

Commitment from the President

Looking Back on FY2015

I'm pleased to report that our ball bearing business, motor business, and measuring components business, which we have renamed sensing devices, all grew steadily in FY2015 and achieved higher sales and profit amid growing demand. As a result, for FY2015, we posted consolidated net sales of 609,814 million yen, an increase of 21.8% over the previous year. Our consolidated operating income, meanwhile, declined 14.4% to 51,438 million yen, and our net income declined 8.8% to 36,386 million yen. We achieved record-high net sales, despite the income decline in certain areas resulting from customers' reduced production and other factors. The record sales reflect our dedication to our basic business belief of "manufacturing with sincerity."

As we reinforce the foundation of our business activities, it will be essential to implement CSR based on the "Five Principles," which serves as the basis of our CSR approach, in order to ensure sustainable growth into the future.

To vigorously promote our CSR-based management, in November 2015 we repositioned the "Five Principles," which until then had been our basic management policy, as the company credo to be pursued by the entire Minebea Group. Additionally, we confirmed CSR issues at each Group site and bolstered our global CSR management structure.

It is important that we remain aware of stakeholders' expectations of our Group by holding direct communication with them. In FY2015, we conducted a survey of CSR procurement practices in China, following similar surveys in Japan and Thailand, while strengthening our systems for promoting CSR collaboratively with suppliers. In Japan, we continued our local community dialogues by holding a dialogue in May 2016 with Fukuroi City, Shizuoka Prefecture, which hosts the Hamamatsu Plant. We invited the mayor and other community representatives to visit the plant and share their requests and opinions with us. We will respond sincerely to the feedback we received by reflecting their views in plant operations and business development.



Yoshihisa Kainuma
Representative Director
President and Chief Executive Officer
Minebea Co., Ltd.

A stylized handwritten signature in black ink, likely belonging to Yoshihisa Kainuma.

Ensuring Growth through Manufacturing to Create New Social Value

The Minebea Group firmly believes that it is the mission of a manufacturing company to make contributions to society through the development and manufacture of products. In accordance with this belief, the principle of "Creation of social value through products" is included in the Minebea Group's CSR Implementation Principles. In 2015, we announced our new "Five Arrows" strategy to expand business and ensure sustainable growth by creating social value through manufacturing.

For example, we are striving to strengthen our existing product lineups by creating high-value-added products which support our customers' development of high-quality, high-performance end products, such as energy-efficient automobile engines and airplanes with improved fuel efficiency. Over the years, the Minebea Group has successfully developed a broad range of

advanced technologies, from core technologies to ultra-precision machining capabilities and assembly technologies. As we leverage these individual technologies, we are also using them to provide EMS products incorporating a variety of software to offer unique value. In FY2015, we announced the new LED lighting equipment “SALIOT” (Smart Adjustable Light for the Internet Of Things), which combines optical technologies used in LED backlight manufacturing with circuits, motors, and wireless communication technologies to promise new value in the lighting business.

On March 30, 2016, we concluded a final business integration agreement with Mitsumi Electric Co., Ltd. (hereinafter Mitsumi Electric). Although Minebea and Mitsumi Electric share a similar business field, there is little overlap between our product lineups. Additionally, the sources of our competitive strengths are different, and therefore I am confident we can generate synergies in manufacturing. By combining Mitsumi Electric's various product development technologies with our in-house manufactured assembly equipment, mold designs, manufacturing and mass-production capabilities, we can transform ourselves into a true

solutions company. Our goal is to create new products with even higher added value and maximize our corporate value.

Building a Foundation for Our 100th Anniversary to Ensure Sustainable Growth into the Future

I made a promise to build a foundation for our 100th anniversary upon my appointment as CEO in April 2009. To build a stronger foundation, each and every employee in the Minebea Group must be dedicated to our basic belief of “manufacturing with sincerity.” Driven by our 60th anniversary corporate message “Passion to Exceed Precision,” all our executives and employees are striving to achieve sustainable growth with a sense of passion for manufacturing.

This report explains the Minebea Group's business activities and CSR activities from many different perspectives. The feedback we receive from our readers will help us improve our business activities going forward.

I look forward to hearing your honest opinions.

The New “Five Arrows” Strategy

