

# 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 60<sup>th</sup> 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 60<sup>th</sup> 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



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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.