On this point, MinebeaMitsumi has steadily expanded the coverage<sup>2</sup> of its CSR procurement, and has recently strengthened its management at overseas bases. The disclosure of this process is a pioneering effort. Moving forward, the Self-assessment Checklist will be deployed at the Southeast Asian bases of Mitsumi Electric, which I believe will even further strengthen the Group in this area.

Lastly, the emphasis on human capital is a unique feature of the company’s report, together with globalization. The focus on people is a consistent theme, but this year’s Hot Topics highlighted the development of global human resources, while Special Feature 2 concerned the education of the next generation and introduced the Group’s comprehensive global efforts to nurture the engineers who will lead in the future. Such content revealed the “face” of the company more than ever before.

Furthermore, format improvements, such as shifting data on environmental management online, allows this edition to spotlight initiatives relating to the aforementioned characteristics, effectively highlighting more of the company’s “differences.”

Moving forward, by depicting the link between value creation through the “Seven Spears” strategy to the resolution of social challenges such as informatization, and population aging, I hope that you will be better able to devise ways to more strongly share the beliefs of the company contained in the new slogan.

1. Environmental, social, and governance issues
2. Scope of application/adaptation

## Mr. Keisuke Takegahara

After graduation from Hitotsubashi University Faculty of Law, Mr. Takegahara joined the Japan Development Bank (now the Development Bank of Japan, Inc.) He assumed his present post following stints in the bank’s Research Department, Policy Planning Department, its Representative Office in Frankfurt, and as general manager of Environmental Initiatives & Corporate Social Responsibility-Support Department. Mr. Takegahara is also a member of several groups, including the Japanese Ministry of the Environment’s “Working Group on Incorporating Issues Regarding Sustainability into Investment,” “Environment Growth Engine Study Council,” the Cabinet Office’s “Working Group for Eco-Model City Project,” and NEDO’s Technical Committee.

## On Receiving a Third-party Opinion



**Mr. Tatsuo Matsuda**

Managing Executive Officer  
Chief of Personnel & General Affairs  
Headquarters

Mr. Takegahara has again provided us with valuable feedback on the Group’s CSR promotion.

This fiscal year’s CSR report, our first as the MinebeaMitsumi Group, contains two Special Features and two Hot Topics sections. We are very pleased to receive high appraisal for

the way in which these sections represent the CSR of the MinebeaMitsumi Group.

Based on the points raised by Mr. Takegahara regarding depicting the link between value creation and the resolution of social challenges, we hope to proceed by first gaining an understanding of these issues through communication with stakeholders.

There were CSR goals for FY2016 that we did not achieve and we recognize these as issues to address this fiscal year. Furthermore, we will undertake our initiatives with a positive attitude in order to attempt reform of the PDCA promotion structure.

Now and in the future, we will endeavor to make our CSR report easy to read and to understand, as we firmly believe that it is a valuable tool to enhance understanding of MinebeaMitsumi among all of our stakeholders.

# MinebeaMitsumi

Passion to Create Value through Difference

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