

How does MinebeaMitsumi aim to “maximize the power of employees”?

Material issues (Materiality)

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A roundtable discussion was held between Outside Directors Atsuko Matsumura and Yuko Haga, who shared their thoughts on how MinebeaMitsumi should approach “maximizing the power of employees,” one of the Company’s material issues (Materiality), Kanako Ishida, Deputy General Manager of Human Resources & General Affairs Division, and Yumi Arima, Deputy General Manager of Human Resources Development Department, with whom the Outside Directors exchanged opinions.

First of all, as an Outside Director, how do you assess the Company’s talent strategy in recent years?

Matsumura: In recent years, the Company has designated talent strategy as one of its key themes for engagement. I am very impressed with the way that the Company has actively worked to supplement and strengthen its existing strategies while responding to the demands of the times, to enhance its corporate value and achieve challenging management targets.

In 2018, when I was first appointed as an Outside Director, the Company set targets such as talent development to take challenges with a global focus, promoting women’s advancement, and diversifying employee working styles. The material issues for the Company were identified with the establishment of the Sustainability Management Division in 2019. In terms of talent, the Company strengthened its initiatives to develop key global talent, in addition to ensuring employee safety and health, and creating positive and rewarding work environments. In 2020, the Company held a diversity seminar to mark the launch of a project to promote women’s advancement. I was tasked with giving the keynote address. There was also a panel discussion featuring the Company’s female managers, which no doubt provided a big impetus for our young female employees. In 2021, the Company engaged in promoting diversity and inclusion (D&I), strengthening its efforts to create workplaces where diverse talents are accepted and mutually respected. The Company began to place a greater emphasis on new value creation through the expansion of forums for interchange between diverse talents.

In this way, I feel that the Company’s talent strategy has steadily evolved. I will pay close attention to the progress going forward.

The Company is targeting net sales of 2.5 trillion yen and operating income of 250 billion yen by the fiscal year ending March 2029. Tell us about the specific initiatives that form the Company’s talent strategy aimed at achieving these targets and the long-term goals for the Company’s 100th anniversary.

Ishida: MinebeaMitsumi’s talent strategy has been formulated with the aim of expediting its Corporate strategy. MinebeaMitsumi is expanding its businesses through overseas expansion and M&As. We are in the process of expanding numerous businesses. In order to accelerate the Company’s growth to achieve our targets for the fiscal year ending March 2029, it is essential not only to further temper the Eight Spears of our core businesses but also to create new spears. For this reason, we face an even greater need for leaders who will expand and deepen our businesses with new ideas unconstrained by the existing framework, and for engineers who will not only integrate and deepen our various technologies but boldly aspire to develop new technologies.

By effectively operating a talent management system that integrates the acquisition, discovery, development, and appropriate assessment and compensation for the talent we seek, we are constructing a mechanism to enable all employees to make maximum use of their abilities and create outstanding results as teams. This is the talent strategy that MinebeaMitsumi is using to accelerate growth.

- Ms. Haga, what impression do you have of the characteristics of the Company’s talents?

Haga: I think the Company has three strengths. First, it has steadily developed international talent over many years, and has an abundance of talents who are capable of playing an active part in business overseas.

Second, it is extremely good at integrating new talent into its existing organization and bringing in new influences and ideas from outside. Why is this? I think this ability is due to the

Company’s attitude. The Company ensures that new employees understand its strategy and reason for existence and have a mutual recognition of strengths and weaknesses. It actively strives to incorporate the strengths of other companies. For example, a meeting I attended the other day included a briefing on the results of team building by ABLIC. The Company is always eager to integrate good practices and positive examples company-wide.

Third, the Company actively welcomes talent from outside in areas where it has talent shortages, and encourages these talents to play active and important roles in appropriate positions. I think the Company makes a conscious effort to ensure these talents can make the most of their abilities by imparting to them, in clear and certain terms, the direction for which the Company aims and the performance expected of them.

At the same time, I think that dealing with Generation Z and other future generations do represent a challenge. Those in Generation Z seek forums for self-realization. If they don’t think a certain position fits them, they simply move on to the next one. They are capable of various modes of communication, and they understand diversity. The question of how to construct HR systems that are acceptable to this generation is an important theme for the Company.

- Tell us about the type of leader the Company will need in the future, and related initiatives by the Human Resources Development Department.

Ishida: We will develop potential leaders capable of apprehending a broad view of business from a long-term perspective, perceiving the business opportunities and determining how to effectively leverage these opportunities, and considering and implementing ways for the Company to contribute to resolving social issues. We will also actively acquire such talents from outside the Group.

Arima: The Human Resources Development Department was established in 2013 to secure and develop talent to support the Company in its centenary era. We implement continuing programs for outstanding employees aged in their 30s and 40s, to develop the next generation of leaders by enhancing their leadership imagination, and raising and expanding their perspectives. These include programs such as systematic training in business strategy, dispatching employees to Colombia University in the United States as visiting research fellows, and encouraging them to undertake difficult challenges.

- How do you ensure that technical skills and know-how are passed on inside the Group?

Arima: We operate a skills certification program aimed at identifying the technical skills possessed by our engineers, and developing capabilities. The program focuses on developing our young, mid-level engineers. MITSUMI ELECTRIC had been implemented training for young technical employees with high potential, where they learn technology management from basic knowledge. We have expanded this initiative horizontally across the MinebeaMitsumi Group.

- Tell us about the talent management that handles the diverse talents that are a feature of MinebeaMitsumi.

Ishida: We want the senior generation, which has supported our growth until now, to pass the Company’s DNA on to employees in Generation Z, which will lead the Company as it marks its centenary in 30 years. We want to ensure that our Generation Z

make maximum use of their potential. We’ve implemented a wide range of measures to assist talent with diverse needs, but it is also vital to have core systems to integrate these measures. We believe that we will be able to efficiently operate the framework where appropriate assessment and communication lead to more

effective talent development, self-development and autonomous career development through the use of the HR database, which is currently being prepared. We are also continually implementing education to enable employees, especially those in management positions, to gain a correct understanding of the Company’s approach and systems, and to use these systems efficiently.

- Ms. Matsumura, please share your views on the talent strategy promoted by the Company.

Matsumura: I think it’s vital for the Company’s talent strategy with a view to our 100th anniversary to contain measures to enhance human capital through investment in areas such as leadership development, the development of specialist talents and global talents. It’s important to raise the efficiency of talent management to develop talent with advanced abilities and bring about innovation.

At the same time, it’s also important to implement strategies to increase employee engagement and raise their motivation to make maximum use of their abilities for the Company’s development. I look forward to the Company implementing initiatives for employees’ physical and mental health and happiness—their well-being—through measures such as consideration for their work-life balance.

We believe that the passing down of manufacturing technologies and skills is one of the key issues for the Company, which is manufacturing differentiated products with advanced technologies. It is important to have talent development that can rapidly pass down and advance the expertise for manufacturing each product in various forms, and we expect to strengthen the Company’s initiatives going forward.

- Ms. Haga, what are your views on the tasks and challenges the Company faces to develop talent and its next generation of leaders?

Haga: The Company considers it vital to determine strategic goals first, then consider the qualities required to lead our team to achieve these goals, from a perspective that considers the outside world and changes in the external environment as well as internal factors. We need talent with the innate ability to seek and perceive what is going on, and where: talent that will constantly send out feelers searching for new information.

Properly utilizing the next generation will be the key to developing the next generation of leaders. I think it’s also vital for companies to provide the tools and methods to enable their talent to demonstrate leadership adapted to technological change; moreover, that top management thoroughly discusses and deepens its shared understanding of what aspects should be maintained unaltered through generational change.

There are many aspects to the Company, forming the background and roots of its growth that should not be altered even as a new generation takes over. At the same time, the Company will not be able to keep up with external changes if it keeps advocating a certain approach just because it led to growth



Outside Director Yuko Haga

Outside Director
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Deputy General Manager of the Human Resources Development Department
Yumi Arima

in the past, or calling it common sense just because it was the accepted practice until now. I look forward to robust discussion concerning what aspects really need to be changed, and what should be kept the same.

Tell us about the Company's recent initiatives for promoting diversity and inclusion (D&I).

Arima: As a global corporation, MinebeaMitsumi has a diversity

of products, plants, and people. We regard this diversity as the source of our technological innovation and INTEGRATION activities. Of the Group's 100,000 employees on a consolidated basis, female accounted for 63.5% of employees and 16.4% for managers. On the other hand, within Japan, there is still ample room to promote the advancement of women.

Two years ago, with advice from the two Directors present today, we set up a project across four Group companies in Japan. The project focused on three initiatives: first, cultivating corporate culture and changing awareness; second, the proactive recruitment of women; and third, the creation of workplaces enabling employees to balance work and private commitments and play an active part long-term, regardless of their gender. As a result of these endeavors, MinebeaMitsumi received "Eruboshi (Level 3)" certification in 2021. This year, we have gone on to obtain "Kurumin" certification. Most recently, we have implemented training for all managers concerning unconscious bias and emotional safety. The response we received, far exceeding our expectations, reinforced for me the fundamental importance of accepting diverse opinions to create new value.

- How do the two Directors present today view these initiatives concerning D&I?

Matsumura: The Company's promotion of D&I is linked to new value creation through talent diversity and mutual understanding, in a broad sense. The synergies resulting from talent INTEGRATION can be expected to generate diverse ideas and contribute greatly to the Company's growth. D&I can bring a range of benefits such as achieving innovation and the effective promotion of quality control. It also has a positive impact on the Company's ESG initiatives. The promotion of D&I, in various forms, is therefore essential to enhance the Company's value.

In terms of the empowerment of women, the proportion of female managers is still low on a non-consolidated basis. However, through the work of the Human Resources Development Department, the Company's female managers are providing role models for young female employees, and I think we can expect the proportion of female managers to rise. In terms of diversity in nationality, the Group is fortunate to have abundant international talent, with an extremely high proportion of overseas employees. Outside Directors have the opportunity to come in contact with foreign managers through forums such as business division meetings, and going forward, I hope that we will be able to use these kinds of opportunities to exchange opinions with foreign managers.

Haga: I was previously involved in research into the employment of disabled people. One thing I learned from this research was the importance of gaining a perspective on "whether we know what kind of support is really needed." We begin empowering women by

asking "what kind of support is needed for women's advancement?" A similar approach can be taken to empowering those with disabilities. The Company has always been very understanding of diversity, and I think it can progress by summarizing the kinds of support needed by people in different circumstances, including those who play an active role despite their disabilities. I consider this to be an important way to achieve inclusion.

Let's move on to the Company's initiatives to create workplaces where employees can work efficiently and autonomously, and its initiatives to promote safety and health. The Company plans to relocate to its new Tokyo Headquarters building (MinebeaMitsumi Tokyo XTech Garden) next year. What does it hope to achieve by that move?

Ishida: The New Tokyo Headquarters building will gather outstanding talent. It will function as the Group's core site for INTEGRATION activities, promoting the INTEGRATION of technology through talent INTEGRATION and co-creation. Our initiatives to promote INTEGRATION and co-creation include measures to leverage cutting-edge technology and promote coexistence with local communities and the global environment. We will also create mechanisms to further enhance INTEGRATION effects by cultivating a workplace environment and culture that enables diverse talents to engage in work enthusiastically and perform at their best. We consider that initiatives such as these will accelerate the Company towards realizing its management strategy.

- What kind of expectations and opinions to the directors have for this relocation?

Matsumura: Through discussions at the Board of Directors, I expect that we will see increased profits through the improvement of the productivity and satisfaction of employees achieved by providing a pleasant space and well equipped facilities. In particular, I have high expectations that the activation of the free exchanging of opinions between employees and the generation of ideas will lead to increased motivation to work, as well as the creation of innovation. In addition, by activating dialog between employees across departments, it will be possible to exchange various information, including in regard to the empowerment of women and team building initiatives, and I think that this will lead to the generation of multiple INTEGRATION effects in terms of talent, and the effective resolution of issues.

Furthermore, by providing a space where employees can have thorough discussions with customers, it will be possible to provide the best products through the exchanging of opinions with customers, which I expect will lead to improved customer satisfaction and the enhancement of business.

Haga: We exchanged opinions about the expected effect of this relocation effort at the Board of Directors, and I think that there are two elements for achieving an effect.

The first one concerns hardware; at one university, research labs for different fields have been set up in the same research building, and whiteboards have been installed on the corridor walls, creating an environment in which researchers from different fields can freely discuss with each other. This is quite common in the United States, and I have expectations for means to realize such open activities. The second thing is that I think it is necessary to have something on the soft side that gives incentives to employees who want to go out on their own rather than be closed in their department or company. For example,

how about an incentive that allows for a part of working hours to be used for outside activities?

As I believe that the new Tokyo headquarters building has great potential, I would like for various initiatives to be considered that will lead to the enhancement of INTEGRATION activities.

- The "INTEGRATION of talent" has become a key phrase, but what do you have in mind in terms of specific efforts for team activities?

Ishida: Our company is focusing on team building activities as a measure to promote the INTEGRATION of talent. Various efforts have been performed at each department in terms of small group activities for quite some time, however since 2019 we have integrated these into a system, and have started company-wide activities. In these three years, each department has devised and promoted team building activities with a focus on improving productivity and reducing costs, and great results have been produced. The next challenge is the revitalization of activities that cross existing frameworks such as departments and regions, and the creation of even more dynamic results. Therefore, we will take measures that encourage teams to embark on new challenges.

- How about the promotion of health and safety in relation to the creation of the workplace?

Arima: We are actively working towards the creation of a work-friendly workplace environment that will allow for each employee to take pride in their work, stay healthy and active, and demonstrate their full potential. Our overseas mass production base has obtained ISO 45001 certification, and has established an environment that realizes safe manufacturing. Japan introduced a statutory retirement age of 65 in 2019. In order for our veteran employees, who have an abundance of knowhow and experience, to convey their knowledge and skills to the younger generation, I think that it is important for them to be able to work actively through to the statutory retirement age. In addition to offering a healthy menu at our employee canteen, we plan to also establish fitness facilities and a massage room at the New Tokyo Headquarters Building. In regard to mental health, we have established a help desk where employees are able to freely seek counseling. Most recently, we were recognized as a 2022 Certified Health & Productivity Management Outstanding Organization by the Ministry of Economy, Trade and Industry. We will continue to strengthen our efforts to promote employee health.

- What kind of initiatives do you have in mind towards the "achievement of diverse styles that enable employees to work enthusiastically?"

Matsumura: In order to maintain a high level of employee motivation and to further improve their level of contribution to the company, it will be important to take appropriate work-style reform measures. Employees each work under their own particular constraints, such as childbirth, childcare, nursing care, activities outside of work, as well as their own physical and mental issues, and I think that we need to provide various options in order for employees to maintain a work-life balance.

At the group, both within Japan and overseas, our employees have a high level of devotion to our company, fully understand our corporate philosophy, and demonstrate their abilities with enthusiasm. In order to bring about even greater effect from the INTEGRATION of talent that utilizes such high quality human capital, I would like for discussions to also be held at the Board of

Directors regarding the diversity of work styles.

Haga: In addition to these, the management of long working hours is also important. If there is a recognition that dedicated employees are working long hours, I think that this represents a great risk for the company. Why is health management important? Absenteeism and presenteeism have been studied as examples in which great loss is caused to a company through inefficiencies caused by absences due to illness and inefficiencies caused by coming to work even when unwell. I would like to ask that we monitor for the occurrence of such incidents behind the scenes at the company.

Please tell me your opinions about the initiatives for achieving the "maximization of the power of employees."

Matsumura: The purpose of "maximizing the power of employees" is to achieve the ambitious goals of the company, and enabling all employees to fully demonstrate their abilities will lead to a significant improvement in the company's performance as well as an increase in our contribution to society. To achieve this, it will be important for the company to develop and educate talent, while also providing a pleasant work environment that encourages employees to do their best. In order to create positive and rewarding work environments, it is important to listen to the opinions of employees, for example, for the Human Resources Development Department to install opinion boxes at various locations around the company, to promote the free use of these by employees, to collect various opinions, to analyze the trends, and to use the results to respond as flexibly as is possible. I would also like to provide my firm support towards the realization of an attractive workplace where all employees can maintain a good work-life balance, feel rewarded, and maximize their potential.

Haga: I think that from the company's perspective, "maximizing the power of employees" is an issue of "is this a place where employees can be fulfilled?" It will be necessary to foster a talent system and culture that allows for each talented employee to achieve fulfillment at the company over the long term, for management to provide such an environment, and for employees to respond to this; I think that this will build trust. I think that various measures will be put in place in the future; I hope that the results of this will be visualized, monitored regularly, and that various risk management activities will also be able to be performed if regular feedback is provided to the Board of Directors.

Ishida: While inheriting our DNA, we will foster a unique organizational culture that is furnished with new strengths, and by having employees empathize with this, their activities will have a soul, resulting in employees working together to achieve their goals. In order to continue to be such an organization, we will continue to develop a system that utilizes talent in which we do not lose sight of the big picture while valuing the things that make us unique, and listening to the opinions of all those around us, including those inside and outside the company.

- In addition to supervising the execution of business, our outside directors provide a large amount of valuable advice based on their expert knowledge and extensive experience. The company will accelerate growth through the "INTEGRATION" of diverse talent, while incorporating such valuable advice.



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