



CGO  
Masahito Fukami

## Green transformation (GX) involves integrating environmental perspectives into management and accordingly contributing to realization of a sustainable society through our corporate activities

### Corporate sustainability and sustainability of humanity

The Company has established the Carbon Neutral Steering Committee whose membership consists of Senior Executive Officers and others, underpinned by the recognition that green transformation (GX) is a material issue for the Group as a components manufacturer, with its sights set on realization of carbon neutrality in 2050. The Chief Green Officer (CGO) serves as committee chairman for the Carbon Neutral Steering Committee.

Reflecting the sentiment of CEO Kainuma who said that "sustainability is the essence of management," our corporate activities contribute toward heightening sustainability of society, which in turn increases corporate sustainability including that of the Company itself.

The world is already calling for the achievement of carbon neutrality as required for sustainable development of humanity. As a corporate entity, addressing such demands stands as a social responsibility and furthermore serves as a material issue in terms of our business continuity.

We have recently established the QCDESS™ (quality, cost, delivery, ecology/efficiency, service, speed) as a management strategy of the Company, with the addition of "ecology/efficiency." Accordingly, the Company's new management strategy entails contributing to humanity by achieving greater efficiencies with respect to both ecology and economy, without setting one off against the other.

### The global environment and my involvement in this issue at Japan's Ministry of the Environment, universities and other such entities

I have been involved with environmental issues as a civil servant and a university faculty member for about 35 years since joining Japan's Environment Agency back in 1985. Global environmental issues, particularly those involving climate change, have come to attract public attention since back when I first joined the agency. Meanwhile, I had long harbored a sense of frustration regarding slow progress being made in addressing such issues.

The Ministry of the Environment hailed the establishment of the 2015 Paris Agreement, while I myself was involved in the parliamentary approval process serving as Deputy Director-General of Ministry's Secretariat, Ministry of the Environment. Nevertheless, the agreement coincided with a change of ruling administration in the United States culminating in stagnation of climate change policy over the next four years. After that, climate change policy has once again been encountering rapid progress since 2020. Meanwhile in the public sphere, it has been private enterprise and individual citizens, rather than bureaucrats, who are underpinning that progress. I am more than

thrilled that I was able to engage in work geared to achieving carbon neutrality from the standpoint of a private enterprise at that time.

Whereas some may wonder how it is that I came to work for a private enterprise after lengthy service with the Ministry of the Environment, I have had opportunities to extensively consider matters of the environment and the economy due to experiences I have had involving secondments to the former Economic Research Institute of the Economic Planning Agency as well as the Tohoku Bureau of Economy, Trade and Industry of the Ministry of Economy, Trade and Industry.

Also, having been mainly in charge of nuclear regulation and radioactive countermeasures subsequent to the Fukushima nuclear accident during five of my last 12 years in civil service, I came to realize the difficulties incumbent in regaining people's trust in the wake of a major failing.

During the other seven years of that time, I taught students at Hokkaido University Public Policy School and the School of Public Policy, Tohoku University, and

also conducted workshop activities on the theme of the Sustainable Development Goals (SDGs), which placed consideration on the environment, energy, regional economies and other such matters from a broad perspective of public

policy.

I have accordingly been drawing on such experiences in taking on my role of CGO.

### MinebeaMitsumi's challenges in achieving carbon neutrality

From my standpoint as CGO, I feel that the first challenge we face in terms of our environmental initiatives is how to reduce the greenhouse gas (GHG) emissions generated by our business activities. Given that electricity consumption accounts for approximately 90% of our greenhouse gas emissions (refer to page 53), we have the potential to significantly reduce our emission volume by changing our approach to procuring power or otherwise by installing renewable energy power generation facilities in our factories.

On the other hand, the Company encounters challenges given that most of its factories are located overseas and given that it absolutely must not downgrade the precision or reliability of its products as a manufacturer of precision components. However, while taking into account the requests by those who purchase our products and by our

investors to reduce our own greenhouse gas emissions and achieve carbon neutrality if possible, we will fully consider options to such ends in-house.

The Company has also been implementing a high-efficiency LED street light improvement project enlisting a wireless network in Cambodia, serving as a Joint Crediting Mechanism (JCM) project promoted by the Government of Japan. Further promoting such projects for generating carbon credits will enable us to make use of schemes for offsetting our greenhouse gas emissions drawing on carbon credits. Since schemes using such credits serve as a key method for achieving carbon neutrality, the Government of Japan has apparently been considering options for enhancing the systems of credits going forward. Likewise, we will consider possibilities in this regard taking into account policy developments.

### Contributing to realization of a sustainable society with environmental performance achieved through INTEGRATION

It is also important to keep in mind that the Company's products help in the formation of carbon neutrality and a sustainable society, which means they contribute to achieving the Sustainable Development Goals (SDGs). For instance, our products contribute to reduced use of resources given that many of them including our ultra-high precision miniature ball bearings feature outstanding energy-saving performance, in addition to possessing properties that include small size, light weight, and durability. It is also important that we properly quantify such environmental performance of our products and engage in public relations. As part of such initiatives, we furnished estimated volumes of avoided CO<sub>2</sub> emissions in this Integrated Report (refer to page 55). We hope that you find this information helpful.

We seek to provide products equipped with outstanding environmental performance worldwide and to achieve emission reductions far exceeding our own greenhouse gas emissions. These are initiatives that we have defined as "Beyond Zero." In order to take these initiatives further, we aspire for the Company to make the notion of contributing to carbon neutrality and a sustainable society one of its key focuses with respect to product development going forward. This approach will serve as a pathway for increasing the Company's own sustainability.

The government released draft versions of its Basic Energy Plan and its Plan for Global Warming Countermeasures in July, citing the need for major transformation not only when it comes to energy supply, but also across various industrial activities and people's

lives looking toward 2030. Given that these constitute a step toward achieving carbon neutrality in 2050, we will set our sights on such major trends and accordingly make one of our key missions the notion of enlisting our INTEGRATION capabilities in developing and providing energy-saving and resource-efficient precision components necessary to realize a sustainable society.

For instance, the Plan for Global Warming Countermeasures draft version recommends installation of the high-efficiency LED street lights introduced previously, and furthermore combining such lighting with renewable energy supply systems can help achieve carbon neutrality with respect to street lighting. Such systems would serve as appealing options for municipalities that have made "Zero-carbon City Declaration" and it may be possible to devise a sensor for installation in street lights that municipalities can use in systems for prevention of disasters in the event of torrential rainfall, operating via wireless networks. These systems could also contribute to adaptation to global warming amid prevailing concerns of damage frequently caused by torrential rainfall.

Our product mix gives rise to substantial business opportunities that could involve providing precision components for applications such as IoT products, electric vehicles, and drones, and also sets us on a clear path in terms of contributing to a sustainable society. Whereas my abilities alone are far from sufficient in these domains, I am counting on the all-out efforts of the Company's exceptional teams of technicians going forward.