

Chapter IV Initiatives to Support Value Creation

MinebeaMitsumi's Sustainability

The MinebeaMitsumi Group has been producing small, light, precise components since its beginning. We are proud to have products that contribute greatly to energy saving activities through downsizing. In addition to the daily corporate activities, we are working to **promote sustainability** for the global environment and sustainable development of society. In addition to **contributing to the SDGs (Sustainable Development Goals)** set by the United Nations in 2015, we will tackle **the materialities** listed here for the Company's sustainable growth. Going forward, we will set KPIs for materialities and manage them through PDCA cycles.

MinebeaMitsumi Group's stakeholders

The MinebeaMitsumi Group's 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.



Sustainability website
<https://www.minebeamitsumi.com/english/corp/environment/>

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

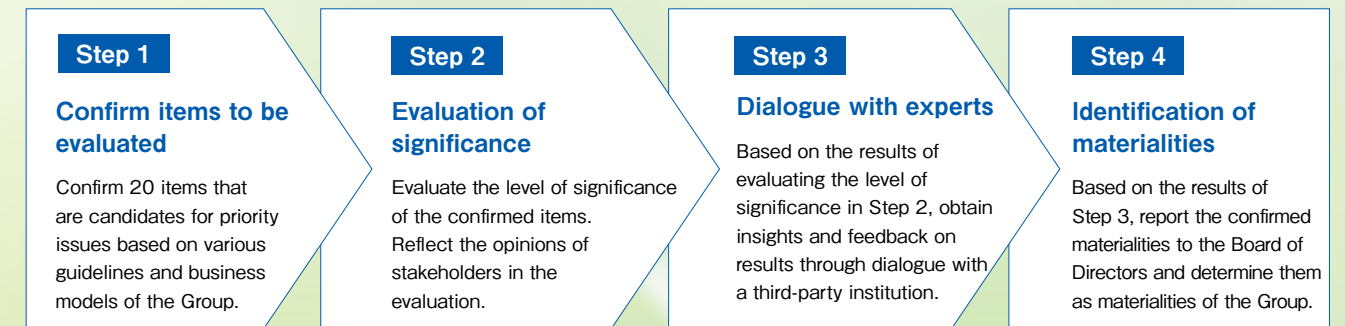
ESG topics

June 2018	Selected to the MSCI Japan Empowering Women Index (WIN)	MSCI	2018 Constituent MSCI Japan Empowering Women Index (WIN)
August 2018	Responded to CDP 2018 questionnaire		
December 2018	Established the Nomination and Compensation Committee		
January 2019	CDP score release • Climate change: B • Water security: B	CDP DISCLOSURE INSIGHT ACTION	
March 2019	Formulated Supplier Quality Assurance Manual		
April 2019	Established Sustainability Management Division Introduced the "MinebeaMitsumi Green Products Certification Program"		
June 2019	Concluded sponsorship agreement as the official partner of Cambodia National Football Team		

Identification of the materialities

The Group identified the materialities related to sustainability in May 2019. Identified materialities and identification process are as follows.

Identification process



Evaluation result of materialities



Materialities and SDGs

Creating environments where all employees can demonstrate their maximum capabilities		
1	Ensuring employee safety and health	S
2	Creating positive and rewarding work environments	S
3	Human resources development worldwide	S
4	Diversity promotion worldwide	S
Creating new value that contributes to the development of society		
5	Creating environmentally friendly products	E
6	Contributing to dialogue with and the development of local communities	S
7	Creating solutions to social issues	S
Ensuring stable supplies of the precision products that support society		
8	Providing safe and reliable products	S
9	Practicing responsible procurement	S
10	Reinforcing risk management	G

Please refer to the marks (1 to 10) for detailed explanations about materialities.

Chapter IV Initiatives to Support Value Creation Initiatives for the Environment

The MinebeaMitsumi Group has established an environmental management system based on the MinebeaMitsumi Group Environmental Policy.

From the fiscal year ending March 2020, we will introduce the "MinebeaMitsumi Green Products Certification Program," which will function as a KPI for future monitoring of environmentally friendly products.



The QR code on the right provides access to the environmental policy.



Highlights of environmental initiatives



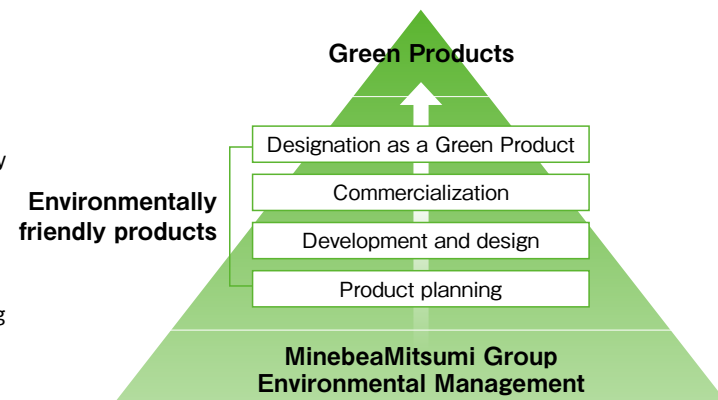
Reducing environmental loads of products

Introduced the "MinebeaMitsumi Green Products Certification Program"

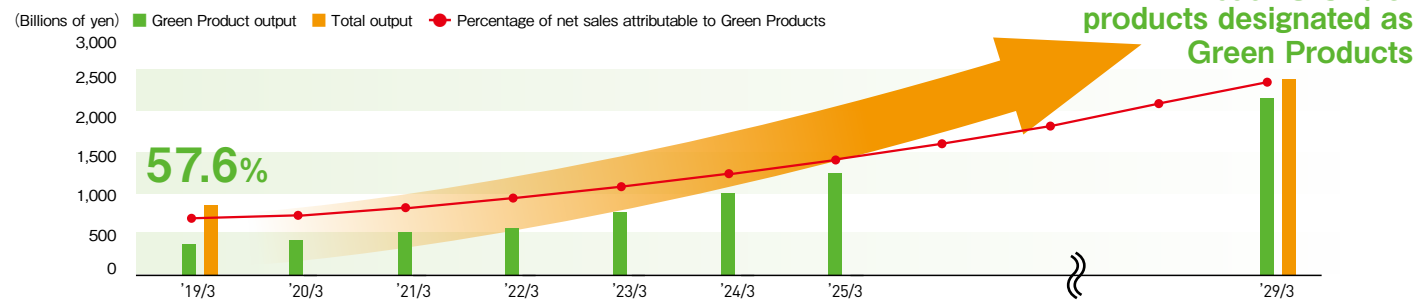
Almost all of our products are environmentally friendly, small sized and allow precise downsizing, contributing to energy and saving space.

We have introduced the "MinebeaMitsumi Green Products Certification Program" which selects products that are particularly environmentally friendly and certifies them as Minebea Mitsumi Green Products. We plan to create products that contribute to energy conservation and global environmental improvement through our corporate activities, and to increase the ratio of Green Products to over 85% of our sales in the fiscal year ending March 2029.

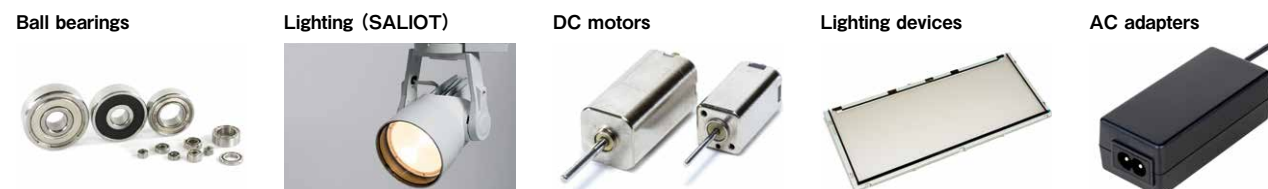
Green Product certification system



Green Product production targets



Certified Green Products (Below is a partial listing of our certified Green Products.)



Initiatives for reducing environmental loads

Environmental management structure

In order to carry out the MinebeaMitsumi Group Environmental Policy, the Group has an environmental management structure headed by the Board of Directors and the President and Chief Executive Officer. We also have an Environmental Management Committee, a promotion organization composed mostly of executive officers, and a Group Environmental Protection Committee, which is staffed by working-level members. This structure enables rapid implementation of environmental policy. Each work site also has a Plant General Manager of Environmental Management and a Manager of Environmental Management who promote specific environmental conservation measures at plants and offices. Moreover, the Company discloses environmental information regarding its initiatives to address climate change and water issues by furnishing responses to CDP investor questionnaires.

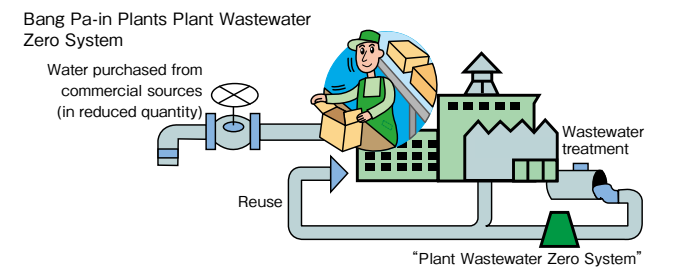
Promoting ISO 14001 certification

The Group is promoting the acquisition of ISO 14001 certification at each of its major sites worldwide. For newly constructed and recently acquired plants, we have begun environmental management activities based on the certification acquisition plans. Our sales subsidiary NMB Sales Co., Ltd. aims to acquire the certification during the fiscal year ending March 2020.

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.



Initiatives for preventing global warming

The 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.

Recognized as "Excellent Operator for Measures against Global Warming"

MinebeaMitsumi's Karuzawa Plant has received recognition as an excellent plant from the viewpoint of actively working on reduction of greenhouse gas emissions by Nagano Prefecture. Based on the Prefecture's "Measures against Global Warming Regulations," companies which are larger than a certain scale are obliged to submit a greenhouse gas emissions control plan. The Prefecture evaluated the plans and specific results.



Awards ceremony

Effective use of resources

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.

Waste plastic reduction program (Cambodia)

In Cambodia, where social infrastructure and education systems are not fully developed, and garbage collection, separation, and disposal are a major social problem, the cafeteria of the MinebeaMitsumi Cambodia Plant is one of the first in the country to start activities to reduce plastic waste.

As part of a bottom-up program with high environmental awareness and involving approximately 9,000 local employees, in March 2019 we replaced disposable plastic bags used to sell fruits in the cafeteria of the plant with reusable plastic plates. As a result, a reduction of approximately 160,000 bags or 312 kg of plastic was achieved per month. In the future, we plan to introduce bamboo straws and reusable plastic cups to further reduce 100,000 pieces of plastic waste per month.

One of the important themes at the G20 Osaka Summit (held in June 2019), plastic waste has become a global social issue. This success story in the Cambodia Plant is shared within the entire MinebeaMitsumi Group, and approximately 100,000 employees work together to reduce plastic waste.



Selling in plastic bags

Selling in reusable plastic plates

Chapter IV Initiatives to Support Value Creation Initiatives for the Society

The MinebeaMitsumi Group aims to fully satisfy its customers in terms of quality, cost, supply capacity, and speed, working diligently to maintain and enhance its reputation as the most reliable component manufacturer, and furthermore endeavors to build sound partnerships with its suppliers.



Highlights of social initiatives

Reinforcement of quality control systems

Promotion of CSR procurement

Selected to the MSCI Japan Empowering Women Index (WIN)

Building a sustainable value chain

The Group continually aims to fulfill its social responsibilities as a corporation across its entire value chain.



Responsible procurement

Materiality

9

Promotion of CSR procurement

Considering the global scope of the Group's business activities, the Group believes it is important to promote CSR throughout its 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.

During the fiscal year ended March 2019, we surveyed major suppliers of the MITSUMI business in Japan using the MinebeaMitsumi Group CSR Procurement Self-assessment Checklist, which was created to help us assess the status of CSR activities at our suppliers. We accordingly received responses from 630 such suppliers. We have been meticulously verifying progress made with respect to CSR initiatives, which has involved providing feedback to our suppliers based on the survey results and otherwise communicating individually with suppliers who have encountered issues regarding some of such initiatives.

Green procurement

The Group has established and revised its guidelines and standards on chemical substances in products to ensure compliance with countries' laws and directives on chemical substances, to satisfy its 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.

Supply of safe and reliable products

Materiality

8

Quality management framework

The Group has created a Group Quality Management Rules covering the entire Group as part of our measures to ensure the safety of its products and services and prevent accidents.

The chief officer of the quality management framework is the President and Chief Executive Officer, who is supported by the Quality Management Committee. As its subordinate organization, the Quality Assurance Managers Council, comprised of managers responsible for quality in each business unit, was established. At these meetings, managers regularly share information on specific quality issues and work to implement internal measures to ensure similar problems do not reoccur. Furthermore, the Safety Regulation Council ensures compliance with the Electrical Appliance and Material Safety Act (in Japan), shares and promotes information on safety standards in each area of the world, and works to strengthen the Group's safety response.

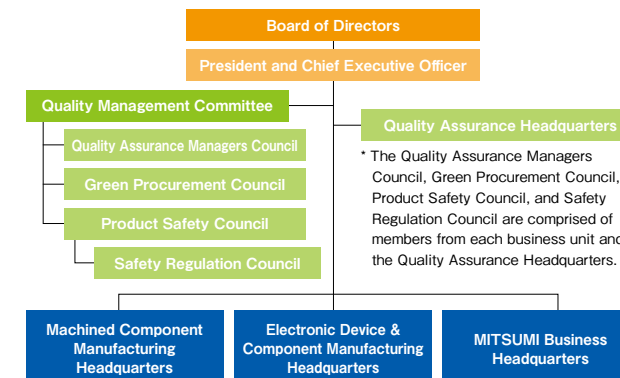
Risk assessment

The Group takes steps to mitigate the risk involving 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. Accordingly, headquarters and the respective business units perform collaborative risk assessments to such ends.

Customer satisfaction surveys

Within the Group, individual business units conduct their own customer satisfaction surveys. The survey results are provided to the departments of each business unit. If customers should evaluate any criterion below a specific satisfaction level, we assess and implement improvements across all departments.

Quality management framework



Selected to the MSCI Japan Empowering Women Index (WIN)

Materialities
1 2 4

MSCI 2018 Constituent MSCI Japan Empowering Women Index (WIN)

MinebeaMitsumi was selected as one of the constituents of the MSCI Japan Empowering Women Index (WIN), which is composed of companies that are promoting the advancement of women in June 2018. In addition to its efforts geared to empowering the female workforce, the Group is also committed to the task of creating safe, healthy and pleasant workplace environments for its employees. Please visit the MinebeaMitsumi Group website for detailed information in that regard.

<https://www.minebeamitsumi.com/english/corp/environment/>

Chapter IV Initiatives to Support Value Creation

Corporate Governance

We are continuing to enhance and reinforce the corporate governance, which will be the basis of sustainable growth.

Highlights of corporate governance

Establishment of the Sustainability Management Division

Establishment of the Nomination and Compensation Committee

Percentage of female Director

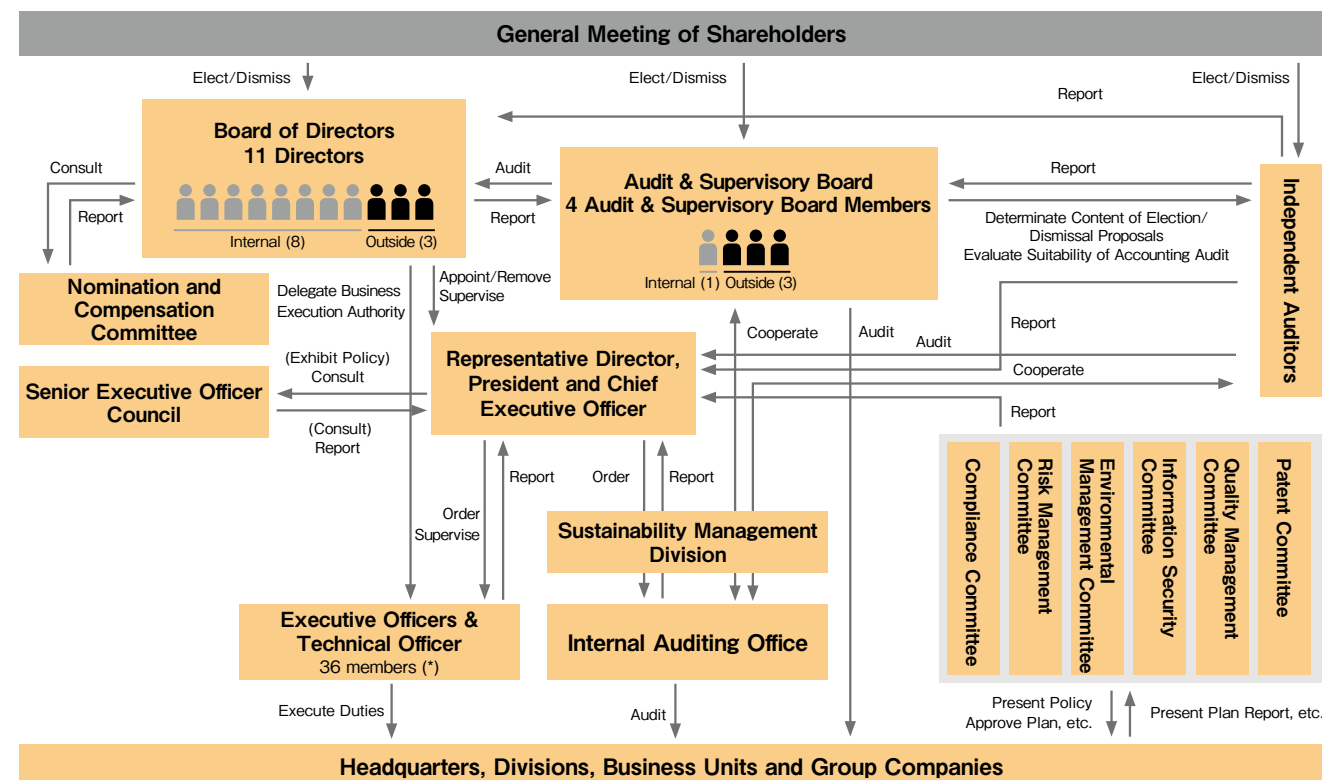
9% (1 member)

Basic approach to corporate governance

MinebeaMitsumi has adopted "The Five Principles" as our company credo. The Five Principles are; "be a company where our employees are proud to work"; "earn and preserve the trust of our valued customers"; "respond to our shareholders' expectations"; "work in harmony with the local community"; and "promote and contribute to global society." Consistent with this

company credo, the Company's basic management policy is to maximize corporate value by fulfilling its social responsibilities to its various stakeholders, including shareholders, business partners, local communities, international society and employees.

Corporate governance system



(*) Excluding seven Executive Officers who concurrently hold a post of Director of the Company

Nomination and Compensation Committee

<Composition of members>

Chairperson: Kohshi Murakami (Independent Outside Director)

[Chairperson's message](#) Page 47

Members: Yoshihisa Kainuma

(Representative Director, CEO & COO)

Atsuko Matsumura (Independent Outside Director)

Shinichiro Shibasaki

(Independent Outside Audit & Supervisory Board Member)

In order to enhance the transparency and objectivity of processes for nominating the candidates and determining the compensation for Directors, the committee has an independent Outside Director as Chairperson, and independent Outside Directors comprising at least half of its members.

<Activities of the committee>

The Company established the Nomination and Compensation Committee in December 2018 and since then, has held meetings of the committee three times. The committee deliberated and reported to the Board of Directors on the following matters.

- (1) Proposal of candidates for Director to be submitted at General Meeting of Shareholders
- (2) Proposed bonuses for Directors based on the consolidated results and stock price levels, and proposed revision of basic compensation

Processes for determining the compensation of Directors and Audit & Supervisory Board Members

(i) Compensation for Directors

In order to enhance the transparency and objectivity of processes for determining the compensation of Directors, the Company has established the Nomination and Compensation Committee, which has an independent Outside Director as Chairperson, and independent Outside Directors comprising at least half of its members. The compensation for Directors is determined by a resolution of the Board of Directors after deliberation by the Nomination and Compensation Committee, by the following compensation composition and calculation methods and within the maximum amount authorized by the General Meeting of Shareholders.

<Basic compensation>

Basic compensation comprises job responsibility compensation according to the Directors' individual positions and performance compensation revised each fiscal year in consideration of individual performance, the performance of the Company and other factors, and is determined by a predefined method.

<Bonuses for Directors> (performance-linked compensation)

Bonuses for Directors are structured to reflect the Company's performance, job responsibilities, and performance, and the amount of bonuses to be paid is determined based on the bonus calculation table, which is based on consolidated results, primarily on the profit for the year, and stock price of the Company. The reason for selection of these indicators is to include in the Directors' evaluations corporate value represented by stock prices, while emphasizing the final result of each fiscal year in the form of profit for the year. Furthermore, the standard payment amount based on the bonus calculation table is set according to the position of each Internal Director. Outside

Directors will not be paid this bonus.

<Incentive compensation> (performance-linked compensation)

The amount of incentive compensation to be paid is determined based on the degree of achievement of the Midterm Business Plan aimed at 1 trillion yen in net sales and 100 billion yen in operating income, and market capitalization of the Company, at the end of the fiscal year. The reason for the selection of these indicators is to enhance the incentive to increase the Company's performance and corporate value by achieving the Midterm Business Plan. In the fiscal year ended March 2019, the Company achieved consolidated net sales of 884.7 billion yen, consolidated operating income of 72 billion yen, and had a market capitalization of 710.2 billion yen, each result falling short its targets for consolidated net sales of 900 billion yen, operating income of 80 billion yen, and market capitalization at the end of the fiscal year of 1 trillion yen. As a result, incentive compensation was not paid. Furthermore, the amount of compensation to be paid when the targets are achieved is set according to the position of each Internal Director. Outside Directors will not be paid this compensation.

(ii) Compensation for Audit & Supervisory Board Members

Compensation for Audit & Supervisory Board Members consists solely of the basic compensation, which is paid in a fixed amount on a monthly basis, and is determined through discussions by the Audit & Supervisory Board Members, within the maximum amount of compensation, as authorized by the General Meeting of Shareholders.

Actual compensation for Directors and Audit & Supervisory Board Members (fiscal year ended March 2019)

Categories	Number of payees	Amount of compensation (millions of yen)			
		Basic compensation	Performance-linked compensation	Stock options	Total
Directors (Outside Directors)	13 (3)	330 (27)	370 (Not applicable)	- (Not applicable)	700 (27)
Audit & Supervisory Board Members (Outside Audit & Supervisory Board Members)	4 (3)	52 (36)	Not applicable (Not applicable)	Not applicable (Not applicable)	52 (36)
Total	17	382	370	-	752

(Note) The above table includes amounts paid to Mr. Tamio Uchibori and Mr. Hiromi Yoda, who retired from the position as Director at the conclusion of the 72nd Ordinary General Meeting of Shareholders held on June 28, 2018.

Chapter IV Initiatives to Support Value Creation

Corporate Governance

Message from Chairperson of the Nomination and Compensation Committee (Kohshi Murakami, Outside Director)

In December 2018, MinebeaMitsumi established the Nomination and Compensation Committee, a non-statutory committee, as an advisory body to the Board of Directors. I have been involved in the process for determining compensation for Directors since before the committee was established. It was because of my background that I was appointed to head the committee.

One characteristic of the Company's compensation system for Directors is the high proportion of performance-linked compensation within the compensation for Internal Directors. Compensation for Directors and Audit & Supervisory Board Members is determined from various indicators. Particularly, the extent of achievement of its Midterm Business Plan targets of net sales of 1 trillion yen and operating income of 100 billion yen is added as an important indicator, which is used to determine the annual compensation for Internal Directors.

We have had various discussions with the Board of Directors and divisions in charge as to whether the compensation system functions as an incentive to improve the performance of the Company, including whether the calculation process is fair. Amid a trend towards strengthening corporate governance, the Company has transferred this function to this independent committee, and adopted a process in which the results of discussion in the committee are reported to the Board of Directors.

Furthermore, over the past ten years, President Yoshihisa Kainuma has led the Company's growth with his excellent management skills and powerful leadership. For this reason, he has always been aware of the need for a system that can properly explain how the personnel matters and compensation of Directors are fairly determined, as these are matters involved with his own personal interest. The President brought this matter up with we

Directors.

The solution to this issue was the establishment of this Nomination and Compensation Committee. I believe this will enable upholding of internal and external accountability. In addition, if, by utilizing the report of the committee, the Board of Directors is able to evaluate the management that delivers expected results and to support continuation of the management, then I believe this will lead to strengthening the management foundation and providing support behind the scenes for proactive management by the President and other Directors.

While identifying the top management who are suitable to lead the Company's growth over the next ten and 20 years, we will also tackle the important issue of what to do about successor candidates for the future.

I will serve as Chairperson of the Nomination and Compensation Committee, recognizing that the committee is one of the main foundational supports of the Company's sustainable growth and its corporate governance.



Outside Director
Kohshi Murakami

Assumed office as an Outside Director of the Company in June 2008. Mr. Murakami has a wealth of experience and keen insight as a former Presiding Justice of the Division of the Tokyo High Court and as an attorney-at-law. He works on ensuring the sound management of the Company and promoting its compliance management.

Status of the Board of Directors

The Board of Directors basically holds its ordinary meeting once a month, with extraordinary meetings held as needed. The 11 Directors (including three Outside Directors) conduct swift, highly strategic decision making and supervise management.

**Number of Board of Directors Meetings held:
15 times (fiscal year ended March 2019)**

Major items deliberated

- M&A items (U-Shin and some other items)
- Midterm Business Plan
- Response to the revised Corporate Governance Code
- Establishment of the Sustainability Management Division

Evaluation of the effectiveness of the Board of Directors

The Company conducted a self-evaluation questionnaire on the composition, agenda, and operational status of the Board of Directors for all Directors and Audit & Supervisory Board

Members. The results of the survey are analyzed by the Secretariat of the Board of Directors and the results of the analysis are discussed by the Board of Directors. In the fiscal year ended March 2019, the survey confirmed that diversification of the Board of Directors' composition invigorated its discussion, and that the Board of Directors was functioning effectively overall.

<Status of response to issues>

As the scale of the Group continues to expand, the Company seeks to strengthen governance and risk-management initiatives throughout all Group companies. To this end, the Sustainability Management Division was established to promote strengthening of Group governance.

The CFO and an Outside Director in Conversation

Initiatives to Strengthen Management and Supervisory Functions in Order to Realize a Leap Forward over the Next 10 Years

Director Shuji Uehara, in charge of the newly established Sustainability Management Division, and Outside Director Atsuko Matsumura conducted a frank exchange of opinions on the strengthening of management and supervisory functions.

Atsuko Matsumura
Independent Outside Director

Assumed office as an Outside Director of the Company in June 2018. Ms. Matsumura has expertise in international economics as a university professor as well as extensive achievements as an educator. She is reflecting her abundant knowledge and experience in the management of the Company.

Shuji Uehara
Director, Senior Managing Executive Officer

Chief of Tokyo Head Office, Officer in charge of Accounting & Corporate Finance Division, Officer in charge of Sustainability Management Division

Regarding the fiscal year ended March 2019

— Please give your review of the year.

Uehara: The first half of the year proceeded well. Going into the second half, sales and profits didn't grow as expected due to the impact of trade friction between the United States and China. However, the overall trend was mainly in line with our plans. I feel that results were also impacted in part by our products that have higher volatility. However, partly due to accomplishing our target with the business integration with U-Shin by M&A in the second half, I think that the year saw good progress on the whole, as we built a solid foundation for achieving net sales of 1 trillion yen and operating income of 100 billion yen.

Matsumura: As even more global corporations experience negative impacts from the trade friction between the United States and China, I think it is fortunate that MinebeaMitsumi has been able to realize business integration with U-Shin, and promote a long-term vision for the next ten years under strong

leadership by the management team.

— Ms. Matsumura, it was your first year of appointment as a Director. What made a particular impression on you?

Matsumura: The MinebeaMitsumi Group holds a business plan review meeting for the executive management-level personnel from around the world each year in March at Tokyo Headquarters. Over four days, the participants discuss the business plan and management policies for the next fiscal year and onward. Then, in autumn a Top Meeting is held, at which the status of business and progress on plans for the current fiscal year are discussed over several days. This long, serious discussion was made a very strong impression on me, and I felt a strong enthusiasm for how the Group leverages its outstanding qualities while uniting as one to face various challenges.

Uehara: I think that the Company will face increasingly difficult decisions on how to allocate its management resources to each business going forward. I would like all of the Outside Directors and Audit & Supervisory Board Members to give us even more candid opinions and advice going forward.

Chapter IV Initiatives to Support Value Creation

The CFO and an Outside Director in Conversation

To achieve the long-term vision

— **What impression do you have of the targets for net sales of 2.5 trillion yen and operating income of 250 billion yen?**

Matsumura: The Company is expanding its lineup of products that contribute to comfortable, safe and secure societies, making use of its excellent technological capabilities and M&As with strong synergy effects. I think these are high targets, but considering the speed of the Company's growth thus far, I believe they will be rewarding challenges for the Company.
Uehara: I agree – these are indeed quite high targets. However, with the growth of our current Machined Components business, Electronic Devices and Components business, MITSUMI business, and U-Shin business, and M&As that promise synergies with our businesses, I think that the net sales target of 2.5 trillion yen is appropriate for us to take on challenges.

— **The management foundation must also require strengthening to achieve ambitious targets. Could you explain the aims of the recent reorganization?**

Uehara: The Company had already separated its executing and monitoring organizations, and operated them as independent bodies. However, CSR was promoted by Personnel & General Affairs Division while matters such as environment issues and trade compliance were promoted by independent organizations supervised directly by the President, so there was no overall coordination as an organization. Now we have established the Sustainability Management Division to coordinate these organizations, enabling us to respond more flexibly from a company-wide perspective. I believe the establishment of the Sustainability Management Division has paved the way for realizing net sales of 2.5 trillion yen in the future.

Matsumura: I think this reorganization is an extremely important

“ I hope to provide timely advice about what is needed for our further development ”



step in terms of promoting corporate governance going forward. Higher targets require a corresponding strengthening of internal supervision functions, and I believe the structure we have established is extremely clear even to outside observers.

— **Can we consider this reorganization to be a strengthening of existing functions?**

Uehara: With respect to governance, to counter risks such as improper accounting and so forth, the Company has previously separated the Accounting Division and the Internal Control Promotion Office and made them independent. Moreover, in addition to audits by certified public accountants and Audit & Supervisory Board Members, our Internal Auditing Office checks for malpractice in our operations throughout the world. Their reports are submitted directly to the Audit & Supervisory Board Members and Outside Directors in the form of internal audit reports for each region and company. In this way, I believe that the separation of execution and monitoring is functioning appropriately. On the other hand, stakeholders may have doubts about whether the separation of execution and monitoring will work when the business scale expands even further. Going forward, we will look at the idea of eventually expanding the Sustainability Management Division by region. I would like to further strengthen our systems to enable monitoring of whether the business execution teams in each region are executing business appropriately.

Matsumura: It is very important to strengthen the structure created by this reorganization even further in response to the demands of the times as we go forward, as you mentioned. Under the new structure, I expect the Company to take firm steps to ensure compliance with laws and regulations, while making use of experts and auditing firms. As an Outside Director, I receive detailed explanations from Internal Auditing Office staff regarding the results of internal audits, including audits of overseas locations, at the regular meetings with the Audit & Supervisory Board Members. Then, as we exchange opinions, we discuss issues and points for improvement from various viewpoints. Moreover, as measures to gain the trust of stakeholders focused on sustainability, it is also important to focus on governance over a wide range of fields, including social contributions in various forms and workstyle reforms. As we expand our business as a manufacturer, I think it is also important to take measures to prepare for risks such as soil, water, air, and other pollution.

Uehara: With regard to the environment, we are guided by part of our company credo, “Contributing to the Local Community,” and even before the current level of public attention to environmental issues, we had been promoting environmental conservation initiatives in every country and plant, such as completely abolishing environmentally harmful substances.

Looking ahead, we plan to actively promote further environmental conservation through the Sustainability Management Division.

Matsumura: Each plant conducts “environmental patrols,” which are initiatives for checking the plant. I would like the

Company to continue implementing these patrols to ensure that nothing is overlooked. Furthermore, in the fiscal year ended March 2019, I hear that the Company introduced MinebeaMitsumi Green Products Certification Program for its own products, and that it aims to expand environmentally friendly products so that they account for at least 85% of total sales in ten years' time. This initiative is highly significant for the Group's sustainable growth, and I consider it most admirable.

— **Are you constantly examining a large number of M&A prospects?**

Uehara: We have received positive evaluations on our M&A activities to date, and the number of opportunities to consider prospective M&As has increased. We narrow these down to candidates that seem to have adequate potential for synergies with our existing businesses, and then examine them thoroughly in the Board of Directors. Many prospective M&As are abandoned as a result.

— **Is the explanation from within the Company adequate?**

Matsumura: I receive detailed explanations of the background history, technological synergies, risks, and other aspects of each prospective M&A. Recently, the Company conducted an M&A with U-Shin. After receiving a detailed explanation of this project, I judged that the Company had selected a partner that would resonate with its DNA of “manufacturing with sincerity,” and that the integration could be expected to yield strong synergies.

I also received an explanation regarding the proactive human resource exchanges that proved successful in the integration with MITSUMI ELECTRIC. I think the Company would also realize benefits from the recent integration with U-Shin on the human resource front by applying this experience and using effective personnel exchange to quickly build a team with execution capabilities. With regard to the importance of human resource synergies that President Kainuma has spoken about, I think that building systems to implement these adequately is the way to achieve our long-term goals.

— **What issues do you see for the Company to address going forward?**

Uehara: I think our focus must be on developing human resources. As we expand our business on a global scale, we must step up our development of local human resources not only in Japan, but also overseas. As I mentioned before, the Sustainability Management Division could be expanded in each region in the future. Our challenge is to find ways to secure high quality human resources, or to develop them.

Matsumura: Looking from a diversity perspective, I think there is room for further development with regard to promoting women's participation in the workplace. At the same time, I think it is also important to actively introduce systems for reflecting feedback from female employees.

Increasing the number of women at the top level of management in the Company can be expected to increase performance of the Company by invigorating the work of all female employees and raising their awareness. Meanwhile, in terms of enhancing the workplace environment, to create workplaces that are easy to work in, including for men, I think it is important to reduce excessive working hours and I intend to focus on this going forward.

Uehara: I agree with you that these points need to be addressed. As for diversity, in promoting the empowerment of women we have two female Executive Officers within the Group while most of the heads of our overseas accounting divisions are women. On the other hand, in our so-called technical areas, such as machined components and electronic devices and components, we have an issue with low numbers of female graduate employees. In our plant in Thailand, we have adopted a system where many female engineers are working at production sites. We are also seeing increasing opportunities for female staff members to play a global role in our Sales Division, and I believe you can look forward to the next five and ten years.

Matsumura: I feel that the female labor force is making a significant contribution to the Group in Southeast Asia. Looking ahead, in Japan too, I hope to see a wider range of opportunities for women to participate through appropriate personnel development.

— **How do you plan to contribute in the fiscal year ending March 2020?**

Matsumura: From my outside perspective, I will monitor to ensure that the Group's management does not make the wrong decisions. As the Group's management is extremely smooth, I also plan to respond swiftly and provide accurate advice for the Group to achieve its targets in a form that is clear to stakeholders.

Uehara: We certainly hope to continue receiving your guidance from a broad perspective.


“ By establishing the Sustainability Management Division we will further strengthen governance throughout the entire Group ”



Chapter IV Initiatives to Support Value Creation

List of Officers (As of August 2019)

Directors




Attendance at the Board of Directors Meeting
100% (15/15)

Representative Director CEO & COO
Yoshihisa Kainuma

- Apr. 1983 Member of Daini Tokyo Bar Association
- Dec. 1988 Director, General Manager of Legal Department of the Company
- Sep. 1989 Member of New York State Bar Association
- Dec. 1992 Managing Director and Deputy General Manager of Operations Headquarters
- Dec. 1994 Senior Managing Director, General Manager of European and American Regional Sales Headquarters, Deputy General Manager of Operations Headquarters
- Jun. 2003 Director, Senior Managing Executive Officer
- Apr. 2009 Representative Director, President and Chief Executive Officer
- Jan. 2017 Director, Chairman of the Board of Directors, MITSUMI ELECTRIC CO., LTD.
- Jun. 2017 Representative Director CEO & COO (Present)
- Aug. 2019 Representative Director, Chairman of the Board of Directors, U-Shin Ltd. (Present)

Reason for appointment

Mr. Yoshihisa Kainuma has been in command of management of the entire Group since 2009, expanding the Group's operations and steadily implementing and achieving an improvement in corporate value. He is appointed since the Company considered that his management skills will contribute to a further sustainable growth of the Group.



Attendance at the Board of Directors Meeting
100% (15/15)

Representative Director, Vice Chairman
Shigeru Moribe

- Mar. 1980 Joined MITSUMI ELECTRIC CO., LTD.
- May 1990 General Manager of Development Headquarters, MITSUMI ELECTRIC CO., LTD.
- Apr. 1991 Director, Head of Singapore branch, MITSUMI ELECTRIC CO., LTD.
- Apr. 1994 Managing Director, MITSUMI ELECTRIC CO., LTD.
- Oct. 1999 Senior Managing Director, General Manager of Sales Headquarters, MITSUMI ELECTRIC CO., LTD.
- Apr. 2002 Representative Director, President, MITSUMI ELECTRIC CO., LTD.
- Jan. 2017 Adviser of the Company
- Apr. 2017 Director, Chairman of the Board of Directors, MITSUMI ELECTRIC CO., LTD. (Present)
- Jun. 2017 Representative Director, Vice Chairman (Present)

Reason for appointment

Mr. Shigeru Moribe served as Representative Director, President of MITSUMI ELECTRIC CO., LTD. for many years until the business integration between the Company and the said company in 2017, and he has a wealth of experience and keen insight as a corporate manager. He is appointed since he properly oversees the management of the Group as Representative Director, Vice Chairman.




Attendance at the Board of Directors Meeting
100% (15/15)

Director, Senior Managing Executive Officer
Ryozo Iwaya

- Apr. 1981 Joined the Company
- Dec. 1989 Head of Tokyo Sales Division at Tokyo Branch
- Jun. 2009 Executive Officer, Head of Lighting Device Business Unit at Electronic Device & Component Business Headquarters
- Jun. 2015 Managing Executive Officer
- Apr. 2013 Deputy Chief of Electronic Device & Component Manufacturing Headquarters, Officer in charge of Electronic Device Division at Electronic Device & Component Manufacturing Headquarters, Head of Lighting Device Business Unit
- Jun. 2015 Director, Senior Managing Executive Officer (Present)
- Jan. 2017 Chief of Mitsumi Business Headquarters (Present)
- Apr. 2017 Representative Director, President and Chief Executive Officer, MITSUMI ELECTRIC CO., LTD. (Present)
- Jun. 2017 Chief of Electronic Device & Component Manufacturing Headquarters (Present)
- Aug. 2019 Director, U-Shin Ltd. (Present)

Reason for appointment

Mr. Ryozo Iwaya has held important positions in the Sales Division, the electronic devices & components manufacturing business, etc. for many years, and he has a wealth of experience and keen insight. He is appointed since he, as Director, Chief of Electronic Device & Component Manufacturing Headquarters, and Chief of MITSUMI Business Headquarters, strategically leads these two businesses and properly fulfills his role.



Attendance at the Board of Directors Meeting
93.3% (14/15)

Director, Senior Managing Executive Officer
Tetsuya Tsuruta

- Apr. 1981 Joined the Company
- Oct. 2005 Head of Mechanical Assembly Business Unit
- Jun. 2007 Executive Officer
- Jun. 2015 Managing Executive Officer
- Jun. 2016 Deputy Chief of Machined Component Manufacturing Headquarters
- Jun. 2016 Director, Senior Managing Executive Officer (Present)
- Sep. 2017 Chief of Machined Component Manufacturing Headquarters, Officer in charge of Production Support Division
- May 2018 Deputy Chief of Sales Headquarters (Present)

Reason for appointment

Mr. Tetsuya Tsuruta has held important positions in the Sales Division and the machined components manufacturing business for many years, and he has a wealth of experience and keen insight. He is appointed since he mainly oversees sales of machined components as Director, Deputy Chief of Sales Headquarters and properly fulfills his role.



Attendance at the Board of Directors Meeting
100% (15/15)

Director, Senior Managing Executive Officer
Shigeru None

- Apr. 1982 Joined the Company
- Sep. 1999 Manager of Osaka Branch
- Jun. 2007 Executive Officer
- Apr. 2011 Deputy Officer in charge of Sales Division
- Jun. 2012 Managing Executive Officer
- Jun. 2015 Director (Present)
- Jun. 2016 Senior Managing Executive Officer (Present)
- Jun. 2017 Officer in charge of Sales Division
- May 2018 Chief of Sales Headquarters (Present)

Reason for appointment

Mr. Shigeru None has held important positions in the Sales Division for many years, and he has a wealth of experience and keen insight. He is appointed since he mainly oversees sales of electronic devices and components as Director, Chief of Sales Headquarters and properly fulfills his role.



Attendance at the Board of Directors Meeting
100% (15/15)

Director, Senior Managing Executive Officer
Shuji Uehara

- Apr. 1977 Joined the Company
- Sep. 2001 General Manager of Business Administration Department
- Jun. 2007 Executive Officer
- Jun. 2011 General Manager of Regional Affairs for South East Asia
- Jun. 2012 Managing Executive Officer
- Jan. 2013 Deputy Chief of HDD Motor Manufacturing Headquarters
- Apr. 2015 Deputy Chief of Electronic Device & Component Manufacturing Headquarters
- Jun. 2016 Senior Managing Executive Officer (Present), Chief of Business Administration Headquarters
- Jan. 2017 Officer in charge of Business Management Division at MITSUMI Business Headquarters (Present), Director, Vice President and Chief Executive Officer, MITSUMI ELECTRIC CO., LTD. (Present)
- Jun. 2017 Director (Present)
- May 2018 Chief of Tokyo Head Office (Present), Chief of Business Administration Headquarters and Accounting & Corporate Finance Headquarters
- Apr. 2019 Officer in charge of Accounting & Corporate Finance Division (Present), Officer in charge of Sustainability Management Division (Present)
- Aug. 2019 Director, U-Shin Ltd. (Present)

Reason for appointment

Mr. Shuji Uehara has held important positions in the Business Administration Department, the electronic devices and components manufacturing business, etc. for many years, and he has a wealth of experience and keen insight. He is appointed since he properly fulfills his role as Director, Chief of Tokyo Head Office.



Attendance at the Board of Directors Meeting
100% (15/15)

Director, Senior Managing Executive Officer
Michiya Kagami

- Jan. 1989 Joined the Company
- Jul. 2005 Head of Electronics Development Division at Engineering Headquarters
- Jun. 2009 Deputy Chief of Electronic Device & Component Business Headquarters
- Jun. 2011 Executive Officer
- Mar. 2013 Head of Engineering Development Department of Electronic Device Division at Electronic Device & Component Manufacturing Headquarters
- Jun. 2015 Managing Executive Officer
- Aug. 2015 Deputy Chief of Electronic Device & Component Manufacturing Headquarters, Officer in charge of Engineering Development Division at Electronic Device & Component Manufacturing Headquarters
- Jun. 2017 Director, Chief of Engineering Headquarters (Present), Officer in charge of Engineering Development Division at Electronic Device & Component Manufacturing Headquarters (Present)
- May 2018 Senior Managing Executive Officer (Present)

Reason for appointment

Mr. Michiya Kagami has held important positions in the development branches of the electronic devices & components business for many years, and he has a wealth of experience and keen insight in research and development. He is appointed since he properly fulfills his role as Director and Chief of Engineering Headquarters.



Attendance at the Board of Directors Meeting
100% (15/15)

Director, Managing Executive Officer
Hiroshi Aso

- Mar. 1981 Joined Kyushu MITSUMI CO., LTD.
- Oct. 2007 Head of Power Supply Business Unit, MITSUMI ELECTRIC CO., LTD.
- Jun. 2010 Director, General Manager of Semiconductor Business Headquarters, MITSUMI ELECTRIC CO., LTD.
- Apr. 2016 Director, Managing Executive Officer (Present), General Manager of Development Headquarters and Semiconductor Business Headquarters, Officer in charge of Automotive Devices Business Unit, MITSUMI ELECTRIC CO., LTD.
- Jan. 2017 Adviser, Deputy Chief of Mitsumi Business Headquarters (Present), Officer in charge of Engineering Development Division (Present), Officer in charge of Semiconductor Business Division, Officer in charge of Automotive Devices Business Division of the Company
- Jun. 2017 Director, Managing Executive Officer, Deputy Chief of Engineering Headquarters (Present)
- Sep. 2018 Officer in charge of IoT Business Development Department (Present)

Reason for appointment

Mr. Hiroshi Aso held important positions in the development division, the power supply business, the semiconductor business, etc. of MITSUMI ELECTRIC CO., LTD. until the business integration between the Company and the said company in 2017, and he has a wealth of experience and keen insight. He is appointed since he properly fulfills his role as Director, Deputy Chief of Engineering Headquarters, Deputy Chief of MITSUMI Business Headquarters.

Independent Outside Directors




Attendance at the Board of Directors Meeting
100% (15/15)

Outside Director
Kohshi Murakami

- Apr. 1967 Assistant Judge, Tokyo District Court
- Apr. 1999 Presiding Justice of the Division (Acting Chief Justice, Specialized Economic and Financial Affairs Department), Tokyo High Court
- Apr. 2005 Professor, Graduate School of Law, Kyoto University
- Jun. 2005 Joined TMI Associates as Special Counsel (Present)
- Nov. 2005 Outside Corporate Auditor of SANEI-INTERNATIONAL CO., LTD.
- Apr. 2008 Visiting Professor, Yokohama National University
- May 2008 Member of the Independent Committee of the Company (Present)
- Jun. 2008 Outside Director of the Company (Present)
- Apr. 2010 Professor, Juris Doctor Program, Daito Bunka University

Reason for appointment

Mr. Kohshi Murakami has a wealth of experience and keen insight as a former Presiding Justice of the Division of the Tokyo High Court and as an attorney-at-law. He is appointed so that he will provide guidance to ensure the sound management of the Company and promote compliance.




Attendance at the Board of Directors Meeting
84.6% (11/13)

Outside Director
Atsuko Matsumura

- Apr. 1978 Joined Japan Center for Economic Research
- Apr. 1981 Visiting research fellow, Economic Research Institute, Economic Planning Agency (currently Economic and Social Research Institute)
- Apr. 1987 Part-time Lecturer, Jissen Women's Junior College
- Apr. 1988 Full-time Lecturer, OTSUNO WOMEN'S UNIVERSITY
- Apr. 1991 Full-time Lecturer, Faculty of Economics, Tokyo International University
- Apr. 1999 Associate Professor, Faculty of Economics, Tokyo International University
- Apr. 2006 Professor, Faculty of Economics, Tokyo International University (Present)
- Apr. 2010 Part-time Lecturer, Department of Social and Family Economy, Faculty of Human Sciences and Design, Japan Women's University (Present)
- Apr. 2015 Part-time Lecturer, Department of Politics, Faculty of Law, Keio University (Present)
- Jun. 2016 Outside Director, RENESAS EASTON Co., Ltd. (Currently Glosel Co., Ltd) (Present)
- Jun. 2018 Outside Director of the Company (Present)

Reason for appointment

Ms. Atsuko Matsumura has expertise in international economics as well as broad knowledge and experience. She is appointed so that her abundant knowledge and experience will be reflected in the management of the Company.



Attendance at the Board of Directors Meeting
100% (15/15)

Outside Director
Takashi Matsuoka

- Apr. 2003 General Manager of Planning Division, KEIAISHA Co., Ltd.
- Jun. 2003 Director, KEIAISHA Co., Ltd.
- Jun. 2004 Managing Director, KEIAISHA Co., Ltd.
- Jun. 2005 Outside Director of the Company (Present)
- Jun. 2007 Senior Managing Director, KEIAISHA Co., Ltd.
- Jun. 2011 Director and Senior Managing Executive Officer, KEIAISHA Co., Ltd.
- Jun. 2014 Director, Vice President Executive Officer, KEIAISHA Co., Ltd. (Present)

Reason for appointment

Mr. Takashi Matsuoka has been in charge of the Planning Division, etc. of KEIAISHA Co., Ltd. for many years, and he has broad insight and experience in business operation. He is appointed so that his abundant knowledge and experience will be reflected in the management of the Company.

Audit & Supervisory Board Member




Standing Audit & Supervisory Board Member
Naoyuki Kimura
(Assumed the office on June 27, 2019)

- Apr. 1983 Joined the Company
- May 2008 Deputy General Manager of Personnel & General Affairs Department at Karuzawa Plant, Personnel & General Affairs Division
- Sep. 2011 General Manager of Personnel & General Affairs Department at Operation and Planning Division
- Jul. 2012 General Manager of Personnel Department and General Affairs Department at Personnel & General Affairs Division
- Jun. 2019 Audit & Supervisory Board Member of the Company (Present)

Reason for appointment

Mr. Naoyuki Kimura has a wide range of business experience, including in personnel, labor affairs and overall general affairs, from serving at Personnel & General Affairs Division for many years. He is appointed so that his abundant experience and accumulated knowledge will be reflected in audits of the Company.

Independent Outside Audit & Supervisory Board Members



Attendance at the Board of Directors Meeting
100% (15/15)

Attendance at the Audit & Supervisory Board Meeting
100% (13/13)

Standing Outside Audit & Supervisory Board Member
Koichi Yoshino
(Assumed the office on June 27, 2019)

- Apr. 1985 Joined Marubeni Corporation
- Apr. 2000 General Manager of Consumer Products Division, Marubeni (Shanghai) Co., Ltd.
- Apr. 2002 General Manager of Textile Materials Division, Marubeni Textile (Hong Kong) Co. Ltd.
- Apr. 2007 Vice President, Marubeni Textile (Shanghai) Co., Ltd.
- Apr. 2010 Assistant to President, SUPER TOOL CO., LTD. (Temporary transferred)
- Oct. 2010 President, Super Tool (Shanghai) Co., Ltd. (Temporary transferred)
- Apr. 2015 Chief Examiner of Audit Department, Marubeni Corporation
- Jul. 2018 Joined Kyoto Robotics Corporation
- Acting CFO and General Manager of Internal Audit Office, Kyoto Robotics Corporation
- Jun. 2019 Outside Audit & Supervisory Board Member of the Company (Present)

Reason for appointment

Mr. Koichi Yoshino has a wealth of overseas experience and practical management experience at a general trading company and in the manufacturing industry, as well as a qualification as a Certified Internal Auditor and considerable knowledge of finance and accounting. He is appointed so that his abundant experience and broad knowledge will be reflected in audits of the Company.



Attendance at the Board of Directors Meeting
100% (15/15)


Attendance at the Audit & Supervisory Board Meeting
100% (13/13)

Outside Audit & Supervisory Board Member
Shinichiro Shibasaki

- Apr. 1989 Registered as attorney-at-law. Joined Inami and Ota
- Apr. 1993 Inami and Ota changed its name to Inami, Ota and Shibasaki (Partner)
- Oct. 2010 Member of Dispute Resolution Committee of The General Insurance Association of Japan (Present)
- May 2011 Inami, Ota and Shibasaki changed its name to Law Office Juricom (Partner) (Present)
- Apr. 2012 Part-time Professor, Tokai University School of Medicine
- Jun. 2014 Outside Audit & Supervisory Board Member of the Company (Present), Independent Committee Member of the Company (Present)
- Apr. 2015 Visiting Professor, Tokai University School of Medicine (Present)

Reason for appointment

Mr. Shinichiro Shibasaki is well-versed in corporate legal affairs as an attorney-at-law. He is appointed so that his abundant experience and keen insight will be reflected in audits of the Company.



Attendance at the Board of Directors Meeting
100% (15/15)

Attendance at the Audit & Supervisory Board Meeting
100% (13/13)

Outside Audit & Supervisory Board Member
Makoto Hoshino
(Assumed the office on June 27, 2019)

- Apr. 1980 Joined Kantoshinetsu Regional Taxation Bureau
- Jul. 2006 Chief Examiner, Large Enterprise Examination and Criminal Investigation Department, Kantoshinetsu Regional Taxation Bureau
- Jul. 2007 Special Officer, Management and Co-ordination Department, Kantoshinetsu Regional Taxation Bureau
- Jul. 2009 District Director, Fukagawa Tax Office
- Jul. 2010 Senior Internal Inspector, Kantoshinetsu Regional Taxation Bureau, Commissioner's Secretariat of the National Tax Agency
- Jul. 2012 District Director, Ota Tax Office
- Jul. 2013 Director, Planning Division, Management and Co-ordination Department, Kantoshinetsu Regional Taxation Bureau
- Jul. 2014 Chief Internal Inspector, Kantoshinetsu Regional Taxation Bureau, Commissioner's Secretariat of the National Tax Agency
- Jul. 2016 Chief Internal Inspector, Osaka Regional Taxation Bureau, Commissioner's Secretariat of the National Tax Agency
- Jul. 2017 Deputy Commissioner, Large Enterprise Examination and Criminal Investigation Department, Kantoshinetsu Regional Taxation Bureau
- Jul. 2018 Retired from Kantoshinetsu Regional Taxation Bureau
- Aug. 2018 Registered as a certified tax accountant
- Director, Makoto Hoshino Certified Tax Accountant Office (Present)
- Jun. 2019 Outside Audit & Supervisory Board Member of the Company (Present)

Reason for appointment

Mr. Makoto Hoshino has considerable knowledge of finance and accounting. He is appointed so that his abundant experience and keen insight will be reflected in audits of the Company.