

# Risk Management



## Basic Approach

Because our response to risk could profoundly affect the Minebea Group's business fundamentals, we believe that risk management is vital to the management of the company. We established the Minebea 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 Minebea Group has final responsibility for risk management, with major decisions regarding risk management being made by the Risk Management Committee. As a precautionary measure, Minebea attempts to predict and classify tangible risks in advance, and remains vigilant against such risks. In the unlikely event of an emergency, the severity of the situation is assigned a level of one to three, and after consultation by the Risk Management Committee, management headquarters and local countermeasures offices are established, to respond rapidly and effectively to the situation. Further, Minebea has organized a system under which—depending on the nature of the risk being managed—a supervisory division may be appointed to handle a situation, for which it will draft and implement responses.

## Information Security

### Information Security Structure

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

We have also established an Information Security Committee headed by a managing executive officer, composed of Information Security Task Forces that implement measures in each country.

### Information Security Training

To improve employee awareness of information security, the Minebea Group conducts information security training. Information security briefings are held annually, and tutorials are conducted by the Information Security Task Force in addition to training for new and experienced employees when they enter the company.

In FY2013, a total of 11,333 employees attended information security briefings, including temporary employees and subcontracted employees.

### Initiatives to Protect Personal Information

Personal information retained by the Minebea 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 outbreak, 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 begun formulating and implementing business continuity plans (BCP) for major business sites in and outside Japan.

In FY2013, we conducted three BCP training drills at the Karuizawa Plant using earthquake scenarios. Outside Japan, we conducted drills for deploying floodwalls at our Thai plants, while in Cambodia and China (Shanghai) Plant we held emergency drills.

## Future Issues and Goals

Going forward, we will formulate BCP for plants in Cambodia, China and other work sites in and outside Japan to provide a BCP structure responsive to a variety of contingencies, while conducting drills to instill the BCP into site operations.

### Explosion at Peterborough Plant (United States)

On February 10, 2014, an explosion at our Peterborough Plant in the United States caused injuries to 22 people. The cooperation of many people made it possible to gradually resume normal manufacturing activities from February 13. An investigation discovered the cause of the accident to be waste chemicals used in surface treatment. We improved substance handling procedures, conducted a comprehensive check of hazardous materials, and provided further employee training to ensure similar accidents do not reoccur. We will continue to improve our manufacturing sites as part of our corporate responsibility to provide stable product supplies to customers and protect the health and safety of our employees.