

Minebea Group CSR Report 2013



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Editorial Policy

We publish the Minebea Group CSR Report annually as a way to inform our stakeholders of our Group's CSR approach and initiatives. In addition to representative initiatives described in this report, our website provides detailed information on corporate governance, environmental measures and various other activities.

This year's report provides an update on the status of measures we are taking to meet our CSR goals as well as case studies on ways we are engaging with local communities in which we do business, including a stakeholder dialogue conducted at the Karuizawa Plant in Japan and locally rooted CSR activities in the United States.

We consider the publication of the CSR Report to be one important means of communication with stakeholders, and in keeping with this approach, we have endeavored to make the contents relevant and clear. We are always pleased to receive forthright comments from our readers on our CSR activities.

■ Scope of report

Minebea and its 55 group companies

■ Period covered by this report

FY2012 (April 1, 2012–March 31, 2013)

However, this includes some activities before this period and from FY2013.

■ Publishing information

Published September 2013 (previous edition published September 2012; next edition planned for September 2014)

■ Reference guidelines

Japanese Standards Association, ISO 26000:2010 (guidance on social responsibility)

GRI "Sustainability Reporting Guidelines" (edition 3.1)

Japanese Ministry of the Environment "Environmental Reporting Guidelines" (2007 edition)

■ Enquiries regarding this report

CSR Promotion Office, Corporate Finance & Compliance Promotion Division, Minebea Co., Ltd.

TEL: +81-3-6758-6724

■ Information available on the CSR website:

The Minebea Group website offers more detailed information on our CSR activities. The website also publishes reports on recent activities as necessary. Please see the website for more information.

<http://www.minebea.co.jp/english/environment/index.html>



Corporate Profile (as of March 31, 2013)

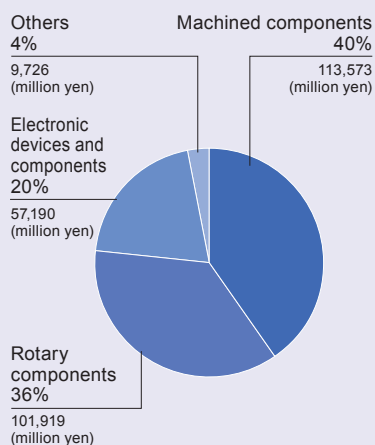
Corporate name	Minebea Co., Ltd.
Headquarters	4106-73 Oaza Miyota, Miyota-machi, Kitasaku-gun, Nagano 389-0293, Japan TEL: +81-267-32-2200
Tokyo Head Office	3-9-6 Mita, Minato-ku, Tokyo 108-8330, Japan TEL: +81-3-6758-6711
Established	July 16, 1951
Capital	68,258 million yen
Representative	Yoshihisa Kainuma, Representative Director, President and Chief Executive Officer
Main business	Machined component business, electronic devices and components business
Net sales	Consolidated: 282,409 million yen
Operating income	Consolidated: 10,169 million yen
Ordinary income	Consolidated: 7,673 million yen
Net income	Consolidated: 1,804 million yen
Number of employees	Consolidated: 53,327 persons
Number of consolidated subsidiaries and affiliates	51 companies



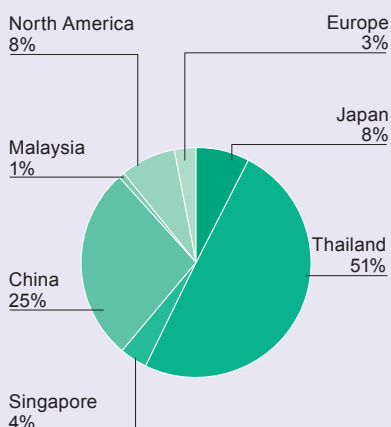
New Tokyo Head Office

In January 2013, in conjunction with the establishment of the Tokyo Research & Development Center, the Tokyo Head Office was relocated to Mita, Minato-ku, Tokyo.

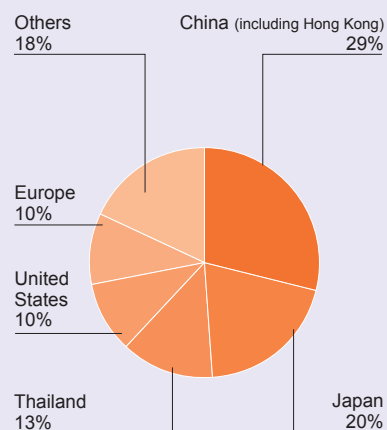
Net sales by business segment (FY2012)



Total production by region (FY2012)



Net sales by region (FY2012)



Commitment from the President

Looking Back on FY2012

The Minebea Group's history spans more than 60 years, since its founding in 1951. When I was appointed head of the company four years ago, I felt a strong need to develop a foundation which anticipates our 100th anniversary, and I have committed both internally and externally to achieve this.

A critical element to delivering on this commitment is communicating with and meeting the expectations of all of our stakeholders—including our employees, customers, shareholders, local communities, and the global society as affirmed in our basic management policy, the “Five Principles”—as well as suppliers and the environment. In FY2012, we implemented a number of CSR initiatives based on this awareness.

The Minebea Group marked its 60th anniversary in July of 2011, the year in which the Great East Japan Earthquake struck. As a sign of respect towards the precious lives lost during this major disaster, we canceled commemorative business plans and instead, in August 2012, we established the “Charitable Trust - Minebea Scholarship Fund for Orphans of the Great East Japan Earthquake.” We began the trust to commemorate the 60th anniversary of our founding, to show appreciation to all the people around the world who have supported us over the years, and to serve as a social contribution project to instill employee pride in their company and work. In March 2013, we invited junior high school scholarship recipients to Tokyo to celebrate their graduation, presented them with gift money, and organized events for them. The cheerful, positive demeanor of the young students despite their painful experiences reaffirmed our commitment to this initiative. Going forward, through various activities we will continue to provide long-term and wide-ranging support for children who have lost their parents, to ensure they can enjoy fruitful lives.

Furthermore, we have made progress bolstering our environmental management based on the Minebea Group's long-held position that it is a company's basic responsibility to reduce its environmental burden. As evidence of our progress, in FY2012 we received an “A” rating, the highest possible, under the environmental rating system administered by the Development Bank of Japan Inc. (DBJ) in recognition of reduction of environmental impact in manufacturing processes, the supply of environmentally friendly products, and other



Yoshihisa Kainuma
Representative Director
President and Chief Executive Officer
Minebea Co., Ltd.

A handwritten signature in black ink, appearing to be 'Y. Kainuma', written over a white background.

initiatives. We are utilizing this rating to obtain environment rating-tied financing to build a new plant with the highest energy efficiency among domestic Group plants on the premises of our Matsuida Plant in Annaka, Gunma Prefecture (scheduled for completion in November 2013). The new plant will maximize our cumulative global know-how on energy-efficient plant construction, boasting low-capacity air conditioners through high thermal insulation and lower energy consumption using highly energy-efficient equipment. This design will make it possible to take environmentally conscious manufacturing to a new level.

We also recognize the importance of deepening communication with local communities in order to remain a company essential to society. In October 2012, we invited the mayor and other community representatives of Miyota Town, Kitasaku District, Nagano Prefecture, to our headquarters, to join us in a dialogue. The discussions gave us an opportunity to explain Minebea Group's business and management policies and hear the various requests and opinions of the community. Following the supplier dialogue held last year, this type of direct communication with our

stakeholders afforded an opportunity to make new discoveries. We are actively using the opinions expressed to enhance the operation of our local plant and expansion of our business. At the same time, I would like to deepen trust by continuing these types of consultations with all of our stakeholders.

Evolving Based on “Manufacturing with Sincerity”

As stated in our Basic CSR Policy, one of the core missions of the Minebea Group is to efficiently and stably provide a growing number of products with higher reliability and lower energy consumption to markets around the world. In other words, we are striving to thoroughly achieve our commitment to “manufacturing with sincerity,” the basic belief behind our business. Amid intense competition, we are striving for higher efficiency and optimization and actively investing in R&D to generate new technologies. Over the years, our dedication to this approach to manufacturing has made Minebea the company it is today.

In recent years, however, the business environment has continued to change at a tremendous speed. The Great East Japan Earthquake and the Thai floods in October 2011 highlighted the need for companies to develop more sophisticated systems to manage the risk of natural disasters and to find solutions through business activities. We have also witnessed rapid technological innovation and the shortening of business cycles, underscoring the need for us to take the Group’s “manufacturing with sincerity” to another level. In the automotive industry, for example, to realize highly fuel- and energy-efficient cars, attention has turned to the development of high-performance parts to meet stringent standards. We supply high-performance resolvers (rotation angle sensors) which help to raise the energy efficiency of cars and the driving performance of hybrid electric vehicles (HEV) and electric vehicles (EV). Last year, we developed a new VR-type resolver for the drive motors of EVs and began supplying this to automakers. Additionally, this autumn we will begin mass production of bearing units for turbochargers, which help to reduce the size of car engines. In these and other ways, we are fulfilling our mission to society in diverse fields.

We firmly believe in the need to develop our manufacturing capabilities even further to continually meet society’s expectations. One way we will do this is

by consolidating our accumulated expertise and superior technological capabilities while transcending organizational barriers between divisions to maximize our comprehensive strengths. Additionally, each of our employees must aim to instill our manufacturing with new ideas and practices unconstrained by yesterday’s notions. I am confident that achieving “smarter” ways of manufacturing, combined with our traditional philosophy of manufacturing higher quality products, at a lower price, faster, and in greater quantities, will enable us to make even greater contributions to society in the future. As part of this effort, we relocated our Tokyo Head Office to Mita, Minato-ku, Tokyo in January 2013. In conjunction with the move, we enhanced our product development environment by opening a new Tokyo Research & Development Center. The center reinforces our R&D structure and promises to raise the effectiveness and efficiency of our product development. This center will spearhead our initiatives to develop new products based on our precision machining, small motor and sensor technologies, as well as to innovate highly reliable hybrid components. Through manufacturing that utilizes these innovations, we will continue to seek to make even greater contributions to society.

Passion Breeds Success: Working as One

In striving to achieve “manufacturing with sincerity” and earn the trust of society, there is nothing that can substitute for the strength of our employees. Our success rests on the ability of our employees to maintain a broad-minded perspective, encourage one other to self-improvement, and work with passion.

I have often said that to achieve an objective, there is nothing more important than passion. Our corporate message, “Passion to Exceed Precision,” reflects the passion our employees have to go beyond the scope of traditional precision parts manufacturing and evolve into a new kind of manufacturing company. Everyone in the Minebea Group cherishes this message, which binds us together to achieve greater things in the future.

This report describes the business activities and CSR initiatives we have undertaken in that spirit. I look forward to the comments of readers.

Establishment of a Charitable Trust for Orphans of the Great East Japan Earthquake

In August 2012, Minebea established the “Charitable Trust - Minebea Scholarship Fund for Orphans of the Great East Japan Earthquake” in order to support children who lost their parents in the disaster. The trust is providing support for these orphans until their graduation from junior high school.

Watching over the Growth of Orphans

The Great East Japan Earthquake of 2011 caused massive damage and claimed many precious lives. An estimated 240 children lost their parents in the disaster. As a result, these children are unable to receive the kind of educational support they could have normally expected. Out of concern for these children’s welfare, Minebea decided it was necessary for society as a whole to provide long-term, comprehensive support to ensure that the children, as well as relations and other people raising them in place of their parents, do not feel isolated from society as time passes.

On the basis of this thinking, Minebea established the “Charitable Trust - Minebea Scholarship Fund for Orphans of the Great East Japan Earthquake” as an endowment. The fund will provide annual scholarship

grants of ¥100,000 for orphans of elementary school and junior high age. The fund pays the grants annually until junior high school graduation in order to ensure long-term support for the children. The grants have no restrictions and may be used for any purpose.

Many people in the disaster region are providing generous support for the trust. For example, in order to ensure fairness of trust operations, educators in three prefectures (Fukushima, Miyagi, and Iwate) have volunteered to join the operational committee.



Charitable trust operational committee

Aiming to Provide Wide-ranging, Long-term Support

In 2012, the trust received 117 applications and approved grants to all the applicants. In March 2013, junior high school children receiving support from the trust were invited to Tokyo to celebrate their graduation, receive congratulatory gifts and take part in various events. Many of the children commented that they would cherish memories of the occasion and expressed appreciation for the opportunity to learn about society.

In its first three years, the fund is expected to make contributions of ¥130 million. From its fourth year, in consideration of the estimated applications, the fund will have a maximum of ¥230 million available for future contributions.

Fulfilling our Mission with Pride

One of our “Five Principles,” our basic management policy, specifies that we will be a company where our employees are proud to work. For Minebea, support for orphans in the disaster region is a social contribution project which heightens the pride our employees have in the company. The scholarship fund is also one of the

Employees Participate as Supporters

I took part in the ceremonies for graduating students with a desire to support people from the disaster region. I was somewhat uneasy about whether I was up to the task of supporting children who had been through so much, losing not only their parents but relatives, friends and other loved ones. Instead I was truly heartened by the bright, smiling faces of the students and their steady focus on the future. The Minebea scholarship fund is unique in that it is grant aid which can be used by students for anything and provides long-term support for over 10 years. I feel a strong desire to work steadily each day in order to do my part in providing support for these children.



Akane Matsuda
President's Office

projects to commemorate our 60th anniversary in 2011 and to express our appreciation to the many stakeholders who have supported us over the years. To continually realize our aspirations, we must fulfill our mission of consistently generating a certain level of profit through sound business activities. Going forward, we will engage with our stakeholders as we strive for “manufacturing with sincerity.”

Obtaining the Highest Environmental Rating from DBJ

In July 2012, Minebea received an "A" rating, the highest possible, under the environmental rating system administered by the Development Bank of Japan Inc. (DBJ). We have obtained environmental rating-tied financing from DBJ based on this, which will be used to advance our environmentally conscious management.

Minebea's Environmental Management Level

Environmental rating-tied loans are loans whose financing terms are decided based on an assessment of the company's environmental management level and the long-term sustainability of its business. The environmental management assessment screens companies on the basis of overall management, business-related factors, and performance-related factors, assigning an overall rating on a four-level scale from A, the highest, to D, the lowest. In FY2012, Minebea received an "A" rating based on the

assessment that its environmentally conscious initiatives are particularly advanced. The evaluation specifically noted our efforts to lower the environmental burden in manufacturing processes by producing manufacturing equipment in-house, as well as the development of environmentally conscious products by leveraging ultra-high-precision machined components. The assessment also lauded our aim for comprehensive sustainable management as reflected in the formulation of a medium-term CSR plan and the holding of stakeholder dialogues.

Exemplary Initiatives

Overall management

- Clear medium-term plan for CSR activities
- Holding of a supplier dialogue
- Consideration of employee diversity, and work-life balance
- Execution of social contribution activities at global sites

Business-related

- Broad lineup of environmentally conscious products achieving resource efficiency, lightweight design, energy efficiency
- Formulation of criteria for Minebea Green Products based on unique characteristics of each type of product
- Procurement activities based on the CSR Procurement Guidelines

Performance-related

- Achievement of 40% improvement in energy efficiency at new ball bearing plant constructed within Bang Pa-in Plant in Thailand, compared with previous plants
- Achieving zero wastewater at two Thai plants and two Chinese plants

Aiming for an Even Higher Level of Environmentally Conscious Manufacturing

Though many of our environmental initiatives have received positive assessments, the evaluation processes have shown us that there are many ways in which we need to improve our global warming countermeasures. New financing will be used to actively address these issues and advance initiatives to raise the level of environmentally consciousness of our business operations.

With the financing, we are building a new plant with the highest energy efficiency among domestic Group plants on the premises of our new Matsuida Plant (scheduled for completion in November 2013). The new plant's thermal insulation features will enable low-capacity air conditioners, while substations and other equipment will lower energy consumption and the electrical burden. With this plant design, we are preparing for a higher level of environmentally conscious manufacturing.



Artist's impression of the completed New Matsuida Plant (building in the foreground)

Moving forward, as a Group we have set a target of reducing our CO₂ emissions per unit of production 5% by FY2015 (in comparison to FY2010) by pursuing new initiatives both at the Matsuida Plant and in other areas of our business, including raising logistics efficiency and bolstering our measures at other sites.

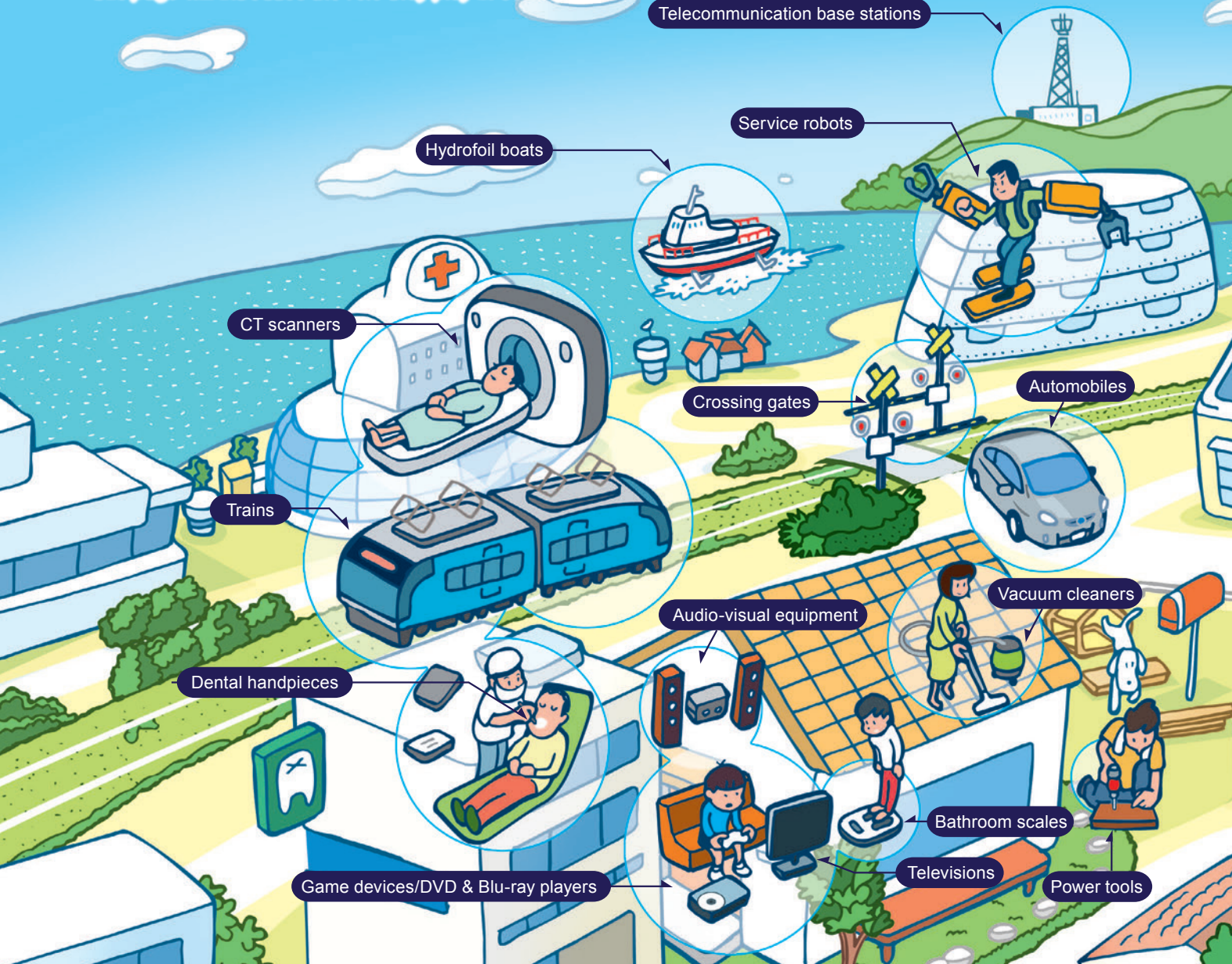
Energy efficiency measures at the new Matsuida Plant

Measure	Purpose	Effect	Reduction % (target)
1 Roof insulation	Insulation against heat from direct sunlight on roof and external air heat	Air conditioner capacity reduction	10%-
2 Exterior wall insulation	Insulation against heat from direct sunlight on walls and external air heat	Air conditioner capacity reduction	10%-
3 Windbreak room	Prevention of external air and dust intake and escape of internally controlled air	Air conditioner capacity reduction	10%-
4 Minimization of room capacity	Reduction of air conditioned room capacity	Air conditioner capacity reduction	10%-
5 Substation	Use of highly efficient transformer	Power loss reduction	5%-
6 Electric power monitoring equipment	Electric power demand monitoring	Suitable management of equipment operation	15%-
7 Energy-efficient lighting	Use of highly efficient lighting, LED lights, luminance correction and auto on and off control functions	Electric power burden reduction	10%-
8 Energy-efficient inverters	Use of inverter air conditioners and fans	Suitable equipment operation	30%-
9 Air conditioning equipment	Use of highly efficient air conditioners	Electric power burden reduction	10%-
10 Air exhaust equipment	Use of eco-fans	Electric power burden reduction	6%-
11 Reduction in external air intake for air conditioning	Use of total heat exchangers	Air conditioner capacity reduction	5%-
12 Suitable air pressure	Use of flow regulating valves and pressure reducing valves	Electric power burden reduction	10%-
13 Cooling with outside air in winter	Use of cold outside air for manufacturing processes generating high heat	Electric power burden reduction	10%-
14 Fuel gas	Change from heavy oil air conditioning to gas systems	Greenhouse gas reduction	20%-
15 Health facilities	Use of waterless urinals	Reduction in water consumption and wastewater generation	10%-

*Please see P32- for a detailed explanation of environmental initiatives we are currently taking.

Minebea Products in Society

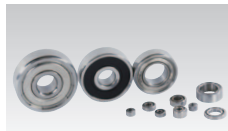
The ball bearings, motors, and electronic devices that we manufacture are incorporated in a wide range of final products, improving the lives of people around the world, and helping to bring about a richer society. Although our products are not normally visible to consumers, this page will introduce the role they play in society.



Machined components

● Products

Ball bearings, rod end & spherical bearings, roller bearings, fasteners, pivot assemblies, precision machined components



● Product applications

Personal computers, hard disc drives, information and telecommunications equipment, OA equipment, consumer electronics, audio-visual equipment, ATMs, automobiles, aircraft



Electronic devices and components

● Products

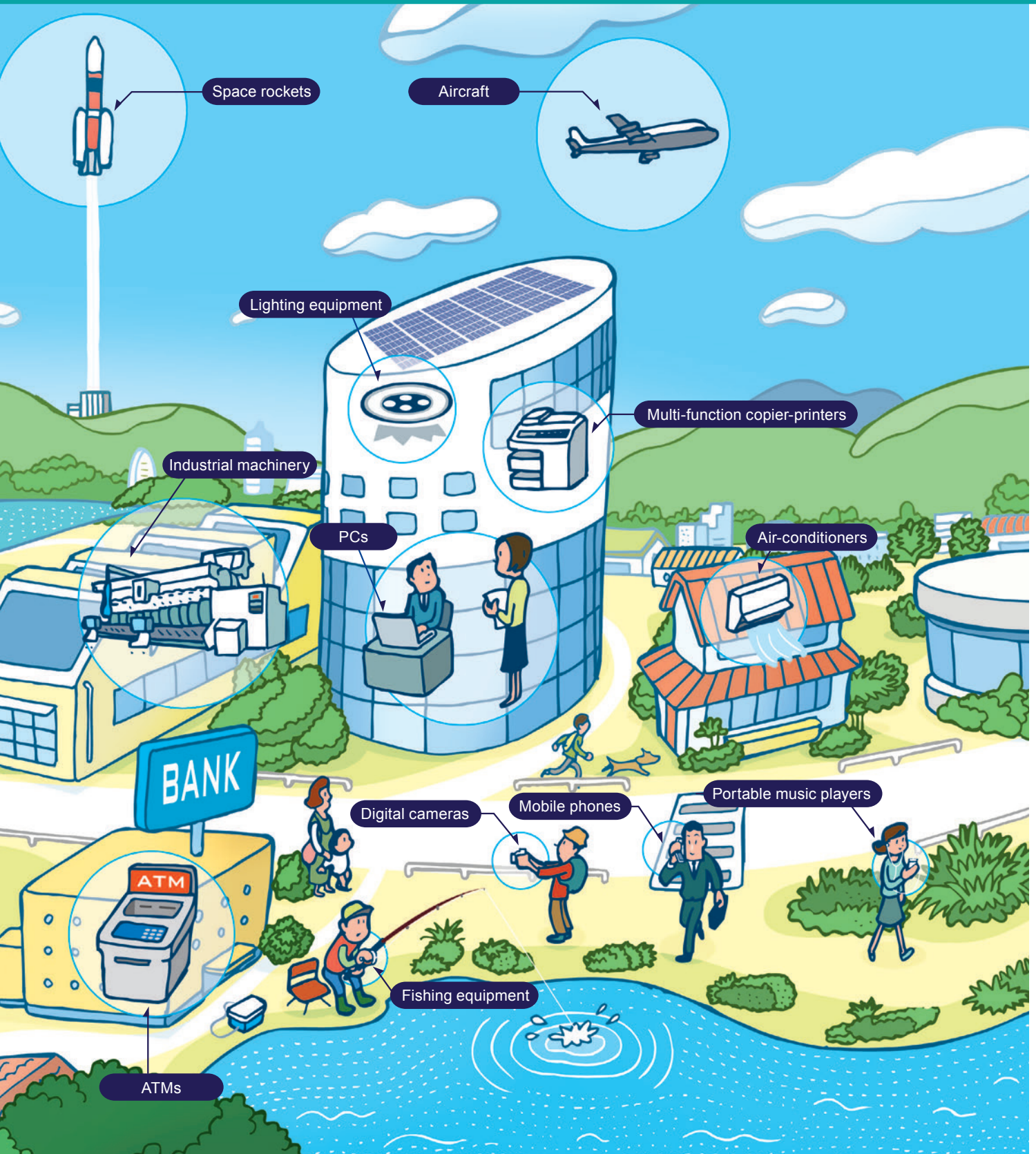
Hard disc drive spindle motors, small precision motors, stepping motors, brushless motors, fan motors



● Product applications

Personal computers, hard disc drives, information and telecommunications equipment, OA equipment, consumer electronics, audio-visual equipment, mobile phone communication base stations, industrial machinery, automobiles



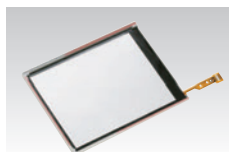


● **Products**

Lighting devices for liquid crystal displays, measuring components, heat management system modules (HMSM), next-generation input devices, LED drivers

● **Product applications**

Personal computers, digital cameras, mobile phones, smartphones, portable music players, projectors, measuring equipment, automobiles, space rockets, lighting equipment



● **Products**

Special components

● **Product applications**

Industrial machinery, defense equipment, automobiles



Developing Minebea's CSR Together with the Local Community

Minebea recently held a stakeholder dialogue at the Karuizawa plant with citizens of Miyota Town, Kitasaku District, Nagano Prefecture, where the company's headquarters is located. First, company representatives explained the business and key environmental initiatives. A dialogue was then held with citizens to discuss their various questions and requests.



Dialogue Participants

Miyota Town	Mayor	Mr. Yuji Moteki
Miyota Town Council	Vice-Chairman	Mr. Takeshi Sasazawa
Miyota Town	Chairman, Board of Education	Mr. Takao Uehara
Miyota Town	Deputy Mayor	Mr. Toyohiko Uchibori
Committee of Miyota Town area mayors	Chairman (Mayor of Shiono area)	Mr. Tadashi Kanazawa
Asama Highland Sports Club (incorporated non-profit organization)	President	Ms. Mikiko Tsuchiya
Miyota Town	Head of Education	Mr. Sakio Takayama
Miyota Junior High School	Principal	Mr. Naoya Kodama
Miyota Kita Elementary School	Principal	Mr. Hirohisa Asachi
Miyota Minami Elementary School	Principal	Mr. Shoichi Kobayashi
Committee of Miyota Town area mayors	Vice-Chairman (Mayor of Heiwadai area)	Mr. Iwai Sasaki
Committee of Miyota Town area mayors	Vice-Chairman (Mayor of Mukaihara area)	Mr. Masahiro Tokuyoshi
Miyota Town Physical Training Association	Chairman	Mr. Eiichi Odai
The Hachijuni Bank, Ltd.	Branch Manager, Miyota Branch	Mr. Noboru Watanuki
Miyota Town Council	Chairman, Civic Construction and Economy Committee	Mr. Hiromu Furukoshi

Miyota Town Chamber of Commerce	Chairman	Mr. Akinori Kashiwagi
Miyota Town Tourism Association	Chairman	Mr. Katsuhiko Sakurai
Miyota Town Office	Manager, General Administration Division	Mr. Shigenobu Shimizu
Miyota Town Office	Manager, Citizen Affairs Division	Mr. Kiyosumi Odai
Miyota Town Office	Manager, Industrial and Economic Affairs Division	Mr. Mamoru Iizuka
Miyota Town Office	Manager, Construction Division	Mr. Hiroshi Ogihara
Miyota Town Office	Assistant Manager, Planning and Finance Division	Mr. Haruki Ogihara
Minebea Co., Ltd.	Director, Senior Managing Executive Officer, Chief of HDD Motor Manufacturing Headquarters	Mr. Eiichi Kobayashi
Minebea Co., Ltd.	Managing Executive Officer, Officer in charge of Finance & Compliance Promotion Division	Mr. Masayuki Imanaka
Minebea Co., Ltd.	General Manager, Plant Maintenance Department	Mr. Kazunari Shimizu
Minebea Co., Ltd.	Senior Manager, Karuizawa Personnel and General Affairs Department	Mr. Yasuyuki Orimo
Minebea Co., Ltd.	Senior Manager, Group Environment Management Department	Mr. Masayuki Onoyama
Minebea Co., Ltd.	General Manager, CSR Promotion Office	Mr. Masaki Ishikawa
Minebea Co., Ltd.	CSR Promotion Office	Mr. Hidenori Kobayashi
Cre-en Inc.	CSR Consultant	Mr. Takehiko Mizukami

*Titles of participants are current as of date of stakeholder dialogue (October 25, 2012)

Introduction

Mr. Eiichi Kobayashi: This year marks the 50th anniversary of Minebea's operation in Miyota Town.

The enduring support of the citizens of Miyota is one reason we have been able to operate without incident for a half century. Today, we would like to hear from the citizens of the town, whose support we enjoy on a daily basis, and reflect the outcome of the discussions in our activities moving forward. Thank you in advance for your kind cooperation.



Mr. Eiichi Kobayashi, Minebea

Working Together to Energize the Community

Mr. Yuji Moteki: Miyota Town has developed over the years thanks to the support we have received from local business over a long time. In the past several years, the largest seven companies have accounted for a

combined 13% of all municipal tax revenues, including corporate and property taxes. Of those seven largest corporate taxpayers, Minebea alone accounts for about 30% of tax revenues.

Currently, our population stands at about 15,000 people, but we have a goal of increasing that to 20,000 under our "20,000 Park Town Concept" aimed at revitalizing the community and its economy. We would love to see more Minebea employees purchase and rent homes in our town. To that end, we would appreciate having the town introduced to your employees as a great place to live, perhaps through your in-house magazine.

Mr. Yasuyuki Orimo: Currently, about 200 of our employees are living in singles dormitories in the town, and another 50 families are living in company housing here. Under the company rules, single employees must move out of the dormitory after 12 years of residence, and other employees must move out of company



Mr. Yuji Moteki, Mayor, Miyota Town

housing after 15 years. We would like to cooperate with the town in promoting the qualities of Miyota Town to those employees. You are already providing us with posters on events in the town, and we would like to actively place them in the cafeteria and other prominent places around the company facilities.

Mr. Masayuki Imanaka: We publish an in-house magazine twice a year. The Corporate Communications Office is responsible for the magazine, and they publish CSR-related articles in each issue. The CSR Promotion Office is also involved and we will collaborate with all the parties to promote the town.

Mr. Toyohiko Uchibori: The town's administration is implementing a number of excellent welfare, education and other policies to ensure we can compete with the surrounding municipalities on quality of living. Also, town land is relatively cheap compared to other areas. We would appreciate it if Minebea could promote those advantages.

Mr. Noboru Watanuki: At the same time, it would be great if Minebea could find more opportunities to introduce its business and products to the community. The people of Miyota are very proud to host the mother plant of an illustrious global company which has been here since 1963. You have a very large presence in our community. Even though we all know Minebea is an amazing company, many people do not know exactly what the company makes. If, for example, your products were exhibited at Miyota Station, the gateway to the town, people from out of town could learn a lot and the town's children could also discover that this is a company that makes parts for Boeing airplanes, for example. It would also encourage young people to dream of working at Minebea here in the future.

Mr. Masayuki Imanaka: We agree that it would be very effective for townspeople to get to know our products better. The train station is operated by Shinano Railway, so we would appreciate the support of town administrators in arranging exhibits there.

Mr. Noboru Watanuki: I believe your plant draws not only visitors from Tokyo, but customers, salespeople and representatives of subcontractors from all over the world. The town would benefit greatly if those visitors patronized local eateries and other businesses. Additionally, Miyota is well known for its buckwheat noodles, leaf vegetables, and other foods, and the regular use of these by your employee cafeteria would



Mr. Noboru Watanuki,
Hachijuni Bank



Mr. Yasuyuki Orimo,
Minebea

also be beneficial for the town.

Mr. Yasuyuki Orimo: Just as you mentioned, between 30-50 people visit our plant daily. We will place maps of the town showing local eateries and other shops so that people can easily stop by.

Mr. Eiichi Kobayashi: The employee cafeteria is operated by an outside company, and we will begin discussions with that company soon. Regarding sundry goods we use within the plant, for goods that can be procured locally, we will study whether or not we can switch all of the procurement to local goods.

Mr. Takeshi Sasazawa: In regard to the parts you use in your products, it would also be beneficial to the community if you procured these parts locally. Minebea may produce many of the parts for its products internally, but could you tell us how many local companies you procure from, not just in Miyota, but in Saku City, Komoro City and other local municipalities?

Mr. Eiichi Kobayashi: We do not have any major local suppliers, but there are many smaller local suppliers we work with. We have a basic policy of actively outsourcing business.

Environmental Management at the Plant



Mr. Takeshi Sasazawa,
Miyota Town Council

Mr. Takeshi Sasazawa: I would like to ask you one question in regard to environmental management activities carried out by the plant, that you explained earlier. Looking at the data from the Saku Water Supply Authority, it appears your plant's water consumption has declined significantly. Are you using well water?

Mr. Kazunari Shimizu: In the past, we drew water from a local well, but there was a concern it could cause land subsidence and other problems, so we no longer use it. Currently, for everything but drinking water, we use spring water from a spring inside the plant grounds. The spring has an output of about 1,000 tons of water per day. In the past, when the spring wasn't used, it caused flooding in the residential areas around the plant during heavy rains, so we came up with a system a few years ago to reuse the water.



Mr. Kazunari Shimizu,
Minebea

Mr. Masayuki Imanaka: The Development Bank of Japan has an environmental management assessment system to rate companies with superior programs, and in 2012, we received the highest rating, "A." We were among a handful of private companies that received this ranking. That makes us proud of the fact that we have sound environmental programs.

Employees Sharing their Know-How Through Lectures to Students



Mr. Takao Uehara,
Chairman, Miyota
Town Board of
Education

Mr. Takao Uehara: I am the chairman of the town's Board of Education, and from my viewpoint, a large company like Minebea is like a "treasure chest" of knowledge and skills.

Would it be possible to open this treasure chest to the community by having your employees visit schools to share their knowledge, skills, and experience with children?

Mr. Eiichi Kobayashi: Please tell us more about your idea of employees giving lectures.

Mr. Takao Uehara: For example, having your employees give science lessons at junior high schools.

Mr. Naoya Kodama: Minebea's bearing products are used in many different applications around the world, and just a discussion of that would raise students' awareness of technology.



Mr. Naoya Kodama,
Miyota Junior High
School

In the past, Minebea cooperated with our vocational study program at the junior high school. Now, we're trying to find out the kind of skills people need to be useful members of society. If we can determine what skills young people need, we have a better idea of what students need to learn at junior high and high schools. I think it would be great if your employees could provide talks to students and nurture their dreams.

Mr. Yuji Moteki: Whenever I have discussions with people from Minebea, it's always a stimulating experience, and I feel my horizons have broadened. You have a global business strategy, pursuing dynamic business on a huge scale. It would be a great educational benefit for children to experience this global vision.

Mr. Eiichi Kobayashi: We have many employees who could talk about our global business with your students. We look forward to having discussions with your educators to make this happen and hearing more about what the children would most like to hear about. We'd like to consider not only lessons for your junior high school, but for your elementary schools as well.

Mr. Takao Uehara: On a related topic, exactly what kind of people is Minebea interested in hiring?

Mr. Eiichi Kobayashi: It changes from year to year. This year, we focused on bolstering our manufacturing capabilities and placed an emphasis on people for our manufacturing operations. In five or 10 years, we may seek to strengthen research and development, and then we would hire more university graduates.

Internship Program for University Students

Ms. Mikiko Tsuchiya: Following up with the discussion on education, I think it would be beneficial if you created more opportunities for elementary and junior high school students to learn that this illustrious company, the "Global Minebea," is located right here in their hometown.



Ms. Mikiko Tsuchiya,
Asama Highland
Sports Club
(incorporated
non-profit
organization)

Mr. Eiichi Kobayashi: In the near future, we would like to arrange regular plant tours for elementary and junior high school students. They could take a tour of the facilities and then have discussions with us over a tea break. It's important to build a tradition of those types of events.

Ms. Mikiko Tsuchiya: I'm the mother of a university student. Speaking from that viewpoint, I would like to see Minebea, with its global business scope, offer internship programs to university students from Miyota.

Mr. Yasuyuki Orimo: In the past, the Karuizawa Plant has not actively hosted interns, but from this year we are hosting graduate students, though not limited to local students. Of course, from the company's standpoint, the program is a very important way of having young people understand our business, and in the future we must continue to enhance it.

At the same time, it's not something we can do lightly. For some students, the internship counts as credit towards their degree, so we cannot simply take the students in and have them do something. We need

to ensure that we have a precisely managed program, where students make a presentation at the end of their internship, for example. We want the program to be a good experience for the students.

Building Trust Through Dialogue

Mr. Toyohiko Uchibori: Minebea has cooperated on the preservation of the local environment in many different ways over the years. We are very grateful for your assistance in beautifying the community's landscape, through the planting of cherry trees inside the plant site and your help adding flowerbeds to town sidewalks.

In March 2002, a townscape planning agreement was created for the Obayashi area. Based on the agreement, we formed a Townscape Committee, which Minebea generously chaired for two years, leading townscape planning and development efforts to build an appealing community. We would appreciate your continued cooperation moving forward.



Mr. Toyohiko Uchibori,
Deputy Mayor,
Miyota Town

Mr. Tadashi Kanazawa: In that sense, we're very grateful that Minebea has created this opportunity for communication with the local citizens.



Mr. Tadashi Kanazawa,
Committee of Miyota
Town area mayors

Of course, the presence of companies in the community increases the number of residents and this is very beneficial. At the same time, the number of people from outside the community also rises. As a result, vehicle traffic increases and drivers speed on our backstreets.

Dangerous driving is typical of the kinds of problems we face with population increases.

Ideally, we would like to hold these dialogues on a regular basis so that we could share our community problems and find solutions together.

Mr. Yasuyuki Orimo: The issue with unsafe driving is very regrettable. In the past, we have responded to similar issues the town has brought up, but we understand that our efforts are still insufficient in some areas and we plan to redouble our measures.

Overall, we plan to work harder than ever building trust with the community by continuing to hold these types of dialogue.



The Plant Manager explains the product lineup to visitors

Mr. Eiichi Kobayashi: It's important to have regular opportunities to sit down face to face to have discussions on all kinds of topics. Could we schedule two regular dialogues a year, for instance?

Mr. Takao Uehara: How would autumn and spring do? We could start the first regular meeting from next April to match the start of the fiscal year.

Mr. Eiichi Kobayashi: That's a plan. Beginning in 2013, we will have regular dialogues in April and October each year. It's important that the dialogue not end after a couple of years, but continue year after year.

Mr. Masayuki Imanaka: This will be a very important event from a CSR standpoint as well, so I would like to invite the CSR staff to join in the discussions.

Conclusion

Mr. Masayuki Imanaka: On behalf of all of us at Minebea, I would like to thank the citizens of Miyota for sharing their valuable views with us today. Minebea operates on the basis of "Five Principles," one of which is: "Work in harmony with the local community." Today's dialogue will help us to advance our CSR management and build even closer relations with the citizens of the community. We look forward to moving ahead hand in hand with Miyota's citizens.



Mr. Masayuki Imanaka,
Minebea

Nurturing a Culture in Pursuit of Sustainability

— Initiatives by New Hampshire
Ball Bearings, Inc. (United States) —

New Hampshire Ball Bearings, Inc. (NHBB) is a manufacturing subsidiary of Minebea in the United States. Operating three plants in New Hampshire and California, the company produces bearings for the aerospace, defense and medical markets. NHBB is one of the five largest corporations in New Hampshire and has close ties to the community. This special feature introduces NHBB's approach to sustainability in the United States as a Minebea Group company.



Chatsworth Plant



Laconia Plant



Peterborough Plant

— Ingraining Sustainability into Our Corporate Culture —

Sustainability at NHBB

Sustainability at NHBB is founded upon our mission and values. In the 1990s, we implemented organizational development programs with the aim of enhancing our capabilities as an organization. This entailed transforming the culture, in other words our values and actions, and the structure of our organization in order to strengthen its foundations. We spent several years carrying out various studies and analyzing the current state of the organization and then used the results to establish a mission and values that would serve as guides for doing business. Our mission is “To exceed the expectations of our customers through an empowered organization resulting in profitable growth and world class leadership.” Quality, Integrity, Partnerships, A Learning Organization and Social Sensibility are our five values.

One of those values, Social Sensibility, encompasses our environmental responsibilities, civic responsibilities and the health and safety of our employees. These ideas have long been fundamental values of our business and I believe that is why NHBB has been able to keep developing all these years.

Given this history, we do not treat sustainability as a special activity, but rather as inherent to the business process and as part of our corporate culture. We believe that all activities undertaken at plants contribute to sustainability. These include improvements made to cleaning systems to reduce water usage, research into the introduction of solar power generation, learning



Gary C. Yomantas
President NHBB
Managing Executive Officer
Minebea Co., Ltd.

about best practices overseas and formulation of strategic plans. Sustainability is embodied in our daily actions. We don't tell employees that they need to practice sustainability or carry out CSR activities because the most important part of promoting sustainability is incorporating it into employees' daily actions. By changing the way employees act, we can establish a culture that allows us to push ahead with activities that in 10 years we can look back on and say, “That was for sustainability.”

Advancing Activities in line with a Sustainability Vision

In 2011, we newly established a Vision of Sustainability and Values of Sustainability to entrench sustainability as part of our corporate culture. The Sustainability Vision declares NHBB's aim to nurture “a company culture which fosters long-term economic, social and environmental viability.” In accordance with this policy, we are working to incorporate the concept of sustainability into all NHBB's different principles and all

its divisions and in doing so build up a culture that allows achievement of long-term management plans alongside greater sustainability.

To help realize this vision, we formulated a Sustainability Roadmap. The Sustainability Roadmap aggregates the roadmaps of individual divisions. It includes, for example, research into new parts washing system technologies for reducing the environmental burden of products, as well as activities carried out jointly with suppliers to improve production efficiency, and sets down specific action targets in regard to each of the social, environmental and economic aspects of business.

Our relationships with stakeholders such as our customers, suppliers, local communities and employees are vital for achieving sustainable business activities. For that reason, we seek communication with stakeholders in a wide range of settings.

Such activities are carried out across the company as cross-functional efforts with the Sustainability Committee playing a central role. Starting out as the EHS (Environment, Health and Safety) Committee, promoting environmental, health and safety initiatives, the Sustainability Committee took shape as EHS Committee personnel from legal, sales and human resources divisions—which are crucial divisions for the sustainability effort—were brought in to strengthen the organization. Besides keeping tabs on progress made against the Sustainability Roadmap, the Sustainability Committee holds training courses to build awareness about sustainability and also prepares plans and visions in readiness for the next challenge.

Overcoming the Challenges Ahead

NHBB is now faced with two major challenges in promoting sustainability. The first is securing technically qualified employees, and the other is strengthening supply chain management. Both are essential for

achieving greater sustainability.

In New Hampshire—where two of our plants are located—it is very difficult to secure technically qualified employees because not only is the population aging, but manufacturing is not as popular as other industries. We therefore work with the state government to provide training so that people in the community may develop an interest in manufacturing and acquire skills. We also offer internships to university students as a way of providing actual job experience. By also pushing ahead with technological development, we can make improvements allowing us to do away with manufacturing processes that demand advanced skills, which would be useful in getting around the shortage of human resources.

Supply chain management is another area we need to direct energy into. A major quality- or environment-related issue occurring within the supply chain would likely have a negative impact on our own profit and so we need to strengthen management. We hope to strengthen the technical side of supply chain management through measures such as hiring new engineers.

To Keep Developing into the Future

NHBB's Vision of Sustainability and Values of Sustainability indicate our approach to ensuring business continuity over the long term. They show that we will continue to deliver value to customers and, by making a profit, continue to give back to employees and people in the community. As a Minebea Group company, NHBB will nurture a company culture and promote sustainability through strategic measures looking ahead 15 to 20 years into the future to bring us closer to realizing this vision. By doing so, we hope to carry on being a corporation that touches all stakeholders.

NHBB's Sustainability Vision

A Culture which Fosters Long Term Economic, Social, and Environmental Viability

NHBB's Sustainability Values

NHBB recognizes the broad risk profile we face, and the necessity of managing risk with equal regard to people, place and profit.

NHBB seeks to improve our competitive advantage by striving to be an employer and supplier of choice.

NHBB seeks innovative solutions, and leverages resources by encouraging inter-disciplinary thinking and problem-solving.

NHBB seeks to eliminate waste and maximize the efficiency of resource utilization in its manufacturing and business practices.

NHBB's products and manufacturing practices contribute to the sustainable development of the global environment and humanity.



Sustainability initiatives could be called “activities for exceeding the expectations of various stakeholders.” Placing importance on ties with customers and other stakeholders, including suppliers, local communities and employees, NHBB advances activities that allow the company to keep developing together with those stakeholders. Here we introduce some of our sustainability initiatives.

Customers

► Meeting Quality, Delivery and Environmental Expectations

To ensure business continuity into the future, we have to listen to customers who use our products and meet their expectations. To learn what customers' expectations are, NHBB conducts customer satisfaction surveys targeting the main customers of each business unit. We ask questions on around 40 topics, which include service-related areas such as legal matters and formalities in addition to product costs, value and delivery. Findings are then shared with plants so that improvements can be made.

Customers' strongest requests concern product quality and delivery dates. From aerospace customers, in particular, we also receive requests concerning fuel efficiency improvements, noise reduction and other aspects related to the environment due to their need to respond to strict environmental regulations. NHBB makes an effort to stay in close touch with customers as we seek to develop products that meet their requirements.

Suppliers

► Making Environmental Improvements Together with Suppliers

To achieve sustainability, NHBB has to promote sustainability throughout the supply chain. We therefore meet with suppliers to exchange information on initiatives relating to quality and the environment and provide assistance for improvements to suppliers' production activities.



Meeting with suppliers

Many suppliers are small companies with 10 or fewer employees and as such are unable to respond adequately to environmental challenges and regulations. NHBB supports efforts by suppliers by dispatching facilities teams dedicated to energy and resource savings to suppliers' production facilities where they carry out surveys and analyses of energy usage and waste generation and give advice for making improvements. In one case, a supplier was discarding a large amount of metal scrap as waste until NHBB referred the company to a recycler. The supplier now earns revenue from what used to be waste because of this joint recycling effort. Enormous benefits have also been achieved in terms of reduced energy usage and costs and recycling of resources.

Employees

► Raising Employee Awareness and Nurturing a Sustainability Culture

In order to achieve greater sustainability, it is important that we raise employee awareness and transform our organization to establish a culture based on sustainability. By incorporating elements of sustainability into all activities and implementing them, employee mentality will change and so will our corporate culture. It is more effective to make employees aware about sustainability by changing their day-to-day actions than by sitting them down and showing them some slides.

NHBB has made an open door policy part of its culture as a way to facilitate communication with employees. Under a principle of open and frank communication, employees can talk to their boss at any time and are free to ask questions in meetings held regularly to share information on managerial matters.

Local Communities

► Developing Together with the Community

Because we believe that NHBB cannot develop without development of the local community, we place great importance on our relationship with the region. That relationship is diverse. Our support for a local solar car contest is an example of the opportunities we create in order to deepen interaction with people working and living nearby. NHBB also has a volunteer program in

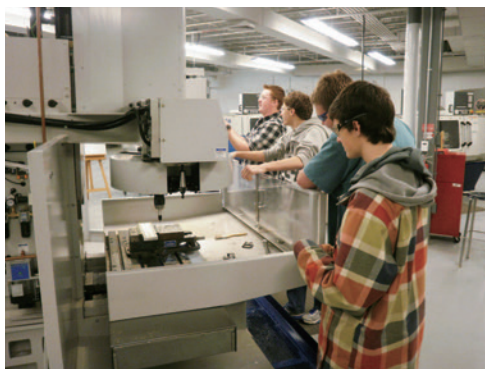
place to support employee participation in the activities of non-profit organizations and we provide financial assistance to NPOs in which employees take part as volunteers.

► Contributing to the Development of Local Human Resources

It is sufficient to say that manufacturing sustains economic development in New Hampshire—the location of NHBB's Peterborough and Laconia plants—as around one third of the state's top 100 companies in terms of sales are manufacturers. However, few young people today have an interest in manufacturing and highly skilled engineers are on the decline, making it hard to secure talented human resources.

NHBB has responded by implementing a wide range of programs to assist development of engineers in the region. They include an internship program offering university students in fields such as mechanical engineering four months' work experience at one of our plants. The experience gives the students greater confidence about their future and a number of interns have opted to come and work for NHBB after graduation.

NHBB also has a major involvement in the operation of a technical training institute in the region. Besides reviewing and transforming its existing six-month curriculum into a four-year program, NHBB supplies machines and systems for use in practical training. These efforts have led to more trainees enrolling. Some students who complete their training and go on to university will one day end up working as engineers for NHBB. These efforts to develop human resources are valuable for both the community and NHBB as the needs of each are filled.



Students receiving practical training at technical training institute

Environment

► Reducing the Environmental Impact of Plants

In order to meet rigid environmental standards put in place by customers and local environmental regulations, we need to reduce the environmental impact of products

and plants. NHBB does this in line with its Sustainability Roadmap through a wide range of environmental activities. To save energy, NHBB has introduced reflective coatings and high-efficiency cooling systems, and has set a target of reducing CO₂ emissions 5% by 2015 (based on 2010 levels). To save resources, the company has stepped up recycling of cutting fluid and plastics as well as improvements to cleaning systems.

NHBB applies the experience acquired through these activities by playing an active role in environmental policy formulation for New Hampshire. In 2009, we were part of a task force responsible for developing the state's Climate Action Plan. The Climate Action Plan is still used as a roadmap for the state's environmental activities.

► Introduction of "re:cool" Coolant Recycling System

NHBB uses a system called "re:cool" to make effective use of coolant and metal emitted during the bearing grinding process. Coolant reuse was previously complicated by fine metal swarf in the used fluid. Using "re:cool," coolant and swarf are separated and briquettes are created to enable recycling of the metal. The system also enables completely closed recycling of coolant, which is reverted to its pre-use state through processes such as centrifugal separation and filtration. As a result, NHBB has managed to reduce annual disposal of coolant by around 5,700 liters and increase the volume of metal sales. This success has prompted us to recommend the system to suppliers.



A scene from the recycling process

► Efforts to Conserve Water Resources

In California water resources are scarce and reducing water usage is a major issue. NHBB has taken action to reduce the amount of water used in the product cleaning process by switching cleaning agents. Annual water usage has been halved as a result. Now we are planning to reduce water usage further by switching to environmentally friendly solvents for other processes that use water.

CSR Promotion Activity Goals and Results



► Results for FY2012 and Goals for FY2013 and the Medium Term

		FY2012 Goals	FY2012 Results	
Management	CSR Management	Continue to promote PDCA management for CSR activities CSR	Promoted PDCA management of CSR using medium-term and annual targets	
		Continue to promote internal awareness activities for CSR CSR	Disseminated president's message upon publication of CSR Report 2012, introduced CSR activities in internal company magazine, and held seminar for CSR coordinators	
	Corporate Governance Compliance Risk Management	Continue to bolster compliance system for domestic and overseas sites Compliance	Appointed executive-rank compliance officers at each site and assigned one staff member in charge of compliance and multiple sub-staff members in charge of compliance at each site as support organizations; created compliance management rules	
		Reinforce overseas training Compliance	Held compliance training as part of Thai rank-based training program	
		Formulate BCP for domestic and overseas sites and begin their operation GA	Formulated BCP for major Japanese and overseas sites and began operation	
		Continue to strengthen disaster mitigation system at domestic plants GA	Promoted strengthening of Japanese disaster prevention structures, including at new Tokyo Head Office	
	Strengthen risk management system for Thai floods GA	Formulated BCP for Thai floods and began BCM operation; built floodwater embankments		
Society	Relationships with Customers	Revise the Quality Management Manual and clarify the implementation of risk assessment as the design and product manufacturing stages to bolster product safety Quality	Revised Quality Management Manual and codified risk assessment at product and manufacturing stages	
		Create framework to promote acquisition of international Quality Management System (QMS) certification covering design and manufacturing in order to strengthen Quality Assurance System Quality	In conjunction with revision of Quality Management Manual, required acquisition of quality management system international standards for design in addition to manufacturing	
		Acquire STP-Plus certification in Singapore and prepare for certification in South Korea and the EU Logistics	Acquired Singapore STP-Plus certification; suspended preparations to acquire certification in South Korea and EU after further consideration	
	Relationships with Employees	Continue to strengthen human rights education Human Resources Development	Provided anti-harassment education during rank-based training and overseas assignment training	
		Strengthen development and utilization of personnel suited for global development Human Resources Development	Established overseas study program; promoted overseas recruiting activities	
		Continue to promote initiatives relating to work-life balance Personnel	Promoted understanding and usage of work-life balance-related systems; promoted measures to reduce overtime	
		Meet legally required employment percentages for the handicapped and support for their employment Personnel	Rate of employees with disabilities was 1.71% (as of June 2012)	
	Relationships with Local Communities and Global Society	Hold dialogues with local communities at domestic locations to better understand local needs CSR	Held dialogue in Miyota-machi, Kitazaki-gun, Nagano Prefecture, the Headquarters location, to better understand the local community needs	
	Relationships with Suppliers	Hold stakeholder dialogues with suppliers Procurement	Held dialogue with six suppliers	
		Promote CSR procurement by adding CSR requirements to Basic Purchasing Policy, publishing CSR Procurement Guidelines, creating CSR Procurement Self-assessment Checklist, etc. Procurement	Added CSR statement to Basic Procurement Policies, published CSR Procurement Guidelines, created CSR Procurement Self-assessment Checklist	
Relationships with Shareholders	Continue to promote active information disclosure relating to progress and implementation of Medium-term Business Plan IR	Promoted disclosure of Medium-term Business Plan through general shareholders' meeting, semiannual business report, website information, etc.		
	Continue to promote active communication with domestic and international investors IR	Held four briefings on financial results and conference calls for institutional investors and securities analysts and one tour to visit investors in the U.S., Europe, and Asia		
Environment	Acquire ISO 14001 certification (Suzhou Plant, Daiichi Seimitsu Sangyo Co., Ltd. headquarters) and prepare to acquire certification at other sites (Minebea Tokyo Head Office and Cambodia Plant) Environment	Acquired ISO 14001 certification at Suzhou Plant and Daiichi Seimitsu Sangyo Co., Ltd. headquarters; completed audits for certification at Cambodia Plant		
	Revise environmental policy Environment	Revised environmental policy		
	Reduce CO ₂ emissions per basic unit of output by 2% compared with FY2010 Environment	Reduced CO ₂ emissions by 20,724 tons, or 15% per basic unit of output compared with FY2010		
	Reduce Minebea Group plants' total landfill waste to under 4,000 tons/year Environment	Landfill waste from worldwide Minebea Group plants totaled 4,330 tons		
	Begin operation of new chemical substance application database Environment	Started operation of new chemical substance application database		
	Establish selection criteria for Minebea Green Products Environment	As a result of study of selection criteria for Minebea Green Products, concluded that more investigation is required based on product group characteristics		
	Establish systems and overall scheme to enable regular reporting of CO ₂ emissions of overall Group logistics operations Logistics	Established systems and structures to for timely reporting of CO ₂ emissions from total Group logistics		
	Improve packaging to raise logistics efficiency and reduce CO ₂ emissions Logistics	Designed packaging to enable efficient loading for some models of hybrid stepping motors, PM stepping motors, and power brushless motors		

CSR Promotion Activity Goals and Results

The Minebea Group believes it is important to manage CSR activities appropriately using the Plan-Do-Check-Action (PDCA) cycle and sets CSR goals

accordingly. Furthermore, to ensure that CSR activities are promoted in a planned fashion, the Group has established medium-term goals to be achieved by FY2015.

	Evaluation	FY2013 Goals	Medium-term Goals (target year of FY2015)
	○	<ul style="list-style-type: none"> Review status of CSR activities at overseas sites CSR 	<ul style="list-style-type: none"> Promote CSR management across the Group, including overseas sites CSR
	○	<ul style="list-style-type: none"> Review status of activities based on ISO 26000 CSR Promote internal CSR awareness initiatives, including at overseas sites CSR 	<ul style="list-style-type: none"> Enhance PDCA management to meet global standards CSR Promote CSR awareness activities across the Group, including overseas sites CSR
	○	<ul style="list-style-type: none"> Strengthen compliance activities at Japanese and overseas sites Compliance 	<ul style="list-style-type: none"> Establish a global compliance system Compliance Formulate a BCP for the entire Minebea Group and instill it through training GA
	○	<ul style="list-style-type: none"> Promote overseas training and awareness activities to prepare for establishment of global compliance system Compliance 	
	○	<ul style="list-style-type: none"> Promote BCM at Japanese and overseas sites GA 	
	○		
	○	<ul style="list-style-type: none"> Create framework to compile results on risk assessments of major products Quality 	<ul style="list-style-type: none"> Create product safety assessment structure for product life cycle stages Quality Promote bar-coding for all products Logistics
	○	<ul style="list-style-type: none"> Create framework to clarify product safety laws, regulations, internal rules, and compliance for major products Quality 	
	○	<ul style="list-style-type: none"> Unify manufacturing label and bar code systems for all products Logistics 	
	○	<ul style="list-style-type: none"> Continue to strengthen human rights education Human Resources Development 	<ul style="list-style-type: none"> Strengthen the development of human resources in order to support the active expansion and development of global business Human Resources Development Proactively incorporate demands of society and promote measures to support employee motivation Personnel
	○	<ul style="list-style-type: none"> Strengthen development and utilization of personnel suited for global development Human Resources Development 	
	○	<ul style="list-style-type: none"> Continue to promote initiatives relating to work-life balance Personnel 	
	×	<ul style="list-style-type: none"> Meet legally required employment percentages for the handicapped and support their employment Personnel 	
	○	<ul style="list-style-type: none"> Review engagement with local communities and status of social contribution activities at all global sites CSR 	<ul style="list-style-type: none"> Hold dialogues with communities through sites in and outside Japan to expand social contribution activities based on understanding of their needs CSR
	○	<ul style="list-style-type: none"> Send CSR Procurement Self-assessment Checklist to major domestic suppliers and collect responses Procurement 	<ul style="list-style-type: none"> Promote CSR procurement among domestic suppliers using CSR Procurement Self-assessment Checklist Procurement Expand CSR procurement to overseas suppliers Procurement
	○		
	○	<ul style="list-style-type: none"> Continue to promote active information disclosure relating to progress and implementation of business plan IR 	<ul style="list-style-type: none"> Continue to actively disclose information and promote communication among a wider group of shareholders and investors to deepen their understanding of Minebea IR
	○	<ul style="list-style-type: none"> Continue to promote active communication with domestic and international investors IR 	
	○	<ul style="list-style-type: none"> Prepare for acquisition of ISO 14001 certification for Minebea Tokyo Head Office Environment 	<ul style="list-style-type: none"> Reduce CO₂ emissions per basic unit of output by 5% compared with FY2010 Environment Greatly reduce landfill waste Environment Expand improvements to packaging Logistics
	○	<ul style="list-style-type: none"> Reduce CO₂ emissions per basic unit of output by 3% compared with FY2010 Environment 	
	×	<ul style="list-style-type: none"> Limit volume of waste ultimately disposed of as landfill by Minebea Group worldwide to 4,300 tons per year Environment 	
	○	<ul style="list-style-type: none"> Prepare for Carbon Disclosure Project (CDP) Environment 	
	○	<ul style="list-style-type: none"> Study selection criteria for Minebea Green Products based on consideration of product group characteristics Environment 	
	△	<ul style="list-style-type: none"> Expand use of efficient packaging to all models of hybrid stepping motors, PM stepping motors, and power brushless motors, as well as to fan motors and other products Logistics 	
	○		

CSR CSR Promotion Office
 Compliance Compliance Office
 GA General Affairs Department
 Quality Group Quality Management Department
Logistics Logistics Department
 Human Resources Development Human Resources Development Department
 Personnel Personnel Department
Procurement Procurement Department
 IR Investors Relations Office
 Environment Group Environment Management Department



Minebea Group CSR

Basic Approach

The Minebea Group believes that enterprises have a mission to contribute to the sustainable development of the global environment and of humanity, not only through strict adherence to laws and regulations, but also through fair and proper management of our business in accordance with business ethics. To achieve this mission, we have established the “Five Principles” as our basic management policy, and on the basis of this policy, formulated the Minebea Group Basic CSR Policy and the Minebea Group’s CSR Implementation Principles to guide our CSR activities. Additionally, in January 2012 we announced our participation in the UN Global Compact, a set of

universal principles advocated by the United Nations to promote protection of human rights, elimination of unfair labor practices, protection of the environment, and anti-corruption.

Minebea Group Stakeholders

Our major stakeholders are defined as employees, customers, shareholders, local communities, and global society, which are affirmed in the “Five Principles,” as well as suppliers and the environment that supports our society. In carrying out CSR activities, the Group believes that it is essential to maintain communication with each stakeholder group and meet their expectations.

The Five Principles

- 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
- Promote and contribute to global society

Minebea Group Basic CSR Policy

As a manufacturer of precision products supporting society, the Minebea Group is working toward stable supply and making reliable products with low energy consumption widely available, to contribute to the sustainable development of the global environment and of humanity.

The Minebea Group’s CSR Implementation Principles

1 The Five Principles and our Code of Conduct

In promoting CSR activities, the Minebea Group will appropriately manage the organization in accordance with the “Five Principles,” and adhere to its Code of Conduct.

2 Continuous improvement and raising of awareness

We will put forth goals to be achieved, based on understanding the Minebea Group’s social responsibilities and the key problems that need to be addressed, and continue to improve our CSR activities through implementation and continual review. We will also strive to raise awareness of CSR among all employees through CSR activities.

3 Dialogue with stakeholders

Constructive dialogue with stakeholders (employees, customers, shareholders, local communities, global society, suppliers, and the environment) allows us to meet expectations and respond to requests, and we will improve transparency and accountability in our corporate activities.

▶ Minebea Group Stakeholders



▶ Supporting the UN Global Compact





Compliance

 Website listed information: • Initiatives in import and export management

Basic Approach

The Minebea Group believes that compliance is an essential part of promoting CSR. Accordingly, we have established the Minebea Group Code of Conduct and Minebea Group Officer and Employee Compliance Guidelines, and on the basis of these guidelines, we strive to achieve fair, appropriate and highly transparent management.

In August 2012, the U.S. Securities and Exchange Commission adopted a disclosure rule mandated by U.S. financial reform legislation requiring companies to disclose the use of conflict minerals. In response, we added a Minebea Group policy on conflict minerals to our Minebea Group Code of Conduct in FY2012.

Please visit the Minebea Group website for detailed information regarding the Minebea Group Code of Conduct and Minebea Group Officer and Employee Compliance Guidelines.

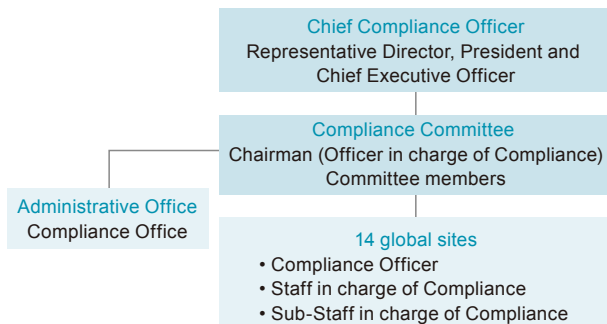


<http://www.minebea.co.jp/english/company/aboutus/conduct/declaration/index.html>

Compliance Promotion Structure

The President and Chief Executive Officer of the Minebea Group has overall compliance responsibility, supported directly by the Compliance Committee. This committee is responsible for applying the Code of Conduct, and for decision-making regarding emergency measures in the event of significant violations of the code. The Compliance Office acts as the administrative body for the Compliance Committee, creating various policies for the promotion of compliance. In FY2012, we revised the committee structure to facilitate faster decision-making. Compliance Committee meetings are now held twice annually instead of once, and compliance officers have been appointed at each site to bolster management.

► Compliance Framework



Compliance Education

To help employees understand compliance, the Minebea Group conducts compliance education as part of its training programs for employees at each level. In FY2012, 180 employees received training, comprised of new employee training and training for new managers and assistant managers. In FY2012, as part of efforts to enhance overseas training programs, we conducted rank-based compliance training in Thailand which was attended by 40 expatriate managers and other mid-level employees. The training covered local laws, culture, and business customs differing from those in Japan, emphasizing the key points employees should keep in mind.

Additionally, external instructors provided compliance training for 30 executive officers, including the president, in response to the growing calls for improved compliance management amid a recent spate of corporate scandals.

Internal Reporting System

The Minebea Group has established both internal and external consultation centers in order to prevent violations of the Minebea Group Code of Conduct or laws. Employees can contact the centers in the event they are unsure about whether their own conduct or decision violates the code, or when an employee discovers conduct that might be in violation of the code. We investigate the accuracy of all reports to the centers and take appropriate action in response.

Future Compliance Promotion

The Minebea Group believes that employee awareness and knowledge of compliance should be deepened to establish a corporate culture in which each employee maintains an awareness of compliance in conducting business activities. In the future, the compliance officers will spearhead our efforts to strengthen the compliance promotion structure of the entire Group, including overseas sites, by enhancing collaborative programs between countries.

In addition, we will continue striving to prevent violations of the law by thoroughly implementing antitrust training programs as well as awareness programs on insider trading regulations.

Commitment from the President

Hot Topics

Minebea Products in Society

Special Feature

Management Report

Social Report

Environmental Report

Risk Management



Basic Approach

Because our response to risk could profoundly affect the Minebea Group's business fundamentals, we believe that risk management is vital to the management of the company. We established the Minebea 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 Minebea Group has final responsibility for risk management, with major decisions regarding risk management being made by the Risk Management Committee. As a precautionary measure, Minebea attempts to predict and classify tangible risks in advance, and remains vigilant against such risks. In the unlikely event of an emergency, the severity of the situation is assigned a level of one to three, and after consultation by the Risk Management Committee, management headquarters and local countermeasures offices are established, to respond rapidly and effectively to the situation. Further, Minebea has organized a system under which—depending on the nature of the risk being managed—a supervisory division may be appointed to handle a situation, for which it will draft and implement responses.

Information Security

● Information Security Structure

The Minebea Group believes that protecting information assets is essential for building a relationship of trust. We have therefore established the Minebea and Minebea Group Basic Policy for Protection of Confidential Information (Information Security Basic Policy), which we thoroughly implement.

We have also established an Information Security Committee headed by a managing executive officer, composed of Information Security Task Forces that implement measures in each country.

● Information Security Training

To improve employee awareness of information security, the Minebea Group conducts information security training. Information security briefings are held annually, and tutorials are conducted by the Information Security Task Force in addition to training for new and experienced employees when they enter the company. In FY2012, a total of 10,287 employees attended information security briefings, including temporary

employees and subcontracted employees.

Going forward, our training will help employees to enhance their awareness of information security violations and share information on such matters as the kinds of things that can lead to security violations.

● Initiatives to Protect Personal Information

Personal information retained by the Minebea Group is managed in accordance with our Personal Information Protection Policy. The purposes for which this information is utilized have also been clearly defined, and we strictly adhere to the parameters for scope of information use.

BCP Initiatives

In the event of a major disaster, influenza outbreak, act of terrorism or other emergency, we believe that our social responsibility includes confirming the safety of our employees and their families, as well as ensuring that, as a manufacturer of products with world-leading market shares, we can continually supply our customers and minimize the impact to our business. For that very reason, in FY2012 we formulated and began implementation of business continuity plans (BCP) for major business sites in and outside Japan.

The BCP analyze risk scenarios for each site and plans are set based on the level of the risks. Specific measures include the creation of emergency manuals, the anti-seismic reinforcement of plant structures, stockpiling of food and water, establishment of self-defense fire brigades, emergency drills, and introduction of safety confirmation systems.

At our Thai sites, which serve as the primary manufacturing centers for the Group, we use the PDCA cycle for business continuity management (BCM) in order to enhance the effectiveness of BCP and instill planning into organizations. For example, as part of the lessons learned from the 2011 Thai floods, we have constructed embankments around our sites which can withstand water levels three to four times the size of the previous floods. In this way, we are continually enhancing our structures. Going forward, we plan to improve BCP exercises at other sites in and outside Japan in order to instill BCM into our organizations.



Embankments constructed around Bang Pa-in Plant, Thailand

Relationships with Customers



Basic Approach

In accordance with the Minebea Quality Policy, the Minebea Group aims to fully satisfy customers in terms of quality, cost, supply capacity, and speed, working diligently to enhance its reputation as the most reliable component manufacturer.

As part of this effort, we place great emphasis on risk assessment at the product and process design stages, enabling us to provide our customers with products of consistently high quality.

Quality Management

Quality Management Framework

We have created a Quality Management Manual covering the entire Minebea Group as part of our measures to ensure the safety of our products and services and prevent accidents. The chief quality management system officer is the President & CEO, who is supported by the Quality Management Committee, an advisory body which assists in monitoring the performance of each manufacturing headquarters.

In FY2012, we revised the Quality Management Manual by adding new guidelines for improving product safety and bolstering the quality management structure. The Quality Management Support Office acts as the administrative organization for the Quality Management Committee. The office's responsibilities include providing guidance to business units and headquarters

on ways to improve their quality management systems, quality assurance and research, and responding to major quality issues. In April 2013, we established the Group Quality Management Department as a replacement for the Quality Management Support Office to bolster the quality management structure and further improve our quality.

Quality Improvement Measures

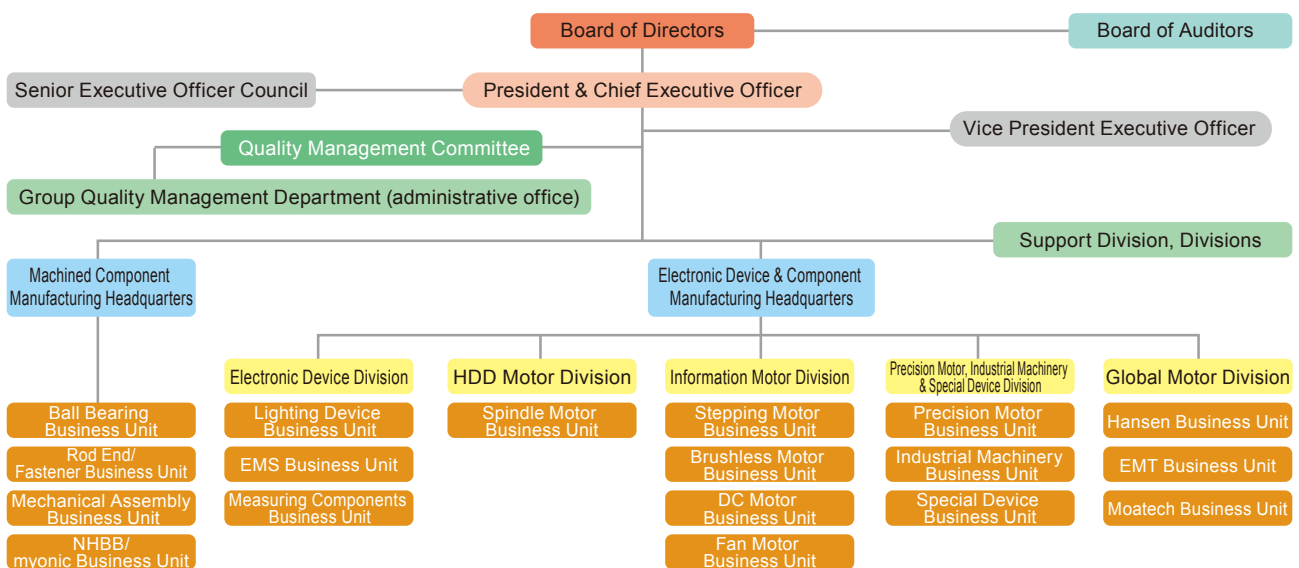
Promoting Quality Management System Certification

The Minebea Group promotes the acquisition of certification for quality management systems (QMS) in each business unit. In FY2012, the DC Brush Motor Division acquired QMS (ISO9001) certification at the Cambodia Plant, which began production in FY2011.

Responding to the Quality Control Examination

The Minebea Group believes that improving the quality control and quality enhancement ability of individual employees ultimately leads to improving the quality of the Minebea Group. Since September 2008, we have been encouraging employees to sit for the quality control examination (QC examination) conducted by the Japanese Standards Association (JSA) and Union of Japanese Scientists and Engineers (JUSE). In addition to covering employees' course fees, we distribute textbooks and provide preparatory seminars to improve their knowledge of quality management. There were 82 employees who sat for the examination in FY2012, 73 of whom passed. A total of 377 Minebea Group employees have passed the examination so far.

Quality Management Framework





● Quality Management Team in Thailand

In Thailand, the Minebea Group has organized a Quality Management Team (QMT) comprised of representatives from the local business units. The team strives towards continual quality improvement by supporting the improvement of the quality systems and specific quality problems of multiple divisions in Thailand. QMT spends two-to-three months engaged with a single manufacturing division pursuing collaborative improvement activities with the division's own quality team.

The QMT also leads training and brainstorming sessions on quality approaches and practical application in order to raise employee motivation towards continual improvement.



QMT in action

● Acquiring AEO Certification

The Minebea Group is strengthening and improving logistics management in order to perform trade and logistics properly and efficiently. As part of this effort, in November 2012 we received AEO system (STP-Plus: Secure Trade Partnership-Plus) certification from Singapore Customs. Our FY2012 goals also included preparations for AEO certification in South Korea and EU. After further study, certification preparation was suspended in these regions.

● Unified Manufacturing Labels and Bar Codes

Among our logistics management activities, we are unifying manufacturing labels and bar codes throughout the Group to prevent mistaken product shipments and raise the productivity of verification processes. For bearings products, our global sales companies are required to use bar coding systems at warehouses to check product models and specifications when products are shipped into and out of the warehouses. For other types of products as well, we are making preparations to unify the manufacturing labels and bar codes.

Disclosure of Product-related Information

Most products from the Minebea Group are ultimately integrated into finished products that pass into consumers' hands. For this reason, we provide safety

related information to our customers as requested. Also in response to customer requests, we provide information about chemical substances incorporated in our products, based on information obtained from suppliers.

For speakers, keyboards and some other finished products, user manuals include safety-related information.

Communication with Customers

● Customer Satisfaction Surveys

Within the Minebea Group, individual business units conduct their own customer satisfaction surveys. This research spans a comprehensive range of evaluation criteria, including sales support, response to product related problems, and product prices. Findings based on these data are fed back to the sales and development division of the corresponding business units. If customers should evaluate any criterion below a specific satisfaction level, we assess and implement improvements across all divisions.

Responding to Quality-related Issues

In the event that there is a major quality issue concerning Minebea Group products or services, we refer to our Quality Management Manual and take necessary measures in response.

In FY2012, we held briefings for all business units in conjunction with the revision of the Quality Management Manual. The briefings explained detailed rules on internal Group procedures issued in FY2011 for dealing with major quality issues as well as recall guidelines for keyboards and other products sold directly to consumers. The 43 participants to the briefings are taking responsibility for raising awareness of the briefing contents among colleagues in their business units.

Future Issues and Goals

Moving forward, we plan to bolster efforts to improve quality under the new promotion structure. Specifically, we plan to create frameworks to compile and analyze the results of risk assessments conducted for each of our major products, while formulating new product safety guidelines.

In the area of logistics, we will make progress unifying the manufacturing labels and bar codes for all of our products.

Relationships with Suppliers



Basic Approach

The Minebea Group's business is supported by relationships with numerous suppliers. The Minebea Group has adopted Basic Procurement Policies on which healthy partnerships are built. In order to promote CSR throughout our supply chain, we have distributed the Minebea Group CSR Procurement Guidelines to our suppliers and are striving to facilitate their understanding and cooperation.

Please see our website for detailed information on our Basic Procurement Policy and Minebea Group CSR Procurement Guidelines.



<http://www.minebea.co.jp/english/procurements/index.html>

CSR Procurement

Considering the global scope of the Minebea Group's 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 Minebea Group CSR Procurement Guidelines, which is based on the Minebea Group Code of Conduct. In April 2012, we advanced this initiative by holding a supplier dialogue to gather supplier comments on our CSR approach. In order to instill our approach to CSR widely throughout the supply chain and turn policy into action, we have sent the guidelines to 1,538 suppliers and requested their understanding and cooperation. In December 2012, we added a section on our response to conflict minerals to the guidelines and requested cooperation from our suppliers.

In FY2013, we created the Minebea Group CSR Procurement Self-assessment Checklist to gather information on the progress in suppliers' promotion efforts. We plan to start distributing the checklist to suppliers in July 2013 and requesting their responses.

Supplier Selection Policy

Whenever the Minebea Group initiates a relationship with a new supplier, we ask the supplier to confirm its agreement with our approach to materials procurement and to proceed in accordance with our New Supplier Certification Standards to ensure strict compliance with our Basic Procurement Policies. In particular, we assess suppliers on the basis of ten attributes, including whether or not the company in question will be able to conduct business in a stable, continuous manner,



Website listed information:

- Response to Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors
- Communication with suppliers

satisfies the Minebea Group Green Procurement Standard, and agrees to abide by the Minebea Group Code of Conduct. Where necessary, we conduct inspections of the supplier's production facilities. In FY2012, we certified a total of 55 suppliers in this manner.

Green Procurement

In July 2004, we established the Minebea Group Green Procurement Standard in response to international laws and directives, to satisfy our customers, and to reduce the use of substances having an environmental impact. Under these guidelines, we require our suppliers to provide products (raw materials, parts, components, and packaging materials) that are free of hazardous substances, and also to submit safety certifications, analysis reports, and other similar documentation. In FY2012, 1,520 suppliers to the overall Minebea Group were cooperating with our Green Procurement policies.

Response to Conflict Minerals from Democratic Republic of the Congo

In August 2012, the U.S. Securities and Exchange Commission adopted a disclosure rule mandated by U.S. financial reform legislation requiring companies to disclose the use of conflict minerals. We responded by formulating a Minebea Group policy on conflict minerals in October 2012 and adding a section on our response to conflict minerals to the Minebea Group CSR Procurement Guidelines. Our suppliers have been asked to cooperate with the revised guidelines.

Additionally, we continue to respond to research requests from customers by providing responses using our research database.

Future Issues and Goals

We are striving to establish a CSR procurement framework in order to promote CSR activities throughout the supply chain. Specifically, we will collect responses to our Minebea Group CSR Procurement Self-assessment Checklist sent to domestic suppliers and analyze the progress in our initiative. We are also planning to distribute and collect the Minebea Group CSR Procurement Self-assessment Checklist from overseas suppliers in the future.

Relationships with Employees

Basic Approach

Since its founding, the Minebea Group has recognized that employees are its most valuable resource, and one of our “Five Principles” is that the company should become a place where its employees are proud to work. The Minebea Group is committed to maintaining and improving workplaces where each of our employees can work safely and in good health, and fully exercise his or her abilities.

▶ Minebea Group Workforce (people) (as of March 2013)

	Employees			Japanese staff on overseas assignment	Total
	Male	Female	Total		
Japan	2,846	578	3,424	0	3,424
North America	1,243	815	2,058	26	2,084
Europe	714	374	1,088	26	1,114
Asia	10,669	35,627	46,296	409	46,705
Total	15,472	37,394	52,866	461	53,327

▶ Number of Employees Retiring/Resigning from Domestic Group Companies (FY2012)

Retirement/Resignation	Voluntary resignation	Turnover rate
121 people	72 people	3.5%

Human Resources Development

The Minebea Group strives to develop human resources with a passion for manufacturing, a global mindset, and the ability to think for oneself and work independently with enthusiasm. We utilize rank-based group training, specialized skill acquisition and enhancement training, and on-the-job (OJT) training to nurture this type of employee. In May 2012, we established a specialized organization, the Human Resources Development Department, dedicated to the

▶ Principal Domestic Training Programs by Rank

Program	Participants	Aim of Training
New Employee Training	New employees	<ul style="list-style-type: none"> Learn the proper manners expected of working members of society, attitudes toward work, and how to carry out work duties. Understand the company's Management Policy and Code of Conduct, and company rules, systems, and organization.
Junior Employee Training	Employees in their second year of employment	<ul style="list-style-type: none"> Learn goal setting and ensure ongoing personal development. Learn fundamentals for improving performance and the basics and importance of communication.
Intermediate Level Employee 1 Training	In principle, employees in their fifth year of employment	<ul style="list-style-type: none"> Confirm employees' basic thinking and work progress while creating a self-development plan for the future. Understand the role expected of them at their work site and learn to be self-reliant in their environment.
Intermediate Level Employee 2 Training	In principle, employees in their tenth year of employment	<ul style="list-style-type: none"> Confirm the meaning of work and their own position in the company. Reaffirm own role in the company and create a self-development plan for the future.
New Assistant Manager Training	New assistant manager-level employees	<ul style="list-style-type: none"> Understand the role expected of assistant managers as supervisors. From their perspective as work site leaders, develop the ability to solve the problems of their work site by engaging others.
New Manager Training	New manager-level employees	<ul style="list-style-type: none"> Confirm the role of a manager in bringing about management innovation. Learn how to energize organizations, motivate subordinates, and create trusted relationships.

*In addition to the above programs, Japanese stationed overseas are given manager training and the two types of intermediate-level employee training once every two years.

development of our personnel.

● Brother-Sister System

A Brother-Sister System was introduced for employees of Minebea Group's domestic sales division in FY2011. Under this system, a young employee takes on the role of mentor for a new employee and provides guidance and training over a period of six months. Brothers and sisters acting as mentors take part in seminars prior to their assignments to better understand the program and create six-month mentoring plans.

In addition to teaching business skills, the program supports relationship building so new employees can freely consult their mentors concerning issues unrelated to work as well. This helps raise new employees' motivation levels and supports their independence in accordance with the training program plan. In FY2012, 10 new employees took part in this system.

■ Using the Brother-Sister System

I had a lot of anxieties after receiving my initial work assignment and taking up my position. My anxieties gradually disappeared, though, thanks to having a mentor close to my own age who carefully answered my questions and explained things I didn't know. One of the lessons that left a strong



Tatsuya Hidaka
Matsumoto Sales Office
West Kanto Branch
Domestic Sales Department

impression was that salespeople have to find a sales style that fits their own character. I think about this lesson from my mentor even today as I conduct sales activities.

My mentor also took me out for drinks on occasion and I was able to discuss problems outside of work with him. This helped me take a more positive attitude towards work.

I feel that getting better at my work and doing well in various situations is one way of giving back to the brother who helped nurture me. I plan to work diligently in the future, including doing the best I can to guide my own juniors.



● Global Human Resources Development

To promote its global human resources, the Minebea Group is committed to broadening the playing field for employees.

Our personnel guidelines stipulate five-year terms for overseas assignments as a way to provide as many employees as possible with opportunities to work in the global arena.

To nurture our global staff, we also provide manager training opportunities for Japanese assigned to overseas subsidiaries based on the Japanese training program, as well as opportunities for local overseas staff to train for management positions under their subsidiaries' programs.

■ Experiencing an Overseas Assignment

After serving as an export-import coordinator at the Zhuhai plant in China, I am now in my second year working in a similar role at Minebea Electronic Devices (Suzhou) Ltd.



Noriko Fukushima
Logistics Department
Minebea Electronic Devices (Suzhou) Ltd.

At first, I found it difficult to comprehend the specialized trade lingo and local trading systems, which I hadn't experienced in Japan, as they were explained in the local language. I also took time getting accustomed to the way in which trading systems change depending on the region in China.

After getting my feet wet in my new position, I realized how important it is to choose the best way and act quickly based on a prompt and accurate understanding of the situation in a country with different culture and laws. In export-import operations, it is difficult to arrange efficient shipments unless you have an understanding of the laws and circumstances on both the export side and import side. Under this situation, I have tried hard to work together with local staff to grasp the entire logistics route, collect various information, and maintain close communication with related parties.

I plan to continue gathering information on fast-changing circumstances in various regions, and not just China, in order to achieve highly efficient export-import operations in collaboration with the local staff.

Fair and Balanced Evaluation

At the Minebea Group, impartiality and objectivity are our prime concerns in evaluating the abilities and performance of our employees. Compensation and benefits reflect the results of these evaluations so as to create a workplace where workers can feel that they are performing valuable work and where ambitious employees are encouraged to perform to their maximum potential. We will continue implementing personnel policies based on rewarding effort and achievement and permitting a flexible response to future changes in the workplace environment and employment structure.

Workforce Diversity

As an organization that conducts global business activities, the Minebea Group believes it is important to strengthen human resource capabilities through workforce diversity. We are striving to create work environments where all employees can maximize their talents without regard to gender, age, nationality, or disability.

● Promoting a Women-Friendly Workplace

More than 37,000 female employees are working for the Minebea Group worldwide, accounting for about 70% of our total workforce. For this reason, we will continue to actively work toward the promotion of female employees to management positions, and strive to create a workplace where they can continue to demonstrate their abilities and play an active role. We have set specific targets of raising the ratio of female employees in manager or higher positions to 3% of all such positions (0.6% in 2012) and the ratio of females in assistant manager or equivalent positions to 8% of all such positions (2.9% in 2012) by 2017.

In March 2012, we held career advancement training for female employees working at the Tokyo Head Office, which was attended by 24 employees. The main purposes of the training were to convey the company's expectations to female employees, facilitate networking among female employees, and raise the level of motivation. Participants discussed ways of improving their work sites and created improvement implementation programs in groups which were later presented to their superiors.

■ Participating in Career Advancement Training

I'm currently doing sales-related work at the Hachioji Sales Office. Most of my work involves close collaboration with other departments, therefore good communication is critical.



Kaori Saga
Hachioji Sales Office
West Kanto Branch
Domestic Sales Department

At the career advancement training program, we discussed the persistent issue of communicating with local staff at overseas offices. We then proposed the introduction of a company support system for raising the English language abilities of employees. With the cooperation of our superiors and related departments, we were given the opportunity to choose an English study program and receive trial lessons.

Learning that there is a system to accept input from work sites and study new proposals deepened my trust in the company. Additionally, after the training, I found it possible to actively discuss with others around me problems that previously I dealt with on my own.

It was also a great experience to network with women from various other departments of the company. I will value these new relationships to widen my perspective network.

Relationships with Employees

● Hiring Global Human Resources

The Minebea Group has set a goal to develop and utilize employees who can support global business expansion. As one initiative, the Group is actively hiring foreign exchange students studying at Japanese universities. Among the 69 new hires joining the company in April 2013, three were non-Japanese.

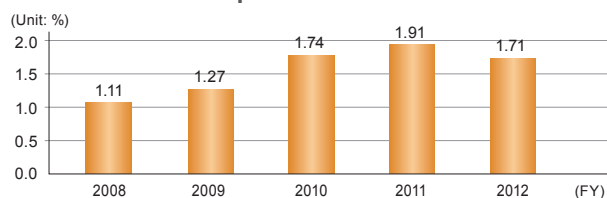
In October 2012, the Minebea Group also participated in the Boston Career Forum in the U.S. to recruit Japanese studying abroad. We plan to continue participating in this event in coming years.

● Initiatives Regarding Employees with Disabilities

The Minebea Group actively hires persons with disabilities. As of June 2012, the percentage of employees with disabilities was 1.71%. We plan to bolster our efforts to raise employment of persons with disabilities to the legally mandated rate (2.0%).

Our initiatives also consider improvement in the workplace environment by ensuring that all employees, no matter whether or not they have a disability, are motivated to work by having people with specialized skills acting in leadership roles.

▶ Ratio of Employees with Disabilities in the Minebea Group Workforce



*Employment rate is for Minebea Co., Ltd. only.

● Initiatives Regarding Reemployment of Seasoned Employees

The retirement age for Minebea Group employees in Japan is 62. So that highly skilled and motivated employees may continue working longer, and to enable them to pass on their skills and expertise to younger employees. In response to the implementation of the Act of Stabilization of Employment of Elderly Persons, in principle we re-employ all employees who have a desire to continue working after mandatory retirement. In FY2012, we rehired 38 employees in Japan.

Respect for Human Rights

In light of the importance of corporate compliance (corporate ethics and legal compliance), the Minebea Group prohibits unfair discrimination due to race, age, gender, nationality and religion. For employees assigned to overseas sites in regions with different cultures, we provide sensitivity training prior to their

assignments. Additionally, during rank-based training, we include educational programs to prevent harassment based on the Minebea Group Officer and Employee Compliance Guidelines. Moreover, we are working to prevent human rights abuses by providing a consultation center and an internal reporting system.

Initiatives for Creating Environments Conducive to Working

● Support for Diversity in Work Patterns

We believe that the Minebea Group's attention to the work-life balance of its employees will be rewarding them and lead to a sense of fulfillment. To this end, we have a flexible system that enables employees to take time off for childbirth, childrearing, caring for family members, and other important events in their private lives. We have also established the Overseas Vacation for Veteran Employees Program, which gives employees who have worked for Minebea for over 30 years an opportunity to rest and recuperate.

We will continue to improve the workplace environment so our employees may work with peace of mind.

■ Using the Child Care Leave System

I utilized the child care leave system to take one-year's child care leave from June 2011, and then my husband, who also works for Minebea, utilized the system to take two-months' leave.



Miki Noro
Reliability Engineering Department
Engineering Support Division

Both my husband and I are unable to receive regular child care support from our parents because our hometowns are far away. It was very helpful to have my husband's support with child care during the busy period directly after I returned to my job. I was also very grateful to my colleagues for gladly accepting my decision to use the system. Now, since returning to my job, I use my work to relieve stress from child-rearing and use my family time to relieve stress from my job. Both my work and family time are really important to me.

Though men are now encouraged to participate in child care, it is still hard for men to make the decision to obtain leave unless there is an urgent reason, and male employees' superiors are still at a loss on how to deal with such situations. I feel, however, that the experience of handling both household chores and child care translates into good multi-tasking training and can be used to raise work efficiency. As for myself, I feel that I have become more efficient in getting both my work and household chores completed since the birth of my child.

In order to balance child care and housework with my career for years to come, it will be necessary to shorten overtime by efficiently completing my work and share child care and household chores fairly between my husband and me. I believe this will be good not just for my family, but have a positive effect on the company's performance. Considering the benefits, I would like to see the child care leave system enhanced and promoted further so that more people can take part in the rearing of their children.



► **Principal Special Leave Benefits for Employees in Japan and the Number of Users**

(FY2012)

Benefit	Description	Total users
Child care leave	Paid leave or shorter working hours for employees caring for children	86 persons
Family care leave	Paid leave or shorter working hours for employees with family members requiring care	2 persons
Overseas vacation for veteran employees	Trip to Thailand, China (Shanghai), or Singapore for employees with 30 years of service, and their families	24 persons

● **Labor Relations**

As recited in the Minebea Group Code of Conduct, the Minebea Group recognizes freedom of association and endeavors to build harmonious labor relations by holding regular labor-management meetings and taking other measures to actively communicate with labor unions and employee representatives on issues such as the work environment and working conditions.

Health and Occupational Safety Management

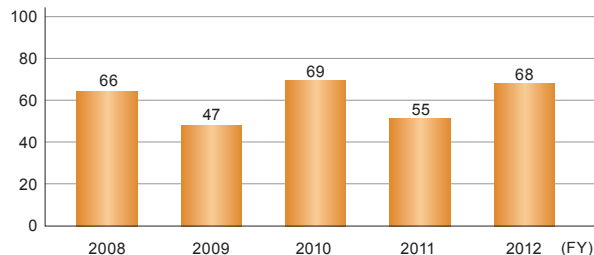
The Minebea Group firmly believes that a safe, healthy workplace is key to improving product and service quality, consistency of manufacturing operations, and employee morale.

Each of our plants has a Health and Safety Committee comprised of numerous working groups with responsibility for workplace safety, health issues, and other such concerns. These committees meet regularly to review working group progress toward individual targets. In addition, the Minebea Group's principal plants in its mass production bases of Thailand, China, and Singapore have obtained OHSAS 18001 certification.

In the event of a fire, workplace injury, traffic accident, or other similar incident, safety managers take

► **Workplace Injuries and Other Accidents in the Minebea Group**

(Unit: incidents)



*Regarding figures for FY2011 and previous years, the data collection standards at overseas sites differed. Beginning with the current report, we have created consistent data collection standards and recalculated the figures for previous years as shown above. We sincerely apologize for any inconvenience caused to our readers.

the lead in identifying the cause and handling the issue appropriately and ensure that information about such incidents is shared with other production sites in each country to prevent similar incidents in the future.

● **Conducting Regular Patrols at Production Facilities**

Safety patrols are conducted monthly at every group plant, including the Karuizawa Plant. These patrols monitor progress against the previous month's findings, identify further areas needing improvement, and ensure that areas near production equipment are neat and tidy, that potentially dangerous tools are stored properly, and that safety glasses and earplugs are used.



Patrol at the Hamamatsu Plant

● **Promoting Health Management**

The Minebea Group strives to maintain and improve the health of its employees in accordance with health-related laws in each country and the circumstances of each work site. We provide employees with regular health checkups, health consultations, and send notices to employees to curb overtime work hours. At the Karuizawa Plant, an industrial physician makes rounds on a regular basis.

In regard to mental health care, which has drawn social interest in recent years, we have established a consultation structure led by industrial physicians and counselors and also provide mental health seminars.

In FY2012, we strengthened our structure further with the establishment of a health management office at the Tokyo Head Office (Mita).

Future Issues and Goals

Moving forward, we will continue to take measures to nurture globally minded employees, pass down know-how to the next generation of employees, and implement personnel measures in support of our employees in order to ensure our employees are highly motivated in their work and the company can continually grow into the future.

Commitment from the President

Hot Topics

Minebea Products In Society

Special Feature

Management Report

Social Report

Environmental Report

Relationships with Local Communities and Global Society

Basic Approach

As an enterprise operating on a global scale, the Minebea Group believes in the importance of building sound partnerships with local communities through good communication. To establish firm roots in those communities, we carry out social contribution activities meeting local needs based upon our "Five Principles."

Contributing to Global Society

● Initiatives in Europe

Support for Children with Disabilities

Our German sales subsidiary made a donation of 2,500 euros to the Björn Schulz Foundation, which provides support to children with incurable and terminal illnesses and their families.

The donation to the foundation is helping to support a hospital outside Rosenheim, Germany. Specifically, the donation is being used as operational funds to care for incurably ill children living with their families.

● Initiatives in China

Support for Social Welfare by Employees

At the Zhuhai Plant, employee volunteers participate in a program to deliver donated goods to the elderly in senior citizen homes and children in welfare facilities.

The volunteers visit the facilities to deliver traditional Chinese cakes and other food supplies to the elderly and children, as well as stationery and other needed goods. The volunteers also spend time talking and enjoying recreation with the facility residents to deepen their friendships.

In addition, plant employees take part in blood donation drives and other social contribution activities to support the enhancement of their local community.



Employee volunteers who visited welfare facilities

● Initiatives in Thailand

Support for Education

Minebea Group subsidiaries in Thailand are working to improve the educational environment for Thai children through employee-led school support activities in areas around our plants. These activities are aimed at nurturing human resources who will support the future of Thailand.

In FY2012, a Thai subsidiary donated a new school building in Tak Province. At a donation ceremony in December 2012, children were presented with gifts from employees. An environment and energy section

was set up in the school building, offering an information board, books and instructional materials to raise awareness of environmental issues.



Children at a Minebea-supported school

● Initiatives in Cambodia

Support to Develop Engineers

The Cambodia Plant is providing support to educational institutions with the aim of nurturing human resources skilled in manufacturing. From May to July 2012, the plant provided practical training on small motors at two specialized technical schools.

The plant also donated equipment to measure motor rotation and circuit boards needed to provide specialized technical education. These donations will assist the establishment of environments to support continual practical training.



A training program in session

■ Taking Part in Training Programs

I participated in an educational support project in Cambodia as an interpreter. I took part a little more than a month after joining the company, so I found it very difficult due to my lack of knowledge of motors and other products. At the same time, however, I learned a lot through the process of teaching students. The students were very excited about the training, as they have few hands-on opportunities with actual products. Watching them enthusiastically assemble motors, I was inspired by their thirst for technical knowledge.



In Bora
Engineering Section 2, Engineering Department
DC Motor Business Unit
Information Motor Division

I felt tremendous satisfaction helping promote technology in my home country of Cambodia as a Minebea employee, and I hope to utilize this experience in my future work endeavors.



Contributing to Local Communities

● Career Education Support for Junior High School Students

In November 2012, 36 students from Fujisawa municipal Takinosawa Junior High School took part in a tour of the Fujisawa Plant. The tour was part of the school's career training program designed around the theme of learning the significance and importance of work through discussions with workers. The ultimate aim of the program is to motivate young students to find a purpose in life and help them succeed on their own as working members of society.

During the tour, the students learned about the processes for manufacturing aircraft fasteners and how manufacturing benefits society. By watching employees at work in the plant, the students also gained valuable insight into the significance and challenges of work.



Students learning about the plant

■ Arranging a Plant Tour

The students who took part in the tour of our plant appeared very impressed to learn that Minebea's products were used in planes flying around the world. Though it can be difficult to enlighten the public about parts manufacturing, we were able to highlight that our plant is doing work which supports the very foundation of society.

We taught the students that manufacturing activity is directly tied to social contributions in that it has significance as labor which is directly connected to society. In this way, students learned about the importance of work to society itself.



Yuichiro Fushimi
Personnel and General Affairs Section
Fujisawa Plant

● Donations to Local Community Facilities

Minebea provides support to various types of community facilities located around its plants. In September 2012, for example, we donated a multipurpose toilet to Baji Park in Gunma Prefecture. Located nearby our Matsuida Plant, Baji Park offers horseback riding activities to the public.

In conjunction with the new construction project at the Matsuida Plant, the horses in the park have been temporarily relocated. In conjunction with the move, we are helping upgrade the park's facilities with the donation of a multi-purpose toilet which people with disabilities can also easily use.

● Community Contributions from Karuizawa Plant

The Karuizawa Plant holds discussions with members of the local community and promotes a variety of community development activities.

Regular Discussions with the Community

After holding a dialogue with the community in 2012, the Karuizawa Plant instituted semiannual discussion meetings to afford opportunities for communication with community members.

The first discussion meeting was held in May 2013. During a frank exchange of views, participants discussed cooperation between the plant and community in times of disaster and other emergencies as well as the plant's procurement from the local community.

Support for NPO Asama Highland Sports Club

As part of its amateur sports promotion, the Karuizawa Plant supports curling through donations to the Asama Highland Sports Club, an incorporated nonprofit organization. The monetary donations assist the club in holding curling competitions and support junior and wheelchair teams.



A curling tournament

Community Education Support

In January 2013, Minebea employees served as guest instructors at the municipal Miyota Junior High School in Miyota, Nagano Prefecture. The lessons for 166 first-year students were part of our efforts to nurture and support the children who represent the next generation.

During the lessons, employees used their work experience to convey the skills needed of adult members of society and the types of things they believe students should learn during their school years.



Company employees acting as guest instructors

Future Issues and Goals

By continuing to make active contributions to local communities in and outside Japan, the Minebea Group will strive to be an organization which deepens its community roots and expands sustainably with local communities.

Relationships with Shareholders



Timely Disclosure/Disclosure Policy

In addition to disclosing information required by applicable laws and regulations in terms of timing and level of detail, Minebea has also established its own disclosure policy to ensure a proactive and fair approach in this regard.

Communication with Shareholders

● General Meeting of Shareholders

Minebea's Ordinary General Meeting of Shareholders is held annually in June. In addition, we provide shareholders with semiannual reports to keep them informed of the state of the company's business and our management policies.

● Communication with Institutional Investors

Minebea holds investor meetings and conference calls on financial results for institutional investors and securities analysts. This information is also published on our website in Japanese and English, simultaneously or as soon as possible.

We spend approximately one week per year in each region visiting investors in North America, Europe, and Asia.

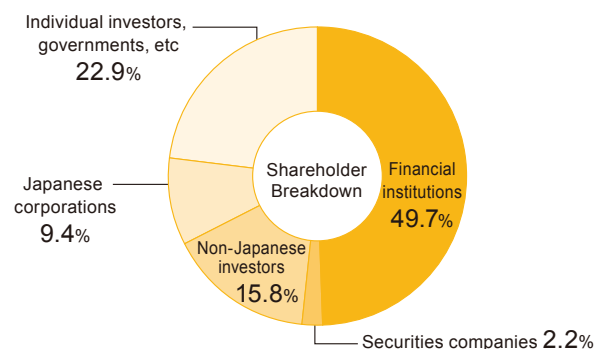
We also participate in investor seminars sponsored by securities companies, while holding numerous private meetings as part of active efforts to disclose financial and non-financial information.

Shareholder Returns

Starting with the appointment of the current president and chief executive officer in FY2009, Minebea has worked toward two goals: maximizing earnings per share and enhancing corporate value, and solidifying the corporate foundation for our centennial. In FY2012, despite the impact of a global economic slowdown, we achieved an increase in net sales due to the absence of various negative factors in FY2011, including the major impact of the Great East Japan Earthquake, Thai flooding, and the soaring rare earth prices, along with the yen depreciation. As a result, we paid ¥7 per share dividends in total.

In addition, in November 2008, February 2010, and May to June 2011, we repurchased our shares to enable us to pursue flexible capital policies in response to the changing business environment.

▶ Shareholder Breakdown (as of March 31, 2013)



IR Website

In 2012, Minebea's IR website won the "Internet IR Excellence Award 2012" and the "Internet IR Special Award 2012" from Daiwa Investor Relations Co., Ltd., as well as the "Gomez IR Site Overall Ranking 2013 Gold Award" from Morningstar's Gomez Consulting Division. In addition, Nikko Investor Relations recognized our website with its Top Website Award in the "FY2012 Comprehensiveness Rankings for All Listed Companies."



Future Issues and Goals

Through enhanced IR activities, we will work to expand our communication with shareholders and to promote greater understanding of the Minebea Group among all types of investors.

Environmental Management



Website listed information

Minebea Group Environmental Policy
Environmental communication, etc.

Basic Approach

The Minebea Group has established an environmental management system based on the Minebea Group Environmental Policy, and all Group companies are striving to contribute to the protection of the earth's environment and the sustainable development of human kind.

As examples of specific initiatives in this regard, we adopt highly energy-efficient equipment and processes, while reducing emissions of CO₂ and other greenhouse gases. We are also strengthening initiatives to minimize waste materials and wastewater from our plants in order to effectively utilize raw materials and water resources. We also make contributions to the environment through our products, including highly efficient motors, lighting, and energy conversion devices, and through the development of control technologies, sensors and new materials central to energy management in products.

Environmental Management System

● Environmental Management Structure

In order to carry out the Minebea Group Environmental Policy, the Minebea Group has established an environmental management structure headed by the Board of Directors and the President and Chief Executive Officer. We have also put in place an Environment Management Committee, a promotion organization composed mostly of executive officers, and a Group Environmental Protection Committee, which leads the day-to-day execution of policy. This structure enables rapid response to environmental policy. Each work site also has a Plant General Manager of Environmental Management and a Manager of Environmental Management who promote specific environmental conservation measures at their work sites.

● Environmental Audits

The Minebea Group is striving to acquire ISO 14001 certification at each of its major global sites. To maintain certification, we also conduct annual external audits by third-party organizations and internal audits by internal auditors. In FY2012, Minebea Electronic Devices (Suzhou) Ltd., Minebea (Cambodia) Co., Ltd. and the Daiichi Seimitsu Sangyo Co., Ltd. headquarters newly acquired certification. Additionally, we began preparations to acquire ISO 14001 certification for the Tokyo Head Office in conjunction with the office's relocation.



Audit at the Cambodia plant

Environmental Education

● Basic Approach and FY2012 Initiatives

The Minebea Group provides training on environmental management basics to all new employees and midcareer hires in order to raise the environmental consciousness of each employee. In addition, all Group employees receive general environmental education which explains environmental goals, targets and action plans based on the Minebea Group Environmental Policy and each site's ISO 14001 certification.

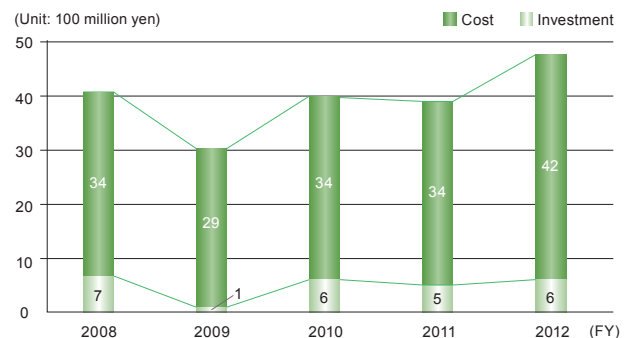
In addition to these programs, we provide training for ISO 14001 internal auditors, waste management education, and drills which simulate natural disasters and other types of emergencies.

Environmental Accounting

● Minebea's Environmental Accounting

The Minebea Group conducts environmental accounting to confirm its costs for environmental protection activities and the effect of its investments. The Japanese Ministry of the Environment's Environmental Accounting Guidelines 2005 is used as a reference. The Minebea Group's environmental conservation costs totaled ¥4,813 million in FY2012, a 22% increase over FY2011.

▶ Environmental Protection Costs, FY2008 – FY2012



Commitment from the President

Hot Topics

Minebea Products In Society

Special Feature

Management Report

Social Report

Environmental Report



Initiatives to Protect Biodiversity

Basic Approach

In FY2012, the Minebea Group revised its Environmental Policy and added “contribution to the international community” as a new initiative. As part of the initiative, we recognize that our business activities may have an effect on biodiversity and ecosystems, and we will work to conserve nature. As a first step, recognizing the importance of understanding the impact of our business activities, we are conducting research on how the Minebea Group’s business relates to biodiversity.

Minebea’s Environmental Impact

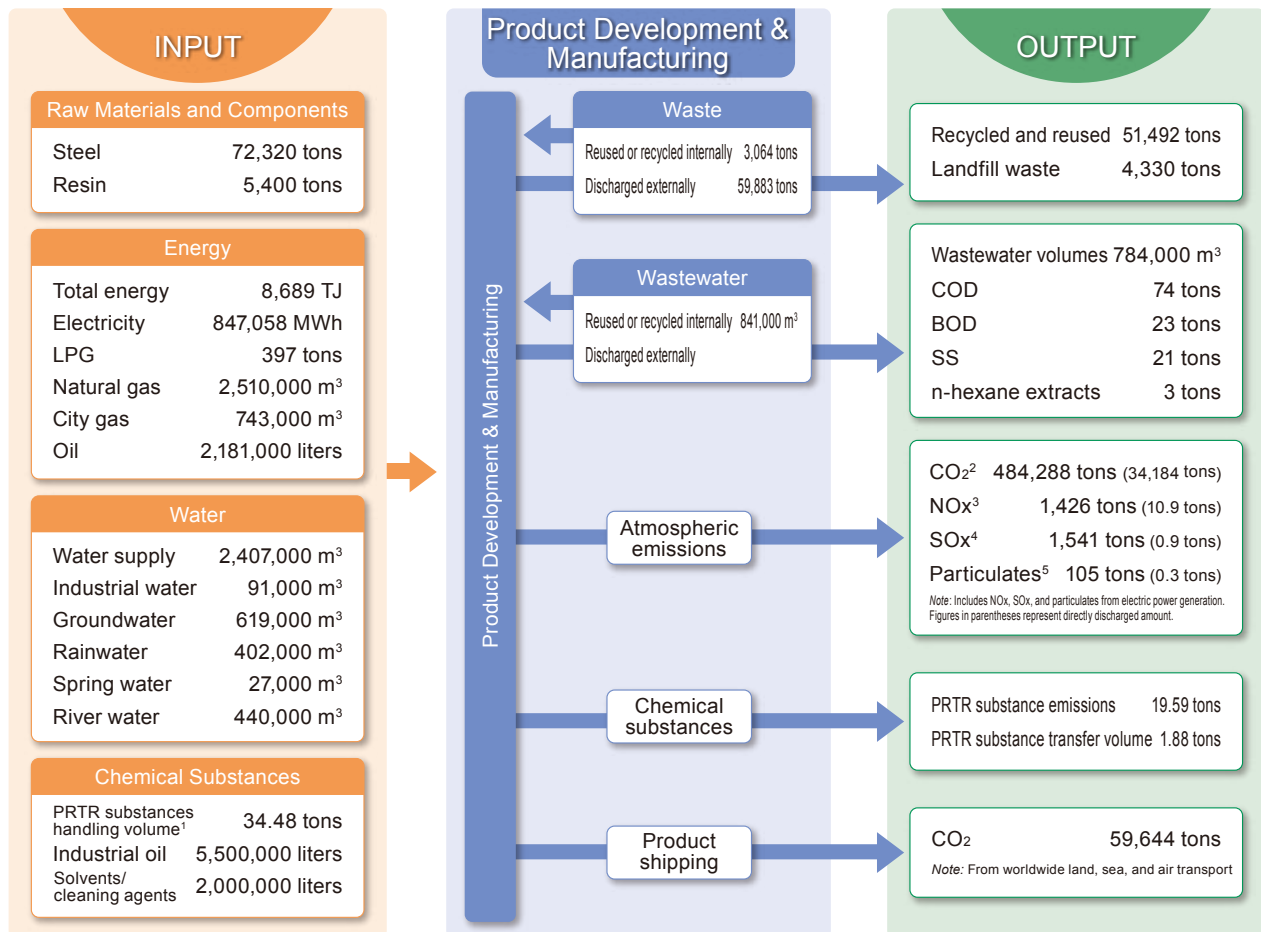
The Minebea Group has plants and sales offices in 18 countries around the world, manufacturing and selling a range of products including bearings—our main

product—as well as such products as machined components, rotary components, and electronic devices. When environmental impact is viewed in terms of the ratio of total production by region to sales, Asia (excluding Japan) is estimated to account for approximately 80% of the Minebea Group’s consumption and output.

In FY2011, flooding in Thailand, our largest manufacturing base, caused major damage to our local plants and led to the extended suspension or reduction of manufacturing activities. In FY2012, though restoration work at damaged plants was nearly completed and output returned to normal levels, we managed to strengthen our measures for reducing environmental impact at the sites and achieved a particularly large reduction in CO₂ emissions.

The Group’s environmental impact for FY2012 is summarized below.

Input and Output (FY2012 Actual)



1. **PRTR chemicals:** Substances included in the PRTR law (The Chemical Substance Control Law / Domestic Japanese Law), for which companies must register and report volumes released and transferred. The figures shown are those reported to authorities.
 2. **CO₂:** Carbon dioxide
 3. **NO_x:** Nitrogen oxides
 4. **SO_x:** Sulfur oxides
 5. **Particulates:** Microscopic solid matter contained in exhaust gas generated through combustion, heating, or chemical reaction



Initiatives for Preventing Global Warming



Website listed information:

Initiatives at offices, Initiatives for logistics and transport, etc.

Basic Approach

The Minebea Group recognizes that the international issue of global warming, along with the related issues of soaring energy prices and abnormal climatic conditions, pose a significant threat to the sustainability of its business activities.

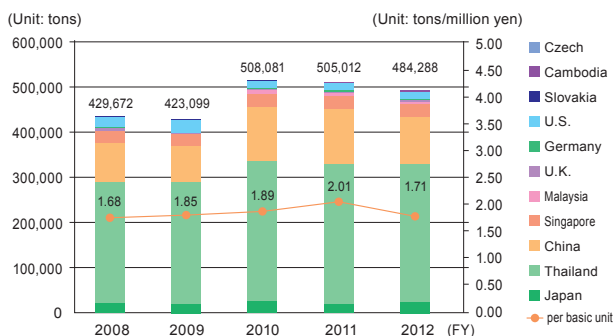
In response, each office and plant in the Minebea Group is proactively promoting energy efficiency initiatives in order to combat global warming after having completed formulating the main measures for their sites. Additionally, our Energy Conservation Promotion Committee, which is made up of representatives of all our business units, promotes the sharing of knowledge and technologies accumulated from past activities along with case studies on exemplary energy-efficient initiatives. The sharing of this wisdom among the Group's business units is bolstering the entire Group's approach to global warming prevention.

Results of FY2012 Initiatives

The Minebea Group's emissions of CO₂ in FY2012 totaled 484,288 tons, 4% less than in FY2011. In terms of basic units of production, CO₂ emissions declined 15% over FY2011 to 1.71 tons per million yen of production. The cause of this decrease was the large improvement in productivity compared with levels prior to the Thai floods.

In FY2012, the Group also made headway in determining the CO₂ emissions from Group logistics activities. As a result, we are able to determine the amount of CO₂ emissions generated from overseas sites' land, sea, and air logistics operations, as we have done for domestic sites. Moving forward, we will continuously take measures to improve the accuracy of data collection.

CO₂ Emissions (Total and Per Basic Unit)



*Emissions generated by product shipment are not included.

Initiatives at Offices

ISO 50001 Employee Training in Thailand

In Thailand, the largest manufacturing base for the Group, we are implementing energy management measures based on the ISO 50001 international standard with the aim of managing and continually improving our energy consumption. In FY2012, we provided training on these measures to employees who are spearheading the efforts.

Training Program Contents

- ISO 50001 Fundamentals and Requirements (April 2012; 80 participants)
- ISO 50001 Internal Auditor Development (May 2012; 61 participants)
- Energy Efficiency Awareness by Outside Energy Experts (June 2012; 51 participants)



ISO 50001 training in Thailand

Future Issues and Goals

The Minebea Group will continue to advance its measures to prevent global warming. As a medium-term goal, by FY2015 we plan to reduce CO₂ emissions per basic unit of production by 5% compared with FY2010, or 1% annually.

In terms of long-term goals for 2030 and 2050, we will monitor the Intergovernmental Panel on Climate Change (IPCC) and policies in countries around the world in formulating our initiatives.

Commitment from the President

Hot Topics

Minebea Products In Society

Special Feature

Management Report

Social Report

Environmental Report



Initiatives for Effective Use of Resources



Website listed information:

Business site initiatives, Effective use of rain and river water, etc.

Basic Approach

The Minebea Group recognizes that there are limits to the availability of resources used in its products, which include metals, plastics, and other raw materials, along with oil, natural gas, and other energy sources. Additionally, with regard to rare earth elements indispensable to the manufacture of electronics, since the number of countries producing and exporting the materials is limited, they are more susceptible to export restrictions.

We believe that the effective use of resources is critical to the continuation of our business activities, and to that end we are taking various management measures.

Results of FY2012 Initiatives

In FY2012, principal raw materials used by Minebea Group included approximately 72,320 tons of steel and 5,400 tons of resin, with the total amount of materials used roughly on par with the previous fiscal year.

The amount of landfill waste generated by the Group's operations in FY2012 totaled 4,330 tons. Though the FY2011 amount of landfill waste previously reported in the FY2011 report was 4,061 tons, as a result of an error in data collection methods, the actual amount was 4,697 tons. We apologize for the error. As a result, the amount of landfill waste in FY2012 declined by 367 tons compared to the previous year.

At our mass production plants in Thailand and China, we are recycling water inside the plants to the greatest extent possible and prevent external emissions through our "Plant Wastewater Zero System." Water emissions from Group plants in FY2012 totaled 784,000 m³, a decline of 132,000 m³ compared with FY2011.

Initiatives at Business Sites

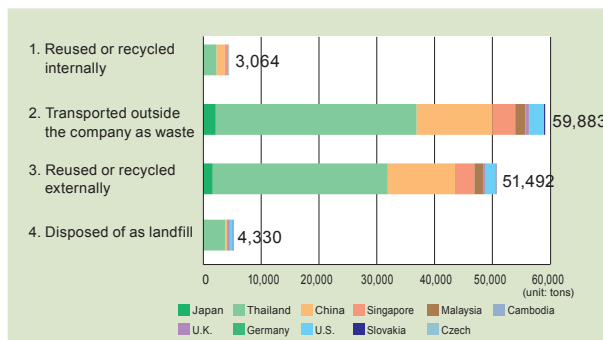
● Recycling Mobile Phones (Thailand)

From March 2012, Minebea Group subsidiaries in Thailand collaborated with Nokia to launch the "Weee Can Do Project" to collect and recycle discarded mobile phones and accessories. The project aimed at collecting a large number of discarded mobile phones and accessories within Minebea's plants in exchange for commemorative goods and presents from Nokia awarded by a lottery draw. At the Bang Pa-in and Lop Buri plants, the project was promoted through collection boxes at security gates, the cafeteria, stores and other areas, along with campaign stickers on employee buses.

The mobile phones and accessories collected were recycled by a Nokia subcontractor after removal of toxic materials. The number of mobile phones and accessories collected is as follows.

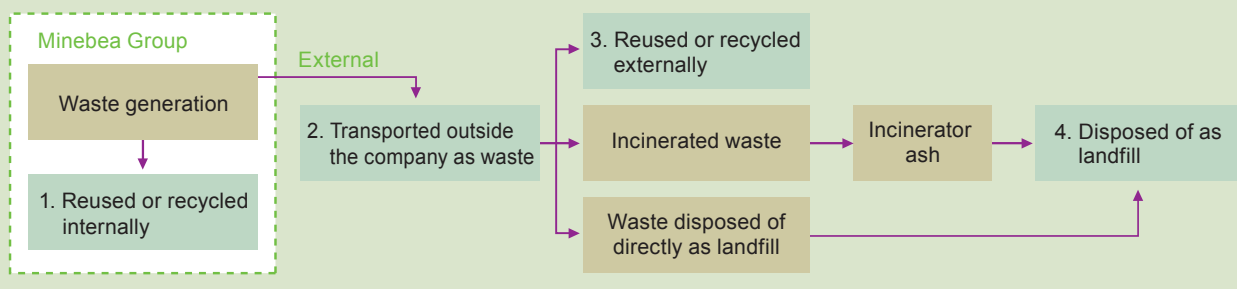
- Bang Pa-in Plant (campaign period: March 13, 2012–September 13, 2012)
Mobile phones: 2,169 units; Accessories: 1,424 items
- Lop Buri Plant (campaign period: November 1, 2012–March 29, 2013)
Mobile phones: 1,106 units; Accessories: 1,379 items

► Waste Processed (FY2012 Actual)



Future Issues and Goals

For FY2013, we have set a target of limiting the amount of landfill waste to 4,300 tons following recalculation of previous results. Currently, we are researching the types of landfill waste we generate and conducting market analysis in an effort to further lower waste amounts in the future.



Initiatives for Reducing Impacts on the Environment



Website listed information:

Business site initiatives, Management of PRTR substances, etc.

Basic Approach

Plant effluents and emissions can be a source of water, air, and soil pollution that poses a threat to local communities. At the Minebea Group, we believe that harmony with local communities is indispensable to our business activities, and as such, we are striving to reduce our impact on the environment.

Results of FY2012 Initiatives

In order to ensure compliance with the environmental laws and regulations of each country and community, the Minebea Group has established environmental standards surpassing its legal requirements and undertakes daily compliance monitoring. In FY2012, there were no incidents which violated either the legal requirements or the Group's own standards. The Group also monitors the impact of its plants on the surrounding communities by conducting environmental patrols at all of its plants to ensure there are no leakages, foul odors, noise, or vibration caused by the plants.

In FY2012, we established and began operation of a new database to efficiently manage chemical substances and the amount of substances used throughout the Group.

Plant Initiatives

● Plant Wastewater Purification

Prior to releasing wastewater into rivers, Minebea Group plants use their own processing equipment to purify wastewater to within fixed environmental standards. These plants adhere to environmental laws of the countries and localities in which they operate, and independently monitor such wastewater discharges, including regular testing for such metrics as pH¹, COD², BOD³, SS⁴, and the oil content of n-hexane extracts⁵.

In FY2012, no anomalous monitored values were reported by any plant. In addition, no complaints relating to these metrics were received.

1. **pH:** A scale indicating whether substances are acidic or alkaline. pH7 is neutral. pH values below 7 indicate increasing acidity, while values above 7 indicate increasing alkalinity.
2. **COD (chemical oxygen demand):** The amount of oxygen consumed to oxidize organic substances (pollution) in water. COD measurement takes less time than BOD measurement, but is less reliable. COD is generally used as a metric in wastewater management for sea, lake, and marsh waters.
3. **BOD (biological oxygen demand):** The amount of oxygen required for bacteria to consume and decompose organic matter (pollution) in water. Higher values indicate greater degrees of pollution. Measurement takes several days. BOD is generally used to observe effluent water in rivers.
4. **SS (suspended solids):** The volume of substances suspended in water. The higher the number, the greater the degree of water pollution.
5. **n-hexane extracts:** Substances extracted from oils and detergents that are difficult to volatilize in water using a substance called n-hexane as solvent. In this report they signify mineral oils.

● Investigating Landfill Waste Sites (Japan, Thailand, China, etc.)

At each plant and office, there are types of waste which are difficult to reuse or recycle within the site. In these cases, the waste is disposed of through third-party waste disposal companies.

The Minebea Group selects reliable waste disposal companies, and conducts regular inspections of their disposal sites to confirm the status of waste disposal and management. We will continue to cooperate with waste disposal companies to ensure that their waste disposal processes do not generate soil, water, or air pollution.



Inspection of waste disposal company

● Operation of Plant Wastewater Zero System (Thailand, China)

Minebea Group plants that use large amounts of water during processing are taking measures to reduce wastewater emissions. Though water is discharged from plants only after being purified to standards mandated by environmental regulations in each country and region, the wastewater may still have an impact on the local environment. In Thailand and China, where water use by the Group is high, plants have introduced the "Plant Wastewater Zero System" designed to reduce wastewater emissions to zero.

Under this system, water that previously was purified and discharged is purified to a higher level and the entire supply reused within the plant to eliminate external emissions. The "Plant Wastewater Zero System" has been introduced at the Bang Pa-in and Ayutthaya plants in Thailand along with the Shanghai and Xicen plants in China.

Future Issues and Goals

The Minebea Group continues to conduct business operations in compliance with environmental laws in Japan and around the world, and is proceeding with cleanup work in areas where it has caused environmental contamination in the past.



Product-related Initiatives for the Environment



Website listed information:

Management of environment-affecting substances incorporated in products

Basic Approach

The majority of products manufactured by the Minebea Group, such as bearings and motors, are components in products sold by our customers, and are not immediately visible. But precisely because our components are incorporated into such a wide variety of products, the Minebea Group believes it is important to offer products that are safe and free from harmful substances that might damage the environment, while contributing to the overall product life cycle by being energy- and resource-efficient as well as long-lasting.

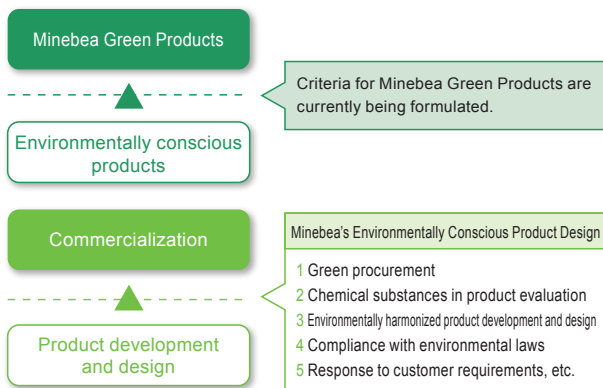
Minebea Green Products

● What are Minebea Green Products?

From the development and design stages, the products that the Minebea Group manufactures and sells are environmentally conscious products. This means that they satisfy various countries' environmental laws and customers' environmental requirements as well as undergo voluntary product chemical substance evaluations and product assessments.

The Minebea Group carries out investigations to certify Minebea Green Products as products with particularly superior environmental performance and characteristics in terms of their energy efficiency, contribution to the prevention of global warming, resource efficiency, and contribution to a recycling-oriented society.

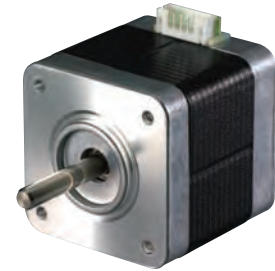
▶ Minebea Green Products



● Product Example: High-torque Hybrid Stepping Motor with Rare Earth-free Magnet

In FY2012, the Minebea Group developed a high-torque hybrid stepping motor with a powerful magnet delivering high magnetic force which is free of rare earth minerals, such as neodymium and dysprosium, and also features a resource-efficient design.

The switch to rare earth-free magnets will help to stabilize raw materials procurement, lower costs, and stabilize product supply. The resource-efficient design approach enabled us to halve the number of magnets compared with previous products, while reducing the amount of copper wire by 25% compared with our previous products.



High-torque 42mm hybrid stepping motor

● Development of High-performance VR Resolver for EV Drive Motors

The Minebea Group has developed and begun delivering a high-performance VR resolver for electric vehicle (EV) drive motors. As a core part of the drive motor, the VR resolver is an angle sensor critical to accurately controlling motor rotation. The resolver has a major impact on the electric power consumption rate and drive performance of electric vehicles (EV) and hybrid electric vehicles (HEV).

During the development process, we ran simulations leveraging various magnetic field analysis technologies and made continual design improvements, resulting in the successful development of a high-performance VR resolver featuring an ideal winding specification for raising drive motor performance and a rotor stator configuration.



VR resolver

Future Issues and Goals

The Minebea Group will continue to accurately grasp the needs of society to make contributions to the development of products which are safe, energy-efficient, and resource efficient.

Third-party Opinion

Comments on the Minebea CSR Report



Keisuke Takegahara

Director, Environmental Initiatives & Corporate Social Responsibility – Support Department
Development Bank of Japan Inc.

Minebea's CSR Report 2013 is structured similarly to past reports, and in his message, the president makes a commitment to further advancing the company's CSR management concept of "manufacturing with sincerity." This message conveys the Minebea Group's dynamic CSR management and its dedication to meeting the changing needs of society through the pursuit of innovative manufacturing, as exemplified by the enhanced product development structure created with the new Tokyo Research and Development Center.

I was impressed by this year's feature articles, which illuminated the Group's CSR management activities in a different light than past years'. Particularly impressive was this year's feature on dialogues with local communities around the Group's plants, as it reflected the sincerity with which the company engages many different stakeholder groups. These activities suggest the company will deepen its commitment to taking a unified approach with communities in executing CSR management. The feature on U.S. subsidiary NHBB revealed how Minebea integrates CSR activities with business activities as well the Group's strength of infusing sustainability into its company culture as it expands globally.

In terms of continuity, this year's report shows the development of many of the topics introduced last year. Last year, for instance, a key topic was promoting CSR in the supply chain, and this year, Minebea explains how it has

begun research through the introduction of a CSR Procurement Self-awareness Checklist. In terms of business continuity, the report highlights the start of BCP at major sites and the use of BCM to ensure improvements in BCP effectiveness. This approach to reporting is very effective in showing how the company is steadily developing its initiatives and providing a consistent message to the public.

The report highlights a diverse range of other initiatives, such as the establishment of scholarships for orphans of the Great East Japan Earthquake. It should be mentioned that these activities' consistency with and relation to the company's CSR philosophy are properly referenced throughout. The report is also easier to read, as information is clearly divided between the report and the website. Overall, this report represents a high-level communication tool.

Minebea's CSR Report has evolved into a complete communications tool for widely promoting its CSR initiatives. Now, the company should turn its attention to weighting its activities from various standpoints. Looking at the new trends in international disclosure frameworks, including integrated reporting and the fourth edition of the GRI Guidelines, it is not long before companies will be asked to clarify the materiality* of their activities by explaining how the activities provide social value. For Minebea, I believe the start of this effort will be the selection criteria for its Minebea Green Products and visualization of environmental performance.

Moving forward, I expect Minebea to continue promoting its own brand of communication as it pursues its quest of becoming a new kind a manufacturing company.

*Materiality: Initiatives the company believes are important after consideration of the expectations of all stakeholders and the economic, social, and environmental impact of the initiatives.

Keisuke Takegahara

After graduation from Hitotsubashi University Faculty of Law, Mr. Takegahara joined the Japan Development Bank (now the Development Bank of Japan, Inc.). He assumed his present post following stints in the bank's Research Department and Policy Planning Department and its Representative Office in Frankfurt. Mr. Takegahara is also a member of several councils, including the Japanese Ministry of the Environment's Environment Industry Market Size Research Committee and the Environment Growth Engine Study Council, along with the Cabinet Office's Future City Promotion Board and the Future City Assessment and Research Committee.

On Receiving a Third-party Opinion



Masayuki Imanaka

Managing Executive Officer
Officer in charge of Finance & Compliance Promotion Division

Mr. Takegahara has been providing us with valuable feedback on our CSR Report since our first report was published in FY2010. This year, we are grateful to once again receive his valuable insight.

Our CSR Report 2013 includes two feature articles explaining our relationship with local communities that support the Minebea Group. Mr. Takegahara has commended our disclosure of these activities along with our reporting on the progress of our CSR activities, which

include the start of research through the CSR Procurement Self-assessment Checklist and BCP promotion. This positive feedback will encourage us to further enhance our initiatives into the future.

Mr. Takegahara has also pointed out the need for weighting our CSR activities. In light of this, we will determine the key issues through discussions with our stakeholders and set up priorities to ensure progress on our activities. Although this will take some time to achieve, we will consider Mr. Takegahara's comments sincerely and make weighting an important issue going forward.

Moreover, we were unable to achieve some of our CSR goals for FY2012. We consider these important issues to be resolved in FY2013 and will continue to take a forward-looking approach in improving our CSR activities into the future.



Printed on paper made with wood from forest thinning. "Morino Chonai-kai" (Forest Neighborhood Association) supports sound forest management.

The Minebea Group supports efforts by Japan's Forestry Agency to reduce CO₂ emissions through the use of domestic forestry products. This report was produced using paper made from Japanese wood products. Active use of such products helps promote the maintenance of Japan's forests and contributes to raising the amount of CO₂ that these forests can absorb.

