

## Third-party Opinion

# Comments on the Minebea CSR Report



**Mr. Keisuke Takegahara**

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Development Bank of Japan Inc.

Following the style of past years, the “Minebea Group CSR Report 2016” offers a strong balance among the environmental, social and governance fields, as well as a detailed explanation of activities in each field. In terms of content, the report clearly demonstrates how Minebea is making further progress in CSR. These changes are explained straightforwardly at the start of the report in the “Commitment from the President” section. Minebea has repositioned its management policy and basis for its CSR, the “Five Principles,” as its company credo. This clarifies how Minebea is reflecting stakeholder expectations into value creation and pursuing it as a unified Group. Based on this approach, this year’s report features an article on how Minebea is building a CSR strategy structure across its Group, including overseas sites, and another article on a direct dialogue with its stakeholders. These two special features underpin the entire report.

The special feature on Shanghai Minebea demonstrates how Minebea is strengthening its structure laterally across the Group and how the company puts its key theme of globalization into practice. It’s remarkable how Minebea strengthens its CSR structure by examining activities broadly to include its supply chain, as shown in the CSR procurement survey of suppliers in China. Supply chain management of overseas sites is an important theme when we consider the CSR boundary<sup>1</sup>. Minebea’s feature story is all the more impressive considering the relative lack in information disclosure among Japanese companies in this regard.

Minebea continues to prioritize direct communication with stakeholders. Following a dialogue last year at the Yonago

Plant, the company conducted a dialogue this year at the Hamamatsu Plant, reflecting its deepening bonds with local communities. Additionally, this year’s report demonstrates the company’s commitment to employees. The articles on the Shanghai Plant and global human resources show in detail how Minebea implements a broad range of initiatives to promote diversity, human resources development, and make workplaces comfortable for its employees (work-life balance initiatives, health management). Coupled with employee turnover rate, overtime work and other data, these articles show that Minebea is putting its “Five Principles” into practice by being “a company where our employees are proud to work.”

In terms of environmental initiatives, the Group is decoupling<sup>2</sup> activities by reducing its overall CO<sub>2</sub> emissions 5% year on year and 23% per basic unit of output even while sales grow. The environmental management system (EMS), which the company has taken the initiative to promote Group-wide, is functioning effectively and showing steady improvements. This bodes well for the Group’s future promotion of CSR.

Regarding future reports, I would like to see more information about Minebea’s research and development activities along with its technological capabilities. Specifically, I would like to learn more about how their product portfolio is changing through the management integration, the new “Five Arrows” growth strategy, and how the company is achieving the “Creation of social value through products” as expressed in its CSR Implementation Principles. These are the kinds of information that best elucidate Minebea’s unique aspects as a company.

1. Boundary: The scope of impact by an organization
2. Decoupling: The separation of economic growth and energy consumption by reducing energy consumption even while maintaining a certain level of economic growth and convenience

### 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, its Representative Office in Frankfurt, and as general manager of Environmental Initiatives & Corporate Social Responsibility–Support Department. Mr. Takegahara is also a member of several councils, including the Japanese Ministry of the Environment’s Environment Industry Market Size Research Committee and the Environment Growth Engine Study Council, along with the Cabinet Office’s Future City Promotion Board and the Future City Assessment and Research Committee.

## On Receiving a Third-party Opinion



**Mr. Tatsuo Matsuda**

Managing Executive Officer  
Chief of Personnel & General Affairs  
Headquarters

Mr. Takegahara has again provided us with valuable feedback on the Group’s CSR promotion. We are honored that he has praised the progress of our overall CSR initiatives.

This year’s report features an article on a dialogue with citizens from the community around the Hamamatsu Plant, an important research and development site for the Electronic Devices & Component Manufacturing Headquarters, as well

as an article on CSR activities at Shanghai Minebea in China. Our relationships with Shanghai Minebea employees and the local community, along with our environmental initiatives there, are representative of the way we are putting our Group’s corporate credo, the “Five Principles,” into practice.

In the social report, we disclosed our CSR procurement activities in China, and we are honored by Mr. Takegahara’s high praise of this initiative. This will only serve as encouragement for us to make further strides on the management of our global supply chain.

Mr. Takegahara has identified areas for improvement in our research and development and technological initiatives. We plan to make a fuller disclosure of these activities from next fiscal year. Additionally, there were CSR goals for FY2015 that we did not achieve. We recognize these as issues to address this fiscal year and in subsequent years as we strive to make continual improvements.