



MinebeaMitsumi Group
CSR REPORT **2019**

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Editorial Policy

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 FY2018 report, we identify materialities (priority issues) that the Group must address and present them in a special feature. We also present actions undertaken at the Cebu Mitsumi Plant in the Philippines, one of the Group’s main production sites, as an example of communications with the local communities where we conduct business.

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.

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 regarding the Group’s CSR activities from our readers. The Group also issues a separate integrated report; please refer to the MinebeaMitsumi Group Integrated Report 2019 for information on financial results, corporate governance, and other topics.

Scope of report

MinebeaMitsumi and 94 group companies

Period covered by this report

FY2018 (April 1, 2018–March 31, 2019)
 However, this includes some activities before this period and from FY2019.

Publishing information

Published September 2019 (previous edition published September 2018; next edition planned for September 2020)

Referenced guidelines

Japanese Standards Association, ISO 26000:2010 (Guidance on social responsibility)
 GRI Sustainability Reporting Standards
 Japanese Ministry of the Environment “Environmental Reporting Guidelines” (2018 edition)

Enquiries regarding this report

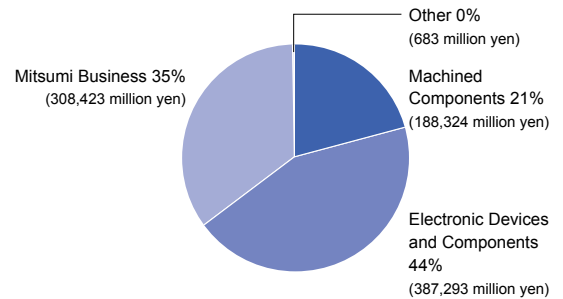
CSR Promotion Office, Sustainability Management Division, MinebeaMitsumi Inc.
 TEL: +81-3-6758-6724

Corporate Profile (as of March 31, 2019)

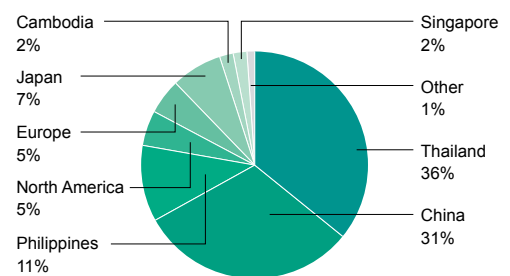
Corporate name	MinebeaMitsumi Inc.
Headquarters	4106-73 Oaza Miyota, Miyota-machi, Kitasaku-gun, Nagano 389-0293, Japan TEL: +81-267-32-2200
Tokyo Head Office	3-9-6 Mita, Minato-ku, Tokyo 108-8330, Japan TEL: +81-3-6758-6711
Established	July 16, 1951
Capital	68,258 million yen
Representative	Yoshihisa Kainuma, Representative Director, CEO and COO
Main business	Machined component business, electronic devices and components business, automotive components, industrial equipment, and housing equipment business
Net sales	Consolidated: 884,723 million yen
Operating income	Consolidated: 72,033 million yen
Net income attributable to owners of parent	Consolidated: 60,142 million yen
Number of employees	Consolidated: 77,957 people
Number of consolidated subsidiaries and affiliates	121 companies*

* Including U-Shin Ltd. (as of June 30, 2019)

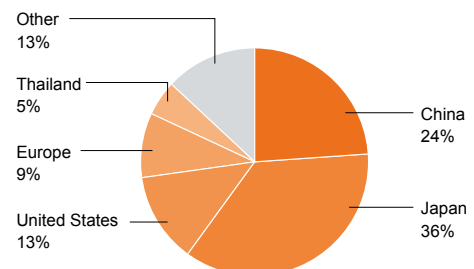
Sales by business segment (FY2018)



Total production by region (FY2018)



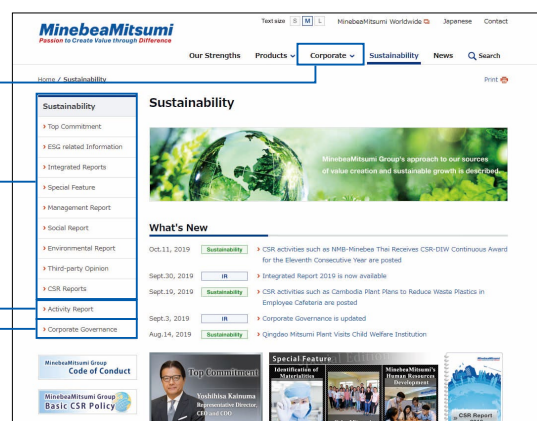
Sales by region (FY2018)



Information available on the CSR website: <https://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 2019 detailed data
- Recent CSR activities
- Corporate governance information



Looking Ahead to the Next 10 Years— Striving to be the World’s Leading Integration Manufacturer of Precision Components

In FY2018, net sales, operating income, and net income all reached new record highs, and this fiscal year reaching the target of net sales of 1 trillion yen has come into site.

In the 10 years since I was appointed representative director, I have worked to make the company an unrivaled and singular presence through the integration (i.e., combined use) of various technologies. The result has been remarkable growth over these 10 years including a 3.5-fold increase in net sales and 5.4-fold increase in operating income. Moreover, I believe that we have laid a solid foundation for the next 10 years by reestablishing our portfolio.

How to create products that will always be needed by society is a major issue for achieving sustainable growth in the next 10 years.

First of all, we will capture overwhelming market shares in our core businesses including bearings, which are the company’s origin, and motors, continuously increase earnings capacity, and diversify on the basis of our existing advanced technologies. U-Shin Ltd., a maker of automotive components, became a Group company in FY2019, adding access products to our business. We will further expand the “MinebeaMitsumi Seven Spears,” which are our core businesses, and achieve growth through the “New Eight Spears.”

With ultra-precision machining technologies as our core technologies and by integrating “New Eight Spear” products, we will generate synergy effects in new fields including healthcare, infrastructure, and housing equipment to develop new markets. By doing this, we will seek to become the world’s leading integration precision parts manufacturer with a focus on niche markets.

Additionally, as the Group continues to grow, it will be essential that we share fundamental values with our employees. Keeping in mind the Five Principles, our company credo and our fundamental approach to sustainability, at all times as we conduct our business is the first step.

To achieve this, in FY2019 we established the Sustainability Management Division and identified materialities (priority issues). We set 10 issues as materialities in accordance with the following three important concepts: Creating value that contributes to the development of society, creating environments where all employees can demonstrate their maximum capabilities, and ensuring



Yoshihisa Kainuma
Representative Director
CEO and COO
MinebeaMitsumi Inc.

A handwritten signature in black ink, appearing to read 'Y. Kainuma', positioned to the right of the caption.

stable supplies of the precision products that support society (see page 7 of this report for further details).

We will continue practicing the concept of “manufacturing with sincerity,” our philosophy of manufacturing higher-quality products at lower prices, faster, in greater quantities, and smarter, to achieve sustainable development as a business enterprise. We hope to continue developing as a presence needed by society in the next 10 years through the repeated practice of this concept.

Creating Value that Contributes to the Development of Society

Continuously creating value that contributes to the development of society, which we set as one of the materiality concepts, will be essential for the company’s long-term development. To achieve this, it will be necessary that we actively create synergy effects through integration of the New Eight Spears, our core businesses.

Among the products created from those synergy effects, we have put particular effort into the products that we refer to as the “trio of new products”—SALIOT smart LED lighting, Smart City Solutions, and Bed Sensor System™—and all of these products have achieved steady increases in sales. With regard to smart city solutions in particular, we will expand

sales channels and, with the addition of U-Shin, which is involved in the housing equipment business, it is now possible to expand the field through the “smart house concept.”

Also in FY2019, we certified products with these types of environmental contribution functions as “MinebeaMitsumi Green Products,” and established systems for promoting development and sales. Through these efforts, we will contribute to the further development of society in the future.

* Bed Sensor System is a registered trademark of MinebeaMitsumi Inc.

Sustainable Business Management

The other priority topics of materiality, i.e., creating environments where all employees can demonstrate their maximum capabilities and ensuring stable supplies of the precision products that support society, are issues that must be overcome in consideration of the sustainability of both business and society.

In the sense that a business cannot exist without its employees, we believe that it is essential that all employees can demonstrate their maximum capabilities. We are putting particular effort into creating human resource development mechanisms and establishing a culture where diverse human resources can work to their full potential as members of the Group, sharing a corporate culture, passion for their work, and priorities in an environment with employees from various countries and with diverse cultural backgrounds.

We also place a high priority on the development of future generations of leaders so that we can increase managers with shared management principles. This is not limited to Japanese employees, and developing leaders from overseas business sites who can support the group as a whole is also important. We are reinforcing measures for the development of local leaders in Thailand, China, and other countries.

Opening Paths to the Future through Passion

As I mentioned at the opening, the Group is about to enter a new growth stage. Even as the scale of the company increases, there will be no change to the Group’s strengths, speed, or our belief that it is “passion” that shapes the future. When each employee sets high targets for himself or herself and works towards achieving them, we are able to carry out our corporate slogan: Passion to create value through difference. I believe that if we create organizations that share the passion to confidently take on challenging targets and we are able to work as one, it will be possible to achieve net sales of 2.5 trillion yen and operating income of 250 billion yen.













This report explains the Group’s current business and CSR activities in detail and from a variety of perspectives. We will actively reflect the comments received from readers in our future business activities, and accordingly, we look forward to receiving your honest opinions.

MinebeaMitsumi New Eight Spears Strategy





The core of our business has been the “Seven Spears” strategy, i.e., bearings, motors, sensors, connectors/switches, power supply components, wireless/communications/software, and analog semiconductors, which leverage our strengths and use our integrated capabilities. We will now strive to achieve continuous growth through multifaceted management with a focus on the New Eight Spears, which now also include access products such as door handles and door latches from U-Shin.

MinebeaMitsumi Products in Society

Smart City & Infrastructure


- | | | | |
|------------------------|---|------------------------|---|
| Solar Power Generators |  | Smart Lighting Devices |  |
| Wind Power Generators |  | Smart Street Lights |  |
| Battery Modules |  | Parking Sensors |  |
| Smart Meters/Bulbs |  | Security Cameras |  |
| Smart Locks |  | Elevators/Escalators |  |
| Automatic Ticket Gates |  | EV Charging Stations |  |

Industry


- | | |
|------------------------------------|---|
| Industrial Machinery |  |
| Industrial Measurement Instruments |  |
| ATMs |  |
| POS Terminals |  |





Medical & Health Care

- | | |
|-----------------------------|---|
| CT Scanners/ X-ray Machines |  |
| Dental Handpieces |  |
| Medical Infusion Pumps |  |
| Laboratory Equipment |  |
| Nursing Care Products |  |
| Bathroom Scales |  |
| Blood Pressure Monitors |  |
| Blood Purification Machines |  |
| Alcohol Breath Testers |  |




Robotics

- | | |
|----------------------|---|
| Drones |  |
| Communication Robots |  |
| Cooperative Robots |  |
| Surgical Robots |  |
| Industrial Robots |  |

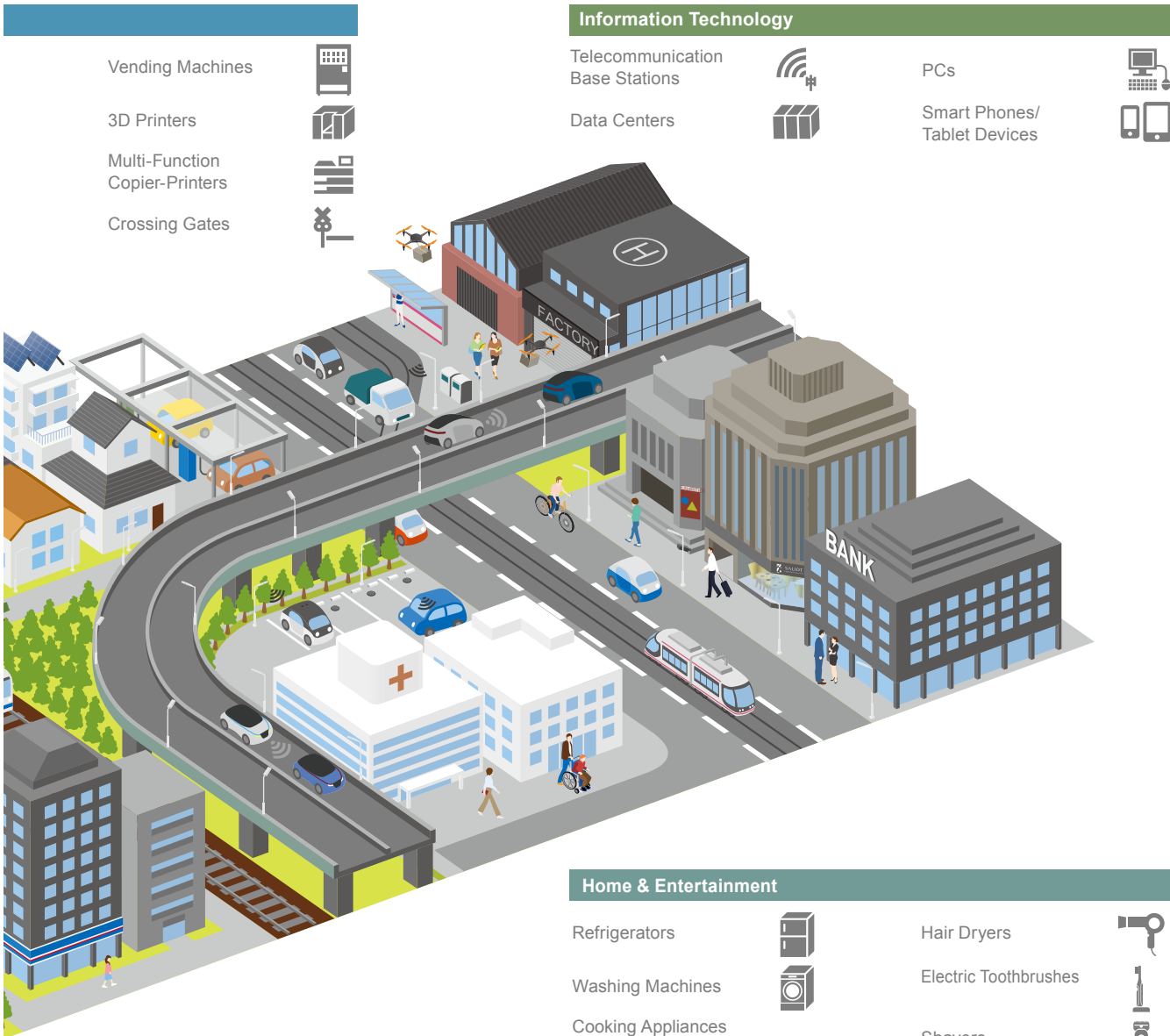
Aviation & Space

- | | |
|------------------------|---|
| Aircraft |  |
| Satellites/Space Craft |  |

Transportation

- | | |
|-------------------|---|
| Automobiles |  |
| Electric Vehicles |  |
| Electric Bikes |  |

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.



Information Technology

Vending Machines



3D Printers



Multi-Function Copier-Printers



Crossing Gates



Telecommunication Base Stations



Data Centers



PCs



Smart Phones/ Tablet Devices



Home & Entertainment

Refrigerators



Washing Machines



Cooking Appliances
(Induction Cookers/
Microwaves/
Rice Cookers)



Vacuum Cleaners



Air Conditioners



Electric Fans



Air Cleaners/Humidifiers/
Dehumidifiers



Bidets



Televisions



Set Top Boxes



DVD/Blue-ray
Disc Players



Digital Cameras/
Action Cameras



Hair Dryers



Electric Toothbrushes



Shavers



Fitness Equipment



Facial Care Equipment



Toys



Game Devices



VR Equipment



Automatic Translation
Devices



Power Tools



Fishing Equipment



Suitcases



Space Rockets



Trains



Ships/Motor Boats/
Water Bikes



Trams/Light Rails



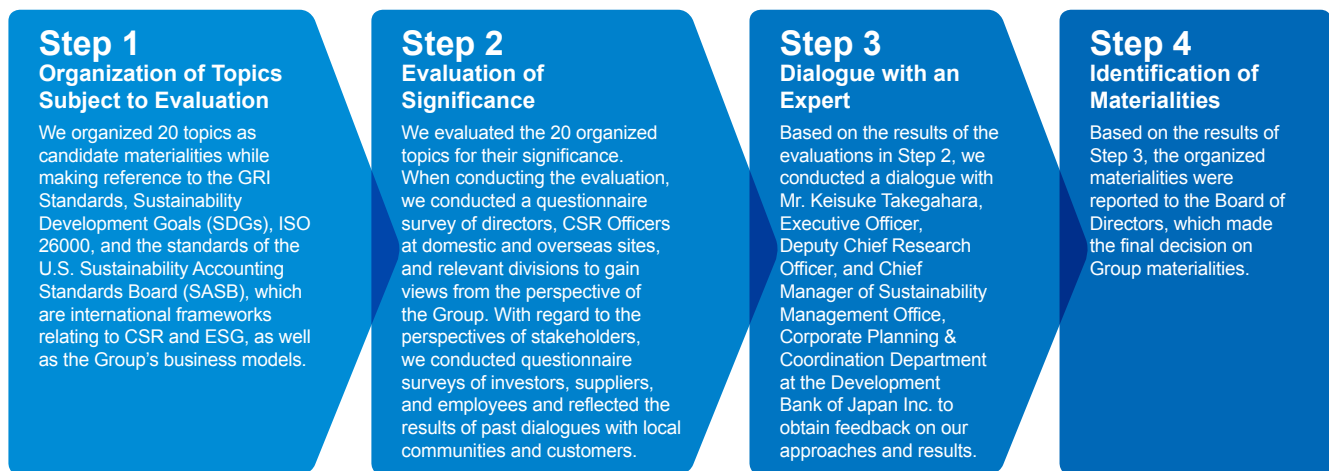
Identification of Materialities

The MinebeaMitsumi Group identified materialities (priority issues) relating to sustainability in May 2019. Below, we present those materialities and the process of identifying them.

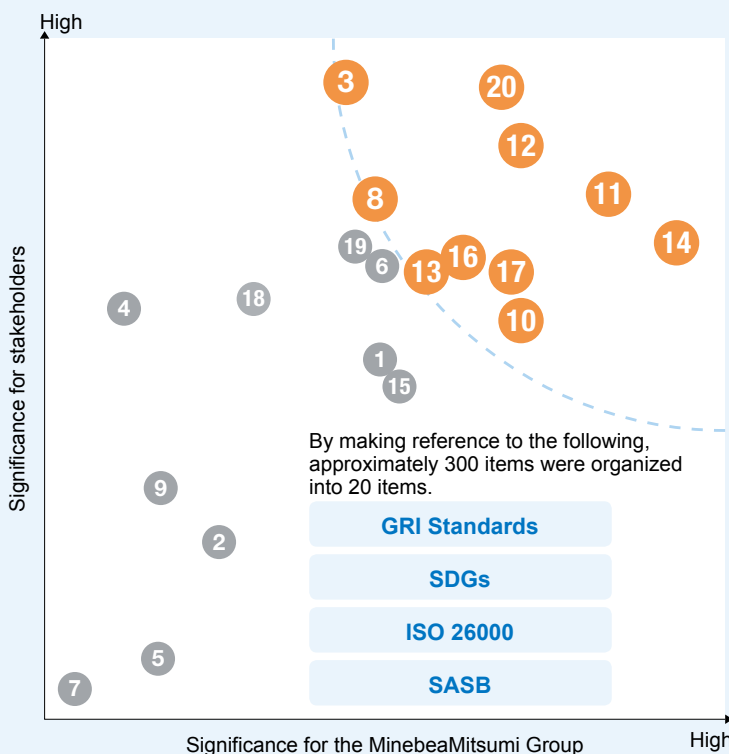
In FY2019, the MinebeaMitsumi Group established the Sustainability Management Division to fulfill the Group's social responsibility as a global enterprise and enhance the sustainability of our business. In conjunction with that,

we identified as materialities priority sustainability issues that the Group is addressing. Going forward, we will apply the PDCA cycle to the materialities and take further action to address them.

Identification Process



Topics Investigated and Extracted and Evaluation Results



- 1 Increasing the efficiency of energy use
- 2 Expanding the use of renewable energy
- 3 Creating environmentally friendly products
- 4 Reducing materials harmful to the environment
- 5 Effectively using resources
- 6 Adapting to climate change
- 7 Preserving biodiversity
- 8 Contributing to dialogue with and the development of local communities
- 9 Respecting human rights
- 10 Ensuring employee safety and health
- 11 Creating positive and rewarding work environments
- 12 Human resources development worldwide
- 13 Diversity promotion worldwide
- 14 Providing safe and reliable products
- 15 Raising customer satisfaction
- 16 Practicing responsible procurement
- 17 Creating solutions to social issues
- 18 Establishing sound corporate governance
- 19 Maintaining strict compliance
- 20 Reinforcing risk management

Priority Topics and Materialities

Priority Topic 1

Creating environments where all employees can demonstrate their maximum capabilities



	Materiality	Reasons why it was determined to be significant	Scope	Related GRI Standards	Main SDGs that it contributes to
1	10 Ensuring employee safety and health	<ul style="list-style-type: none"> Ensures the safety and raises the productivity of employees, the Group's most important management resource 	MinebeaMitsumi Group	403	
2	11 Creating positive and rewarding work environments	<ul style="list-style-type: none"> Raises the motivation, satisfaction, and productivity of employees, the Group's most important management resource 	MinebeaMitsumi Group	401, 402, 407	
3	12 Human resources development worldwide	<ul style="list-style-type: none"> Achieves growth of employees, the Group's most important management resource Secures human resources as a global enterprise 	MinebeaMitsumi Group	404	
4	13 Diversity promotion worldwide	<ul style="list-style-type: none"> Secures employees, the Group's most important management resource Promotes respect for human rights and unity among employees 	MinebeaMitsumi Group	405	

Priority Topic 2

Creating new value that contributes to the development of society



	Materiality	Reasons why it was determined to be significant	Scope	Related GRI Standards	Main SDGs that it contributes to
5	3 Creating environmentally friendly products	<ul style="list-style-type: none"> Contributes to solutions to increasingly severe environmental issues Responds to increasing calls from customers to enhance environmental performance 	MinebeaMitsumi Group	302	
6	8 Contributing to dialogue with and the development of local communities	<ul style="list-style-type: none"> Gains trust at business sites around the world Maintains business continuity through regional development 	MinebeaMitsumi Group, local communities	202, 203, 303, 413	
7	17 Creating solutions to solving social issues	<ul style="list-style-type: none"> Responds to increasing calls from customers to solve social problems Raises productivity through technological advances 	MinebeaMitsumi Group	—	

Priority Topic 3

Ensuring stable supplies of the precision products that support society



	Materiality	Reasons why it was determined to be significant	Scope	Related GRI Standards	Main SDGs that it contributes to
8	14 Providing safe and reliable products	<ul style="list-style-type: none"> As a manufacturer of parts used in all types of products, ensures improvement and reliability of product performance 	MinebeaMitsumi Group, suppliers	416	
9	16 Practicing responsible procurement	<ul style="list-style-type: none"> Ensures the continuity of the entire supply chain Reduces reputation risks 	MinebeaMitsumi Group, suppliers	308, 414	
10	20 Reinforcing risk management	<ul style="list-style-type: none"> Ensures business continuity amidst heightening environmental and information risks 	MinebeaMitsumi Group	418	

Cebu Mitsumi Continues to Evolve

Philippines: Initiatives by Cebu Mitsumi



With the business integration of Minebea and Mitsumi Electric in January 2017, the business of the MinebeaMitsumi Group expanded even further. Cebu Mitsumi in the Philippines, one of the Group's main production sites, has also been disseminating and practicing the "Five Principles," the company credo. This feature presents some of the CSR initiatives the company has undertaken to achieve harmony with local communities.



Cebu Mitsumi, Inc., located on Cebu Island in the Philippines, produces actuators, connectors, battery modules, and other products, supporting the growth of the MinebeaMitsumi Group in the electronics and optoelectronic fields. Cebu Mitsumi is the Group's largest site in the Philippines and has approximately 20,000 employees. In 2019, the Company marked exactly 30 years since it was established on Cebu Island in the Philippines in 1989.

Reinforcing Organizations through CSR

Even prior to business integration, Cebu Mitsumi continuously undertook initiatives to develop with the local community and its employees, which are members of that community. Handy cards with the Five Principles were distributed to all employees to enhance the sense of unity within the Group from the business integration, and employees carry these cards with them at all times.

"I believe that the main meaning of CSR is business continuity and gaining the loyalty of employees," said Yoshihiro Sakanushi, president of Cebu Mitsumi. He explained the significance of CSR as follows: "Among the topics that we prioritize in particular are nurturing human resources and developing work environments. The Philippines have a shortage of engineers nationally, and therefore, it is necessary to comprehensively nurture engineers. Employees and operators who have gained skills are crucial assets of the company, and we need to properly develop work environments so they will continue working for us. We also undertake social contribution activities under the leadership of employees. These activities not only contribute to the development of local communities,

but are also effective in the sense of instilling pride for the company in employees. This is reflected in the Five Principles, and being a company that employees feel proud to work for leads to organizational success. In this sense, employees are our most important stakeholders."



Yoshihiro Sakanushi
President
Cebu Mitsumi

A Company Where Employees Can Work with Passion and Feel Pride

Caesar D. Augusto, a Group executive officer and director responsible for human resources said, "In order to meet the expectations of customers, it is necessary for Cebu Mitsumi to function as a core site for manufacturing, automation, and systems. Since resources are limited, developing human resources is the most important thing for achieving this." Areas within human resource development that the company is focusing on are developing leadership and enhancing technical skills. Cebu Mitsumi is an organization with nearly 20,000 employees, and consequently, human resources who are hired locally are required to exercise strong leadership. Consequently, leadership development training known as the Leadership Enhancement and Advancement Program has been conducted since 2012, and more than 100 employees have completed the program. Program participants spend several months working toward goals that they set themselves. The program has produced substantial results, and many members of the current leadership are locally-hired employees.



Caesar D. Augusto
HR Director
Cebu Mitsumi

Cebu Mitsumi is focusing its efforts on developing technical specialists and has established rank-specific training programs for engineers and other personnel. By organizing and conveying the knowledge and skills necessary for each job type and each rank, the specialization of each

employee is enhanced. Efforts are also made to develop operators, and the Best Operator Program was established as a part of those efforts. The program is selective, and by firmly establishing organizational development, formation of the corporate culture, basic mathematics, the five S methodology (sort, straighten, shine, standardize, sustain) and other topics, employees come to consider their activities at the plant from a broader perspective. From FY2003 to FY2018, approximately 1,500 operators participated in the program, raising awareness throughout the plant. The Company also invites college instructors to teach in the Graduate Industrial Technical Program, which allows employees to work while obtaining qualifications in a junior college graduation program. Cebu Mitsumi has established various other internal skills certification programs and commendation programs and works to maintain high skill levels.

To be a company that employees feel pride in, it is important that we also turn our attention to solving the problems of the communities where the employees live, in order to improve the working environment and address community issues. One such initiative is allowing free use of the medical facilities located on the plant site. There are a few hospitals in Danao City, where the plant is located, leading to an environment where it is difficult for residents to obtain health care services. This program was initiated to protect the day-to-day health of employees and create an environment where they can continue working for the company. This is a program not commonly seen among other companies in the area and has led to higher employee satisfaction. The Cooperative Association operated with joint funding by employees also actively implements measures and has various facilities including a bank, pharmacy, and laundry in front of the plant, to the satisfaction of employees.

Taking into consideration the health and sense of reassurance of employees is also an important undertaking. In accordance with the company's health and safety policies, various training is conducted to ensure the safety of employees who work at the plant. The company also implements rigorous measures to ensure that there are no instances of human rights problems such as child labor, which is a social problem. Cebu Mitsumi has received certification from the Philippine authorities that it is in full compliance with labor standards,

and the company has established an environment where all employees can work safely and with a sense of reassurance.

Thanks to these types of measures, employee satisfaction is high and turnover rates are extremely low.



Free healthcare services

Comment from an Employee



Angelyn Salcedo
Technical Support
IS Department
Cebu Mitsumi

I participated in the Graduate Industrial Technical Program with the aim of achieving a higher position. I was extremely pleased to be given the opportunity by the company to work while studying. I plan to continue my education in the future.

Developing with Local Communities

Many Cebu Mitsumi employees were hired from the local community. The Company undertakes a variety of initiatives based on the belief that developing with the local community is important.

One such initiative, conducted pursuant to a request from the Philippine government, is a mangrove reforestation project that is intended to preserve ecosystems and serve as a countermeasure against storm damage and so on. There were problems in the region including conversion of mangrove forests to agriculture use and logging for charcoal and firewood. This program was started in cooperation with local residents in FY2011, and to date, approximately 50,000 trees have been planted. In addition, coconut and cacao seedlings purchased by Cebu Mitsumi were distributed to employees, their families, and cooperating factories as a disaster prevention measure through reforestation in mountainous areas.

There are many children in the region who are unable to obtain an adequate education, and since increasing educational opportunities is important for local development, the company makes donations to many schools. One example is donations to support scholarships for The Sisters of Mary School—Girlstown, an educational institution that provides basic education such as reading and writing as well as vocational training. The students and school principal Sister Laresa expressed gratitude for Cebu Mitsumi's programs.



Mangroves planted with support from Cebu Mitsumi



A classroom donated to Santican National High School



Employees running in the Run for Education charity marathon

The Run for Education charity marathon is another event that contributes to the local community. The marathon has been held since 2013 to promote the health of employees and collect contributions for local development. Each year, approximately 1,200 runners participate. To date, more than 2 million yen in donations has been collected, and the funds have been used to provide support in the form of facilities and educational materials provided to schools in the local area.

One educational program that receives particular emphasis is the Robotics Laboratory Program. Engineers are trained in cooperation with the nearby University of San Jose Recoletos. One of the reasons that the Philippines has few engineers is the lack of proper machinery equipment at universities. In response, Cebu Mitsumi provided equipment for the university campus and established the Mitsumi Robotics Lab in cooperation with the university. Company employees use these facilities and the plant to provide practical training to students. The result is the training of extremely high-level engineers such as students who worked together to create a robot that uses AI as their graduation project. To date, 452 students have participated in this program, and some of them have come to work for Cebu Mitsumi. The company also trains university instructors on the use of state-of-the-art facilities, contributing to raising the educational level throughout the university as a whole.

Jeremiah Badana, OIC (Officer-in-Charge) and Dean of the College of Engineering at the University of San Jose Recoletos, expressed his gratitude for the company's activities: "We are extremely grateful for the equipment and other support that we have received from Cebu Mitsumi. The students are able to have direct contact with the latest equipment and technologies, and this provides considerable motivation. I look forward to maintaining the good relationship between the University and Cebu Mitsumi."

The company conducts various other activities in the local community such as seashore cleanup programs, blood drives, and emergency support in disaster areas. Augusto commented on the response to these activities, "We will continue to contribute to the region as a whole with the aim of being the company that employees feel proud of and that is welcomed by the local community."

Comment from a Member of the Local Community



Algen Laurente
Principal
Santican National High School

Cebu Mitsumi donated a classroom to the school, and we are extremely grateful. I hope that in the future we can engage in even further interaction such as by the company dispatching employees to teach science classes.

Comment from a Participant in the Robotics Laboratory Program



Phillip Michael Castillon
Equipment Engineer
Cebu Mitsumi

The Robotics Laboratory Program is a positive initiative that supports the motivation of students to learn. The university lacked equipment and facilities, and as a result, learning in the robotics laboratory involved discovering many new things. After I completed the program, I started working for Cebu Mitsumi, and I am now able to use what I learned in the program in my work.

Protecting the Local Natural Environment

Environmental initiatives are essential for achieving sustainable development in local society. Cebu Mitsumi is located on the seashore, and consequently, environmental considerations are particularly important. For this reason, Cebu Mitsumi undertakes environmental initiatives in accordance with the MinebeaMitsumi Group Environmental Policy.

To preserve the nearby Camotes Sea, particular effort is made with regard to wastewater treatment. In the Philippines, laws and regulations provide that measures are to be undertaken to preserve water quality, and we make efforts to ensure that the company is in compliance. Industrial waste water is purified in a wastewater treatment facility until it meets the wastewater standards. The company also



Students undergoing vocational training at the Sisters of Mary's School - Girlstown



Instructors and Cebu Mitsumi employees at the donated Science and Technology Education Center



University of San Jose Recoletos professors and Cebu Mitsumi employees

Diagram of Cebu Mitsumi's Environmental, Health, and Safety Structures



conducts sampling tests of ocean water quality to ensure that there is no impact on nearby waters. Cebu Mitsumi is currently building a new sewage treatment facility to comply with the new legal system that will take effect in 2021 and is also developing facilities to use rainwater in order to reduce the amount of groundwater used.

In the Philippines, which are highly susceptible to the impacts of climate change, increasing energy efficiency is an important means of reducing CO₂ emissions. In FY2018, educational measures were conducted to raise employee awareness and updates to facilities were implemented including the application of thermal insulation on plant roofs, installation of LED lights, and the use of inverters for

air-conditioning. As a result, energy consumption and CO₂ emissions each improved by nearly 5%. These measures also lead to cost reductions, which makes them important for management as well.

With regard to reducing waste, in addition to practicing the 3Rs (reduce, reuse, recycle), Cebu Mitsumi took measures in accordance with the “3Rs + 1R” concept, which adds “recovery” (minimizing the impact in cases where waste is released). The plant produces a variety of waste including corrugated board, wood, and bottles, but nearly all of it is reused (recycled), and the current recycling rate is approaching 99%. Furthermore, waste that cannot be reused is being used in other ways such as use as an alternative fuel or as raw material for cement.

Cebu Mitsumi also requests that its suppliers undertake similar measures, and action is being taken throughout the entire supply chain. As a result, the company has achieved a certain level of recognition including certification as an environmentally-friendly partner by customers.

Practicing the Five Principles

For Cebu Mitsumi, which was recently added to the Group, the concepts of “being a company where employees are proud to work” and “working in harmony with the local community,” as expressed in the Five Principles, the company credo of the MinebeaMitsumi Group, represent a familiar way of thinking. Going forward, Cebu Mitsumi will strive to be a needed presence in society by sharing and practicing these ideas throughout the Group.



Church adjoined to the cooperative association



Cebu Mitsumi's water treatment facility



An internal ISO 14001 audit

MinebeaMitsumi Group's Human Resources Development

The MinebeaMitsumi Group continues to grow. We have 83 manufacturing sites in 22 countries, 80 sales sites in 27 countries, and approximately 100,000 employees. We undertake a variety of initiatives to recruit diverse human resources and development human resources who can perform globally as we face our next growth phase.



Yumi Arima
Deputy Manager
Human Resources Development
Department
Personnel & General Affairs
Division

Supporting a Passionate Challenge

MinebeaMitsumi was established in Tokyo's Itabashi district as Japan's first specialized miniature ball bearing manufacturer in 1951. The company expanded overseas at an early stage, establishing business in Singapore in the 1970s. Today, we have 83 manufacturing sites in 22 countries around the world, 80 sales sites in 27 countries, and approximately 100,000 employees. These countries include Thailand, China, the Philippines, and Cambodia. Overseas business accounts for 60% of net sales and more than 90% of production. With an eye towards further global business expansion based on both organic growth and through M&A, we are invigorating communications between the various levels and departments—such as between the management and managers, and between manufacturing, sales, and administration—and maximizing the synergy between people so as to develop human resources without regard for nationality, cultural background, or previous company, and establish environments where those human resources can demonstrate their full capabilities.

The company looks for three qualities in our employees: people who like manufacturing, people who want to work on a global scale, and people who can maintain passion for their work. Through human resource development centered on on-the-job training,* we develop human resources through experience in manufacturing by dispatching young and mid-level Japanese employees to overseas sites and cooperating with personnel from numerous countries. We also conduct training to improve the qualities and skills of our employees.

Within Japan, in addition to rank-based training for young employees, mid-level employees, assistant managers, managers, and general managers, we conduct business strategy training to develop generalists, as well as technology management training, to develop technology managers who can contribute to management, so as to develop the next generation of executives. Furthermore, the Human Resources Development Department

collaborates with individual departments on human resources development for two years after a person is recruited so that young employees can quickly grow into employees who are able to think about the issues they face on a day-to-day basis, make determinations, and take action.

In addition, we are undertaking initiatives targeting overseas local employees—who make up more than 90% of the Group's employees—to produce human resources who can in the future be responsible for local subsidiaries. Specifically, under an overseas trainee program, local leaders from overseas subsidiaries are assigned to the head office for one year, and undergo training in different offices and divisions to gain broad perspectives and a management outlook. We are also training the next generation of local executives in Thailand and China, the locations of our main manufacturing sites.

Being a company where employees are proud to work is a part of our corporate credo, and we believe that employees are our most important stakeholders. Specifically, in order to achieve our target of net sales of 2.5 trillion yen and an operating income of 250 billion yen in the next 10 years, we selected four issues that target employees within the materialities (priority issues) set in 2019—ensuring employee safety and health, creating positive and rewarding work environments, developing human resources that can serve as global models, and practicing diversity that serves as a global model—and we are accelerating our efforts to create work environments where all employees can demonstrate their maximum capabilities. The Human Resources Development Department is playing a central role in collaboration with business sites around the world to promote even more diverse human resources development as MinebeaMitsumi aims to be a company that is needed by society.

* On-the-job training is a form of training where supervisors and veteran employees provide guidance to subordinates through actual work.

The Ideal Human Resources That We Seek

People who are able to achieve great work as a team while having global perspectives and cooperating with members of various nationalities and having mutual respect for diversity

People who want to work on a global scale

People who like manufacturing

People who can maintain passion for their work

People who, as professionals, have the aspiration to create even better products and spread them across the world, and an endless passion for manufacturing

People who can continue to search for possibilities and take on the challenge of high targets even when facing various issues and difficulties. People who can think on their own, act on their own initiative, and undertake reforms

Participant in Rank-Based Training (Junior Employee Training)



Emiko Hibi
Productivity Improvement Section
Productivity Improvement
Department
Mechanical Assembly Business Unit

During the junior employee training, we conducted exercises to think about our future careers, ways of improving our current work, and work communications and also practiced giving speeches and participated in other activities. During the exercise for thinking about our future careers, we examined three topics: What I can do now, work that I feel is meaningful, and expectations towards me. This made it possible for me to analyze what I want to do in the future, something that I didn't have a clear understanding of. A positive outcome was the ability to set specific targets concerning the type of employee I want to become in three years from now.

I am now performing my work with an awareness that I can achieve the targets that I set in the training. I will continue to periodically consider my career and targets and hope to always perform my work with passion.

Participant in Rank-Based Training (Junior Employee Training)

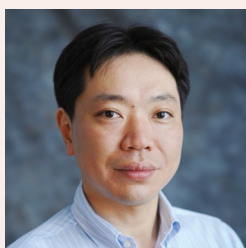


Shumpei Umegai
Sensor IC Development Section
Design Engineering Department
Semiconductor Business Unit

During the junior employee training, I received information regarding the policy on enhancement of skills looking ahead three years into the future. I realized that an objective perspective is important when comparing the career that I want for myself with the roles that are expected of me by my colleagues. Learning about the thinking of superiors and senior employees and their expectations towards me was also a valuable experience.

I feel strongly that I want to work even more on the part of the training where I learned how to make a habit of taking action to achieve targets. When I started working for the company I learned from senior employees that as an engineer, I need to adapt to new technologies and the changes in the times, but I found it quite difficult to develop a habit of acquiring specialized knowledge. Through this training, I acquired general-purpose skills for developing habits, and I am going to study independently and work hard while I'm in my 20s in order to meet the expectations of my supervisors. I hope to become an engineer who can follow in the footsteps of my predecessors and contribute to society through semiconductor circuit technology.

Study Abroad Participant at Columbia University



Masaki Mitsuishi
Manager, Resonant Device
Product Sales Management
Department

I was given the opportunity to spend nine months studying as a visiting researcher at Columbia Business School at Columbia University, where I attended a wide variety of MBA course lectures, and participated in many seminars and various events. Heads of states and foreign ministers were invited as speakers for the lectures, providing me with the opportunity to listen directly to leaders in the thick of global situations. This was an extremely valuable experience, and became a good opportunity for me to reflect on my work so far, how to go about work in the future, and what is the ideal shape of leadership.

In addition, as part of my research at the Center on Japanese Economy and Business, I gave a presentation on the theme "Product Management in the Diversified-Products Manufacturer: Inseparable Relationship Between PM & UX." Through studying abroad, the experience of engaging in discussions with people and overcoming the barriers of ethnicity, culture, and religion has given me self-confidence, and is useful in actively negotiating with customers around the world. I hope to contribute to the development of teams that can lead to business success in the future.

Participant in Overseas Training Program



Thananan Buasroung
Accounting Department

I came to Japan from the Bang Pa-In Plant in Thailand for training. The training, which lasts one year, is conducted at the Accounting Department in the Tokyo head office. At the Bang Pa-In Plant, my work was primarily calculating the costs of mechanical assemblies. At the Tokyo head office, I am studying how to prepare financial statements for public release, how to reconcile claims and debts among Group companies, and other topics. I endeavor to understand the background to this work, and after I return to Thailand, I hope to make use of these experiences to support my department.

There are many things I need to learn about Japanese language, culture, work styles, and lifestyles, but my Japanese colleagues are always kind and support me. Through this training, I hope to learn new things every day and grow.

CSR Promotion Activity Goals and Results



CSR Promotion Activity Goals and Results

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

using the PDCA* cycle, and sets CSR goals accordingly.

* A technique for continuously improving management and operations through repeatedly performing Plan, Do, Check, and Act.

Results for FY2018 and Goals for FY2019 and the Medium Term

	FY2018 Goals	FY2018 Results	Evaluation	FY2019 Goals	Medium-term Goals (target year of FY2020)	
Management	CSR Management	Appoint CSR officers at Mitsumi Electric overseas sites and take measures to promote CSR CSR Identify materialities for the MinebeaMitsumi Group CSR	Appointed CSR Officers at Mitsumi Electric overseas sites and conducted a questionnaire survey on priority issues Identified materialities for the MinebeaMitsumi Group	○ ○	● Reinforce Group CSR management CSR ● Implement CSR management based on materialities developed through an understanding of stakeholders' expectations and requests CSR ● Promote CSR management based on materialities developed through an understanding of stakeholders' expectations and requests CSR	
	Corporate Governance Compliance Risk Management	Construct systems in the Philippines and provide training to promote the permeation of compliance Compliance	● In the Philippines, appointed a compliance officer and staff and sub-staff in charge of compliance ● Conducted e-learning-based training and conducted tests to check levels of understanding	○	● Conduct compliance training as a part of rank-based training Compliance ● Conduct the Compliance Awareness Survey throughout the Group Compliance ● Acquire third-party certification registration system for internal reporting systems Compliance ● Rojana and Navanakorn plants in Thailand to acquire ISO 22301 certification GA ● Expand BCP at the Mitsumi Electric Cebu Plant in the Philippines GA ● Place satellite phones in major plants in Japan as a means of communication during emergencies GA	● Establish and strengthen a global compliance system for the MinebeaMitsumi Group Compliance ● Ensure adherence to BCP at major bases worldwide GA
		Conduct compliance training through e-learning programs Compliance	Conducted e-learning-based training that included explanations of compliance and tests to confirm levels of understanding for all employees who previously worked for Mitsumi Electric	○		
		Encourage the establishment of BCP at Mitsumi Electric's main production sites GA	Confirmed the action plan at the Mitsumi Electric Chitose Plant and the basic plan at the Cebu Plant in the Philippines	○		
		Formulate BCP action plans for Lopburi Plant in Thailand GA	Formulated BCP action plans for Lopburi Plant in Thailand	○		
Promote BCP drills at Japanese facilities, Thailand, and other sites GA	● Conducted thrice yearly BCP drills at the Karuizawa Plant ● Conducted flooding countermeasure simulation training in Thailand	○				
Society	Relationships with Customers	Promote the elimination of phthalates Quality	Expressly stated in supplementary documents to the Green Procurement Standard the prohibition on the use of phthalates and held briefing sessions	○	● Support quality management system (QMS) activities in new businesses Quality ● Perform bottom-up management with the aim of improving product quality Quality ● Introduce unified bar codes for Mitsumi products Logistics ● Start RFID tag test implementation Logistics ● Encourage AEO certification acquisition and continuation Logistics ● Start construction of a system for a labor-saving pilot model warehouse that uses robots Logistics	● Promote construction of a quality management system for the new organization of the MinebeaMitsumi Group Quality ● Start construction of a system for a labor-saving pilot model warehouse that uses robots Logistics ● Create a high-precision shipping process that applies image recognition technology using AI Logistics
		Distribute the Supplier Manual for quality management in supply chains Quality	Prepared a quality assurance manual for suppliers	○		
		Continue to support transition to ISO 9001:2015 certification Quality	Completed the transition to ISO 9001:2015 certification at all business sites	○		
		Introduce unified bar codes for Mitsumi products Logistics	Conducted briefings on objectives for all divisions in charge of Mitsumi Electric products	○		
		Start RFID tag testing Logistics	Implemented RFID tag trials in maritime transport from Thailand to Hong Kong	○		
	Encourage AEO certification acquisition and continuation Logistics	Conducted activities for acquisition of AEO certification in Malaysia	○			
	Relationships with Employees	Continue to strengthen human rights education Human Resources Development	Conducted education on harassment and respect for human rights in rank-based training	○	● Continue to strengthen human rights education Human Resources Development ● Strengthen training to nurture next-generation leaders for the MinebeaMitsumi Group Human Resources Development ● Continue to promote active roles for female employees Human Resources Development ● Meet the statutory employment rate of persons with disabilities and maintain employment Personnel ● Continue to reduce overtime Personnel	● Leverage the effects from integration of the MinebeaMitsumi Group and strengthen the development of human resources to actively expand and develop business globally Human Resources Development ● Raise the ratio of female managers (aim to double the ratio in 2021 compared with 2016) Personnel ● Proactively incorporate demands of society and promote measures to support employee motivation Personnel
		Strengthen training to nurture next-generation leaders for the MinebeaMitsumi Group Human Resources Development	Conducted next-generation leader training specific to management, technical, and other fields	○		
		Continue to promote active roles for female employees Human Resources Development	Continued to promote active roles for female employees	△		
		Meet legally required employment percentages for the handicapped and support their continued employment Personnel	Rate of employees with disabilities was 1.61% (as of June 2018)	×		
	Continue to reduce overtime Personnel	Reminded employees about continuous work and reinforced attendance management systems in each department	○			
	Relationships with Suppliers	Confirm status of CSR promotion by Mitsumi Electric's main domestic suppliers using the CSR Procurement Self-assessment Checklist Procurement	Distributed the CSR Procurement Self-assessment Checklist to confirm the status of CSR implementation by Mitsumi Electric's main domestic suppliers and received responses from 630 companies	○	● Confirm the status of CSR implementation by Mitsumi Electric's main suppliers in China using the CSR Procurement Self-assessment Checklist Procurement	● Confirm status of CSR promotion by Mitsumi Electric's suppliers in Asia using the CSR Procurement Guidelines Procurement
	Relationships with Local Communities and Global Society	Continue to promote dialogues with communities at all sites in and outside Japan CSR	● Conducted ongoing dialogues with local communities at the Karuizawa Plant and Yonago Plant ● Conducted dialogues with local communities at overseas sites in Thailand, the Philippines, and other locations to promote initiatives	○	● Continue to promote dialogues with communities at all sites in and outside Japan CSR	● Continue to conduct CSR penetration activities in and outside Japan CSR
Relationships with Shareholders	Continue to promote active information disclosure relating to progress and implementation of business plan IR	Promoted information disclosure on Medium-term Business Plan and policies through general shareholders' meeting, semiannual business report, and website information	○	● Continue to promote active information disclosure relating to progress and implementation of business plan IR ● Continue to promote active communication with domestic and international investors IR	● Continue to actively disclose information and promote communication among a wider group of shareholders and investors to deepen their understanding of MinebeaMitsumi IR	
	Continue to promote active communication with domestic and international investors IR	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	○			
	Issue an integrated report IR	Issued the MinebeaMitsumi Group integrated report and conducted dialogues with about 10 institutional investors	○			
Environment	Reduce CO ₂ emissions by 9% per basic unit of output compared with FY2015 Environment	Reduced CO ₂ emissions per basic unit of output by 1.5% compared with FY2015 as the baseline year (the reduction excluding currency exchange effects was 7.1%)	△	● Reduce CO ₂ emissions by 12% per basic unit of output compared with FY2015 Environment ● Reduce amount of generated waste by 12% per basic unit of output compared with FY2015 Environment ● Recycling of 97.3% of generated waste Environment ● Reduce use of service water by 12% per basic unit of output compared with FY2015 Environment ● Promote the protection of biodiversity Environment ● Establish the MinebeaMitsumi Group Environmentally Friendly Products Certification Program Environment ● Drive improvement of packaging to increase loading efficiency for marine shipping containers Logistics	● Reduce CO ₂ emissions by 15% per basic unit of output compared with FY2015 by FY2020 Environment ● Reduce amount of generated waste by 15% per basic unit of output compared with FY2015 by FY2020 Environment ● Recycling of 97.5% of generated waste by FY2020 Environment ● Reduce use of service water by 15% per basic unit of output compared with FY2015 by FY2020 Environment ● Promote the protection of biodiversity Environment	
	Reduce amount of generated waste by 9% per basic unit of output compared with FY2015 Environment	Reduced waste generated per basic unit of output by 1.0% compared with FY2015 as the baseline year (the reduction excluding currency exchange effects was 6.6%)	△			
	Recycling of 97.3% of generated waste Environment	The generated waste recycling rate was 98.1%	○			
	Reduce use of service water by 9% per basic unit of output compared with FY2015 Environment	Reduced service water consumption per basic unit of output by 6.0% compared with FY2015 as the baseline year (the reduction excluding currency exchange effects was 11.4%)	○			
	Promote the protection of biodiversity Environment	Implemented 3R to prevent harmful effects to ecosystems	○			
	Drive improvement of packaging to increase loading efficiency for marine shipping containers Logistics	Improved loading efficiency by switching from flat stacking to block stacking and other means	○			

CSR CSR Promotion Office **Compliance** Compliance Promotion Office **GA** General Affairs Department **Quality** Quality Assurance Headquarters
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

Commitment from the CEO

MinebeaMitsumi Products in Society

Special Feature 1

Special Feature 2

Hot Topics

Management Report

Social Report

Environmental Report

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 of and strive to fulfill the Ten Principles of the UN Global Compact, in which we announced our participation in 2012, and the Sustainable Development Goals (SDGs) adopted at the UN Sustainable Development Summit 2015.

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



Support for SDGs





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 President and Chief Executive Officer who is assisted by the Officer in charge of CSR. 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.

Sustainability Management Division Established

The Sustainability Management Division was established in April 2019 for the purposes of contributing to the development of a sustainable society and separating monitoring functions from executive functions to reinforce governance within the MinebeaMitsumi Group.

Identification of Materialities

The MinebeaMitsumi Group identified issues that are key to the Group fulfilling its social responsibilities based on the demands of global society and communications with stakeholders and made preparations to carry out CSR initiatives even more vigorously. In FY2019, we considered the significance to the Group and to stakeholders and identified materialities (priority issues) that the Group should prioritize (see page 7 for details).

Internal Promotion of CSR Activities

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

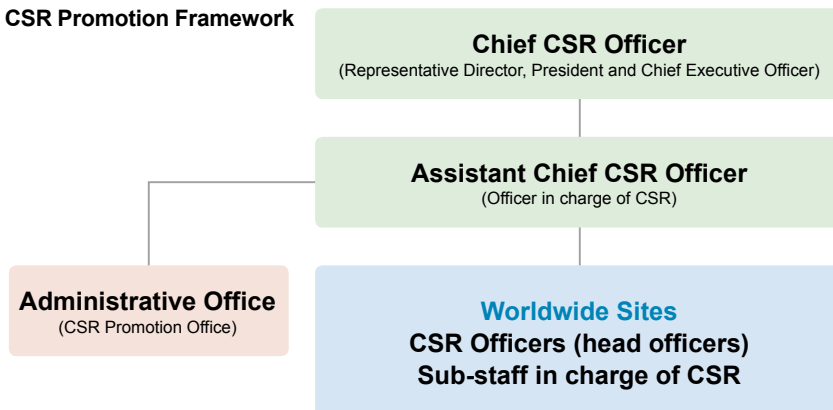
Information on CSR was also disseminated through an internal newsletter published twice in FY2018, and Mitsumi Electric’s domestic and overseas sites conducted internal CSR dissemination activities through their CSR Officers. Training was also conducted for recent-graduate and mid-career new hires.

Future Issues and Goals

As a global enterprise, the MinebeaMitsumi Group aims to promote CSR based on international standards in collaboration with U-Shin Ltd., which became a Group member in April 2019. We are reinforcing management systems and instilling and promoting CSR awareness throughout the Group.

Furthermore, by addressing identified materialities, we will contribute to achieving the SDGs and solving social issues through our business activities.

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.

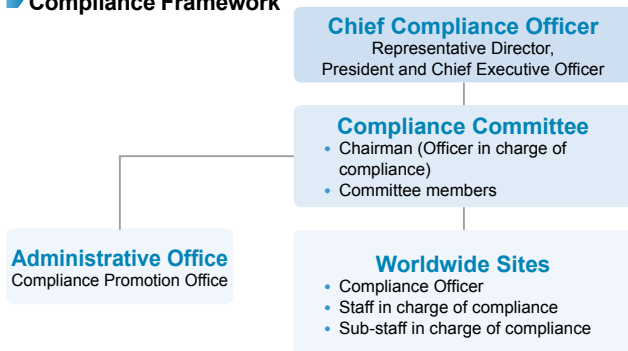
<https://www.minebeamitsumi.com/english/corp/company/aboutus/conduct/declaration/index.html>

Compliance Promotion Structure

The President and Chief Executive Officer 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 FY2018, we appointed compliance officers as well as staff and sub-staff in charge of compliance at the Cebu Plant that was added to the Group as a result of business integration and reinforced structures throughout the Group.

Compliance Framework



Compliance Awareness Survey

The MinebeaMitsumi Group conducts compliance awareness surveys biennially to gauge employees' understanding of compliance.

Based on the results of the survey, which was conducted in October and November 2017, we confirmed that there are no problems regarding awareness and interest regarding

compliance. Feedback on the survey results was provided to individual divisions, and we are reinforcing training based on the results. We are also broadly disseminating information on how to use consultations services, which was identified as an issue.

We plan to conduct the next survey in FY2019.

Compliance Education

The MinebeaMitsumi Group also provides rank-based training and training at the time of mid-career hiring to deepen employees' understanding of compliance. In FY2018, a total of 364 employees underwent training. We also conduct training taught by outside instructors for directors, executive officers, and business unit heads on compliance with Japan's Antimonopoly Act (competition law). This training was attended by 69 employees.

In addition, we conducted e-learning-based training that included explanations concerning compliance and tests to check understanding levels for all 2,808 employees who previously worked for Mitsumi Electric.

Internal Reporting System

The MinebeaMitsumi Group has established internal and external consultation services for employees to contact when they have questions about whether their own conduct or decision making violates the MinebeaMitsumi Group Code of Conduct or in cases where employees believe others may be in violation of the code. Anonymous reports may also be made. Reports can also be made internally to corporate auditors.

The MinebeaMitsumi Group Code of Conduct expressly prohibits disadvantageous treatment of an inquiring employee on the grounds that such an inquiry was made, and mechanisms have been put in place to protect personal information and comply with the duty of confidentiality.

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, to strengthen collaboration with countries in order to improve our compliance structure covering the entire MinebeaMitsumi Group.



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 President and Chief Executive Officer 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 that an incident occurs, a management headquarters and local countermeasures office will be established according to the severity category of the circumstances as defined in the MinebeaMitsumi Group Basic Rules for Risk Management to respond rapidly and effectively to the situation. Further, MinebeaMitsumi has established a system under which, depending on the nature of the risk, a supervisory division can be appointed to handle a situation to draft and implement risk prevention measures.

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 FY2018, a total of 20,692 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 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 formulated business continuity plans (BCP) for major business sites in and outside Japan and are implementing preparation and training drills.

In terms of specific activities, BCP encompass the creation of emergency response manuals, earthquake strengthening of facilities, storage of food and drinking water, establishment of an internal fire brigade, disaster drills, and introduction of a personnel safety confirmation system, among other measures. BCP drills are conducted at the Karuizawa Plant three times annually in anticipation of an earthquake.

Assessments of BCPs at Chitose Plant and Cebu Plant were conducted by specialized agencies in FY2018. The assessments confirmed that the Chitose Plant BCP, premised on an earthquake, is effectively functioning and that a basic BCP was established at the Cebu Plant as well.

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 in anticipation of flooding while implementing the PDCA cycle to conduct ongoing measures and make improvements.

Future Issues and Goals

Moving forward, we will establish risk management structures responsive to the various risks at key bases worldwide and take measures to ensure that those structures become firmly rooted.

Relationships with Customers

Basic Approach

The MinebeaMitsumi Group aims to be an integration 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 the Group Quality Management Rules covering the entire MinebeaMitsumi Group as part of our measures to ensure the safety of our products and services and prevent accidents. In addition, we maintained the Group Quality Management Rules as well as the associated Group Product Safety Management Manual, Group Hazardous Substance Management Manual, Significant Quality Issue Handling Manual, Group Conflict Material Management Manual, Supplier Quality Assurance Agreement (Standard Version), and distributed them throughout the Group.

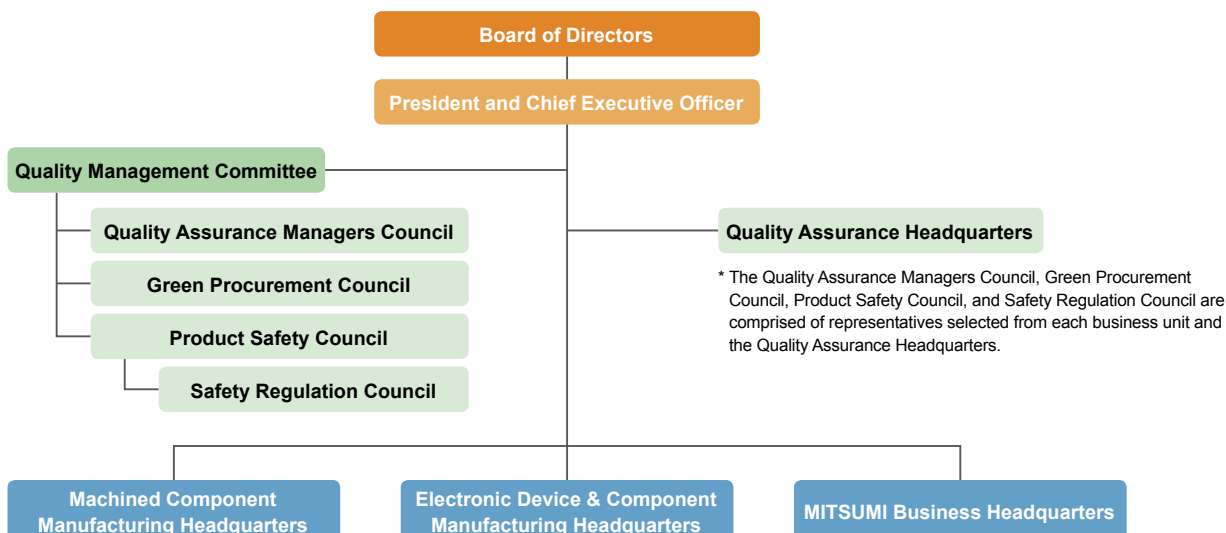
The chief officer of the quality management framework is the President and Chief Executive Officer, who is supported by the Quality Management Committee. Its subordinate organization, the Quality Assurance Managers Council, comprises managers responsible for quality in each business unit. At these meetings,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

We also established the Product Safety Council, selected members from each business unit, exchanged information, and held study sessions with the expectation of an increasing shift from shipment of individual components to components with integrated assemblies that are close to final products or final products themselves.

Risk Assessment

Head office organization and business divisions collaborate to conduct risk assessments of end-products in which the MinebeaMitsumi Group’s parts are commonly used and which could have a serious impact on society in the event of a problem and take action to mitigate those risks.

Quality Management Framework





Quality Improvement Measures

Cooperation with Suppliers

The MinebeaMitsumi Group enters into basic transaction contracts as well as quality assurance agreements with suppliers to ensure that the entire supply chain meets customers' quality requirements. We also provide the Supplier Quality Assurance Manual, which sets forth group standard requirements on a wide range of quality-related topics, and seek the understanding and cooperation of suppliers.

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. All business divisions completed the transition to ISO 9001:2015 in FY2018.

Additionally, the Quality Assurance Headquarters holds internal auditor training to continuously develop internal auditors and maintains and enhances systems.

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 FY2018, many employees received certification, bringing the cumulative certification total for the entire MinebeaMitsumi Group to more than 800 employees.

Unified Manufacturing Labels and Adopted Bar Code Labels

We began implementing logistics management in FY2013 by unifying manufacturing labels and adopting barcode labels throughout the group to prevent mistaken product shipments and raise the productivity of verification processes, and unification for all former Minebea product has been completed.

Visualization to Further Enhance Logistics Quality

The MinebeaMitsumi Group is promoting visualization in order to improve the quality of its logistics. We organized and analyzed delivery date information, logistics and inventory data, and warehouse receiving and shipping information and optimized storage locations and logistical methods.

We conducted testing of RFID tags in maritime shipping in FY2018 and aim to conduct trial operation of the tags in FY2019.

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 significant quality issue concerning MinebeaMitsumi Group products or services, we refer to the Group 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 continuing our responses to new laws, regulations, and standards and reinforcing quality management systems throughout the Group supply chain.

We are optimizing logistics operations by using barcode labels and RFID tags and are working to enhance logistics quality.

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” of the company credo 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 2019)

	Employees	Japanese staff on overseas assignment	Total
Japan	6,334 persons	n/a	6,334 persons
North America	2,589 persons	41 persons	2,630 persons
Europe	2,532 persons	41 persons	2,573 persons
Asia	65,895 persons	525 persons	66,420 persons
Total	77,350 persons	607 persons	77,957 persons

Work Status (Non-consolidated) (FY2018)

Average length of employment	Average age	Retirement / Resignation	Turnover rate
17 years, 3 months	44 years, 2 months	154 persons	3.82%

Overtime Work Data (Non-consolidated) (Averages for FY2018)

Average number of overtime hours/month	10.23 hours/month
Average overtime wages/month	22,031 yen/month

Workforce Diversity

The MinebeaMitsumi Group, which conducts business globally, employs diverse human resources regardless of gender, age, nationality, or disability. We aim to reinforce human resource capabilities and strive to create environments where a diverse group of employees can maximize their talents.

Promoting Active Roles for Women

The MinebeaMitsumi Group positions workforce diversity as a priority management strategy to generate new values and competitiveness and be a company that achieves sustainable growth. We have made the promotion of active roles for female employees a priority.

To empower women, we take action to develop workplace environments where female employees can work with reassurance, and in March 2016, we formulated an action plan to create employment environments where female managers can thrive. The action plan includes a target of doubling the ratio of female managers by 2021 in comparison with 2016 (1.2%), (actual rate in March 2019 in MinebeaMitsumi Inc.: 1.80%).



Action Plan

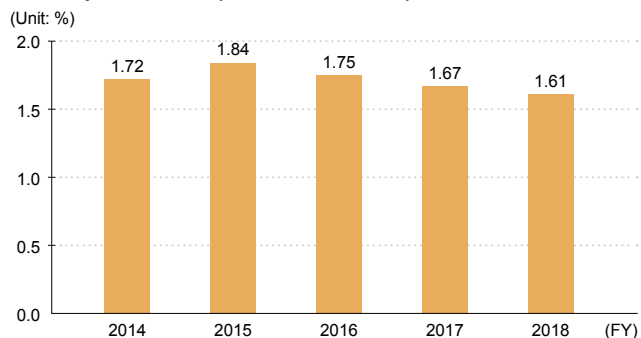
https://www.minebeamitsumi.com/english/corp/environment/sociality/employees/2018/minebeamitumi_action_plan.pdf

Initiatives Regarding Employees with Disabilities

To actively encourage the employment of individuals with disabilities, MinebeaMitsumi works with business divisions to investigate workplace environments where persons with disabilities can succeed and strengthens collaboration with public employment security offices with jurisdiction, schools for the handicapped, employment and livelihood-support centers for persons with disabilities, and other organizations. As of June 2018, the rate of employees with disabilities was 1.61%. We plan to bolster efforts to achieve the legally mandated rate for raising employment of persons with disabilities (2.2%).

Our initiatives also take into consideration improvement of the workplace environment by ensuring that all employees, whether or not they have a disability, are motivated to work by supporting personnel with specialized skills.

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



Mandatory Retirement at Age 65 Introduced

MinebeaMitsumi introduced a reemployment system that enables all employees to continue working after the mandatory retirement age until they turn 65 years old. We took active measures to use the capabilities of senior employees, but mandatory retirement at age 65 will be introduced effective April 2019. Furthermore, a uniform retirement age of 65 years will be established at MinebeaMitsumi and domestic subsidiaries. We will continue to create stable environments where employees can work to their full potential.

Human Resources Development

As its corporate scale expands and globalization accelerates, the MinebeaMitsumi Group is working to develop human resources with an enduring passion for manufacturing, the ability to think for oneself and work independently, and a willingness to achieve goals and take on the challenge of innovation while cooperating with team members with diverse nationalities.



Developing Human Resources Willing to Take on Challenges

The MinebeaMitsumi Group engages in active overseas business development and provides as many employees as possible with opportunities to work in the global arena in accordance with personnel guidelines that stipulate three to five year terms for overseas assignments. As of March 2019, a total of 607 employees were assigned to overseas posts.

In FY2018, we conducted 22 training sessions for employees starting new positions overseas or engaging in long-term, overseas business travel prior to their overseas assignments, which were attended by a total of 81 employees. We have also established support programs for local-language and English-language training to enhance communication skills after employees take up their overseas posts.

Companywide undertakings include conducting TOEIC testing every other year and conducting various programs to assess and improve employees' English skills. In FY2015, we introduced an open rotation system that allows employees to volunteer for transfer to a different department, and to date, more than 31 employees have made use of this program to undertake new work.

In order to localize management at overseas sites, subsidiaries outside of Japan conduct training for local employees. In addition, overseas employees are invited to Japanese plants and Headquarters divisions as trainees so they can acquire Japanese language skills, gain understanding of Japanese culture, and undergo training on the company's core technologies, manufacturing know-how, and management skills.

Developing Human Resources Willing to Take on Developing Future Leaders

The MinebeaMitsumi Group conducts training and implements skill enhancement programs to develop, from a medium to long-term perspective, the leaders of the future generations who are expected to drive the Group's sustainable growth.

As one part of these efforts, employees are sent to Columbia University Business School in the United States as visiting researchers where they can interact with students and researchers from diverse backgrounds, acquire wide-ranging knowledge, build personal networks, enhance language skills, and hone their leadership skills.

In FY2018, we conducted business strategy training to develop generalists who can undertake management in the future as well as technology management training to develop technical managers who can contribute to management. We also conducted next-generation leader training at sites in China with the aim of developing next-generation management human resources. We will roll out these programs to other overseas regions to develop future generations of managers.

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 FY2017, we reviewed personnel evaluation standards and promotion standards, held seminars to explain the new system, and took other measures to increase the system's 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.

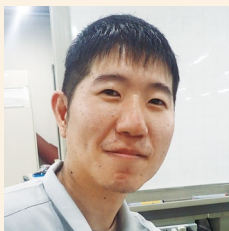
Respect for Human Rights

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 overseas sites, 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.

In Thailand, which is our largest site, our labor policy prohibits human rights violations such as compulsory labor and child labor, disciplinary measures have been established, and certification was obtained under TLS 8001-2010, a Thai labor protection standard.

Participation in the Open Rotation System

VOICE



Akihito Ohya

PM Automotive Quality Control Section
Stepping Motor Manufacturing Department
Stepping Motor Business Unit

I applied to the open rotation system, which was launched in FY2015, and was transferred from the Material Science Laboratory Hamamatsu (currently the Applied Analysis Technology Section) to the PM Automotive Quality Control Section in the Stepping Motor Business Unit. At my prior position, my main work was using chemical analyzers to perform failure analysis and materials analysis in response to requests from business divisions. I applied to the system because as I considered the causes of failure, I came to have doubts about whether my own ways of thinking were correct and

whether the results were leading to proper improvements. After I transferred to the business unit, I was able to analyze the various problems that occur at work sites and make sure that improvements were implemented. By working in a manufacturing department, the doubts that I originally had have been eliminated and I have developed a new way of thinking that differs from that of an analyst. Above all, I learned that improving our products through a process of repeated trial and error is extremely meaningful work. Problems arise from time to time at work sites, but I hope to contribute by using the strengths that I gained from working in two different worksites.



Relationships with Employees

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 (two or more times per year) and taking other measures to actively communicate with labor unions and employee representatives on issues such as the work environment and working conditions.

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 established 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.

In FY2017, we reviewed the system for reduced working hours for childcare and modified it to allow use until a child completes the third grade of elementary school. Going forward, we will continue to enhance program so that employees can select flexible work options.

Main Welfare Systems and Number of Users (Japan Group Companies) (FY2018)

Benefit	Description	Total users
Childcare leave	Paid leave or shorter working hours for employees caring for children	107 persons
Spousal childbirth leave system	System providing leave when a spouse gives birth (up to 2 days)	60 persons
Family care leave	Paid leave or shorter working hours for employees with family members requiring care	2 persons
Vacation for veteran employees	Travel coupons for employees with 30 years of service, and their families	151 persons

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.

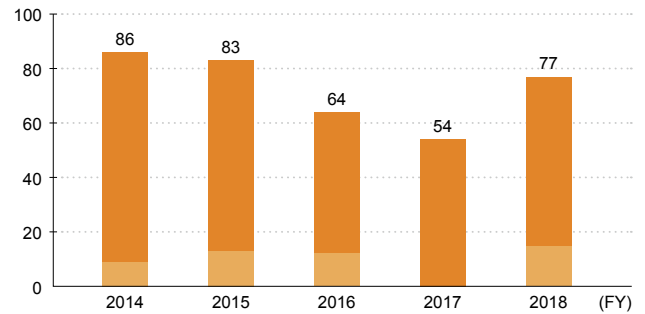
Each plant holds regular meetings of their Health and Safety Committee, comprised of working groups involved in health and safety operations and so on. At the meetings, each working group shares its progress toward its targets. In addition, the MinebeaMitsumi Group's principal plants in its mass production bases of Thailand, China, Singapore, Philippines, and Malaysia have obtained OHSAS 18001 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 production sites in each country to prevent similar incidents in the future.

Workplace Injuries and Other Accidents in the MinebeaMitsumi Group

(Unit: incidents)



Legend: MinebeaMitsumi Group (orange), Mitsumi Electric (yellow)

* Data for FY2014 to FY2016 are aggregate results for the Minebea Group and Mitsumi Electric prior to business integration

* Mitsumi Electric only refers to production sites in Japan

Regular patrols at plants

We conduct monthly safety patrols at the Karuizawa and other plants to ensure that past issues have been addressed and to identify any new issues for improvement. The safety patrols help to confirm that areas around manufacturing equipment are kept clean and orderly, to request improvements when unsafe areas are discovered, to ensure that tools are stored properly, and to confirm that safety glasses and earplugs are being used.



Employees conduct a safety patrol



NMB-Minebea Thai Ltd. employees conduct a safety patrol

Future Issues and Goals

We will continue to increase diversity further and build systems compatible with increasingly global work styles and human resources. We consider the development of workplace environments to be one of our major responsibilities, and we will continue to promote initiatives in this area.

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.



For detailed information on our Basic Procurement Policy and MinebeaMitsumi Group CSR Procurement Guidelines, please access the following link.

<https://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.

We created the MinebeaMitsumi Group CSR Procurement Self-assessment Checklist and request that suppliers respond in order to determine the status of CSR implementation by suppliers. In FY2018, we distributed the checklist to Mitsumi Electric's main suppliers in Japan and received responses from 630 companies. We provide feedback concerning the results to suppliers and engage in individual communications with suppliers in cases where issues concerning some measures were identified to ascertain the detailed status of those measures.

Supplier Selection Policy

Whenever the MinebeaMitsumi Group initiates a relationship with a new supplier, we ask the supplier to confirm its agreement with our Group's approach to materials procurement and to proceed in accordance with our New Supplier Certification Standards to ensure strict compliance with our Basic Procurement Policies. Specifically, we confirm whether suppliers are able to conduct business in a stable and continuous manner, can satisfy the Group's guidelines and standards on chemical substances in products, and agree to abide by the MinebeaMitsumi Group CSR Procurement Guidelines. When necessary, we conduct inspections of supplier production facilities.

Compliance with the Act against Delay in Payment of Subcontract Proceeds, etc.

To ensure the establishment of fair and equitable trading relations with suppliers, in FY2018 the MinebeaMitsumi Group's

domestic sites implemented self-auditing of compliance with the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors. We confirm compliance status through these audits and take measures for improvement.

We also conduct training on the Act at business sites to raise understanding of its requirements. In FY2018, 776 personnel members participated in the training.



A training session on the Subcontracting Act

Green Procurement

We have established and revised the guidelines and standards on chemical substances in products to ensure compliance with countries' laws and directives on chemical substances, to improve the level of customer satisfaction, 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.

In FY2018, we held briefing sessions on the Green Procurement Standard in China and Malaysia, and 303 persons from 182 suppliers attended.

Response to Conflict Minerals

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 from Democratic Republic of the Congo and its neighbor nations. 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 FY2019, we will distribute MinebeaMitsumi Group CSR Procurement Self-assessment Checklist to Mitsumi Electric's main overseas suppliers and collect them to confirm current conditions based on the responses.

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 Mexico

Support for Vocational Training

Mitsumi Automotive de Mexico collaborates with a nearby vocational school to raise the technical skill levels of students.

The vocational school and plant cooperate to provide a dual program that enables students to study at both the school and the plant. The plant is the only Japanese-affiliated firm in the state of San Luis Potosi and hired approximately 50 students as employees, garnering high praise from both school personnel and the students’ parents. In addition to studying at the school, the students can gain practical experience, contributing to the solid grounding of their learning including personal growth and enhancement of technical skills as they become adult members of society.



Students of the vocational school

Initiatives in China

Supporting Community Development

MinebeaMitsumi Group plants in China undertake various measures to support the development of local communities.

Plants contribute and donate supplies to the elderly in welfare facilities and children in impoverished households, and employees make efforts to deepen relationships with local residents. In addition, in areas that have been affected by natural disasters such as typhoons, flooding, and earthquakes, employees collect donations to support rapid recovery and participate in cleanup programs in the affected regions. Various programs are conducted to support community development such as holding blood drives.



Employees of Qingdao Mitsumi Electronics who visited a welfare facility for the elderly

Initiatives in Cambodia

Support for National Soccer Team

Minebea (Cambodia) became an official partner of the Cambodia national soccer team and entered into a sponsorship agreement with the Football Federation of Cambodia in June 2019. Soccer is one of the most popular sports in Cambodia, and by supporting competition and other activities by the national team on the international stage, the company is contributing to the further growth of the younger generations who support the Cambodian economy.



The Cambodian national soccer team uniform

Initiatives in Thailand

Supporting Community Reinvigoration

NMB-Minebea Thai Ltd. constructed a new pedestrian bridge in front of its Lopburi Plant in collaboration with a nearby shopping center in October 2018.

The pedestrian bridge crosses a major, six-lane road with heavy traffic in an area where it can be dangerous to cross. This project was conducted in cooperation with local residents as a memorial to King Bhumibol, who passed away in 2016. The bridge contributes to the safety not only of employees, but also local community members.



Completion ceremony for the pedestrian bridge

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, and 300,000 yen upon graduation of junior high school. Every March third-year junior high school children receiving support from the trust are invited to Tokyo to celebrate their graduation alongside employee supporters.



Participating as an Employee Supporter

VOICE



Noriko Uemura

Tokyo Customer Group
Customer Service Center
Domestic Sales Department

I participated as a supporter with the knowledge that we are providing not just monetary support, but also emotional support to the children. The moment we met for the first time, the nervous and straight-faced children began to smile, and they had an energetic and enjoyable time over the two days. I was very happy hearing about their expectations and dreams for their new lives starting in the spring.

I hope to continue efforts as an individual that will make it possible for the company to continue supporting children, whether they are in Japan or other countries.

Sponsorship of Sports Event

Every year, the Yonago Plant supports the Yonago Citizens' Memorial Regatta with the aim of contributing to local development. At the 50th Commemorative Regatta, held in FY2018, a special competitive race among the five prefectures of the Chugoku region, was held for the MinebeaMitsumi Cup.

A total of 88 teams entered the general participation race, and many people enjoyed the regatta. The Yonago Plant entered five teams in the regatta and achieved good results, placing in the top three in each category.



Presentation of the MinebeaMitsumi Cup

Zero Waste Event

The Mitsumi Electric Tama Business Division conducted cleanup activities in nearby areas on May 30, 2018, which was zero waste day.

This campaign is conducted every year in cooperation with other local businesses that are in agreement with the intent of the program, and in FY2018, one additional company joined in, bringing the total to six. On the day of the event, 15 employees split into four teams to collect empty cans, plastic bottles, cigarette butts, and other domestic waste. In FY 2018, the company was commended by the city of Tama pursuant to the Tama City Environmental Beautification Ordinance.



Participants

Support for Certified 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, a certified incorporated nonprofit organization. The monetary donations are used to assist the club in holding curling competitions and support junior and wheelchair teams.



The MinebeaMitsumi Cup curling tournament

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 eleventh and twelfth regular meetings held in May and November 2018, plant employees and community members exchanged ideas on a broad range of topics including disaster preparedness planning, accident response drills, community development, and road maintenance.

The Yonago Plant held its fourth meeting in October 2018. At the meeting, Yonago City Mayor Takashi Igi and three other city officials participated, and ideas were exchanged on various themes such as reinvigorating the city, encouraging new residents to relocate to the city, employment, and other topics.



A Meeting with the community at the 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 undertakes investor relations activities in accordance with fundamental policies that top management shall actively participate in activities, information will be disclosed in a fair and timely manner to reduce surprises, and communications shall be bidirectional rather than unilateral with the objective of ensuring a fair share price.

Our officers conduct quarterly financial briefings for institutional investors and analysts, and actively participate in overseas roadshows and investor conferences, prioritizing direct dialogue with investors. We also conduct overseas plant tours for institutional investors so they can understand our non-financial competitiveness, one of the sources of the Group's strength. These tours provide the participants with opportunities to observe the Group's strengths including ultra-precision machining technologies and mass production technologies and to get a sense of the improvements in productivity that have been achieved in Mitsumi's business as a result of the business integration.

From the perspectives of fair and timely information disclosure, in principle, we release all investor relations documents in Japanese and English simultaneously. Furthermore, briefings on financial results are streamed live with simultaneous interpretation, and we post transcripts including questions and answers on the Group's website.

We have been issuing integrated reports since FY2018. In addition to the financial and strategic information previously conveyed in annual reports, we also include the Group's thinking from a medium- to long-term perspective and key non-financial information linked to that thinking in the form of a "Value Creation Story".

Shareholder Returns

MinebeaMitsumi has made its highest priority the enhancement of the efficiency of shareholder capital and provision of ever-better returns to shareholders while maintaining stable distributions of profit over the long term based on comprehensive consideration of the business

environment. Our fundamental policy is to provide shareholder returns at levels that reflect financial performance.

In FY2018, net sales, operating income, and net income all reached record highs. This was the results of higher profitability, particularly in the ball bearing business, and growth in the automotive and aircraft related businesses. As a result, we paid an annual dividend of 28 yen per share.

In addition, we repurchased our shares with the objectives of raising shareholder returns and capital efficiency and carrying out dynamic capital policies tailored to the business environment. In FY2018, we acquired a total of 630 million shares with an approximate value of 10.6 billion yen. As a result of these actions, the total return ratio was approximately 37%.

External Assessments

MinebeaMitsumi's proactive stance on investor relations has been recognized, and in FY2018, the Group's investor relations activities and website and its integrated report received the following commendations and awards.

- Japan Investor Relations Association: IR Special Award
- Daiwa Investor Relations Co. Ltd.: Internet IR Excellence Award
- Nikko Investor Relations Co., Ltd.: 2018 Overall Ranking Best Site Award
- Nikko Investor Relations Co., Ltd.: 2018 Sector Ranking Excellent Site Award
- Selected for Excellent Integrated Report and Most Improved Integrated Report by 17 asset management institutions entrusted with domestic stock management by the Government Pension Investment Fund



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.

In response to rising interest in ESG in recent years, we will enhance communications further including use of integrated reports, the first of which was published in FY2018, and disclosure of non-financial information.



Please access the following link to view the "MinebeaMitsumi Group Integrated Report."

https://www.minebeamitsumi.com/english/corp/investors/disclosure/integrated_report/

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 plan to reduce total Group CO₂ emissions per basic unit of output by 15% by FY2020 compared with the baseline year of FY2015.

In FY2018, we set a target of reducing CO₂ emissions per basic unit of production by 9% compared with the baseline year of FY2015, but unfortunately, the reduction was only 1.5%. We believe that the decrease was limited because CO₂ emissions rose in conjunction with the business integration and the scope of effects on production from exchange rates was greater than the results of measures to reduce emissions.

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. NMB Sales Co., Ltd., a sales subsidiary, will seek to obtain certification in FY2019.



External certification audit for ISO 14001 (September 2018 in Thailand)



Environmental Education

Basic Approach and FY2018 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 received environmental management education covering the MinebeaMitsumi Group Environmental Policy, along with each site's environmental targets and action plans. Educational programs also covered waste separation and training drills for responding to emergencies.

Initiatives to Protect Biodiversity

Basic Approach

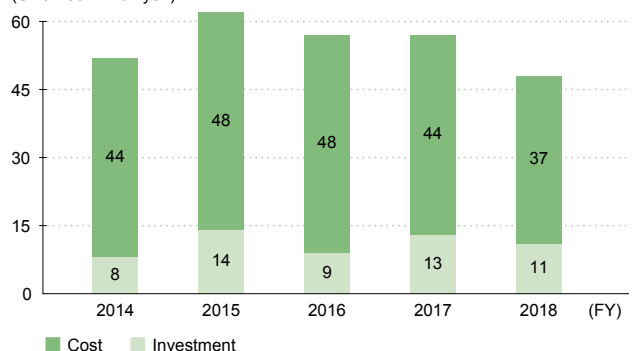
In the MinebeaMitsumi Group Environmental Policy, the item "contribution to the international community" states that we recognize that our business activities may have an effect on biodiversity and ecosystems, and that we will work to conserve nature.

Environmental Accounting of the MinebeaMitsumi Group

The MinebeaMitsumi Group conducts environmental accounting to confirm its costs for environmental protection activities. The Japanese Ministry of the Environment's Environmental Accounting Guidelines 2005 is used as a reference. The MinebeaMitsumi Group's environmental conservation costs totaled 4,852 million yen in FY2018, down by approximately 16% from FY2017.

Environmental Protection Costs, FY2014–FY2018

(Unit: 100 million yen)



Environmental Management

Environmental Impact of MinebeaMitsumi Group

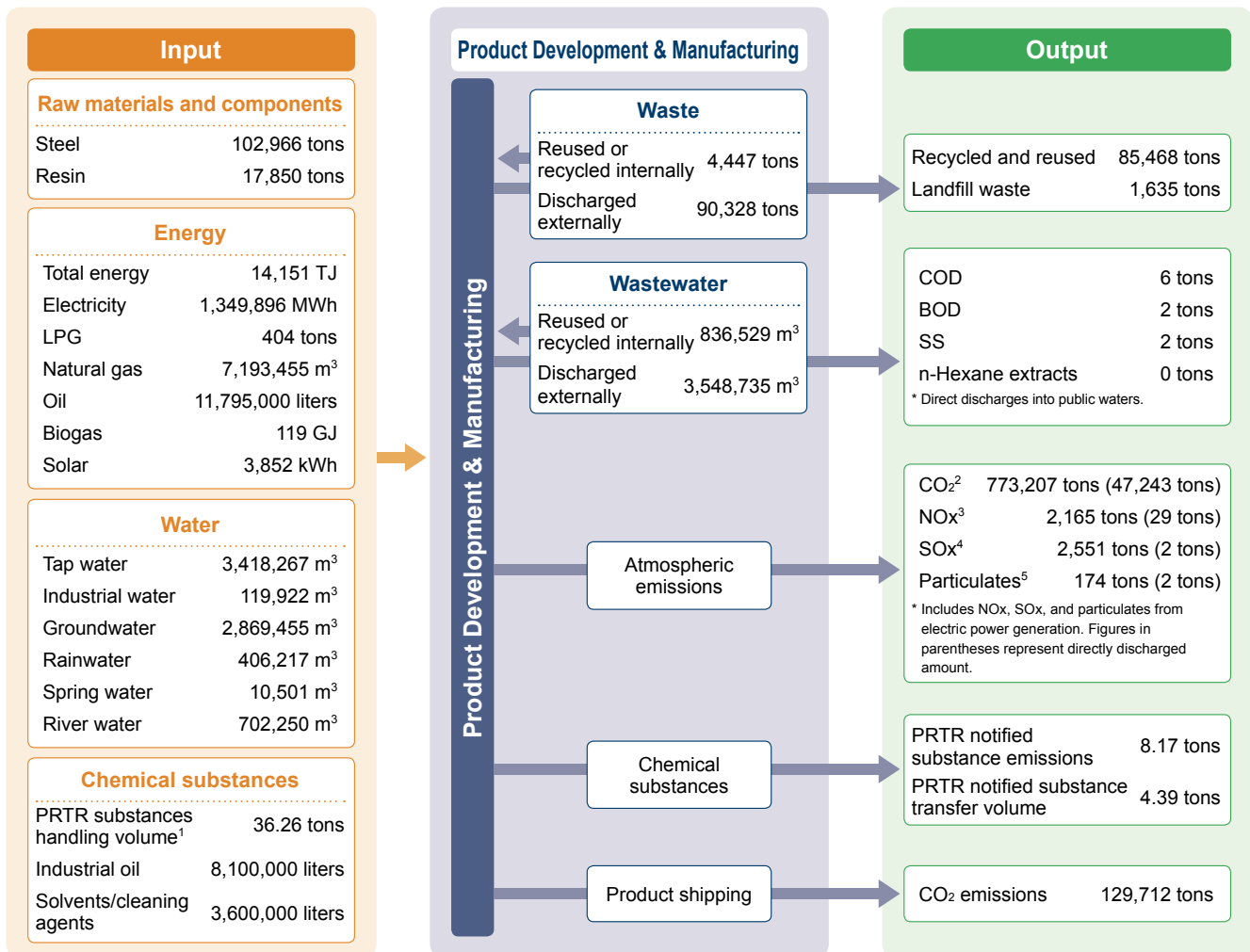
The MinebeaMitsumi Group has 83 plants in 22 countries around the world, manufacturing and selling a range of products including bearings—our main product—as well as machined components, electronic devices, and rotary components. When environmental impact is viewed in terms of the ratio of total production by region to sales, Asia (excluding Japan) is estimated to account

for approximately 80% of the MinebeaMitsumi Group's consumption and output.

Total energy consumption in FY2018 was approximately the same as in the previous year. Consumption of industrial oil increase 17%, and consumption of solvents and cleaners was up 16%.

The Group's environmental impact for FY2018 is summarized below.

Input and Output (FY2018 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. CO₂: Carbon dioxide
 3. NOx: Nitrogen oxides
 4. SOx: 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.

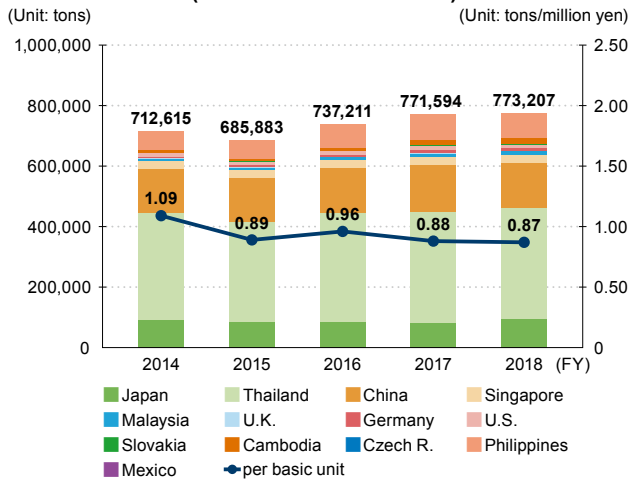
In response, each office and plant in the MinebeaMitsumi Group is proactively promoting energy efficiency initiatives in order to combat global warming.

Results of FY2018 Initiatives

The MinebeaMitsumi Group's total CO₂ emissions in FY2018 were 773,207 tons, on par with the previous fiscal year.

In terms of basic units of production, CO₂ emissions decreased 1% over FY2017 to 0.87 tons per million yen of production.

CO₂ Emissions (Total and Per Basic Unit)



Initiatives at our Offices and Plants

MinebeaMitsumi Recognized as Outstanding Business for Measures against Global Warming (Japan: Karuizawa Plant)

The Karuizawa Plant was commended by Nagano Prefecture for its proactive efforts to reduce emissions of greenhouse gases.

In the Nagano Prefecture Regulations on Measures against Global Warming, business enterprises of a certain size or larger are obligated to submit a greenhouse gas release reduction plan, and the plans are evaluated based on the content and the results of the specific actions taken.



Environmental Fairs Held (China: Shanghai Plant and Xicen Plant)

Minebea Electronics & Hi-Tech Components (Shanghai) Ltd. held its first environmental fair on October 27, 2018.

The purpose of the fair was to increase employee understanding regarding CSR, environmental, safety, and 3R activities. A site in the Qingpu District where the plant is located was used to hold the fair as well as a variety show for employees and their families to attend. The CSR, environmental, safety, and 3R committees set up booths outside the venue and displayed posters explaining their activities.

Combining the events was effective, and many people attended the fair. The posters displayed at the fair were later posted in the plant for the benefit of employees who were unable to attend the event.



Environmental fair



An exhibit booth outside the venue

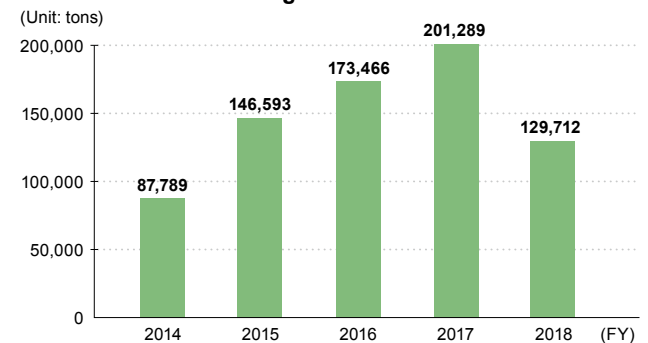
Initiatives at Logistics Divisions

Reducing CO₂ Emissions from Logistics

In addition to direct CO₂ emissions from business activities categorized as Scope 1 (gas and oil) and Scope 2 (electricity), the MinebeaMitsumi Group also strives to grasp CO₂ emissions from logistics activities (product shipment) categorized under Scope 3 (shipping and distribution).

In FY2018, MinebeaMitsumi Group's emissions of CO₂ related to product shipments totaled 129,712 tons, a decrease of 36% compared to FY2017.

CO₂ 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 FY2018 Initiatives

In FY2018, principal raw materials used by the MinebeaMitsumi Group included approximately 102,966 tons of steel and 17,850 tons of resin, and the total amount of materials used increased about 2% compared with FY2017.

The amount of landfill waste generated by the Group's operations in FY2018 totaled 1,635 tons, increasing 56 tons compared to FY2017.

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 FY2018 totaled 3,548,735 m³, an increase of 59,391 m³ compared with FY2017.

building (a three-story structure) is scheduled for completion in February 2020.



Concrete is ground up by a Galapagos crusher (September–October 2018)



Ground concrete reused as gravel (white areas) (September–October 2018)

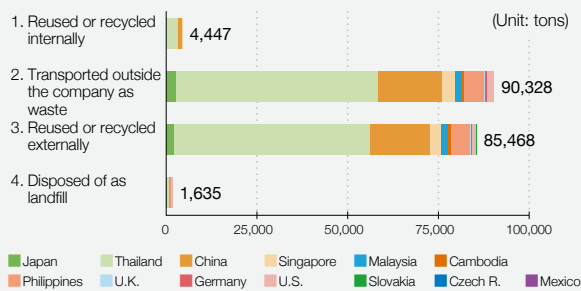
Action to Reduce Waste Plastic (Cambodia)

Waste collection, separation, and disposal are becoming a major social issue in Cambodia, which has inadequacies in its social infrastructure and education system. The Cambodia plant started initiatives to reduce plastic waste at its cafeteria, one of the first to do so in Cambodia.

Approximately 9,000 local employees undertook bottom-up measures with high environmental awareness, changing the sale of fruits at its cafeteria from using disposable plastic bags to reusable plastic plates in March 2019. This reduced plastic bag use by approximately 160,000 bags—or a weight of 312 kg—per month. Going forward, the use of bamboo straws and reusable plastic cups is also being considered, with plans to further reduce plastic waste by 100,000 units per month.

Plastic waste was also raised as an important theme at the G20 Osaka Summit (held in June 2019), and it is becoming a global social issue. MinebeaMitsumi shares the success story at Cambodia with the entire Group, and the approximately 100,000 employees unite as one to undertake waste plastic reduction.

Waste Processed (FY2018 Actual)



Plant Initiatives

Reuse of Waste Materials Generated at Reconstructed Plants (Japan: Akita Business Division)

When reconstructing a building, the Akita Business Division finely ground up the concrete used in the foundations of the old building and reused it as gravel at the site. The new

Future Issues and Goals

For FY2019, the Group's goal is to reduce the amount of waste sent to landfill by 12% 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 as landfill with the aim of achieving still further reductions in the future.



Sale using plastic bags

Sale using reusable plastic plates

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 FY2018 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 that exceed national and local regulations and monitor waste management.

In addition, we conducted environmental patrols at all Group plants to ensure there are no leaks, 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 it 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 pH¹, COD², BOD³, SS⁴, and n-hexane extracts⁵.

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

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

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 FY2018, we conducted joint patrols at all plants in Thailand and China.



Wastewater treatment facilities at the Lopburi Plant in Thailand



Resin drying equipment at the Xicen Plant in China

Observation of Waste Disposal Sites (Japan, Thailand)

Some waste material generated at plants and offices can be difficult to reuse or recycle at the plant or office. This type of waste material is outsourced to waste treatment companies for processing.

The MinebeaMitsumi Group selects reliable treatment companies for outsourcing processing and periodically visits the processing sites to observe the status of processing and management. We will continue to cooperate with treatment companies and take measures to prevent environmental contamination including soil, water, and air pollution during waste processing.

Members of the Japanese Group Environment Management Department, Thai Environment and Energy Committee, and representatives from the Rojana Plant and Ban Wa Plant conducted onsite tours of an industrial waste processor and recycling company in Thailand on August 7, 2018.



Members of the Japanese Group Environment Management Department and Thai Environment and Energy Committee observe a waste processing site

Future Issues and Goals

The MinebeaMitsumi Group will continue to conduct business operations in compliance with environmental laws in Japan and around the world and is implementing countermeasures in areas where it has caused environmental contamination in the past.

Product-related Initiatives for the Environment

Basic Approach

The MinebeaMitsumi Group declares in its Basic CSR Policy that it will contribute to global environmental sustainability and sustainable human development through stable supply and making reliable products with low energy consumption widely available.

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

Creating environmentally friendly products is set in the Group's materialities (priority issues).

MinebeaMitsumi Group Environmentally Friendly Products

Approximately 40% of global electric power is used by motors, while another 25% is accounted for by lighting. The MinebeaMitsumi Group believes that increasing the performance and energy efficiency of these products can have a substantial impact on reducing energy consumption, so we strive to enhance performance and quality.

The products that the 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.

Starting in FY2019, the Group is organizing and announcing these developed products as MinebeaMitsumi Green products.

MS-V7 SALIOT LED Spotlight (with tracking function)

MinebeaMitsumi created a stir in the lighting industry with its ultra-thin lenses for LED lighting using ultra-thin optical guide plate technology. Moreover, SALIOT combines the optical technologies represented by these ultra-thin lenses with motors, power supplies, wireless functions, and multiple different products and technologies.

SALIOT reduces wasted light with narrow light distribution and a glareless¹ design, cutting CO₂ emissions by approximately 66% compared to earlier products (products of other companies²).

Moreover, weight has

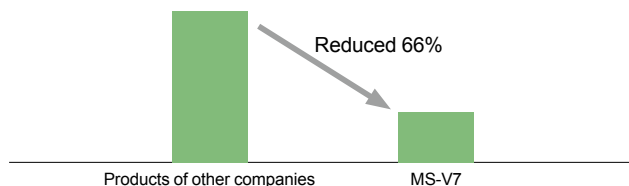


MS-V7 SALIOT LED Spotlight (with tracking function)

been reduced by 34.4% by replacing aluminum die cast parts with pressed metal and resin components and making other changes. Miniaturization of the circuit board as a result of lower power consumption and other advancements make possible a product that is 38.9% more compact.

1. Elimination of unequal light intensity distribution.
2. General products of other companies when under equivalent ceiling height and downlight illumination intensity conditions.

Graph of Annual CO₂ Emissions



AC Adaptors for Domestic Information Terminals (Smart Phones)

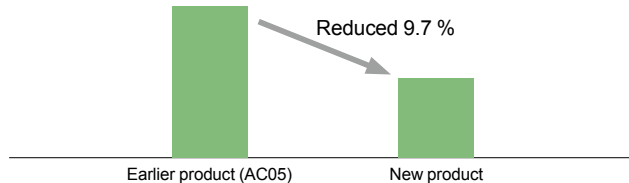
We reviewed the internal structures and circuit formats of MinebeaMitsumi AC adaptors for domestic information terminals to make them smaller, higher capacity, and higher efficiency compared to earlier products.

Assuming that a charger is used for charging for three hours and is in standby for 21 hours each day over the course of a year (365 days), CO₂ emissions have been reduced by approximately 9.7% compared to earlier products.



An AC adaptor

Annual CO₂ Emissions



Future Issues and Goals

The MinebeaMitsumi Group introduced the MinebeaMitsumi Green Products Certification Program on a full scale in FY2019. We will accurately discern the specified needs of society and develop new products that contribute to safety, energy saving, low resource use, and longer product lives.

Comments on the MinebeaMitsumi Group CSR Report



Mr. Keisuke Takegahara

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

When expressing an opinion regarding the MinebeaMitsumi Group CSR Report 2019, I feel it is necessary to start by determining an evaluation perspective. This is because last fiscal year, the Group switched from an annual report to an integrated report, and this report has become a medium for disclosing non-financial information, such as value-creation scenarios and the sustainability of business models, primarily to long-term investors. If non-financial information is to be considered in a comprehensive manner, combining the CSR report with an integrated report is one possible option, but I believe that understanding the intention of continuing the report as an independent medium and assessing whether that intention is conveyed to readers from the perspective of a third party is the role of this page.

When viewed from this perspective, I once again noticed that the main topic of this report is people. The Group's stance of emphasizing human capital is conspicuous, evidenced by the first of the Five Principles (be a company where our employees are proud to work), the Group's corporate credo, and the commitment from the CEO stated in this report, emphasizes this point even further. As the group expands by pursuing synergy effects through integration, sharing the fundamental values by employees with diverse backgrounds has become even more important, and I understand that this is in the background to making this a separate report. In other words, of the various factors supporting the long-term growth of the MinebeaMitsumi Group, it is noteworthy that this report focuses on the development of a corporate culture where

diverse human resources can achieve their full potential.

Clear indications of the nature of this report can be found in the Hot Topic entitled "MinebeaMitsumi Group's Human Resources Development" and Special Feature 2 entitled "Cebu Mitsumi Continues to Evolve." The former presents the opinions of employees along with the Group's human resources strategy from the perspective of further global development and plays the role of emphasizing the message that employees are the Group's most important stakeholders. The latter creates a rather strong impression by providing a concrete example of what the Group means by "creating environments where all employees can demonstrate their maximum capabilities," one of the priority topics set through the identification of materialities. Contributing to local communities exemplified by the development of engineers in collaboration with universities in particular is a persuasive narrative on how reinforcing the groundwork for the development of human resources leads to strength on the part of the company.

I believe that there are a number of points where improvements should be made to make the uniqueness of this report more distinct. The positioning of materialities relating to sustainability in Special Feature 1 and the relationship with the subject matter could be explained in somewhat more detail. Also, the relationships with the SDGs suggests a long-term perspective, but the facts that the medium- to long-term targets are still set for 2020 and that the reports on various undertakings in the second part are divided from the first half and lack a clear narrative leave some room for improvement. I look forward to further improvements as a report with considerable originality with people as its main topic.

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, and its Representative Office in Frankfurt and as general manager of Environmental Initiatives & Corporate Social Responsibility-Support Department. In addition, he is a member of the Japanese Ministry of the Environment's Working Group on Incorporating Issues regarding Sustainability into Investment, the Ministry of Economy, Trade and Industry's TCFD Consortium Steering Committee, the Cabinet Office's Regional Revitalization SDGs Management/ESG Investment Study Group, and NEDO's Technical Committee.

On Receiving a Third-party Opinion



Mr. Tatsuo Matsuda

Executive Advisory Manager
In charge of CSR, Sustainability
Management Division

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

The MinebeaMitsumi Group CSR Report 2019 focused on the active roles and development of our employees—our most important stakeholders.

In the Hot Topics section, we featured the creation of a culture where diverse human resources can demonstrate their full capabilities, and our Group's human resources development from the perspective of further global

development. In Special Feature 2, we introduced Cebu Mitsumi's regional contributions rooted in the local community, and initiatives for the materiality (priority issue) of creating environments where all employees can demonstrate their maximum capabilities. We wish to express our appreciation for once again giving strong recognition to our beliefs regarding the people of our Group.

Furthermore, in Special Feature 1, we have determined our materialities for the first time, and related them to the SDGs. As pointed out, going forward, the issues are to set our medium- to long-term targets, and at the same time, communicate the progress of our Group's CSR activities in a way that is easier to understand.

Looking ahead, we will endeavor to issue reports that are easy to read and understand so that our CSR reports can become effective tools to let all stakeholders understand MinebeaMitsumi.

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