

Corporate Governance

In the Minebea Group, we are fulfilling our social responsibilities, and in order to maximize corporate value, we are striving to achieve a robust, highly transparent management.

Basic concepts

Minebea has adopted the five principles as its basic policy for management. Under this basic management policy, Minebea's business objective is to fulfill its social responsibilities to the various stakeholders, such as shareholders, customers, the local community, global society, and employees, and maximize its corporate value. In order to achieve this business objective, Minebea has approached the enhancement and reinforcement of corporate governance as a key management theme.

Also, in order to ensure the health of the management of the company and strengthen corporate governance, we are promoting the establishment, maintenance and expansion of an internal control system.

Corporate Governance System

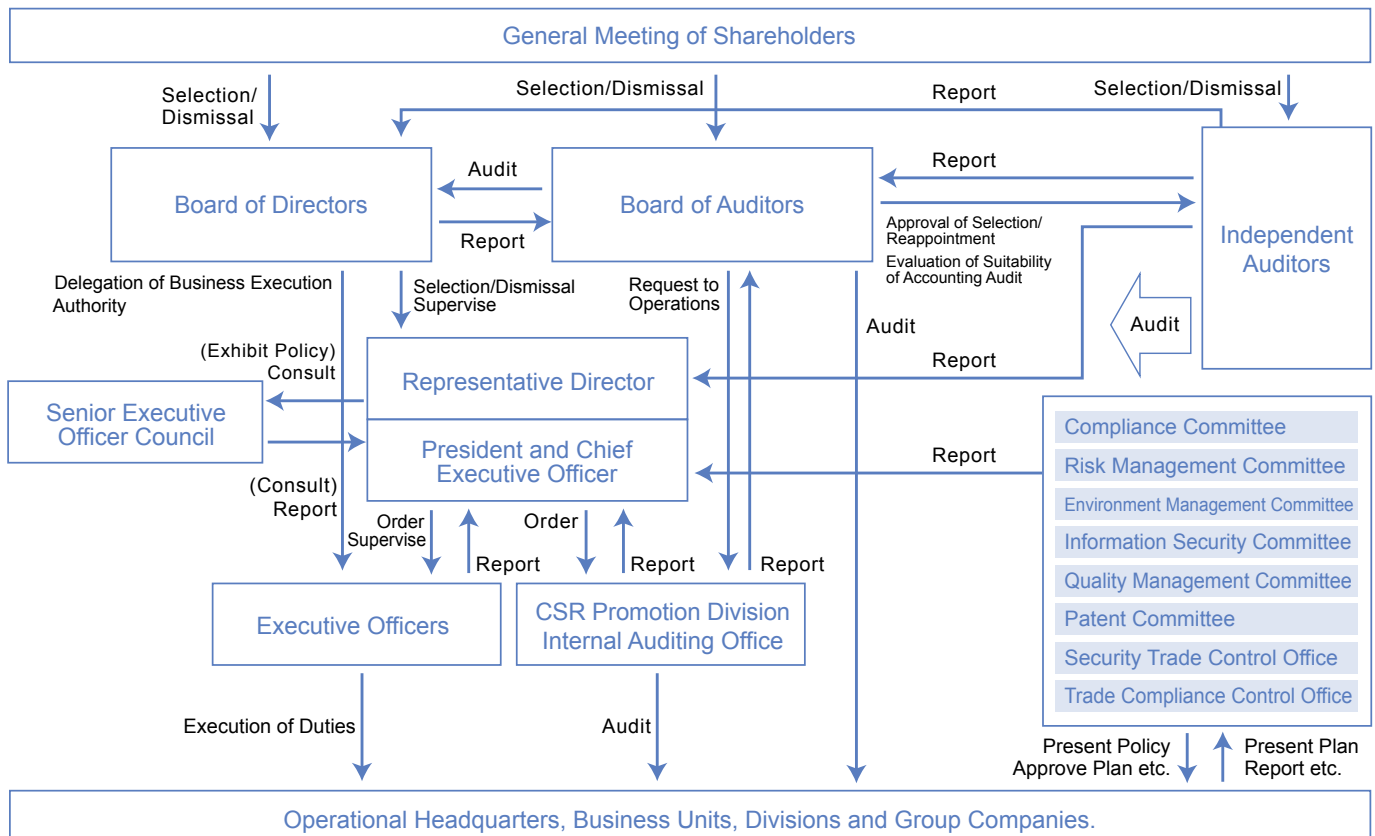
We have a ten-member Director system (eight of whom are concurrently executive officers) in response to the need for highly strategic business judgments and timely action. At the same time, by having an executive officer system, we delegate significant authority from the Board of Directors to Executive Officers, and clearly divide the role of management / supervision functions from execution functions.

Moreover, aimed at obtaining advice on all aspects of our corporate management and strengthening the Board of Director's functions to supervise the organizations of execution, we include two independent board members in the ten Board of Directors.

Furthermore, regarding the Board of Corporate Auditors, in order to strengthen and enhance its auditing functions, we have the Board of four members (including three external corporate auditors).

In addition to holding the Board of Corporate Auditors' meetings and attending the Board of Directors' meetings and other important meetings, the corporate auditors, in conjunction with the Independent Auditors, and the Internal Audit Department, audit domestic offices, subsidiaries, and overseas subsidiaries, to carry out auditing the activities of directors

Minebea Group's Corporate Governance System



Supervision of Management

Minebea's supervision of management is done by the ten-member Board of Directors who will make significant strategic business judgments that can facilitate prompt and highly strategic decision making. We have included two independent Board members in the Board of Directors aimed at obtaining advice of our corporate management and strengthening the Board of Directors' functions to supervise the organizations of execution.

Execution Function of Management

The executive officer system delegates operational management authority to Minebea's executive officers to ensure the efficient performance and enhancement of business operations.

Monitoring of Management

Minebea has built a monitoring system made of four corporate auditors, of which three are external corporate auditors.

Also, there are no titles for the Board members in order to enhance the monitoring of each Board member.

Enhancement of Internal Control System

By establishing an internal control system that disciplines business management, we will reinforce corporate governance and strongly fulfill the company's social responsibilities, as well as further increase corporate value.

For this purpose, in order to ensure the health of the management of the company, Minebea has resolved the basic policies for the internal control system, based on the Company Law, at the Board of Directors Meeting. Based on the "Basic Policy for Internal Control System", Minebea has comprehensively implemented such systems as the compliance system, information storage system, risk management system, efficiently performing duties system, group company control system, and auditing system, and is working to further strengthen them.

In 2009, Minebea established the CSR Promotion Division with an eye to further boosting its internal control system. Comprised of the Internal Auditing Office, Internal Control Promotion Office, and Compliance Office, the new division is working to seamlessly integrate Minebea's systems for internal controls and financial reporting with Company Law. In 2010, Minebea also established CSR Promotion Office to this division.

Structure of Internal Control System

- (1) Structure to assure that Board Members', Executive Officers' and employees' execution of duties conform to laws and articles of incorporation (Compliance System)
- (2) Storage and management of information related to execution of duties by Board Members and Executive Officers (Information Storage System)
- (3) Rules for Risk of Loss Management and other Structures (Risk Management Structure)
- (4) Structure that assures the execution of duties by the Board Members and Executive Officers are efficiently done (System for an Efficient Execution of Duties)
- (5) Structures to ensure that the Operations of the Company's and its Affiliated Companies are adequate (Management of Group Companies)
- (6) Structures to ensure that the Audits by the Corporate Auditors are effective (Audit System Matters)

Internal controls over financial reporting

As part of its internal control system, Minebea has formulated a process for internal control to ensure the reliability of its financial reporting, which it continues to improve. The Company has also established and is implementing a basic framework for internal control over financial reporting that complies with Japan's Financial Instruments and Exchange Law.

In accordance with this framework, management assessed the Company's internal control of financial reporting as of March 31, 2010, and based on the results thereof concluded that the Company's internal control over financial reporting was effective as of that date. Management has published its conclusions in the Report on Internal Control System, which has been audited by the Company's independent auditors, KPMG AZSA & Co.