

## Corporate Governance

Minebea believes that effective decision making, engendered by a sound management policy that encourages vigorous debate, and transparent, accountable management are essential to the effective execution of corporate activities. We conduct our operations with the firm conviction that our shareholders, customers, business partners, government and local communities and employees are all stakeholders in Minebea and have advocated five basic management principles, shown below, which reflect this conviction. These include responding to shareholders' expectations by raising corporate value, a task we continue to approach with the understanding that to build long-term corporate value we must address the concerns of all stakeholders.

To enhance decision making, we have reduced the number of directors on the board to 10, from 25. This has enabled us to realize quicker and more strategically focused management decisions. Additionally, we introduced an executive

officer system to facilitate a clear distinction between management and supervisory functions and functions related to the execution of business. These measures have greatly enhanced our responsiveness to the market.

We have also introduced an economic value-added (EVA<sup>®</sup>) management system to evaluate businesses and facilitate forward-looking, strategic decisions regarding the selective cultivation of businesses and the appropriate allocation of management resources. Additionally, we have adopted EVA<sup>®</sup>-based bonus assessment programs for directors and executive officers.

To improve the transparency and accountability of management, we have decided that two of the 10 directors on the Minebea Board and two of our four corporate auditors will be from outside the Company. We have also sought to enhance our investor relations activities and increase information available on Minebea's web site.

### Five Basic Management Principles

Ensure that Minebea is a company for which we are proud to work

Reinforce our customers' confidence in us

Respond to our shareholders' expectations

Ensure Minebea is welcome in local communities

Contribute to a global society

### Minebea's Management Structure

