

Looking Back on FY2013

I'm pleased to report that the various initiatives we have been taking to improve financial performance were successful in FY2013 amid an underlying recovery in the global economy. The Minebea Group posted strong growth for the year, reflecting higher sales of our mainstay ball bearings and other machined components, a turnaround in our motors business, and an expansion of our backlight business. Compared with the previous year, our sales surged 31.6% in FY2013 to 371,543 million yen, while our net income totaled 20,878 million yen. Both sales and net income exceeded the previous record highs posted in FY2007.

We achieved this success by pursuing our mission to stably provide products with higher reliability and lower energy consumption to markets around the world, as stated in our Basic CSR Policy. In other words, we continued our commitment to our basic belief of "manufacturing with sincerity." Of course, it goes without saying that the dedication of our employees and support from other stakeholders made this success possible. On behalf of the company, I wish to express my sincere gratitude for everyone's unrelenting support.

This was also a year in which we took initiatives to solidify our business foundation on the basis of our basic management policy, the Five Principles.

In order to bolster our global CSR, we analyzed our CSR initiatives using ISO 26000*, an international social responsibility standard, and identified areas in which we should take the initiative in addressing. We also appointed CSR Officers to all business sites, including overseas sites, who will lead awareness campaigns and monitor CSR implementation. In this way, we have strengthened our entire global CSR management structure.

We believe that enhancing CSR throughout the supply chain, and not just for our Group, is an important part of our social responsibility. We therefore have submitted CSR Procurement Self-assessment Checklists to our suppliers in Japan and requested their cooperation in responding. Based on the response, we plan to actively communicate with suppliers and expand the program to overseas suppliers in the future as we improve our initiatives.



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

A stylized handwritten signature in black ink, likely belonging to Yoshihisa Kainuma.

Creating Products that Support Sustainable Global Growth

The global economy has returned to a steady growth path after stalling in the wake of the Lehman crisis in 2008. While the quality of life is improving, it has become more urgent than ever to take initiatives to tackle the acceleration in climate change and other global environmental issues accompanying economic improvement. Put simply, in order to ensure continued sustainable growth, the world increasingly needs enhanced safety, energy efficiency, and low environmental impact in all types of products we use. The Minebea Group supplies a wide range of parts used in end-products, and in consideration of our role, we have launched the "Five Arrows" strategy.

One of the strategic arrows is to develop and boost sales of Electro Mechanics Solutions (EMS) products. We plan to utilize our ultra-precision processing technology to generate new products required by society, particularly products featuring energy efficiency, safety and security.

In April 2013, we opened the new Tokyo Research &

Development Center to spearhead our product development programs. The center will facilitate collaboration laterally across organizations to maximize the Minebea Group's capabilities and generate products offering customers high added-value.

Another strategic arrow is to boost sales of lighting device-related products with the aim of contributing to more efficient energy management. We have begun the development of lighting devices that can contribute to the realization of environmentally conscious "Smart Buildings" and "Smart Cities." As part of this initiative, in February 2014 we established the joint venture MIK Smart Lighting Network Co., Ltd. with Iwasaki Electric Co., Ltd. and Koizumi Lighting Technology Corp. Together, we will combine our technologies to pioneer the development of highly efficient lighting equipment.

Pursuing "Manufacturing with Sincerity" and Promoting a Strategy for the 100th Anniversary

When I was appointed CEO 5 years ago, I made a promise to build a foundation for our 100th anniversary. Minebea has always been attuned to the needs of society, responding to the demands of the age with

superior technological and supply capabilities, even in niche fields. Our 100th anniversary strategy is to leverage this approach and make contributions to society in a broad range of fields by furthering our commitment to "manufacturing with sincerity" and sharing our new Minebea vision with society.

We have incorporated this vision into our new medium-term business plan, which sets ambitious targets of 500 billion yen in sales and operating income of 50 billion yen for FY2016. I've been telling our employees that high motivation and passion is the key to achievement. This is a defining moment for the Minebea Group. All employees of the Group will join together to achieve our goals, based on the corporate message, "Passion to Exceed Precision."

This report explains our business activities and CSR activities from many different perspectives. I look forward to hearing the opinions of our readers.

* ISO 26000: An international standard for social responsibility. The goal for organizations is not to receive certification, but rather to use the standard to effectively implement social responsibility.

"Five Arrows" Strategy

