

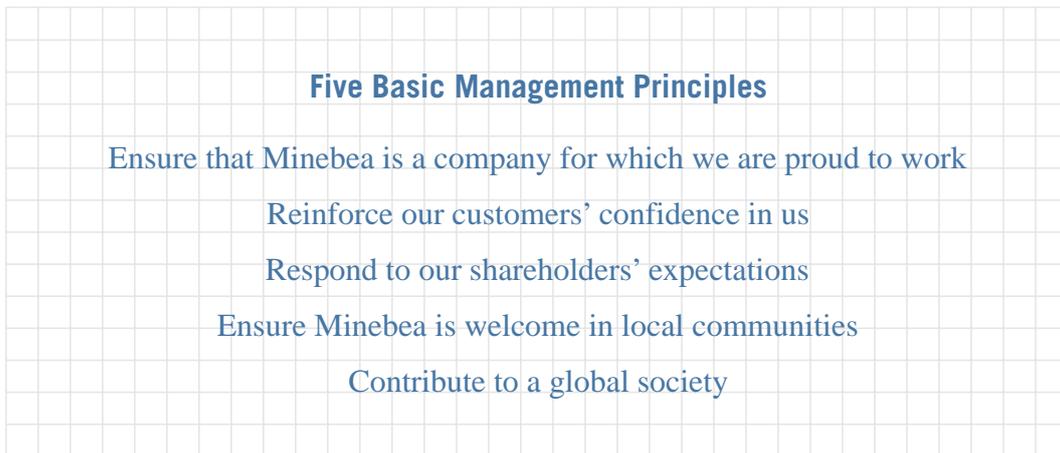
Corporate Governance

“For whom does the company exist?” In response to this question, we have set out a clear basic management policy which holds that customers, shareholders, government and local communities, and employees are all our stakeholders, and champions the concepts of “a company that the employees can be proud of,” “a company that is trusted by customers,” “delivering on stockholders’ expectations,” “a company that is welcomed by the community” and “contributing to international society.” As part of this basic concept, and in response to the need for highly strategic business judgments and timely action, we have changed the 25 member Board of Directors to a 10 member system as of June 27, 2003, to facilitate prompt and strategic decision making. At the same time, by introducing an executive officer system, we have delegated significant authority from the Board of Directors to executive officers, clearly divide the role of management/supervision functions from operational functions, heighten the organization’s agility and enhance its ability to respond promptly and effectively to market needs. Furthermore, we have introduced a bonus system for directors and officers that works in conjunction with consolidated business performance, and clarified our

performance-linked compensation system. In specific terms, important items are currently decided upon at a meeting comprised of 8 senior executive officers to facilitate swift decision making. Executive officers will bear responsibility and powers regarding business operations. Moreover, as part of our efforts to strengthen corporate governance, we have included 2 external Board members in the 10-strong Board of Directors.

The Board of Auditors is comprised of four members, of which two are external auditors. In addition to holding the Board of Auditors’ meetings and attending Board of Directors’ meetings, the auditors work in conjunction with the internal audit department to audit domestic offices, subsidiaries, and overseas subsidiaries, as well as audit the activities of directors.

Furthermore, the Company has always been conscious of working towards “more transparent management,” both in and outside the Company. We will continue to disclose appropriate information at the appropriate time to provide our stockholders and investors with information for investment value decisions, and continue our efforts to heighten management transparency.



Minebea’s Management Structure

