

Chapter IV

Environment and Social Report

In order to contribute to the sustainable growth of society, we at MinebeaMitsumi strive to fulfill our social responsibility, while promoting ESG initiatives.

We will work to incorporate initiatives to resolve environmental and social issues into business activities through dialogue with our stakeholder, so as to leave to the next generation a rich global environment and a sustainable society.



Environmental protection activities in which our Thailand employees participated. Working in cooperation with the company, they performed work such as repairing the sluice gate of the reservoir, mending irrigation facilities, releasing young fish, planting trees in the surrounding area and making efforts to preserve the landscape.

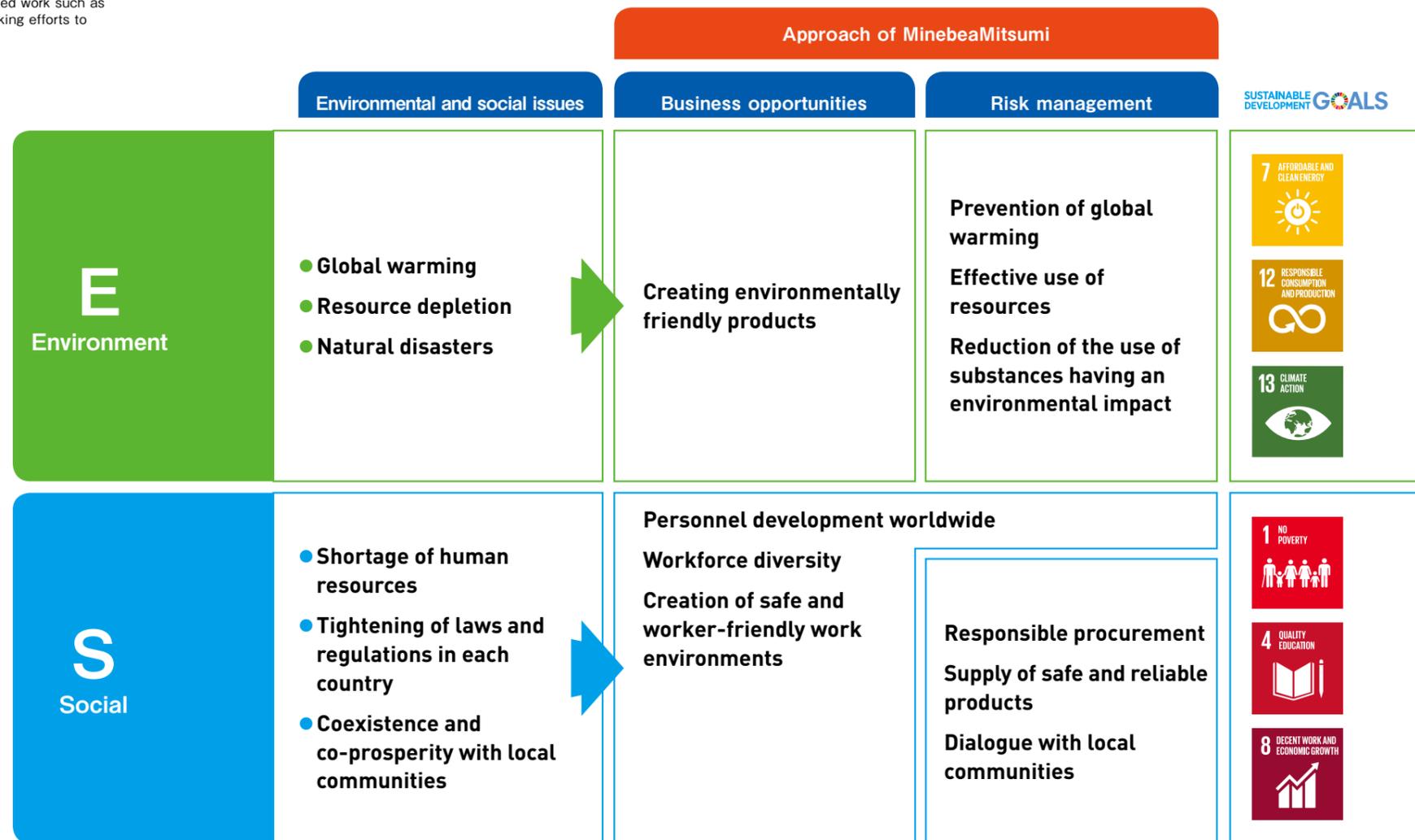
MinebeaMitsumi Group's Stakeholders

MinebeaMitsumi Group stakeholders are defined as employees, customers, shareholders, local communities, and global society, which are affirmed in our company credo, the Five Principles, as well as suppliers and the environment that supports our society.



CSR/Environment website <http://www.minebeamitsumi.com/english/corp/environment/>

More detailed information regarding our environmental and social initiatives, including MinebeaMitsumi Group's CSR report, is available on the MinebeaMitsumi Group website.



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Initiatives for the Environment

E Environment	Environmental issues	Approach of MinebeaMitsumi
	Global warming	<ul style="list-style-type: none"> ● Creating environmentally friendly products
	Resource depletion	<ul style="list-style-type: none"> ● Prevention of global warming
	Natural disasters	<ul style="list-style-type: none"> ● Effective use of resources ● Reduction of the use of substances having an environmental impact



Environmental highlight (fiscal year ended March, 2018)

Percentage of major production facilities with ISO 14001 certification 100%	CO ₂ emissions (per basic unit of output) 8% reduction (Year on year)	Recycling rate of generated waste 98% or more	Waste sent to landfills Substantial reduction
Plants with zero plant wastewater 5 plants	Use of service water Substantial reduction (Year on year)	Emergency preparedness Plants implementing training for oil and chemical leaks All plants	Activities to protect biodiversity Mangrove trees planted by CEBU MITSUMI employees 14,000 trees (As of July 2017)

Business opportunities related to the environment

Creating environmentally friendly products

Basic approach

The MinebeaMitsumi Group's basic CSR policy is to work toward stable supply of highly reliable products with low energy consumption and make them widely available in order to contribute to the sustainable improvement of the global environment and the sustainable development of humanity.

Items (components) supplied by the Group are used in a variety of end products, which is precisely why it is vital to take into account to the environmental impact throughout the entire life cycle, through such characteristics as energy saving, reduced use of resources, and long product life.

● High-precision and high-quality ball bearings

MinebeaMitsumi's high-precision and high-quality ball bearings are used in a wide range of products essential to our daily lives, such as household electrical appliances, information and telecommunications equipment and automobiles. By helping to ensure such products have greater precision, better energy saving, higher resource

efficiency and longer product life, our ball bearings contribute to the environment in a variety of ways.

● Power brushless motors

These motors are used in the drive mechanisms of household electrical appliances and of office automation equipment such as multi-function copier-printers and printers. In office automation equipment applications, custom ICs enable precise control that in turn allows high efficiency and low power consumption. In household electrical appliance applications, we have developed models incorporating microcomputers, which contribute to improved performance of such appliances by enhancing functionality and making them quieter as a result of implementing low-noise algorithms.

Particularly for products, such as fans, that previously used AC motors, converting to our DC motors can result in reductions in power consumption of 50% at high speeds and 90% at low speeds.



Countermeasures for environmental risks

Preventing global warming

Basic approach

The MinebeaMitsumi Group recognizes that the international issue of global warming, along with the related issues of soaring energy prices and abnormal climatic conditions, pose a significant threat to the continuation of its business activities.

In response, each office and plant in the Group is proactively promoting energy saving initiatives in order to prevent global warming.

● Energy saving initiatives of our plants

At MinebeaMitsumi plants both in Japan and overseas, we are actively introducing technologies with superior energy saving performance, such as high-efficiency centrifugal chiller for air conditioning, inverter-type air compressors and LED lighting. In addition, we are implementing initiatives to comprehensively improve energy saving performance at plants, such as by treating the roofs and external walls of plants with thermal-barrier coatings, and using waste heat recovery techniques and CO₂ sensors to control the intake of external air.



Centrifugal chiller installed in the Xicen Plant, China

Effective use of resources

Basic approach

The Group recognizes that there are limits to the availability of resources used in its products, which include metals, plastics, and other raw materials, along with oil, natural gas, and other energy sources. Water is another precious global resource that is vital to life and our production activities.

We believe that the effective use of resources is critical to the continuation of our business activities, and to that end we are taking various measures.

● Effective use of rain and river water (Thailand)

In Thailand, our plants collect rainwater in a reservoir on the plant grounds and purify it at rainwater reuse facilities, and reuse it as industrial water. In addition, one of the Thai plants started to draw water from the nearby Chiang Rak Noi Canal and purify it to use as an alternative to tap water. Through doing this, the plant has reduced both its tap water consumption and its water related costs.

● Recycling of vials and other materials (domestic logistics warehouses)

Since the fiscal year ended March 2009, the Group has been recycling stretch films, polypropylene bands and polyethylene containers (vials) for packaging products delivered to customers, as a valuable resource. In order to make effective use of limited resources, we will continue to promote the recycling of materials going forward.

Reduction of the use of substances having an environmental impact

Basic approach

Wastewater and atmospheric emissions from plants can be a source of water, soil, and air pollution that poses a threat to local communities. At the Group, we believe that harmony with local communities is indispensable to our business activities, and as such, we are striving to reduce the use of substances having an environmental impact.

● Plant wastewater purification

Prior to releasing wastewater into rivers, the Group plants use their own treatment facilities to purify wastewater to within fixed environmental standards. These plants adhere to environmental laws and regulations of the countries and localities in which they operate, and independently monitor the composition of such wastewater discharges regularly.



Fujisawa Plant's wastewater treatment facility

● Implementation of environmental patrols at overseas plants

At the Group, members of the Group Environment Management Department in Japan regularly visit overseas plants to implement environmental patrols together with members of the local environment management departments.



Hazardous material warehouse at the Lop Buri Plant in Thailand, 2017

● Inspection of waste disposal sites (Japan, Thailand, China, etc.)

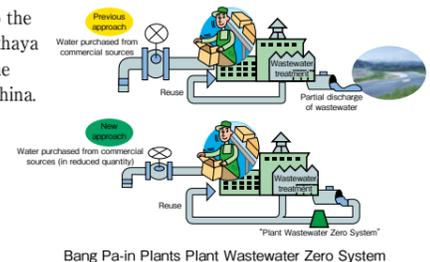
At each plant and office, there are types of waste which are difficult to reuse or recycle on-site. In these cases, the waste is disposed of through third-party waste disposal companies.

The Group selects reliable waste disposal companies, contracts them to dispose of said waste, and conducts regular inspections of their disposal sites to confirm the status of waste disposal and management. We will continue to cooperate with waste disposal companies to ensure that their waste disposal processes do not generate soil, water, air, and other pollution.

● Operation of Plant Wastewater Zero System (Thailand and China)

The Group operates plants which use large amounts of water in the processing of manufactured products and take measures to reduce discharges of wastewater. Our plants purify used water to reduce the level of waste to below standards required by environmental laws and regulations of each country and locality, before releasing the water into the environment. Despite these measures, we cannot guarantee that the released water has zero impact on the surrounding environment. At our plants in Thailand and China, which use large amounts of water, we have adopted the Plant Wastewater Zero System to reduce the wastewater to be released and its impact on the environment to as close to zero as possible.

This system is introduced to the Bang Pa-in, Lop Buri and Ayutthaya Plants in Thailand, as well as the Shanghai and Xicen Plants in China.



Bang Pa-in Plants Plant Wastewater Zero System

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Initiatives for the Society

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Social

Social issues

- Shortage of human resources
- Tightening of laws and regulations in each country
- Coexistence and co-prosperity with local communities

Approach of MinebeaMitsumi

- Personnel development worldwide
- Workforce diversity
- Creation of safe and worker-friendly work environments
- Responsible procurement
- Supply of safe and reliable products
- Dialogue with local communities

1 NO POVERTY

4 QUALITY EDUCATION

8 DECENT WORK AND ECONOMIC GROWTH

Social highlight (fiscal year ended March, 2018)

Percentage of overseas employees <h1 style="font-size: 2em;">92%</h1>	Percentage of female managers <h1 style="font-size: 2em;">27%</h1>	Percentage of employees that return after childcare leave <h1 style="font-size: 2em;">100%</h1>	Promotion of green procurement
Enhancement of the training system Target groups: Employees, local communities and suppliers	Reinforcement of quality control systems	Social contributions that meet the needs of communities	Active participation in dialogue with communities

Business opportunities related to society, and risk response

Personnel development worldwide

Basic approach

In the context of the expansion of its corporate scale and the acceleration of globalization, the MinebeaMitsumi Group is working to nurture human resources that can take up the challenges of the future. The Group strives to instill an ability to think for oneself and work independently with enthusiasm and curiosity, a passion for manufacturing, and a global mindset.

- **Nurturing human resources that can take up challenges**

The Group is actively expanding overseas and providing as many employees as possible with opportunities to work in the global arena, in accordance with the personnel guidelines that stipulate three-to-five-year terms as the standard period for overseas assignments.

In the fiscal year ended March, 2018 we conducted 21 training sessions for employees prior to their overseas appointments or long-term business trips, with the participation of 99 people in total. As part of ongoing support after the employee has commenced his or her posting, we have

also put in place systems to support the study of English and of the language of the country to which the employee was posted, so that he or she can strengthen communications while in that country.

In order to localize the management of overseas sites, our subsidiaries outside Japan provide training to local employees based on their respective training programs. Additionally, overseas employees are invited to Japanese plants and divisions in Headquarters as trainees so that they can study Japanese and gain a better understanding of Japanese culture. We also educate trainees on the Company's core technologies, as well as its manufacturing know-how and management.

- **Consideration of human rights**

The Group prohibits discrimination based on such factors as race, age, gender, nationality, and religion. The Group implements new employee training using the MinebeaMitsumi Group Officer and Employee Compliance Guidelines, and also conducts anti-harassment education as part of our sessions for employees prior to their overseas appointments and as part of our rank-based training programs. Moreover, we are working to prevent human rights abuses by providing an internal reporting system and a consultation center.

Workforce diversity

Basic approach

As an organization that conducts global business activities, the MinebeaMitsumi Group believes it is important to strengthen human resource capabilities through workforce diversity. Also, we strive to create work environments in which a diverse group of employees can maximize their talents, regardless of gender, age, nationality, or disabilities.

- **Empowerment of women**

As one of its important management strategies, the Group promotes workforce diversity and encourages the active involvement of its diverse talent as a way to generate new values and competitiveness with the aim of achieving its sustainable growth.

In particular, in order to promote the empowerment of women, we are promoting various initiatives such as establishing work environments where women can work with peace of mind, and in March 2016, we formulated an action plan to increase the number of female employees who can become management candidates and establish employment environments where female employees are able to serve in management roles. The action plan includes a target of doubling the ratio of female managers by 2021 (actual rate as of March 31, 2018 in MinebeaMitsumi Inc.: 1.45%).

Moreover, in the fiscal year ended March 2018, we continued to hold training on putting leadership basics into practice, with the aim of improving the individual capabilities, centered on leadership skills, necessary for managerial work, as well as hosting networking events for female employees.

Please visit the MinebeaMitsumi Group website for detailed information regarding the action plan.
http://www.minebeamitsumi.com/english/corp/environment/sociality/employees/2017/_icsFiles/afidfile/2018/01/26/minebeamitsumi_action_plan_en.pdf

- **Introduction of the 65-year-old retirement system**

The Group has the re-employment system, allowing all employees to work until the age of 65 after the age of retirement and actively enabling senior employees to be involved in the workforce. From April 2019, MINEBEA MITSUMI Inc. and its Japanese subsidiaries will integrate the retirement age to 65 by introducing the 65-year-old retirement system. Going forward, we will continue to work on the creation of an environment that enables greater stability with regard to the involvement of employees in the Group.

- **Initiatives regarding employees with disabilities**

The Company actively hires persons with disabilities. As of June 2017, the rate of employees with disabilities was 1.67%. We plan to bolster our efforts to raise employment of persons with disabilities to the legally mandated rate (2.2%).

Our initiatives also consider improvement in the workplace environment by ensuring that all employees, no matter whether or not they have a disability, are motivated to work by having people with specialized skills acting in leadership roles in some workplaces.

Creation of safe and worker-friendly work environments

Basic approach

Since its founding, the Group has recognized that employees are its most valuable resource, and one of our Five Principles is that the company should become a place where its employees are proud to work. The Group is committed to maintaining and improving workplaces where each of our employees can work safely and in good health, and fully exercise his or her abilities.

- **Support for diversity in work patterns**

We believe that the Group's attention to the work-life balance of its employees is an important management issue that will lead to employees finding their work rewarding and experiencing a sense of fulfillment. To this end, we have a flexible system that enables employees to take time off for childbirth, childrearing, caring for family members, and other important events in their private lives.

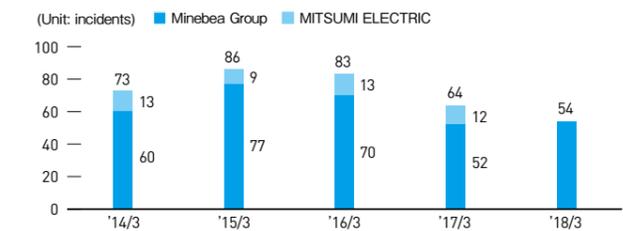
In the fiscal year ended March 2018, we reviewed the system of shorter working hours for those caring for children, and revised it so that the system can be used until children complete their third year of elementary school education. We will continue to work to improve systems so as to offer employees a flexible choice of working styles in the future.

- **Thorough safety and health management**

The Group firmly believes that a safe, healthy workplace is key to improving product and service quality, consistency of manufacturing operations, and employee morale.

Each plant holds regular meetings of their Health and Safety Committee, comprised of working groups involved in health and safety operations and so on. At the meetings, each working group shares its progress toward its targets. In addition, the Group's principal plants in its mass production bases of Thailand, China, Singapore, Philippines, and Malaysia have obtained OHSAS 18001 certification.

Workplace Injuries and Other Accidents in the MinebeaMitsumi Group



*1. The results for fiscal years 2014/3 to 2017/3 are the combined results for the Minebea Group and MITSUMI ELECTRIC from before the business integration.
 *2. MITSUMI ELECTRIC only refers to production sites in Japan

- **Health management**

The Group strives to maintain and improve the health of its employees in accordance with health-related laws in each country and the circumstances of each work site. We provide employees with regular health checkups, offer health consultations, send notices to employees to curb overtime work hours, and have industrial physicians make regular rounds at work sites.

In regard to mental health care, which has drawn social interest in recent years, we have conducted stress checks since the fiscal year ended March, 2017. We also have a consultation structure in place to ensure that employees can discuss issues with industrial physicians, counselors and other specialists at health care offices. The health advisors working at each plant meet regularly to discuss issues.

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Initiatives for the Society

Countermeasures for societal risks

Responsible procurement

Basic approach

The MinebeaMitsumi Group's business is supported by relationships with numerous suppliers. The Group has adopted Basic Procurement Policies on which healthy partnerships are built. In order to promote CSR throughout our supply chain, we have distributed the MinebeaMitsumi Group CSR Procurement Guidelines to our suppliers and are striving to facilitate their understanding and cooperation.

Please see our website for detailed information on our Basic Procurement Policy and MinebeaMitsumi Group CSR Procurement Guidelines.
<http://www.minebeamitsumi.com/english/corp/company/procurements/>

● CSR procurement

Considering the global scope of the Group's business activities, we believe it is important to promote CSR throughout our supply chain. In March 2012, we took steps to establish a framework for CSR procurement with the formulation of the MinebeaMitsumi Group CSR Procurement Guidelines, which is based on the MinebeaMitsumi Group Code of Conduct.



Training session for employees on the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors

In conjunction with the business integration by Minebea and MITSUMI ELECTRIC, in the fiscal year ended March 2018 we standardized our CSR Procurement Guidelines.

● Green procurement

We have established and revised the Group's guidelines and standards on chemical substances in products to ensure compliance with countries' laws and directives on chemical substances, to satisfy our customers, and to reduce the use of substances having an environmental impact. Under these guidelines, we require our suppliers to provide products (raw materials, parts, components, and packaging materials) that are free of hazardous substances, and also to submit safety certifications, reports of analysis results, and other similar documentation.

● Response to conflict minerals

In August 2012, the U.S. Securities and Exchange Commission adopted a disclosure rule mandated by U.S. financial reform legislation requiring companies to disclose the use of conflict minerals. We responded by formulating a MinebeaMitsumi Group Policy on Conflict Minerals* in October 2012, in which we summarized the Group's approach regarding conflict minerals from the Democratic Republic of the Congo and its neighboring countries. Moreover, we added a section on Conflict Minerals Policy to our MinebeaMitsumi Group CSR Procurement Guidelines, and have instructed our suppliers to adhere to the revised guidelines.

* Reflecting the business integration of Minebea and MITSUMI ELECTRIC in January 2017, the policy and guidelines have been revised to contain the name "MinebeaMitsumi Group."

Supply of safe and reliable products

Basic approach

The Group aims to be a comprehensive manufacturer of precision components which can make contributions to the development of global society. To this end, we practice the MinebeaMitsumi Group Quality Policy, which is based on the company credo the Five Principles, to ensure the quality of products we develop, manufacture, and sell and thereby earn the trust of customers worldwide. Additionally, we use limited resources efficiently to prevent waste.

In support of our goals, we establish and operate quality management systems, while continually verifying their effectiveness and seeking ways to improve them.

● Quality management framework

We have created a Group Quality Management Rules covering the entire Group as part of our measures to ensure the safety of our products and services and prevent accidents. In the fiscal year ended March 2018, given changes in our organizational structure and operations accompanying the business integration, we revised documents that accompany the Group Quality Management Rules, prepared English and Chinese language versions of those documents and made them available across the entire Group. Such documents included Group Product Safety Management Manual, Group Hazardous Substance Management Manual, Significant Quality Issue Handling Manual, Group Conflict Material Management Manual, and a Supplier Quality Assurance Agreement (standard version).

The chief officer of the quality management framework is the President and Chief Executive Officer, who is supported by the Quality Management Committee. Its subordinate organization regularly shares information on specific quality issues, works to ensure that similar problems do not reoccur, and provides quality management support and guidance to each business unit. Furthermore, we ensure compliance with the Electrical Appliance and Material Safety Act (in Japan), share and promote information on safety standards in each area of the world, and work to strengthen the Group's safety response.

In the fiscal year ended March 2018, we established a Product Safety Council in anticipation of a shift from shipments of simple parts to an increasing number of shipments that consist of complex assembled components constituting nearly finished products, as well as finished products. With its members selected from each business unit, the council facilitated information exchange and held workshops.

Going forward, we will continue to strengthen our quality management systems with respect to the Group's overall supply chain, while dealing with new laws, regulations and standards.

● Risk assessment

Based on its internal standards, the Group conducts risk assessments on medical, automotive, and aircraft products—three types of end-products in which the Group's parts are commonly used and which could pose a serious impact on society in the event of a problem. These risk assessments are carried out collaboratively between the Group Quality Management Office and the business units. In the event the organizations identify a risk in design or manufacturing, actions are taken to mitigate the risk.

Dialogue with local communities

Basic approach

As an enterprise operating on a global scale, the MinebeaMitsumi Group believes in the importance of building sound partnerships with local communities through good communication. To establish firm roots in those communities, we carry out social contribution activities meeting local needs based upon our Five Principles.

Initiatives in Japan

● Support for earthquake recovery

We established the Charitable Trust - MinebeaMitsumi Scholarship Fund for Orphans of the Great East Japan Earthquake as an endowment for children orphaned by the Great East Japan Earthquake. The scholarship fund provides annual grants of 100,000 yen to orphans of elementary school and junior high age, and a 300,000 yen grant when they graduate from junior high. Every March, third-year junior high school children receiving support from the trust are invited to Tokyo to celebrate their graduation alongside employee supporters.

● Beautification activities at the Sagami River

MITSUMI ELECTRIC's Atsugi Operation Base helps with environmental beautification activities in its vicinity.

This involves annually taking part in the Central Kanagawa Sagami River Summit, Six Municipality Joint Clean-up Campaign to protect the beautiful environment around the Sagami River. Thirty-one employees participated in the clean-up campaign, carried out in May 2017. The volunteers got off to an early 7:30 a.m. start picking up empty cans, plastic bottles, glass and other trash, after which they helped release 5,000 juvenile sweetfish into the Sagami River.



● Support for the authorized NPO Asama Highland Sports Club

As part of its amateur sports promotion, the Karuizawa Plant supports curling through donations to the Asama Highland Sports Club, an incorporated nonprofit organization. The monetary donations assist the club in holding curling competitions and support junior and wheelchair teams.

The Karuizawa Plant also acts as a supporter of the MinebeaMitsumi Cup ASAMA Highland Curling Classic competition, held every year at the venue managed by the Asama Highland Sports Club.



● Hosting workplace visits from elementary schools

The Fujisawa Plant conducted a plant tour for nine third-year students from nearby Fujisawa City Shinbayashi Elementary School.

The program involved lending support with respect to the school's School District Exploration coursework, which aims to deepen students' understanding of their community by having them research and actually visit companies and public facilities located in their school district so they can speak directly with people who work at such locations.

The students were excited by the many new things they saw for the first time during their tour and asked many questions typical of elementary school students.



● Regular discussions with the community

The Karuizawa and Yonago Plants hold regular discussions with members of their local communities to facilitate continual dialogue.

The Karuizawa Plant holds semiannual discussions with local community members. Held in May and November 2017, the discussions provided opportunities to exchange opinions on a wide range of topics such as disaster prevention planning and disaster response training, local production and local consumption, and hopes for new products.



Overseas initiatives

● Donations to local hospice (Europe)

In June 2017, our Lincoln Plant in the UK took part in a charity event held to provide donations.

The plant's team of employees who competed in the obstacle course race as charity runners came in first place. The money raised from the event was contributed to a local hospice.

● Supporting community development (China)

Our respective plants in China deliver donated goods and make donations to senior citizens in neighboring care facilities and children from impoverished households. Employee volunteers go out in the community where they deepen friendships with senior citizens, children and other people there.

Also, the plants conduct various other activities to support community development. For instance, the plants ask that employees provide donations which are used for accelerating reconstruction in communities that have been hit by typhoons, floods, earthquakes and other natural disasters, and they also take part in clean-up activities.



● Community-based medical support (Philippines)

The CEBU MITSUMI Plant in the Philippines engages in medical support activities on various communities.

In October 2017, the plant's employees helped with efforts for mountainous area residents who are unable to visit urban hospitals, by assisting with free-of-charge dental and eye examinations for such people and providing them with pharmaceuticals.

● Support for higher living standards (Thailand)

NMB-Minebea Thai provides its support for higher standards of living among local residents, in conjunction with neighboring community centers. In the fiscal year ended March 2018, the company offered a two-day seminar, attended by many community members, on the production and sale of artificial flowers and other such crafts, presented as a home-based means of raising living standards.

