Comments on the Minebea Mitsumi Group CSR Report



Mr. Keisuke Takegahara Executive Officer Deputy Chief Research Officer Development Bank of Japan Inc.

The MinebeaMitsumi Group CSR Report 2017 is the first CSR report published by the Group since its business integration in January 2017. Consequently, while it generally follows the format of the previous edition, the content provides insight into many new initiatives. I also strongly sensed the intention of the Group to display the creation of new value through "difference" that surpasses common practice, as declared in the new corporate slogan "Passion to Create Value through Difference." By rearranging the information using these words as the key, the content can be summarized as: the new growth strategy, global expansion, and the emphasis on human capital.

The new growth strategy is evident in the Commitment from the President at the beginning of the report and discussions concerning the significance of business integration and future directions in the interviews with executive officers in Special Feature 1. The "Seven Spears" strategy indicates the comparative strengths of the two companies, including mechanical and electronic, analog and digital, input and output, together with new key business portfolios which combine these. It clarifies specific growth fields, such as devices (for automobiles and robotics), which underpin the age of IoT, and health care.

Global expansion has long been a fundamental theme of this report, however this year, the focus on CSR procurement and human resource development as one of the "Hot Topics" makes the unique characteristics of your company even clearer. With the anticipated shrinkage in the Japanese market, there will be more companies that proclaim a global strategy, however there are still few companies that are able to indicate their response to global ESG issues,¹ which is important non-financial information. On this point, MinebeaMitsumi has steadily expanded the coverage² of its CSR procurement, and has recently strengthened its management at overseas bases. The disclosure of this process is a pioneering effort. Moving forward, the Self-assessment Checklist will be deployed at the Southeast Asian bases of Mitsumi Electric, which I believe will even further strengthen the Group in this area.

Lastly, the emphasis on human capital is a unique feature of the company's report, together with globalization. The focus on people is a consistent theme, but this year's Hot Topics highlighted the development of global human resources, while Special Feature 2 concerned the education of the next generation and introduced the Group's comprehensive global efforts to nurture the engineers who will lead in the future. Such content revealed the "face" of the company more than ever before.

Furthermore, format improvements, such as shifting data on environmental management online, allows this edition to spotlight initiatives relating to the aforementioned characteristics, effectively highlighting more of the company's "differences."

Moving forward, by depicting the link between value creation through the "Seven Spears" strategy to the resolution of social challenges such as informatization, and population aging, I hope that you will be better able to devise ways to more strongly share the beliefs of the company contained in the new slogan.

- 1. Environmental, social, and governance issues
- 2. Scope of application/adaptation

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 groups, including the Japanese Ministry of the Environment's "Working Group on Incorporating Issues Regarding Sustainability into Investment," "Environment Growth Engine Study Council," the Cabinet Office's "Working Group for Eco-Model City Project," and NEDO's Technical 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.

This fiscal year's CSR report, our first as the MinebeaMitsumi Group, contains two Special Features and two Hot Topics sections. We are very pleased to receive high appraisal for the way in which these sections represent the CSR of the MinebeaMitsumi Group.

Based on the points raised by Mr. Takegahara regarding depicting the link between value creation and the resolution of social challenges, we hope to proceed by first gaining an understanding of these issues through communication with stakeholders.

There were CSR goals for FY2016 that we did not achieve and we recognize these as issues to address this fiscal year. Furthermore, we will undertake our initiatives with a positive attitude in order to attempt reform of the PDCA promotion structure.

Now and in the future, we will endeavor to make our CSR report easy to read and to understand, as we firmly believe that it is a valuable tool to enhance understanding of MinebeaMitsumi among all of our stakeholders.