

# Corporate Governance

## Basic Approach

Under its basic management policy of the Five Principles, the Minebea Group's management objective is to fulfill its social responsibilities to its diverse stakeholders, including shareholders, suppliers, the local community, global society, and employees, and to maximize its corporate value. To achieve this management objective, Minebea regards the enhancement and reinforcement of corporate governance as a key management theme.

Furthermore, to ensure healthy management of the company and strengthen corporate governance, the Minebea Group is promoting the establishment, development and expansion of an internal control system.

## Corporate Governance System

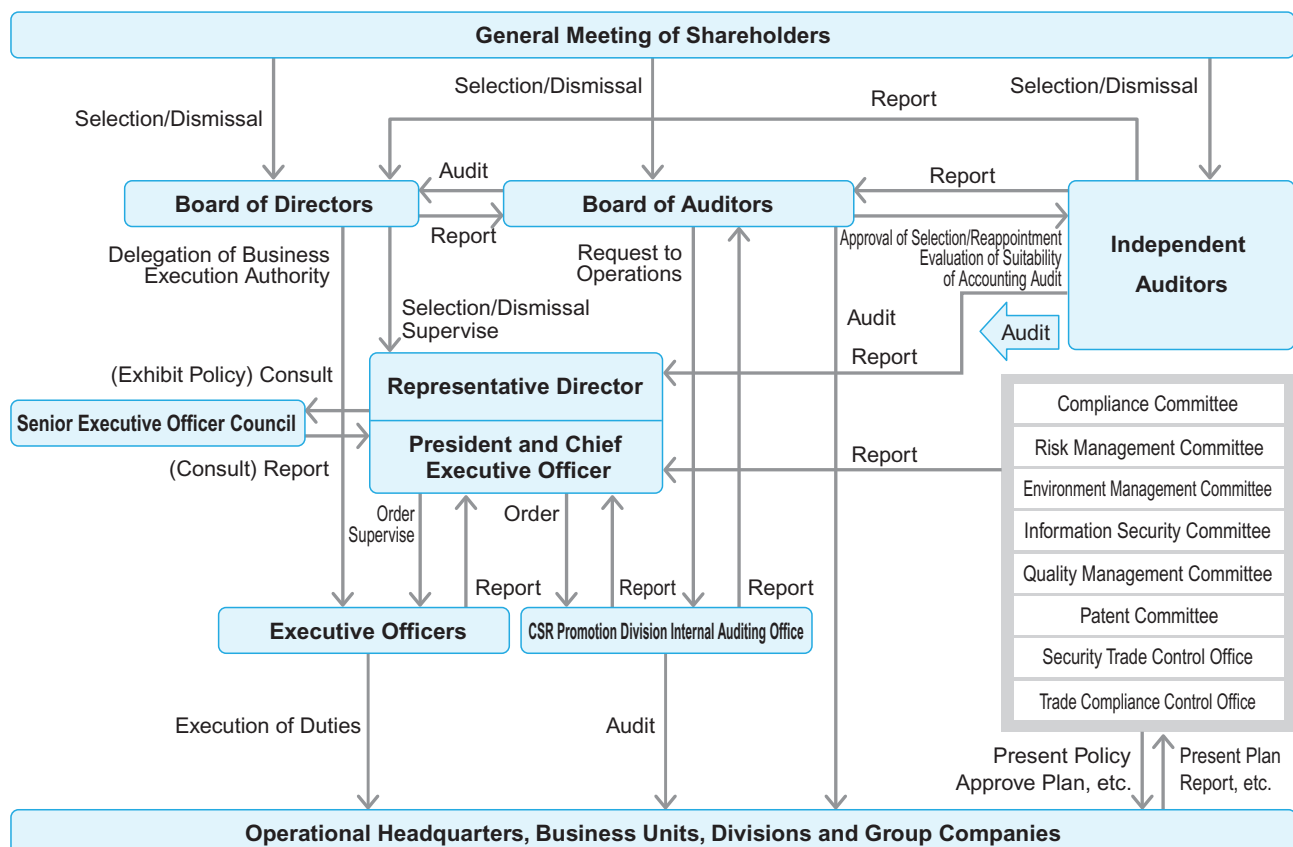
Minebea maintains a ten-member Board of Directors to meet our need for high-level strategic business judgments and prompt action. At the same time, our executive officer system enables the Board of Directors to delegate significant responsibility, and clearly divides management and supervision functions from executive functions.

Moreover, our ten-member Board of Directors includes two external members who provide advice on all aspects of our corporate management. These external members also strengthen the Board's oversight function relating to the conduct of our business.

Furthermore, for a stronger, comprehensive auditing function, three of our four corporate auditors are external auditors (one of whom is a standing auditor).

In addition to conducting Board of Auditors meetings and attending Board of Directors and other important meetings, the corporate auditors, in conjunction with independent auditors and the Internal Auditing Office, conduct audits of domestic offices, subsidiaries, and overseas subsidiaries as well as auditing the activities of directors.

### Minebea Group's Corporate Governance System





## ● Supervision of Management

The Minebea Group's supervision of management is performed by our ten-member Board of Directors, whose responsibility it is to make critical strategic business judgments in a timely manner. The Board of Directors includes two external members who provide advice on all aspects of our corporate management. These external members also strengthen the Board's oversight function relating to the conduct of our business.

## ● Management Execution Function

The Minebea Group employs an Executive Officer system to delegate the management authority of the Board of Directors to Executive Officers, and promote responsive, timely, enhanced management.

## ● Management Monitoring System

The Minebea Group has adopted a management monitoring system consisting of four corporate auditors, of whom three are external auditors.

In addition, members of the Minebea Group Board of Directors do not have titles. This is intended to enhance overall monitoring of board members.

## Enhancement of Internal Control System

The Minebea Group has established an internal control system to maintain disciplined business management. This approach enhances corporate governance, bolsters fulfillment of the company's social responsibilities, and undertakes to further enhance corporate value.

To ensure healthy management, the Minebea Group Board of Directors has adopted Basic Policies for the Internal Control System. Based on this policy, we are working to comprehensively develop and reinforce a range of systems and structures including our Compliance System, Information Storage System, Risk Management System, System for an Efficient Execution of Duties, Management of Group Companies, and Audit System Matters.

In addition, the Minebea Group established the CSR Promotion Division in FY2009, bringing together the Internal Auditing Office, the Internal Control Promotion Office, and the Compliance Office. This step was taken to strengthen the functioning of these offices as well as to seamlessly and efficiently link the smooth adoption and use of internal financial reporting control systems with internal control systems based on Japan's Company Law. In FY2010, a fourth office, the CSR Promotion Office, was added to the CSR Promotion Division.

## Internal Control System Structure

- ① Structure to assure that the execution of duties by board members, executive officers and employees are in conformance with the law and Minebea's articles of incorporation (Compliance System)
- ② Storage and management of information related to execution of duties by board members and executive officers (Information Storage System)
- ③ Rules for managing loss risk and other rule structures (Risk Management System)
- ④ Structure to assure efficient execution of duties by board members and executive officers (System for an Efficient Execution of Duties)
- ⑤ Structures to ensure that the operations of the company and its affiliates are appropriate (Management of Group Companies)
- ⑥ Structures to ensure that audits by the Corporate Auditors are effective (Audit System Matters)

## Internal Financial Reporting Controls

To ensure the reliability of its financial reporting, the Minebea Group has established internal control structures and systems that it also endeavors to continually improve and upgrade. The Company has also established and is developing and managing a basic framework for internal financial reporting controls that complies with the basic framework of Japan's Financial Instruments and Exchange Law.

Management is also evaluating the effectiveness of these internal controls, and as of the end of FY2010, determined that the Minebea Group's internal financial reporting controls were effective. In addition, Minebea adheres to the Financial Instruments and Exchange Law, as set forth in management's Report on Internal Control Systems. Minebea's auditor, KPMG AZSA LLC, audited this report and concluded that the contents demonstrate that Minebea is operating in conformity with the aforementioned law.