

# Corporate Governance

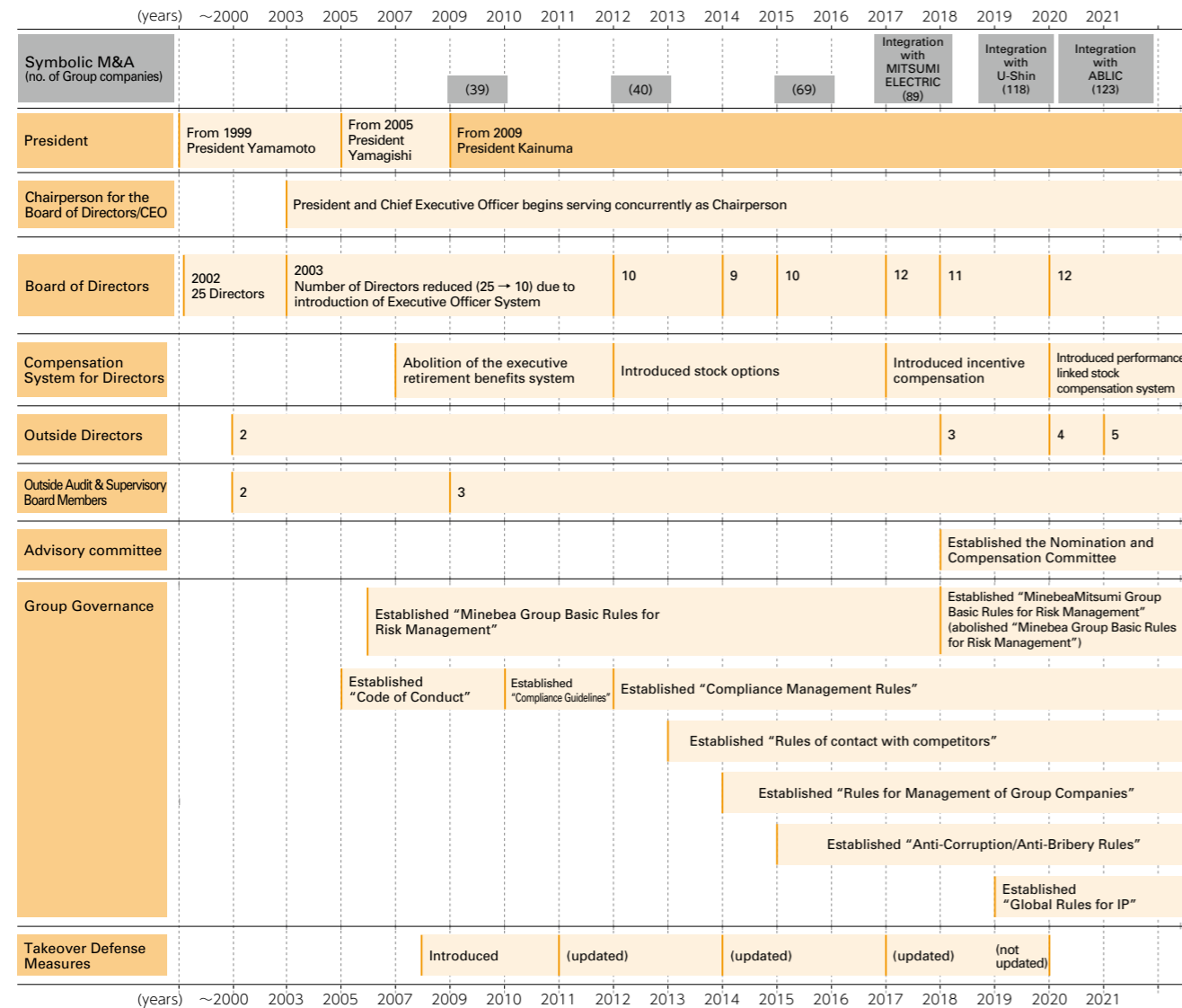
We are continuing to enhance and reinforce the corporate governance, which will be the basis of sustainable growth

## Basic approach to corporate governance

MinebeaMitsumi has adopted our company credo "The Five Principles" as our basic management policy. "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, MinebeaMitsumi will aim to increase

corporate value as well as fulfill its social responsibilities to its various stakeholders, including shareholders, business partners, local communities, international society and employees. In order to achieve this, MinebeaMitsumi is taking efforts to enhance our corporate governance system by maintaining transparency and objectivity of management as well as building management and supervisory function and business executing function.

## History of corporate governance



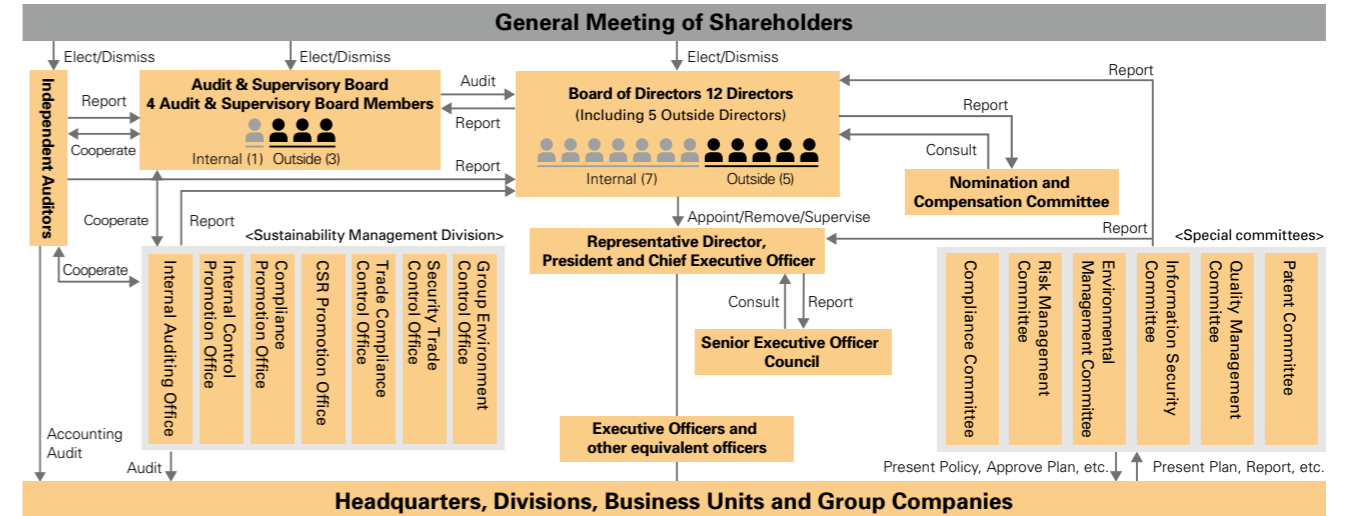
## Highlights of corporate governance

**Publish skills matrix of all Directors and Audit & Supervisory Board Members**

**Increase percentage of Outside Directors (+1; 5 out of 12 Directors)**

**Third party evaluation on the Board of Directors**

## Corporate governance system



## Status of the Board of Directors

In order to place importance on the diversity of the Board of Directors and realize improved sustainable corporate value, the Nomination and Compensation Committee will recommend candidates who possess the required knowledge, experience, skill set, and international competence to the Board of Directors. The candidates will be approved by the Board of Directors and then submitted to the General Meeting of Shareholders for final approval. In order to boost the transparency and objectivity of

management, supervise business execution, and make highly strategic decisions, five of the 12 Directors are independent Outside Directors. Furthermore, the Company makes significant transfer of the authority from Directors to Executive Officers and other equivalent officers by introducing an Executive Officer System to facilitate a clear distinction between supervisory functions and executing functions of management, and to speed up the business execution.

## Evaluation of the effectiveness of the Board of Directors

In order for the Board of Directors to effectively discharge its duties, an evaluation of the effectiveness of the Board of Directors is an important tool to check whether the Board of Directors as a whole is functioning appropriately, to verify the composition of the members, the agenda items discussed, and the status of the operation of the Board of Directors, and to identify issues and acknowledge problems and strengths.

In March every year, written self-evaluation questionnaires are distributed to all Directors and Audit & Supervisory Board Members with the aim not only of looking back at progress made on points for improvement raised in the previous fiscal year, but also of unearthing key themes to be addressed over the following fiscal year to improve effectiveness. In fiscal 2020, a third party conducted a questionnaire for evaluating the effectiveness of the Board of Directors. Regarding the analysis and evaluation by a third party,

an opinion was received, which stated, "Due to the results of the questionnaire, we do not have any significant concerns regarding the effectiveness of the Board of Directors of the Company." As a result of a free discussion that took place between Directors and Audit & Supervisory Board Members at the Board of Directors meeting in June 2021 based on this, the Board of Directors evaluated as "The Board of Directors in fiscal 2020 functioned appropriately overall," and discussed initiatives in the current fiscal year for ensuring the effectiveness of the Board of Directors.

### Initiatives carried out this fiscal year

The Company decided to regularly hold discussions in the Board of Directors meetings to more proactively discuss "initiatives to promote sustainability" and further deepen initiatives for sustainability issues, primarily the green transformation (GX) in the Company.

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



Outside Director  
Kohshi Murakami

The Nomination and Compensation Committee of the Company was established in December 2018 as a voluntary advisory body that complements the function of the Board of Directors. In order to strengthen its management supervisory functions, this committee has an independent Outside Director as Chairman, and independent Outside Directors comprising at least half of its members. Being independent from the Board of Directors, this committee strives to maintain objectivity and accountability to stakeholders on matters related to the nomination and remuneration to Directors. As the Corporate Governance Code was revised in June 2021, the committee is taking further efforts to enhance corporate governance. I will continue to serve as Chairman of the Nomination and Compensation Committee, recognizing that the committee is the main foundational support of the governance of the Company.

Status of main activities of Nomination and Compensation Committee (fiscal year ended March 2021)

In terms of nomination of Directors, the committee considered proposals for candidates for Director (new election and reappointments). Following interviews with the candidates for Director, the committee deliberated their eligibility as Directors of the Company and recommended their conclusions to the Board of Directors. The committee also considered the succession plan for CEO, etc. and started discussion on the ideal successor, the means of selecting candidates for successor, and their development plan.

It is extremely important to identify the ideal successor for CEO who is capable of driving the growth of the Company. Therefore, it has been decided to continue discussing this

matter within the committee.

In terms of remuneration to Directors, the committee conducted interviews with Directors, deliberated the appropriateness of remuneration to individual Directors, and recommended their conclusions to the Board of Directors. To motivate Directors toward ESG initiatives, the committee recommended to and received approval from the Board of Directors to newly add ESG initiatives as part of the qualitative evaluation of individual Directors. The committee also discussed the policy for determining remuneration to individual Directors in line with the revised Companies Act, as well as the level of remuneration to Directors.

Skills matrix of Directors and Audit & Supervisory Board Members

Name	Position	Expertise and background especially expected										
		Corporate management	M&A	Global	Manufacturing	Sales	Technological development	Environment and social	Legal affairs	Finance and accounting	Tax affairs	Government agencies
Yoshihisa Kainuma	Representative Director, Chairman & President (CEO & COO)	○	○	○	○	○				○		○
Shigeru Moribe	Representative Director, Vice Chairman	○		○		○						
Ryozo Iwaya	Director, Vice President Executive Officer	○		○	○	○						
Shigeru None	Director, Senior Managing Executive Officer	○		○		○						
Michiya Kagami	Director, Senior Managing Executive Officer	○		○			○					
Katsuhiko Yoshida	Director, Senior Managing Executive Officer	○	○	○						○		
Hiroshi Aso	Director, Managing Executive Officer	○			○		○					
Kohshi Murakami	Outside Director								○		○	
Atsuko Matsumura	Outside Director			○					○			
Yuko Haga	Outside Director	○	○	○								
Hirofumi Katase	Outside Director	○		○					○			○
Takashi Matsuoka	Outside Director	○							○			
Naoyuki Kimura	Standing Audit & Supervisory Board Member			○								
Koichi Yoshino	Standing Outside Audit & Supervisory Board Member	○	○	○						○		
Shinichiro Shibasaki	Outside Audit & Supervisory Board Member								○			
Makoto Hoshino	Outside Audit & Supervisory Board Member									○	○	

The skills matrix is used not only for considering officer candidates, but also maintaining a skill balance in the overall Board of Directors.

Remuneration to Directors and Audit & Supervisory Board Members

In order to enhance the transparency and objectivity of processes for determining the remuneration of Directors, the Company has established the voluntary Nomination and Compensation Committee, which has an independent Outside Director as Chairman, and independent Outside Directors comprising at least half of its members. The remuneration to individual Directors is determined by a resolution of the Board of Directors after deliberation and recommendation thereto by the Nomination and

Compensation Committee, based on the following remuneration composition and calculation methods and within the maximum amount authorized by the General Meeting of Shareholders. The objectivity and transparency of the process of determining remuneration is maintained by the Nomination and Compensation Committee deliberating remuneration to individual Directors and recommending this to the Board of Directors.

<Basic remuneration>

Basic remuneration comprises job responsibility remuneration according to the Directors' individual positions and performance remuneration revised each fiscal year in consideration of individual performance, the performance of the Company and other factors, and is determined in a reasonable amount. As for remuneration of Outside Directors, the basic remuneration is determined by taking into consideration expected roles played by each Outside Director, etc.

<Performance-linked monetary compensation>

**Bonuses for Directors** are implemented to motivate Directors to increase corporate value, represented by stock prices, while emphasizing the final result of each fiscal year in the form of profit for the year.

Results indicators: Consolidated results (mainly the profit for the year), stock price levels, etc.

Results: Consolidated profit for the year of 38.7 billion yen, consolidated net sales growth rate of +1%, consolidated operating income of 51.1 billion yen, the Company's stock price performance of +14% compared to the Nikkei stock average.

Calculation method: Payment amount is calculated based on the bonus calculation table separately established depending on results. Furthermore, the bonus calculation table reflects the results, responsibilities, and outcomes based on the positions of each Internal Director.

<Performance-linked stock compensation (non-monetary compensation)>

**The stock compensation system** is introduced to enhance an awareness among the Company's Directors of contributing to improving corporate earnings over the medium and long term and growing corporate value by having them share with shareholders the same benefits and risks associated with share price fluctuations. The Company pays cash through a trust to acquire the Company's shares, and points are conferred to the Company's Directors according to the level of contribution to business performance, etc.

Performance indicator: Consolidated profit for the year

Results: Consolidated profit for the year of 38.7 billion yen

Calculation method: Calculated by combining quantitative and qualitative evaluation based on the point calculation table established in "Share Grant Regulations." The state of ESG initiatives have been partially incorporated into qualitative evaluations in order to increase sustainable corporate value. The number of points to be conferred in accordance with each Director's level of contribution to business performance, etc. is determined. They will be granted the number of the Company's shares equivalent to their total points at the time of their retirement.

Points conferred: Points conferred to eight Internal Directors as compensation in the fiscal year ended March 2021 totaled 8,192 points (equivalent to 8,192 of the Company's shares).

**Incentive remuneration** is introduced to motivate Directors to increase the Company's performance and corporate value by achieving the Midterm Business Plan.

Results indicators: Consolidated net sales, consolidated operating income, and market capitalization of the Company  
Results: Consolidated net sales of 988.4 billion yen, consolidated operating income of 51.1 billion yen, market capitalization at the end of the fiscal year of 1,208.2 billion yen.

Calculation method: Payment amount is calculated based on the incentive remuneration calculation table separately established depending on results. Furthermore, the calculation table reflects the results, responsibilities, and outcomes based on the positions of Internal Directors.

Note that this incentive remuneration came to an end with the remuneration linked to the results of fiscal year ended March 2021.

Actual remuneration to Directors and Audit & Supervisory Board Members (fiscal year ended March 2021)

Categories	Number of payees	Amount of remuneration (millions of yen)			
		Basic remuneration	Performance-linked monetary compensation	Performance-linked stock compensation	Total
Directors (Outside Directors)	13 (4)	314 (42)	388 (Not applicable)	16 (Not applicable)	719 (42)
Audit & Supervisory Board Members (Outside Audit & Supervisory Board Members)	4 (3)	48 (33)	Not applicable (Not applicable)	Not applicable (Not applicable)	48 (33)
Total	17	363	388	16	768

The above table includes amounts paid to Mr. Shuji Uehara, who retired from the position as Director at the conclusion of the 74th Ordinary General Meeting of Shareholders held on June 26, 2020.

List of Officers (As of August 2021)

Directors




Attendance at the Board of Directors Meeting  
**100% (12/12)**

Representative Director,  
Chairman & President (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, Chairman & President (CEO & COO) (Present)
- Dec. 2018 Member of the Nomination and Compensation Committee (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 was appointed since the Company considered that his management skills would contribute to a further sustainable growth of the Group.




Attendance at the Board of Directors Meeting  
**100% (12/12)**

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 was appointed since he properly oversees the management of the Group as Representative Director, Vice Chairman.




Attendance at the Board of Directors Meeting  
**100% (12/12)**

Director, Vice President 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. 2013 Managing Executive Officer
- Jun. 2015 Director (Present), Senior Managing Executive Officer
- Jan. 2017 Chief of MITSUMI Business Headquarters of the Company (Present), Representative Director, Vice President and Chief Executive Officer, MITSUMI ELECTRIC CO., LTD.
- Apr. 2017 Representative Director, President and Chief Executive Officer, MITSUMI ELECTRIC CO., LTD. (Present)
- Jun. 2017 Chief of Electronic Device & Component Manufacturing Headquarters
- Aug. 2019 Director, U-Shin Ltd. (Present)
- Oct. 2019 Vice President Executive Officer, Officer in charge of Electronic Device & Component related Business (Present)
- Apr. 2020 Director, ABLIC Inc. (Present)
- Apr. 2021 Chief of Electronic Device & Component Business Headquarters (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 was appointed since he, as Director, Officer in charge of Electronic Device & Component related Business, supervises Electronic Device & Component Business Headquarters, MITSUMI Business Headquarters, and U-Shin Business Headquarters and properly fulfills his role.




Attendance at the Board of Directors Meeting  
**100% (12/12)**

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 was appointed since he oversees the entire sales division as Director, Chief of Sales Headquarters and properly fulfills his role.




Attendance at the Board of Directors Meeting  
**100% (12/12)**

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)
- May 2018 Senior Managing Executive Officer (Present)
- Apr. 2021 Head of Engineering Development Division at Electronic Device & Component Business Headquarters (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 was appointed since he properly fulfills his role as Director and Chief of Engineering Headquarters.



Attendance at the Board of Directors Meeting  
**100% (10/10)**

Director, Senior Managing Executive Officer  
**Katsuhiko Yoshida**

- Apr. 1984 Joined the Company
- Dec. 2013 Head of Operation Department at Electronic Device & Component Manufacturing Headquarters, General Manager of Vertical Integration Improvement Office, General Manager of Business Support Office
- Jun. 2014 Executive Officer
- Jun. 2016 Deputy Chief of Business Administration Headquarters, General Manager of Business Administration Department (Present)
- Jun. 2017 Managing Executive Officer
- Apr. 2019 Officer in charge of Business Administration and Corporate Planning Division, Deputy Officer in charge of Accounting & Corporate Finance Division, Deputy Officer in charge of Sustainability Management Division
- Oct. 2019 Senior Managing Executive Officer (Present)
- Apr. 2020 Director, ABLIC Inc. (Present)
- Jun. 2020 Director, Chief of Tokyo Head Office (Present), Officer in charge of Sustainability Management Division, Director, Vice President Executive Officer, MITSUMI ELECTRIC CO., LTD. (Present), Director, U-Shin Ltd. (Present)
- Apr. 2021 Head of Business Administration and Corporate Planning Division, Head of Sustainability Management Division (Present)

Reason for appointment

Mr. Katsuhiko Yoshida has held important positions in the business administration division, the corporate planning division, the procurement division, etc. for many years, and he has a wealth of experience and keen insight. He was appointed since he oversees the entire administration division, including corporate planning and investor relations, as Director, Chief of Tokyo Head Office and properly fulfills his role.

Directors



Attendance at the Board of Directors Meeting  
**100% (12/12)**


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 Deputy Chief of MITSUMI Business Headquarters, 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)
- Apr. 2020 Officer in charge of Semiconductor Division of the Company, Director, ABLIC Inc. (Present)
- Aug. 2020 Chief of INTEGRATION Promotion Headquarters of the Company (Present)
- Apr. 2021 Head of Semiconductor Division (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 was appointed since he properly fulfills his role as Director, Deputy Chief of Engineering Headquarters, Head of Semiconductor Division, and Chief of INTEGRATION Promotion Headquarters.

Independent Outside Directors



Attendance at the Board of Directors Meeting  
**100% (12/12)**

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, OTSUMA 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
- Jun. 2016 Outside Director, RENESAS EASTON Co., Ltd. (currently Glosel Co., Ltd.) (Present)
- Jun. 2018 Outside Director of the Company (Present)
- Dec. 2018 Member of the Nomination and Compensation Committee (Present)

Reason for appointment

Ms. Atsuko Matsumura has expertise in international economics as well as broad knowledge and experience. She was appointed to provide supervision and advice that utilizes her knowledge and experience.

Independent Outside Directors



Attendance at the Board of Directors Meeting  
**100% (12/12)**

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 Advisor Attorney (Present)
- Nov. 2005 Outside Corporate Auditor of SANEI-INTERNATIONAL CO., LTD.
- Apr. 2008 Visiting Professor, Yokohama National University
- Jun. 2008 Outside Director of the Company (Present)
- Apr. 2010 Professor, Juris Doctor Program, Daito Bunka University
- Dec. 2018 Chairman of the Nomination and Compensation Committee (Present)

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 was appointed to provide supervision and advice that utilizes his insight and experience.




Attendance at the Board of Directors Meeting  
**100% (10/10)**

Outside Director  
**Yuko Haga**

- Apr. 1989 Senior Consultant, Tokyo Office, Price Waterhouse Consultants
- Apr. 1991 Representative, Haga Management Consulting Office (Present)
- Apr. 2008 Executive Officer, Sompō Japan Healthcare Services Inc.
- Feb. 2010 Director, Social Welfare Corporation Fujikenikukai (Present)
- Apr. 2010 Visiting Professor, Department of Policy Management, Faculty of Policy Management, Shobi University
- Apr. 2017 Associate Professor, Graduate School of Management, NUCB Business School
- Jun. 2017 Board Member, Non-Profit Organization Japan Abilities Association (Present)
- Mar. 2019 Outside Director of the Board, Kyowa Hakko Kirin Co., Ltd. (currently Kyowa Kirin Co., Ltd.) (Present)
- Apr. 2020 Professor, Graduate School of Management, NUCB Business School (Present)
- Jun. 2020 Outside Director of the Company (Present)
- Member of the Nomination and Compensation Committee (Present)

Reason for appointment

Ms. Yuko Haga has expertise in corporate strategy as well as broad knowledge and experience accumulated as a management consultant. She was appointed to provide supervision and advice that utilizes her knowledge and experience.



Attendance at the Board of Directors Meeting  
**100% (12/12)**

Outside Director  
**Hirofumi Katase**  
(Assumed the office on June 29, 2021)

- Apr. 1982 Joined Ministry of International Trade and Industry
- Oct. 2000 Director, Economic Policy Unit, Minister's Secretariat, Ministry of International Trade and Industry
- Jul. 2002 Director, Petroleum and Natural Gas Division, Agency for Natural Resources and Energy
- Jul. 2006 Director, Aerospace and Defense Industry Division, Manufacturing Industries Bureau, Ministry of Economy, Trade and Industry
- Aug. 2008 Director for International Industry Research, Minister's Secretariat, Trade Policy Bureau, Ministry of Economy, Trade and Industry
- Jul. 2009 Deputy Director-General for Trade and Economic Cooperation Bureau and International Exhibitions, Minister's Secretariat, Ministry of Economy, Trade and Industry
- Jul. 2010 Deputy Director-General, Secretariat of the Space Development Strategy Headquarters, Councillor, Cabinet Secretariat
- Jul. 2012 Deputy Director-General for International Trade Policy, Minister's Secretariat, Ministry of Economy, Trade and Industry
- Jun. 2013 Director-General, Industrial Science and Technology Policy and Environment Bureau, Ministry of Economy, Trade and Industry
- Jul. 2015 Director-General, Trade Policy Bureau, Ministry of Economy, Trade and Industry
- Jun. 2016 Vice-Minister for International Affairs
- Jul. 2017 Special Advisor to the Ministry of Economy, Trade and Industry
- Dec. 2017 Executive Vice Chairman & Director, I-Pulse Inc. (Present)
- Jun. 2021 Outside Director of the Company (Present)

Reason for appointment

Mr. Hirofumi Katase has expertise in economy, industry, technological development, international trading, energy, environment, space development, etc. as well as broad knowledge and experience nurtured through holding important posts in the government agencies. He was appointed to provide supervision and advice that utilizes his knowledge and experience.



Attendance at the Board of Directors Meeting  
**100% (12/12)**


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 was appointed to provide supervision and advice that utilizes his insight and experience.

**Audit & Supervisory Board Member**



Attendance at the Board of Directors Meeting  
**100%(12/12)**

Attendance at the Audit & Supervisory Board Meeting  
**100%(16/16)**

Standing Audit & Supervisory Board Member  
**Naoyuki Kimura**

Apr. 1983 Joined the Company  
May 2008 Deputy General Manager of Personnel & General Affairs Department at Karuizawa 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 (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%(12/12)**

Attendance at the Audit & Supervisory Board Meeting  
**100%(16/16)**

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)  
Apr. 2015 Visiting Professor, Tokai University School of Medicine (Present)  
Dec. 2018 Member of the Nomination and Compensation Committee of the Company (Present)

**Reason for appointment**

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

**Independent Outside Audit & Supervisory Board Members**



Attendance at the Board of Directors Meeting  
**100%(12/12)**

Attendance at the Audit & Supervisory Board Meeting  
**100%(16/16)**

Standing Outside Audit & Supervisory Board Member  
**Koichi Yoshino**

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 was appointed so that his abundant experience and broad knowledge would be reflected in audits of the Company.



Attendance at the Board of Directors Meeting  
**100%(12/12)**

Attendance at the Audit & Supervisory Board Meeting  
**100%(16/16)**

Outside Audit & Supervisory Board Member  
**Makoto Hoshino**

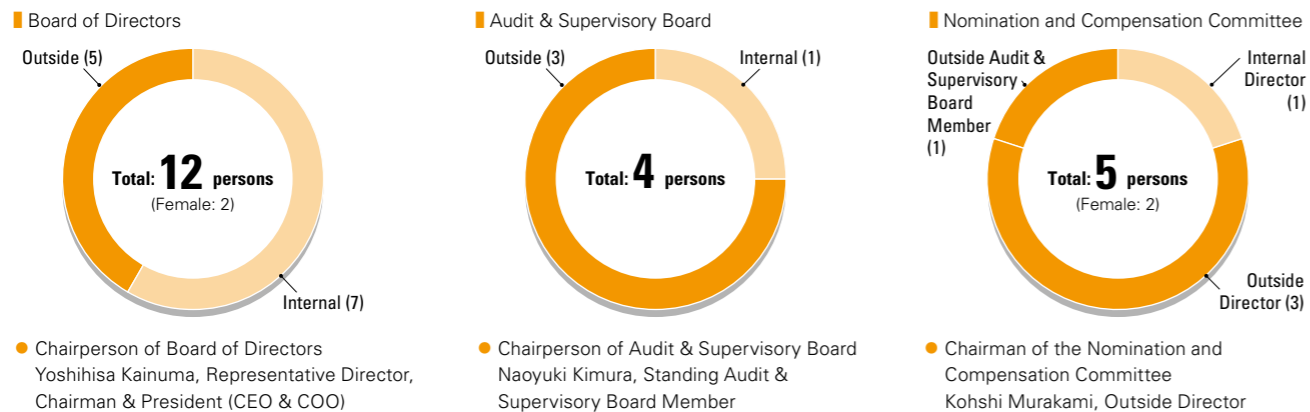
Apr. 1980 Joined Kantoshinetsu Regional Taxation Bureau  
Jul. 2006 Chief Examiner, Large Enterprise Examination and Criminal Investigation Department, Kantoshinetsu Regional Taxation Bureau  
Jul. 2007 Special Officer, Management and Co-ordination Department, Kantoshinetsu Regional Taxation Bureau  
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, Representative of 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 as well as abundant experience with tax services. He was appointed so that his abundant experience and keen insight would be reflected in audits of the Company.

**Overview of organizational bodies (As of June 29, 2021)**

**Organization form: Company with Audit & Supervisory Board**  
(established the voluntary Nomination and Compensation Committee)



**Initiatives for Group governance**

Under its Basic Policy for the Formulation of an Internal Control System, the Company has been developing various regulations applicable across the Group (Group regulations). We need to further reinforce our Group governance through efforts that include overhauling various rules amid a scenario where the number of companies in the Group has increased more than threefold relative to the number in 2012, upon having integrated the businesses of

MITSUMI ELECTRIC, U-Shin, and ABLIC over the years 2017 to 2020. Established in 2019 with the aim of enhancing initiatives pertaining to governance of the entire Group, the Sustainability Management Division will furthermore overhaul Group regulations going forward, while otherwise enhancing risk management and compliance frameworks of the entire Group, and also seeking to improve effectiveness of our governance.

**Compliance**

**<Basic approach>**

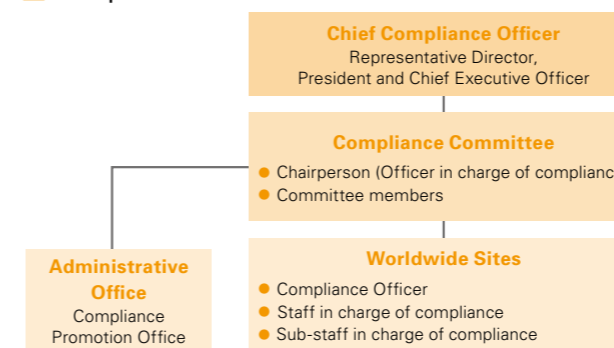
To continue to act appropriately as a corporate citizen, the Company has established the "MinebeaMitsumi Group Code of Conduct" and "MinebeaMitsumi Group Officer and Employee Compliance Guidelines," and on the basis of these policies, we strive to achieve fair, appropriate and highly transparent management.

**<Compliance promotion structure>**

The President and Chief Executive Officer of the MinebeaMitsumi Group has ultimate responsibility for compliance. He is supported directly by the Compliance Committee. Meeting twice a year, the committee ensures implementation of the Code of Conduct and makes decisions on emergency response measures in the event of significant violations of the code. The Compliance Promotion Office, the administrative body for the Compliance Committee, implements various policies for the promotion of compliance.

Additionally, we appoint compliance officers at each site in order to enhance the group management. To reinforce the structure throughout the Group, in the fiscal year ended March 2021 we appointed a compliance officer as well as staff and sub-staff in charge of compliance at ABLIC Inc., which joined the Group as a result of business integration.

**Compliance framework**



The details on initiatives for compliance promotion can be viewed from here.



**Risk management**

**<Basic approach>**

Because our response to risk could profoundly affect the MinebeaMitsumi Group's business fundamentals, we believe that risk management is vital to the management of the company. We are prepared for various risks based on the "MinebeaMitsumi Group Basic Rules for Risk Management" which define preventive measures we should have in place, our response in crisis situations, and the type of system the Group should put in place.

**<Risk management system>**

The President and Chief Executive Officer of the MinebeaMitsumi Group has final responsibility for risk management, with major decisions regarding risk management being made by the Risk Management Committee. As a precautionary measure, MinebeaMitsumi attempts to predict and classify tangible risks in advance, and remains vigilant against such risks. In the unlikely event that an incident occurs, a management headquarters and local countermeasures office will be established according to the severity category of the circumstances as defined in the Rules to respond rapidly and effectively to the situation. Further, MinebeaMitsumi has established a system under which, depending on the nature of the risk, a supervisory division can be appointed to handle a situation and to draft and implement risk prevention measures.

**<BCP initiatives>**

In the event of a major disaster, infectious diseases such as influenza, act of terrorism or other emergency, we believe that our social responsibility includes confirming the safety of our employees and their families with top priority, as well as ensuring that, as a components manufacturer of products with world-leading market shares, we can continually supply our customers and minimize the impact to our business. For that reason, we have formulated business continuity plans (BCP) for major business sites in and outside Japan and are implementing training drills, etc.

In Thailand, which has the MinebeaMitsumi Group's core plants, we acquired the international standard ISO22301 for our business continuity management system (BCMS) at the Bang Pa-in Plant, Lop Buri Plant, Rojana Plant and Navanakorn Plant, followed by the Ayutthaya Plant and Ban Wa Plant in April 2021. We are working on activities that further promote business continuity.

In addressing the threat of COVID-19, the MinebeaMitsumi Group has set up a headquarters to take swift action. We have accordingly managed to keep damage to a minimum by thoroughly implementing shared measures globally, with the first of such efforts having taken place in China. We are striving to reduce risk by permeating BCP pertaining to infectious disease into production bases that are expanding globally as best practice and strengthening measures.

## Business and other risks

The Group defines risks as uncertain events that could affect the execution of its operations, or its business activities, either directly or indirectly, and describes the content and response to major risks that could have an impact on the Group's operating results and financial position from the perspective of external environment and internal environment.

The following future major risks are those recognized by the Group as of March 31, 2021.

### External environment

#### 1 Risk related to natural and other disasters

Damages or reduced operations at the operational bases of our Group or its suppliers arising from natural disasters such as typhoons, earthquakes, and floods, fires and other accidents, or the spread of new infectious diseases could impact our operating results and financial position.

In response, the Group tracks risks using the results of hazard maps, risk surveys, etc. related to natural disasters at each base, and implements countermeasures, stockpiling, disaster prevention drills, and other preparations during normal times. Additionally, the headquarters (Risk Management Committee) and each base work closely together to further strengthen the crisis management system.

#### 2 Latent risk related to operations overseas

Our Group has 93 manufacturing facilities and 90 sales facilities in 27 countries, including regions where there are risks of unexpected changes to laws or regulations, large-scale labor disputes, acts of terrorism, war, or other occurrences that could disrupt social order. In response, we have established crisis management manuals for our overseas bases and are working to enhance our preparation for unexpected situations. At the same time, we coordinate closely with the relevant authorities in each country and region and work to ensure the safety of the companies and employees in the event of an emergency. In addition, we are working on gaining recognition as a community-based company not only from the relevant authorities but also from local residents by actively engaging in social contribution activities in each area.

Furthermore, through the development of overseas plants for mass production and our global R&D structure, we have established a risk diversification system that supports revenues via a product mix that is effective against changes in the external environment and global production bases that complement each other.

#### 3 Risk associated with exchange rate fluctuation

Sudden, unpredictable fluctuations in the currencies may impact our operating results and financial position because a significant portion of our consolidated net sales and production occur outside Japan. For that reason, we use hedging, under certain rules, using currency exchange contracts to mitigate the risk of sharp movements in exchange rates.

#### 4 Risk of sudden changes in the market environment and low-price competition

The principal markets for our Group products, including those for PCs and peripheral devices, information and telecommunications equipment, household electrical appliances, automobiles, and aircraft components, are subject to extraordinary levels of competition both in Japan and overseas, and there is the risk of significant fluctuations in demand.

A sudden decline in demand or price competition with low-priced products manufactured overseas can affect our operating results and financial position. As such, the Group operates in accordance with the management strategies of "Reinforcing Core Businesses,"

"Diversified Niches (the Eight Spears)," and "Generating Synergies through INTEGRATION" to reduce as much as possible the risk of concentration on individual customers. With regard to credit, in addition to strengthening our debtor management, such as by negotiating debt protection activities with counterparties for which there are concerns, and focusing on creating one-of-a-kind high value-added products that are resistant to price competition in order to mitigate the risk of market environments and low-price competition.

#### 5 Risk related to supply chain

In order to build healthy partnerships with its suppliers, the Group has established "Basic Procurement Policies," and accepts new suppliers only after it has confirmed that they accept the Group's views on procurement, such as by being able to maintain continuous transactions, by complying with requirements and standards in relation to chemical substances used in the Group's products, and by endorsing the "MinebeaMitsumi Group CSR Procurement Guidelines."

We also work to diversify the procurement sources of raw materials necessary for production over multiple suppliers so as to enhance the stability of the supply chain, and take various measures to deal with risk, such as reducing costs by improving productivity.

#### 6 Risk related to disputes over intellectual property and flooding of the market with counterfeit products

There is a risk that a third party may bring a lawsuit against us in relation to our products for infringement of intellectual property rights. In addition, were counterfeits of our products to be distributed, it could impact our sales and harm our brand or credibility.

In order to reduce the risk of lawsuits related to infringement of intellectual property rights, we research the intellectual property rights of other companies during the development and design stage and address intellectual property rights that could present a problem. Furthermore, we have registered our trademarks with customs and have established a system for monitoring counterfeit products. We also actively acquire intellectual property rights for our newly developed products. The Patent Committee manages and implements the above actions as appropriate.

#### 7 Legal risk

As we engage in a wide range of business activities in Japan and overseas, serious disputes and lawsuits could potentially arise between our Group and its customers, consumers, suppliers, competitors, governments, and others in relation to contract violations, illegal activities, or other matters. We have established Guidelines for Consultations with the Legal Department in order to prevent serious disputes and lawsuits. Important management matters and contracts requiring legal review must be brought to the Legal Division in Japan and overseas beforehand. In addition, in the event of a serious dispute or lawsuit, the Legal Division and legal advisors will play a central role in coordinating with the related internal departments to resolve the dispute/lawsuit appropriately and in a timely manner.

#### 8 Risk related to environmental laws and regulations

Our business is subject to various environmental laws and regulations that are in effect in the regions where we operate. Although we pay due attention to ensuring compliance with all such laws and regulations, we could be subject to losses in the event that an incident involving environmental contamination were to occur or in the event that the possibility of such an incident were to arise.

For this reason, the Group has established an environmental management structure (Environmental Management Committee) under the "MinebeaMitsumi Group Environmental Policy," and appointed a Manager of Environmental Management. The Committee engages in rigorous risk mitigation and other activities designed to proactively prevent environmental pollution.

### Internal environment

#### 1 Risk related to compliance

We engage in a wide range of businesses all around the world and are subject to the laws and regulations that are in effect in each region. As such, there is a possibility of future legal violations, and in addition, changes in laws and regulations, including the interpretation or enforcement thereof, may make compliance more complex and could even incur higher costs related to compliance.

The Group has established the "MinebeaMitsumi Group Code of Conduct," which covers labor, health and safety, environmental conservation, and ethical management, and it has additionally formulated the "MinebeaMitsumi Group Officer and Employee Compliance Guidelines," which is a specific standard that must be followed by all officers and employees. To ensure thorough compliance with these, we have established a Compliance Committee and have built a system for verifying that the Group's legal compliance structure is properly managed. On the practical side, the department in charge, as stipulated within the MinebeaMitsumi Group Officer and Employee Compliance Guidelines, is in charge of complying with laws and regulations in operations and the Internal Auditing Office conducts audits. Meanwhile, on the internal control side of things, the Internal Control Promotion Office has primary responsibility for ensuring the reliability of financial reporting. These organizations work to increase the effectiveness of legal compliance throughout the entire Group.

#### 2 Quality risk

Our products are used in applications that require a high degree of precision in the general market and many industrial fields, including products that could affect human health and safety such as automobiles, aircraft, and medical devices. We recognize the social responsibility we bear and have a system in place to ensure our products are of the highest quality. At the same time, we have a mission (expectations) to provide customers with environments, health, peace of mind, and safety by selecting primary materials, parts, and secondary materials and engaging in design and development that takes the application into careful consideration. If any of our products were found to be defective and resulted in a serious accident in the market, the suspension of our customers' manufacturing operations, or a product recall, we could incur significant expenses or lose public confidence, both of which could result in a material adverse effect on our operating results and financial status.

We have implemented the countermeasures below, fully recognizing our social responsibility based on the MinebeaMitsumi Group Quality Policy.

- Thorough action on lessons learned from quality problems (prevention of occurrence and recurrence)
- Investigation and verification in design stage and strengthening of management structure within supply chain

#### 9 Risk related to M&As and alliances

The Group considers M&A and alliances to be one of its most important policies and promotes such opportunities, but changes in the market environment, etc., as well as the occurrence of mismatches with the strategy of the other party in alliances, may lead to the non-materialization of the effects that were originally expected. In order to respond to such risks, the Group emphasizes the blending of human resources and organizations during M&A, and in alliances places great importance on mutual use of know-how to generate synergies. However, if the acquired company or alliance partner's business suffers a greater-than-anticipated decline in profitability or deterioration of its financial position due to changes in the business environment, this could impact our operating results and financial position.

- Thorough communication of and compliance with various laws and regulations and customer requirements
- Sharing of information and deployment of measures through company-wide meetings, on-site audits, etc.

#### 3 Risk related to information security

Through the course of our business operations, we obtain large amounts of important information, including personal information. While we maintain information security policies that prevent the undesired disclosure as well as unintended use of information, a security breach could occur due to unforeseen circumstances. Addressing such an incident could incur huge losses and expose us to the risk of losing public confidence.

For this reason, we have put in place a system for verifying that our information security system is operating properly, which includes establishing an Information Security Policy and an Information Security Committee. We also implement information security education and administer tests to ensure comprehension, working to prevent information leaks resulting from loss or theft of devices, carelessness, etc.

In addition to the above, we address problems with security vulnerabilities in the network devices, computers, servers, etc. used in our operations by updating to the latest versions that have been confirmed to be stable. This is done as a measure to prevent suspension of operations and information leaks due to computer viruses, malware, unauthorized access and other cyberattacks or system intrusions. We have also installed anti-virus and anti-malware software and introduced 24/7 information security system that utilizes AI to ensure proper operations.

#### 4 Risk related to R&D

The Group introduces a continuous flow of new products to the market, and in order to make a contribution to achieving net sales and profit targets, it conducts research and development activities that include basic research, key technology development, product development and production process development. However, in the event that we were unable to bring our R&D efforts to fruition or a competitor were to create a superior product to ours, this could prevent us from achieving future sales and revenue targets, thereby impacting our operating results and financial position.

It is uncertain whether research and development efforts will bear fruit, but in order to obtain results within the projected range, the Group efficiently and effectively manages the progress and costs of R&D projects in accordance with the "Research and Development Management Manual" and other documents.