Initiatives to Support Value Creation

Initiatives for the Environment

Aiming at our corporate philosophy “To contribute to realization of a sustainable, eco-friendly, and prosperous society by providing better products, at a faster speed, in larger numbers, at a lower cost and by smarter means,” we will work diligently on decarbonization and the reduction of environmental burden.

For acquisition of SBT certification

In July 2023, we submitted a commitment letter to the SBT Initiative (SBTi), an organization that certifies scientifically consistent greenhouse gas emission reduction targets as stipulated by the Paris Agreement. We announced that we aim to obtain SBT certification within two years. The Group identified “Minimizing the environmental impact of business activities” as one of its material issues and will aim at achieving a 30 percent reduction in greenhouse gas emissions by the fiscal year ending March 2031 (compared with the fiscal year ended March 2021) and at carbon neutrality in 2050 at the latest, in the whole Group.

Greenhouse gas emissions during the fiscal year ended March 2023

For Scopes 1 and 2, the Group has set a 10% reduction per unit sales compared with the fiscal year ended March 2020 as a medium-term target. In the fiscal year ended March 2023, we realized a 16.8% reduction per unit sales compared with the fiscal year ended March 2020. For Scope 3, emissions from Category 4 (transportation and distribution) increased in the fiscal year ended March 2022 because it was difficult to secure sea freight owing to the spread of COVID-19, but emissions were improved in the fiscal year ended March 2023 as sea freight became more available.

As our Group’s Scope 3 emissions are five times higher than Scopes 1 and 2, we will set Scope 3 targets in the fiscal year ending March 2024, and will work to reduce them going forward. For that purpose, we are conducting surveys in cooperation with our suppliers of purchased goods and services, which account for 80% of all Scope 3 emissions. These surveys will allow us to understand current emissions and set appropriate reduction targets.

Status of and plan for the installation of solar power generating equipment

The Group is promoting a 30 percent reduction in greenhouse gas emissions (Scopes 1 & 2) compared with the fiscal year ended March 2021 by the fiscal year ending March 2024, and to achieve carbon neutrality by 2050. We are promoting the procurement of renewable energy through the introduction of in-house solar power generation equipment, self-consignment systems, electric power procurement agreements and PPA.

In Japan in June 2023, we started to send electricity from solar power generation (about 2.4 MW) to our five offices and plants in the Kantō area using the self-consignment system. In the future, we aim at increasing the output of power generation to about 10 MW by around September 2023 and to over 50 MW by June 2025.

The environmental policy can be accessed from here.

The detailed environmental data can be viewed from here.

* This represents the current installation plans, and is subject to change.

Assessment from CDP

In the CDP Scores, we were awarded “A-” in Climate Change 2022 and “A” in Water Security 2022

Power procurement agreements (planned)*

![Image](Image 286x591 to 601x801)

Road map to carbon neutrality

![Image](Image 1035x87 to 1129x128)

Initiative for carbon neutrality by 2050

<table>
<thead>
<tr>
<th>Scope</th>
<th>2020</th>
<th>2023</th>
<th>2031</th>
<th>2046</th>
<th>2050</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1 (fuel use)</td>
<td>67.1</td>
<td>48.0</td>
<td>20</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Scope 1 (non-energy origin)</td>
<td>738.5</td>
<td>580.2</td>
<td>407.4</td>
<td>288.0</td>
<td>288.0</td>
</tr>
<tr>
<td>Scope 2 Offset</td>
<td>186.0</td>
<td>134.5</td>
<td>80.0</td>
<td>53.6</td>
<td>53.6</td>
</tr>
</tbody>
</table>

*This represents the current installation plans, and is subject to change.
The Group’s “MM Beyond Zero” initiative aims to contribute to the reduction of global CO₂ emissions by enhancing the energy-saving features of our products. By using these products, our customers will in turn reduce the electricity consumed by their products, and their customers’ products. As a part of this initiative, we have been tracking the amount of CO₂ emission reduction contribution by our products since the fiscal year ended March 2021.

**Actual volume of avoided CO₂ emissions and new target**

The result for the fiscal year ended March 2023 was about 2,671,000 t-CO₂, and increased by about 73% year on year.

We achieved in the previous fiscal year the target set in the fiscal year ended March 2021. This fiscal year, we set a new target of reducing about 4,000,000 t-CO₂, an increase of about 50% of the actual result for the fiscal year ended March 2023, by the fiscal year ending March 2031. *We will continue to contribute to reducing global CO₂ emissions through the development and promotion of products with advanced energy-saving features.*

**Examples of products with a high volume of avoided CO₂**

- **High-performance fan motor bearings**
  Bears support rotating shafts and are the most important part of rotary components such as motors. We specialize in miniature ball bearings, which are used in fan motors, which are used widely in IT-related electronic devices and components for cooling.

- **IGBT: Insulated gate bipolar transistors**
  An IGBT is a transistor most suitable for control of high voltage and large current and is used to control electricity from a power source into a form suitable for a motor or electrical equipment. It is used for an electric car and a home electrical appliance, such as an air conditioner, and contributes to energy saving by controlling rotation speed of a motor efficiently.

**Materials in Green Bond Framework**

- **Progress of Green Bonds issued in November 2022**
  As shown in the right table, we will continue to contribute to realizing a sustainable, earth-friendly, and affluent society.

**Progress of Green Bond Framework**

**Financial impact levels due to risks, opportunities, and risk mitigation measures**

- **4°C scenario**
  - **Risks**: Extreme weather events
  - **Opportunities**: Market opportunities
  - **Response measures**: Disaster mitigation using BCP (Assumed 90% mitigation)

- **1.5°C scenario**
  - **Risks**: Extreme weather events
  - **Opportunities**: Market opportunities
  - **Response measures**: Disaster mitigation using BCP (Assumed 90% mitigation)

**Initiate for TCFD recommendations**

The Group recognizes the importance of disclosing climate-related financial information and in 2020 endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). As such, we disclose information on mitigating the risks and seizing the opportunities brought about by climate change.

The Group sees it as one of its missions to contribute to achieving global carbon neutrality by 2050. In addition to reducing its own greenhouse gas emissions to achieve carbon neutrality, the Group will work to help its customers reduce their greenhouse gas emissions through its products.

We have set a reduction target for our own greenhouse gas emissions; in the fiscal year ending March 2031 at a 30 percent reduction compared with the fiscal year ended March 2021, and after we achieve the target, we will be making efforts to achieve carbon neutrality by 2050 at the latest.

We are engaged in initiatives under MM Beyond Zero to help customers reduce their greenhouse gas emissions through our products, and we will also use these initiatives to control our own Scope 3 emissions. We will promote these initiatives as key business strategies, including the supply of components for products and equipment such as electric vehicles, solar power generators, and green data centers, as well as the development of energy-saving, resource-saving, long-life products.
Financial impact evaluation by scenario analysis and response measures

<table>
<thead>
<tr>
<th>Item</th>
<th>Impact on the business</th>
<th>Evaluation</th>
<th>Response measures to risks/opportunities</th>
<th>Applicable impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>-</td>
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<td>-</td>
</tr>
</tbody>
</table>

**Renewable energy and green hydrogen gas emissions costs will increase with the adoption of carbon taxes, emission trading, and green electricity demands.**

- **Risks:**
  - We will need to promote measures such as CO2-emissions reduction by investing in energy-saving, as well as scope 3 CO2 emissions reduction by increasing the ratio of renewable energy procurement.

- **Opportunities:**
  - We will promote advanced BCP and technological development to meet low-carbon needs, and make proactive and systematic investment to retain competitiveness.

- **Applicable impact:**
  - 1.5°C

**Changes in product and service needs / New market entry**

- **Risks:**
  - As concern about climate change promotes the increased adoption of electric vehicles, high-efficiency devices (drives, motors, etc.) in order to save energy, and other parts necessary for these vehicles could increase substantially. We concern about climate change promotes the widespread adoption of electric vehicles, high-efficiency devices (drives, motors, etc.) in order to save energy, and other parts necessary for these vehicles could increase substantially.

- **Opportunities:**
  - We will promote M&A activities globally, and promote a long-term growth strategy to expand overseas business (expanding core production outside Japan).

- **Applicable impact:**
  - 1.5°C

**Technology advancements to be associated with the transition to a low-carbon society**

- **Risks:**
  - Climate change is expected to make major disasters more frequent, similar to past flooding in Thailand. By implementing the necessary BCP activities, we can enhance the resilience of our products to disasters. Climate change is expected to make major disasters more frequent, similar to past flooding in Thailand. By implementing the necessary BCP activities, we can enhance the resilience of our products to disasters.

- **Opportunities:**
  - We will make a system to calculate the CO2 emissions reduction effect of our products along with their carbon footprints, and will provide this as part of the design and development output data.

- **Applicable impact:**
  - 1.5°C

**Message**

The world turned the rudder largely to Green Transformation (GX)

In 2020, the world was struck by the raging spread of COVID-19 and was forced to take countermeasures against the virus, resulting in a slowdown of the world economy. Under those circumstances, the EU worked out a new growth strategy called the European Green Deal. It declared that it would produce new employment through the efforts holding up a goal of 2050 Carbon Neutrality. Spurred by those movements of the EU and the U.K., Japan, the U.S. and other countries also declared 2050 Carbon Neutrality one after another. Furthermore, carbon neutrality was set as a goal of companies, not only countries. If major companies declared they would achieve carbon neutrality in their business by 2030 one after another, and requested their suppliers to use renewable energy to manufacture components.

Even though we are from different countries, our desire to preserve the global environment is the same. Communication that unifies is important.

Chief Green Officer’s (CEO’s) Message

MinebeaMitsumi’s original business was the production of bearings. A bearing is a part to minimize friction and resistance and to reduce energy costs. We will promote advanced R&D and technological development to meet low-carbon needs, and make proactive and systematic investment to retain competitiveness. We will also make a system to calculate the CO2 emissions reduction effect of our products along with their carbon footprints, and will provide this as part of the design and development output data.

Overcome common problems to humanity with the power of INTEGRATION of 100 thousand employees

MinebeaMitsumi has the strength of INTEGRATION, for which 100 thousand employees with diverse backgrounds gather to put their heads together. We will continue studying hard all together to protect the global environment of a great blessing and hand over it to the next generation.
Initiatives for Society

To ensure management sustainability, the MinebeaMitsumi Group is working on the material issues (Materiality) identified in the Company’s "CSR Procurement Guidelines," * which is based on the "MinebeaMitsumi Group Code of Conduct." * The basic transaction contracts we sign with our suppliers require observance of these guidelines and make violations cause for termination. In addition, to assess the status of CSR promotion by our suppliers, we established the "MinebeaMitsumi Group CSR Procurement Self-assessment Checklist** and have asked our suppliers to complete it. Questions on the checklist are divided into the five categories of "general promotion of CSR," "human rights and labor," "health and safety," "environmental conservation," and "ethical management" to assess risks in the supply chain. We provide feedback to our suppliers and, when some problems are seen in their answers, check the state thereafter in detail by communicating individually with the suppliers.

We implemented the following measures in fiscal 2022:

1) Review of "MinebeaMitsumi Group CSR Procurement Self-assessment Checklist**

To grasp in detail the state of promoting CSR, we reviewed and revised questions about "general promotion of CSR."

2) Monitoring the status using the CSR Procurement Self-assessment Checklist

We conducted a survey of U-shin’s 118 main suppliers in China (representing 87% of its purchase amount) and received responses to it from all of them.

3) In-house education in CSR procurement

All the employees (271) of the procurement and logistics divisions of Group companies in Japan completed the course using an education tool, and all of them passed a comprehension test.

4) Obtained human rights pledges

To promote our policy of "responsible procurement," regarding three suppliers integrated into us, a total of 584 companies (252 Minebea Connect companies, 213 HONDA TSUSHIN KOYO companies, and 119 Minebea Access/AccessSilicon companies), we had those companies submit written pledges for human rights.

These pledges contain the following promises:

1) A promise to comply with the requirements set forth under MinebeaMitsumi’s "CSR Procurement Guidelines:" (1) employment autonomy, (2) prohibition of child labor, (3) prohibition of discrimination, (4) prohibition of inhumane treatment, (5) minimum wage, (6) working hours, and (7) freedom of association.

2) A promise to request that others in the supplier’s supply chain also comply with MinebeaMitsumi’s "CSR Procurement Guidelines."

3) A promise that there are no current violations by the supplier or others in the supplier’s supply chain; moreover, that if any violation is discovered, the supplier will immediately report it to the Company and correct it, or ensure that it is corrected.

Moreover, we make the submission of this pledge a condition of business with any new suppliers. We also have audits conducted by third-party agencies as necessary when human rights violations are suspected.

CSR procurement

Considering the global scope of our business activities, we believe it is important to promote CSR throughout our supply chain. In March 2012, we took steps to establish a framework for CSR procurement with the formulation of the "MinebeaMitsumi Group CSR Procurement Guidelines," * which is based on the "MinebeaMitsumi Group Code of Conduct." * The basic transaction contracts we sign with our suppliers require observance of these guidelines and make violations cause for termination.

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**Initiatives to Support Value Creation**

**Initiatives for Society**

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### Policies and initiatives related to human rights

With the global expansion of business in recent years, we face an increasing need as a corporation to address human rights issues in our supply chain. In this context, the Group regards respect for human rights of all stakeholders concerned in our corporate activities as a key issue of the basic management policy. As a global corporation, the Group has built a human rights due diligence system and focuses on initiatives to prevent the violation of human rights of stakeholders based on the MinebeaMitsumi Group Human Rights Policy, shown below.

#### Human rights risk map

We have identified and mapped the human rights risks that could negatively impact the Group's business activities. Moreover, we have organized the human rights risk by value chain and analyzed important issues to address.

#### Human rights risk by value chain

<table>
<thead>
<tr>
<th>Plant construction</th>
<th>Procurement</th>
<th>Production</th>
<th>Logistics</th>
<th>Sale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infraction of local residents' rights</td>
<td>Forced labor and child labor</td>
<td>Workplace accidents and long working hours</td>
<td>Influence of products' safety on consumers and others</td>
<td>Freedom of association and collective bargaining</td>
</tr>
<tr>
<td>Environmental pollution around plants</td>
<td>Workplace accidents and long working hours</td>
<td>Environmental pollution and air pollution on resources around plants</td>
<td>Freedom of information and privacy</td>
<td>Freedom of association and collective bargaining</td>
</tr>
</tbody>
</table>

#### Education and Training

We provide a full range of training programs for Group employees, to deepen our employees' understanding of our basic management policy including respect for human rights, including training for new recruits, training by employee rank, which uses the “MinebeaMitsumi Group Officer and Employee Compliance Guidelines,” harassment prevention, and inter-cultural communication for overseas assignment. Since fiscal 2023 we have provided e-learning for the purpose of promoting an understanding of business and human rights, mainly for Group employees in Japan.

#### Initiatives related to the human rights of employees

**Initiatives focused on occupational safety and health**

The Group ensures the health and safety of its employees. We provide safe and hygienic working environments, prevent overwork, and consider employee health and safety in all our business activities. We design the Group’s human resource systems not only for compliance with local laws and regulations, but also to improve labor management and create a better workplace. These include systems that provide employees with benefits exceeding those mandated by law.

**Initiatives related to the human rights of employees**

We take appropriate measures to provide relief wherever the Group’s activities have caused or clearly exacerbated a negative impact on human rights. We have established a whistle-blowing system and consultation point to enable the Group’s employees and former employees to report and consult on issues or trouble related to human rights. We have made this system and consultation point widely known through the Group.

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**Initiatives related to human rights in our supply chain**

At the Group, we implement risk assessments in our supply chain in accordance with the “MinebeaMitsumi Group CSR Procurement Guidelines,” by actively communicating with our suppliers all over the world and requiring that they regularly submit the self-assessment.

#### Reluctance measures

We continuously monitor compliance with the Guidelines, including respect for human rights.

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**Value Creation Story of MinebeaMitsumi**

**Chapter IV**

**Initiatives to Support Value Creation**

### Initiatives related to human rights in our supply chain

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**Minebea AccessSolutions contributes Strawberries cultivated by it to Kodomo shokudo (children’s cafeterias)**

Minebea AccessSolutions contributes Strawberries cultivated by it to Funai Oshokudo and Omiya Kodomo Shokudo, children’s cafeterias in Miyazaki City, Miyazaki Prefecture.

The company feels sympathy for children's cafeterias, which are a place of exchanges among several generations in communities all over Japan, and continues contribution activities in the hope that strawberries it provides as foodstuffs will help exchanges among local people.

Every year, during the harvest from December to May of the next year, Minebea AccessSolutions carries out the contribution activities every other week, and is conducting the ninth round of activities this season.

The company cultivates the strawberries by using part of the premises of the Miyazaki Plant. It started cultivating strawberries in a greenhouse with an area of 16 m² in 2018 and started their contribution to children’s cafeterias, etc. in 2019. From 2021, the company cultivates about 1,000 strawberries with roots in a greenhouse with an area of about 100 m² for the purpose of expanding philanthropy for communities.

The crops in a season are 317 kg (equivalent to 1,174 general packs) and are contributed about 20 times to 15 facilities and groups.

The company continues the cultivation according to the standard for specially cultivated agricultural products* as specified by the Ministry of Agriculture, Forestry and Fisheries.

The MinebeaMitsumi Group continues efforts in the future too so that it will become a company welcomed by building close relations with communities through such philanthropy.

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* Specially cultivated agricultural products: Agricultural products for which nitrogen constituents originating from chemical fertilizer and agrochemicals to be reduced (e.g. chemosynthetic agrochemicals) are reduced by 50% or more in light of the environmental requirements for the cultivation area.

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**Material issues**

- **Human Capital**
- **Environmental pollution around plants**
- **Infringement of local residents' rights**
- **Environmental pollution and air pollution on resources around plants**
- **Forced labor and child labor**
- **Workplace accidents and long working hours**
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**Material issue target**

**Value Creation Story of MinebeaMitsumi**

**Chapter IV**

**Initiatives to Support Value Creation**

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**Material issue target**
Chapter II

To chart a sustained growth trajectory, how should MinebeaMitsumi continue to “maximize the power of employees”?

While listening to the background and objectives of the new management structure from Director Katsuhiko Yoshida, who assumed the position of President, COO & CFO in April 2023 (hereinafter referred to as “President Yoshida”), an exchange of opinions was held at our new offices in the Tokyo Tech Garden with female Outside Directors, Ms. Yuko Miyazaki, Ms. Atsuko Matsumura and Ms. Yuko Haga, on the theme of how the Company should continue to evolve to maximize the power of employees, a theme of “human capital.”

Today, I am asking you about your opinions on our expectations for the new management structure and for further strengthening of our human capital.

Please tell us about your enthusiasm for the new management system.

Yoshida: Our Company has changed over to a new management system in which former Representative Director, Chairman & President (CEO & CFO) Yoshifusa Kainuma has assumed the post of Representative Director, Chairman ("Chairman Kainuma“), and former Managing Executive Officer CFO, have assumed the post of President & CFO since April this year. Chairman Kainuma approached me at the beginning of the year about transitioning to a new management structure and I must admit that I was a bit surprised. However, I believe that I need to do for our Company would not change although the duties of COO are added to my duties. So I prepared to assume the important tasks.

In the new management structure, I will take over the duties of COO that Chairman Kainuma has worked on. As COO for many years, I have had the great opportunity to observe and learn about Chairman Kainuma’s corporate philosophy, management policy, and how he executes management strategy at close range. Fortunately, I believe that the belief that investors have understood this new management system which I observed at while meeting with the investors, I will work on executing my duties in cooperation with Chairman Kainuma in the future to accelerate our Company’s growth.

One thing I am particularly conscious of in the new management structure is to make it clear that Chairman Kainuma has spent time to allot time to Chairman Kainuma for tasks that can be performed only by him, such as building relationships with government officials inside and outside Japan by using his personal connections, developing high level strategies, and training the next-generation of human resources, which is a key objective for our Company. Next generation human resources training cannot be achieved in a short time, though, so I wish to be deeply involved with this process.

Matsumura: Since Chairman Kainuma assumed the post of President in 2009, I have observed Chairman Kainuma’s corporate philosophy, management policy, and management power by putting his innovative ideas into practice, by using both organic growth and M&A growth. As a result, our Company has seen dramatic growth in net sales and operating income as well as technological and management capabilities. I believe that with the new management structure established by Chairman Kainuma and President Yoshida, we are now well-positioned to move forward toward our high goals for the fiscal year ending March 2029. Until now, Chairman Kainuma has led the management structure under his strong leadership, but I can sense his intention to groom the next generation under a new structure. I expect that Chairman Kainuma will continue to formulate strategies based on firm management policies, and that President Yoshida will fulfill the roles of both COO and CFO, and demonstrate leadership by forming a unique team that incorporates talented professionals. The division of roles, made possible by the cleverness of these two leaders, will promote the further development of the Company.

Haga: I think the new management system has two broad meanings: a message to those outside the Company and a message to those inside the Company.

First, to institutional investors, who are outsiders, I am concerned that the message has been conveyed that nothing has changed. As President Yoshida explained earlier, the roles of Chairman and President will be divided and Chairman Kainuma himself plans to devote more time to human resource development and building the next generation for the organization, which are key issues that the Company has been focused on, may not as of yet, been properly conveyed to investors. I hope this roundtable discussion would constitute an important opportunity to disrupt the significance of the new management system to institutional investors. We also hope that you, inside the Company, will actively communicate the significance of this new management structure throughout the Company, including the various measures that will be taken to enable our employees to further demonstrate their abilities effectively, not only in Japan but also to our overseas staff working globally. I think that since President Yoshida will have additional COO duties in addition to his existing CFO duties, we believe it is necessary to systematically hand over the CFO duties to the next generation. I hope that President Yoshida will play an active role in spreading our corporate philosophy throughout the entire MinebeaMitsumi Group, including overseas.

Miyazaki: Regarding the new management structure, I understand that we have gained grace. I believe that the succession plan pertaining to Chairman Kainuma is a very great concern of people in both outside and inside the Company. This time, the management has formed a system in which former Senior Managing Executive Officer CFO, who has been long engaged in management with and under Chairman Kainuma, has been appointed as President and has continued as COO. However, to make a success of the succession, our quest is to find a capable person who can realize our future growth from the new management of the future in our Company. In the short term, the new management structure system may appear to the world as “something has changed on the surface of MinebeaMitsumi,” but in the medium to long term, the challenge will be to make use of the grace period afforded by the new management structure to continue to grow both internally and externally and to form a new picture within the organization and to promote management reforms that will entrusted management to the next generation.

Yoshida: Thank you very much for your valuable opinions. First of all, to Director Haga’s point that “nothing has changed,” I joined our Company as a new college graduate. Looking back, I believe that Chairman Kainuma has been the driving force behind our Company’s continued success and sustainability. Therefore, I think the view that our Company remains unchanged in the least should not be thought of as a negative point but rather as a sign that the Company will continue to grow as it has championed the concept of “OJT,” learning business execution. Our business headquarters are operated as a single company-like organization with technological development, production, and administration divisions, and each of those divisions is addressing tough issues on site as it operates in their particular areas. In addition to strengthening this type of fast-track human resources, we select a second tier of talents who are expected to take on the role of heads of business units in the future (Class 2). These Class 2 talents are expected to address management issues, and managers who will teach and train them to experience and management knowledge. Moreover, since this fiscal year, we have introduced a three-class approach to the succession plan, and selected the next generation of capable persons who are the next group of talents expected to assume the post of heads of business units (Class 3). The Tokyo Tech Garden has a large hall for training where candidates for executives have an opportunity to learn Chairman Kainuma’s management philosophy.

Director Haga has provided her opinion about transfer of my duties. Regarding that opinion, I have established the COO & CFO Office, for which I have selected four staff members. Those members participate in outside technical training as well as share in all of my duties. This activity is aimed at training the next generation of CFO and the training will continue for several years in the future.

Matsumura: Through this explanation of human resource development, I understand that human resource pools have been and continue to be developed at three levels using various initiatives, such as in-house training. Until last year, the evaluation and selection of human resources were based on different criteria in each division, but this human resource development program presents a strategy to identify employees who are expected to make a high degree of
contribution to the Company, and to pool and develop business leaders who have the ability to organize the employees around them. I believe that this will yield a continuous enhancement of corporate value.

The new policy also clarifies the type of human resources we are looking for. This is the vision of the program calls for "leaders who can enhance and evolve the business with their ability to think big and execute with a strong sense of vision" and "employees who can boldly take on the challenge of the resolution of social issues through the use of technological deepening and INTEGRATION." I believe that adding the "ability to look at the whole picture" applied to the conventional management and strategy.

And finally, I would like to discuss the selection of the next generation and the introduction of a training plan for them. I have received reports regarding the action plans for human resource development from the Nominated and Compensation Committee. Please continue sharing the efforts and results thereof regularly in the future.

We also believe that D&M measures need to be taken not on an individual basis, but as a whole, including women, foreigners, people with disabilities, and minorities. Many believe it is important not only to hire people with disabilities but also to determine who should do what and how. This is Chairman Kaime’s personal theory and if we ask which is more important, the organization or human resources, I believe human resources come first, and the key is how to develop specific human resources that can be placed in that organization. The management has continuously discussed human resources, but I think there is always room for improvement in human resource management. In the future, in order to share the status of our human resource development efforts with our Outside Directors, we will consider providing opportunities for the Outside Directors to interact with the next generation of management personnel on the factory floor when they visit the factories, so that we can see how we are building the next generation of leaders for the future of the Company.

As the old days.” Stones are piled as if they are regular on the surface of a stone wall, but in fact they are rough on the back of it. The human resource strategy is like building a stone wall of a castle in the old days. Stones are piled as if they are regular on the surface of a stone wall, but in fact they are rough on the back of it. The human resource strategy is like building a stone wall of a castle in the old days. In the future, in order to share the status of our human resource development efforts with our Outside Directors, we will consider providing opportunities for the Outside Directors to interact with the next generation of management personnel on the factory floor when they visit the factories, so that we can see how we are building the next generation of leaders for the future of the Company.

Miyazaki: As a lawyer, I often look at legal journals, and since the publication of the "10D Report for Human Capital Management," there have been an increasing number of articles and papers on "human capital" in legal journals. Since business is done by humans, it is certain that "human capital" is an essential element for a company. It is no longer a matter of leveraging human capital. One thing that I have noticed is that there is a mismatch between the "active management team" led by Chairman Kainuma, and the ability to deploy the organization. I think the human resources are engaged in our corporate culture and DNA. We will also build a "team building" initiative to respond and firmly make it a major strength of our organization, which can create value from both the perspective of corporate culture and strategy. In this roundtable, we will utilize this Tokyo Tech Garden, where hundreds of companies have been transformed, as a place where communication will deepen among various human resources. Although the effort has just started, I recognize it is important to systematically make efforts to train human resources within the Company, not only in leader development, but also in the employees in general. I hope that our efforts are important and worthwhile by highlighting and sharing specific cases of their efforts.

--- Please tell us what the Company’s expectations are regarding the future of our Company.

Miyazaki: Promoting human resource development and women’s advancement is our top priority. As we look towards the future, I think one of the key challenges is to increase economic value in the form of higher ROE and ROIC. The Ministry of Economy, Trade and Industry has provided the "Guidelines for Human Capital Visualization," for example, it is important to visualize ROIC by breaking it down into its elements and assuming a reverse tree, and to link each of the human capital management indices and KPIs that MinebeaMitsumi is currently trying to implement to its business strategy. I hope that you will proceed with all of your human resource strategies, including new and exciting human resource activities.

Yoshida: Thank you for your valuable suggestion. Discussions about human resource development are also at the central focus of management discussions. In the future, in order to increase economic value in the form of higher ROE and ROIC, we will proceed with all of your human resource strategies, including new and exciting human resource activities.

Yoshida: Thank you for your valuable suggestion. Discussions about human resource development are also at the central focus of management discussions. In the future, in order to increase economic value in the form of higher ROE and ROIC, we will proceed with all of your human resource strategies, including new and exciting human resource activities.
Corporate Governance

We are working to enhance and reinforce corporate governance, which is the basis of sustainable growth.

Basic approach to corporate governance

MinebeaMitsumi has adopted “The Five Principles” of the credo as its 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 making efforts to enhance our corporate governance system by maintaining transparency and objectivity of management as well as building management and supervisory function and business execution function.

Status of the Board of Directors (16 meetings held in fiscal 2022)

In order to place importance on the diversity of the Board of Directors and make 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 strategic decisions, five of the 12 Directors are independent Outside Directors. Furthermore, in order to speed up the business execution, the Company makes significant transfer of authority from Directors to Executive Officers, etc. by introducing an Executive Officer System, and makes a clear distinction between supervisory functions and executing functions of management.

Status of the Nomination and Compensation Committee (six meetings held in fiscal 2022)

In terms of nomination of Directors, the committee considered proposals for candidates for Director (new election and reappointment). Following individual 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, in regard to the succession plan for CEO, etc., is continuing to hold discussion on the ideal successor for driving the growth of the Company, the selection method for candidate successors, as well as their development plan. 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. The committee has continued to discuss reviews of the performance-linked compensation system, as an incentive towards achieving the fiscal year ending March 2023 goal of net sales of 2.5 trillion yen and operating income of 250 billion yen.

Overview of organizational bodies (As of June 30, 2023)

Chapter I
CEO’s Message / CEO’s Message
Chapter II
Value Creation Story of MinebeaMitsumi
Chapter III
Activities for Value Creation
Chapter IV
Initiatives to Support Value Creation
Evaluation of the effectiveness of the Board of Directors

In order for the Board of Directors to discharge its duties, a periodic evaluation of the effectiveness of the Board of Directors is necessary. This evaluation considers the functions of the Board of Directors as a whole, to verify that the composition of the members, the agenda items discussed, and the status of the operation of the Board of Directors are appropriate, and to acknowledge problems and strengths. We conducted a questionnaire survey of a third party evaluation on the effectiveness of the Board of Directors for the purposes of reviewing the Company’s activities for fiscal 2022, identifying issues to be addressed in fiscal 2023, and improving the effectiveness of the Board of Directors. A summary of the results is shown below.

- **Effectiveness evaluation process**
  - Self-evaluation through a written, anonymous questionnaire for all Directors and Audit & Supervisory Board Members
  - Summarize evaluation results
  - Formulate priority action policies based on evaluation results
  - Take action
  - Discussion at Board of Directors meeting
  - Summary, analysis, and comment by a third party (law firm)

- **Questionnaire items and implementation matters**
  - A written, anonymous questionnaire was administered for all Directors and Audit & Supervisory Board Members. Questionnaire items consisted of 29 multiple-choice questions with two-level evaluation and four free-form questions for a total of 33 questions, and comment columns were also provided for multiple-choice questions.

- **Evaluation results for fiscal 2022**
  - The results of the self-evaluation questionnaire were generally on par with the previous year, and although third-party involvement enabled to confirm that the overall situation remained good (effective situation), there were particular issues identified regarding information sharing with Outside Directors.

- **Initiatives to be carried out in fiscal 2023 (major issues)**
  - Recognize risk management, compliance, DX, and sustainability as key issues and enhance discussions at Board of Directors meetings.
  - To help Outside Directors deepen their understanding of the Company’s diverse businesses, we will enhance the information provided to them as follows: increase opportunities for dialogue with the Representative Director, Chairman CEO and the officers and managers in charge of business execution divisions; have them participate as observers in important internal meetings and provide them with the agenda details for such meetings; and arrange tours to major domestic and overseas plants for them.

- **Composition of officer compensation**

  - **Basic remuneration**
    - Position-based remuneration
    - Performance-based remuneration

  - **Performance-linked monetary compensation**
    - Stock options
    - Performance-linked stock compensation

- **Remuneration to Directors and Audit & Supervisory Board Members of MinebeaMitsumi**

  - The policy on determining remuneration for individual Directors is deliberated upon in the Nomination and Compensation Committee and is decided by the Board of Directors, respecting the recommendations of the committee. The remuneration to individual Directors is determined by a resolution of the Board of Directors after careful deliberation by the Nomination and Compensation Committee, which is based on the following remuneration composition and calculation standards: that fall within the maximum amount authorized at the General Meeting of the Shareholders.

  - **Remuneration for Directors (excluding Outside Directors)**

    Remuneration for the Company’s Directors consists of a fixed monthly basic remuneration, a performance-linked monetary compensation (performance-linked bonuses for Directors), and performance-linked stock compensation. The ratio of basic remuneration to performance-linked compensation varies depending on the degree of performance achieved each fiscal year, but as an incentive to improve performance, our compensation structure aims for a ratio of 1.2 or more between basic remuneration and performance compensation. In addition, performance-linked stock compensation is aimed at 10% or more of total remuneration, thereby aligning the interests of shareholders and those of Directors and motivating the latter to continuously improve performance. The maximum amount of remuneration for the Company’s Directors (excluding Outside Directors) was resolved at the General Meeting of Shareholders as shown in the right table.

  - **Compliance with the Code of Corporate Governance**

    - The Code of Corporate Governance is aimed at 10% or more of total remuneration, thereby aligning the interests of shareholders and those of Directors and motivating the latter to continuously improve performance. The maximum amount of remuneration for the Company’s Directors (excluding Outside Directors) was resolved at the General Meeting of Shareholders as shown in the right table.

- **Initiatives to Support Value Creation**

  - Corporate Governance

    - Remuneration for Outside Directors and Audit & Supervisory Board Members is limited to basic remuneration of a fixed monthly salary, taking into consideration the roles expected of each individual Director and Audit & Supervisory Board Member. The maximum amount of remuneration for Outside Directors and Audit & Supervisory Board Members was resolved at the General Meeting of Shareholders as shown in the right table.

    - **Actual remuneration for Directors and Audit & Supervisory Board Members (fiscal 2022)**

      | Category | Number of person | Basic remuneration | Amount of compensation (except for stock options) | Total |
      |----------|-----------------|-------------------|-------------------------------------------|-------|
      | Directors | 113            | 317,000           | 43,000                                    | 260,000 |
      | Outside Directors (Excluding Audit & Supervisory Board Members) | 113 | 317,000 | 43,000 | 260,000 |
      | Total | 113            | 317,000           | 43,000                                    | 260,000 |

  - **Relevant approvals made at the General Meeting of Shareholders**

    - The left table includes amounts paid to Mr. Hidetsugu Aki and Mr. Kiyotaka Hino, who served as outside Directors of the 76th Ordinary General Meeting of Shareholders held on June 29, 2022.
List of Officers (As of June 30, 2023)

### Directors

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Years of Service</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shigeru None</td>
<td>Director, Senior Managing Executive Officer</td>
<td>1989 Apr.</td>
<td>87</td>
</tr>
<tr>
<td>Masaaki Satoh</td>
<td>Director, Senior Managing Executive Officer</td>
<td>1988 Jul.</td>
<td>88</td>
</tr>
<tr>
<td>Ryozo Iwaya</td>
<td>Director, Senior Managing Executive Officer</td>
<td>1988 Apr.</td>
<td>89</td>
</tr>
<tr>
<td>Atsuko Matsushita</td>
<td>Independent Outside Director, Outside Director</td>
<td>2022 Jun.</td>
<td>96</td>
</tr>
<tr>
<td>Yuko Haga</td>
<td>Independent Outside Director</td>
<td>1989 Apr.</td>
<td>90</td>
</tr>
</tbody>
</table>

### Representative Director, Chairman CEO

Yoshisaka Kainuma

### Representative Director, Vice Chairman

Shigeru Moribe

### Director, Vice President Executive Officer

Ryozo Iwaya

### Director, Managing Executive Officer

Katsutoshi Suzuki

### Director, President CDO & CFO

Katsuhiko Yoshida

### Director, Senior Managing Executive Officer

Shigeko Nakanishi

### Director, Senior Managing Executive Officer

Satoshi Mizuma

### Outside Director

Yuko Miyazaki

### Outside Director

Yuko Haga

### Outside Director

Takashi Matsuoka

### Independent Outside Directors

Atsuko Matsushita

### Independent Outside Directors

Yuko Haga

### Independent Outside Directors

Takashi Matsuoka

### Representatives

Takashi Matsuoka

### Independent Outside Directors

Yuko Haga
Initiatives to Support Value Creation

Corporate Governance

Audit & Supervisory Board Member

Standings Audit & Supervisory Board Member

Makoto Hoshino

Assumed office on June 29, 2023

2018 May Executive Officer

2018 Dec. Member of the Nomination and Compensation Committee of the Company

2015 Apr. Visiting Professor, Tokai University School of Medicine (Present)

1989 Apr. Registered as attorney-at-law, joined Inami and Ota (currently Law Office Juricom)

Outside Audit & Supervisory Board Member

Shinichiro Shibasaki

Attendance at the Board of Directors Meetings

2010 Oct. Member of Dispute Resolution Committee of The General Insurance Association

2014 Jul. Chief Internal Inspector, Kantoshinetsu Regional Taxation Bureau, Commissioner's Secretariat of the National Tax Agency

1980 Apr. Joined Kantoshinetsu Regional Taxation Bureau

Outside Audit & Supervisory Board Member

Hiroshi Yamamoto

Assumed office on June 29, 2023


2014 Jul. Chief Internal Inspector, Kantoshinetsu Regional Taxation Bureau, Commissioner's Secretariat of the National Tax Agency

1987 Apr. Joined Japan Tobacco Inc.

Chapter IV

Skills matrix of Directors and Audit & Supervisory Board Members

Name

Position

Expedient and background especially expected

Expertise and background especially expected

Corporate Governance

Legal affairs

Finance,

Personnel

resource

representation

Chairperson (Officer in charge of compliance)

Chief Compliance Officer

Representative Director, Chairman CEO

President

Compliance Committee

Chairperson (Officer in charge of compliance) Committee members

Administrative Office

Compliance Promotion Office

Worldwide Sites

Compliance Office

Staff in charge of compliance Sub-staff in charge of compliance

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

MinebeaMitsumi Group has ultimate responsibility for the maintenance of the system. These can be used by any officer and employee (including fixed term contract employees and dispatched employees) to report any of their or other officers’ and employees’ decisions or actions that could potentially violate laws and regulations or internal rules, including the MinebeaMitsumi Group Code of Conduct, or that lacks corporate ethics, or related suspicions. Reports can be filed either by using one’s real name or anonymously. To ensure the independence of the whistleblowing contact point, all whistleblowing reports are received by Standing Audit & Supervisory Board Members, and the operation and maintenance of the system is monitored.

The “MinebeaMitsumi Group Code of Conduct” prohibits disadvantages against the grounds of whistleblowing, and requires maintaining confidentiality and anonymity of information providers. If after a thorough investigation any violations are found to be true, appropriate measures are taken. In Japan we have established and operate Internal Reporting Systems based on the Whistleblower Protection Act.

In order to strengthen its response to the prevention of corruption at a global scale, the Group has supplemented the “MinebeaMitsumi Group Anti-Corruption Policy,” which applies to the entire Group, with the “Anti-Corruption/Anti- Bribery Rules,” which prohibit acts of bribery (including the acceptance of small sum facilitation payments) in all countries and regions where it is engaged in business. The Group has established and implemented the “Internal Standards and Procedures Relating to Entertainment and Gifts, Etc., for Public Officials” for the Asia region, where business practices are particularly complicated. We give utmost attention to risk management to ensure that there is no involvement in corruption, and we do not engage in any entertainment or gift-giving, perceived to carry risk. Furthermore, we have established the "CSR Procurement Guidelines," and require our business partners to prohibit bribery.

In addition, the Internal Auditing Office conducts regular checks on these initiatives from the perspective of the prevention of corruption. It should be noted that in fiscal 2022 there were no officers or employees who committed corruption prevention violations, and there were no fines, surcharges, or settlements paid in relation to corruption.
Chapter IV

Value Creation Story of MinebeaMitsumi

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 Representative Director, Chairman CEO of the MinebeaMitsumi Group, is the Chief Risk Management Officer. The Risk Management Committee, which reports directly to the President, makes important decisions on risk management. 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 in accordance with the severity category stipulated in the Rules to respond rapidly and effectively to the situation. MinebeaMitsumi has established a system under which, depending on the nature of the risk, a supervisor division can be appointed to handle a situation and to draft and implement risk prevention measures.

Risk management example 1: BCP

In the event of a major disaster, infectious diseases, 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 worldwide load-bearing market shares, we continue to 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 order to reduce risks relating to climate change, the “Aquaduct Water Risk Atlas,” published by the World Resources Institute (WRI), and other sources are used to identify sites with high levels of supply-related risk such as floods and droughts, and efforts are made to expand BCP. In Thailand, which has the MinebeaMitsumi Group’s core plants, we acquired certification to the international standard ISO 22301 for our business continuity management system (BCMS) at the Bang Pa-in Plant, Lop Buri Plant, Rojana Plant and Navanakom Plant, followed by the Ayutthaya Plant and Bari Wia Plant.

In the future, we will strengthen our measures against water-related risks in Southeast Asian bases other than China and Thailand, and will work to further reduce and minimize risks.

Risk management example 2: Information security

The utilization of information has become a management issue for survival and sustainable growth of the company. The Company is working on the use of information to achieve growth with the promotion of DX as its focal point, and not only it collects and analyzes data, but also it promptly responds to market changes by utilizing the results of such analysis. On the other hand, cyberattacks against companies have continued to increase both in terms of quantity and technical sophistication, and the development of a system to prevent such attacks is an urgent issue. In addition to the protection of business resources, manufacturers need to be prepared for cyber-attacks on production sites. In order to strengthen the information security promotion system, the Company uses a specialist in ICT as the CISO (Chief Information Security Officer), and has established the Security Promotion Office. Furthermore, a system for identifying and assessing security measures has been put in place at the Information Security Committee, which is chaired by the CISO, and includes a company-wide security task force. In addition, annual information security training is provided for all employees who use information devices. Our security system for responding to cyberattacks constantly monitors terminals and networks, and can respond rapidly to accidents. We will continue to reinforce our system in anticipation of increasing threats.

Risk management example 3: Security trade control

Due to international tension and military actions, economic sanctions and export control regulations are being changed and strengthened on a daily basis globally. In these circumstances, the Group, which has a global production system, will need to engage in strategy business development, and remain focused on the economic and political situation in each country. This will allow us to fulfill our social responsibilities as a company, and maintain an international competitive advantage. Our Group, which has expanded globally, engages in thorough security trade control at each base in accordance with the laws and regulations of the respective country. In order to further enhance the security trade control system, and to manage risks relating to economic security for the Group as a whole, we have formulated the “Group Company Policy on Economic Security” and the “Economic Security Risk Management Manual.” Based on this policy, in order to engage in strategic and steady business development, we established the “Transaction Validity Judgment Subcommittee” as a subordinate body to the Risk Management Committee (refer to page 78), and have established a system for appropriately and promptly determining the validity of transactions based on economic security risks.