

# Minebea Group CSR Report 2015



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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 systems, environmental measures and various other activities.

In the feature articles for this year’s report, we highlight a stakeholder dialogue at the Yonago Plant as an example of our communication with communities, and describe how a German subsidiary integrates CSR into its management strategy. We also continue to share the progress of our specific CSR initiatives in the pages of our “Management Report,” “Social Report,” and “Environmental Report” sections.

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 always appreciate receiving forthright opinions and feedback from our readers.

### • Scope of report

Minebea and 73 group companies

### • Period covered by this report

FY2014 (April 1, 2014-March 31, 2015)

However, this includes some activities before this period and from FY2015.

### • Publishing information

Published October 2015 (previous edition published September 2014; next edition planned for September 2016)

### • Referenced 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” (2012 edition)

### • Enquiries regarding this report

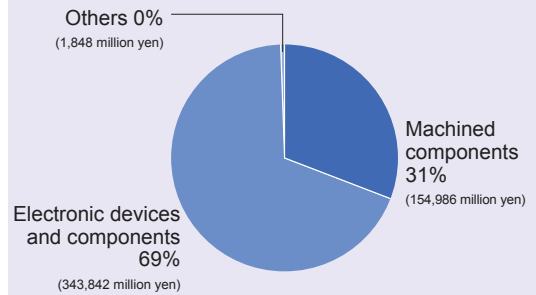
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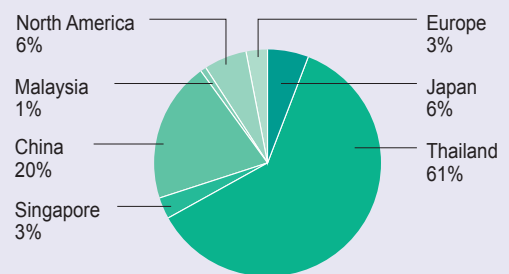
## Corporate Profile (as of March 31, 2015)

|  |   |
|--|---|
| Corporate name                                     | Minebea Co., Ltd.   |
| Headquarters                                       | 4106-73 Oaza Miyota, Miyota-machi, Kitasaku-gun, Nagano 389-0293, Japan<br>TEL: +81-267-32-2200 |
| Tokyo Head Office                                  | 3-9-6 Mita, Minato-ku, Tokyo 108-8330, Japan<br>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: 500,676 million yen   |
| Operating income                                   | Consolidated: 60,101 million yen  |
| Ordinary income                                    | Consolidated: 60,140 million yen  |
| Net income   | Consolidated: 39,887 million yen  |
| Number of employees                                | Consolidated: 63,967 people   |
| Number of consolidated subsidiaries and affiliates | 66 companies  |

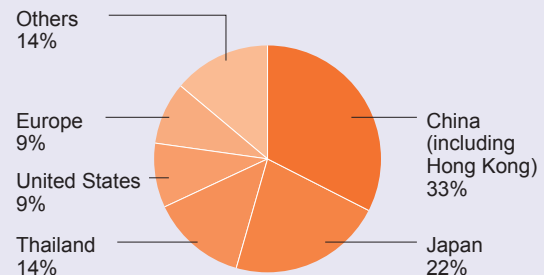
## Sales by business segment (FY2014)



## Total production by region (FY2014)



## Sales by region (FY2014)



Information available on the CSR website: <http://www.minebea.co.jp/english/corp/environment/index.html>

The Minebea Group website is regularly updated to provide information on corporate governance and other detailed information on activities not included in this report. The website also offers information for investors. Please refer to the website for these types of information.

- › Information for investors
- › CSR Report 2015 detailed data
- › Recent CSR activities
- › Corporate governance information



### Looking Back on FY2014

I'm pleased to report that all of the Minebea Group's business units posted improved results in FY2014. Amid stable economic growth in North America and Asia, our machined component and LED backlight businesses logged strong growth, while our electronic devices and components business achieved improved profitability. As a result, compared with the previous year, our sales surged 34.8% in FY2014 to 500,676 million yen, while our operating income rose 86.7% to 60,101 million yen and our net income increased 91.0% to 39,887 million yen. Our sales, operating income, and net income were all record highs for the Group. We achieved these results by continuing and furthering our commitment to "manufacturing with sincerity," the basic belief sustaining the Minebea Group.

To solidify the management foundation on which this success is based, and aim for even greater growth in the future, it is critical for the Minebea Group to implement CSR in accordance with our basic management policy, the Five Principles. I feel that it's especially important for a company doing business in global markets to bolster its CSR management. In FY2014, we expanded to overseas sites an ISO 26000\*-based CSR analysis program which we had conducted in Japan in FY2013. We coordinated the analysis with CSR Officers at each site to confirm the current status of our initiatives and identify issues we need to address. Additionally, following a stakeholder dialogue program in FY2012 at the Karuizawa Plant, we held a dialogue at the Yonago Plant attended by the mayor of Yonago City and his fellow citizens. We continue to listen carefully to our stakeholders and respond to their needs and expectations of Minebea.

As we strengthen our CSR management, I feel that it's also important to realize our core belief of "manufacturing with sincerity" by making contributions to society through product development and manufacturing. To reaffirm this commitment across the Group, we newly added the principle of "Creation of social value through products" to the Minebea Group's CSR Implementation Principles.

As a precision components manufacturer, we will create new value for society by actively developing highly reliable, energy-efficient products and making them widely available.



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

A handwritten signature in black ink, appearing to read 'Yoshihisa Kainuma'.

### New "Five Arrows" Point to the Next Stage of Development

Since November 2013, we have been implementing the "Five Arrows" strategy as a way to uncover the future needs of society and further expand our business. We nearly achieved the strategic targets for the ball bearing and measuring components business units during FY2014. We therefore formulated a new "Five Arrows" strategy which we will strive to achieve as part of our Medium-term Business Plan.

To execute the new "Five Arrows" strategy and provide new value to society through the development and manufacture of products, we must remain a step ahead of our customers, uncover their latent needs as quickly as possible, and then act. One of the Minebea Group's biggest advantages is our broad array of sophisticated technologies, from core technologies to ultra-precision machining capabilities and assembly technologies. I'm confident that we can deliver a wide range of "only-one" value by linking our proprietary product development and manufacturing capabilities with the exact needs of society

through our customers. It will also be critical for us to maximize synergies between the independent initiatives of each department and generate total vertical and horizontal capabilities. This will also help us uncover the future needs of society and create new value.

In the ball bearing and motor fields, for example, automobile downsizing and energy efficiency are two needs that continue to grow. Our Group has always been a leader in manufacturing miniature, high-quality products. We can leverage these strengths to offer new functions, raise performance and expand into new applications. In the EMS and lighting products fields, we are making new proposals for “Smart Lighting.” Our strategy is more than just replacing traditional incandescent, fluorescent, and halogen lights with LEDs. We are raising the convenience and energy efficiency of lighting by combining light guide plate technology, which we fostered through LED backlights, with wireless technologies to automatically adjust the direction, range, and brightness of lights. In the measuring and aircraft components fields, we acquired Sartorius Mechatronics T&H GmbH (Germany) and its subsidiaries, while newly adding CEROBEAR GmbH (Germany), a leading manufacturer and seller of specialty ceramics bearings and hybrid bearings, to the our Group. We plan to uncover new needs even faster through these types of M&As and by maximizing the synergy between our organizations.

## Adopting a “Change to Grow” Approach to Ensure We Build a Foundation for Our 100th Anniversary

When I was appointed CEO in April 2009, I made a promise to build a foundation for our 100th anniversary. As medium- and long-term targets towards building that foundation, we’re aiming to achieve sales of 1 trillion yen or operating income of 100 billion yen by 2020. We need to change to achieve these targets. We need to let go of our past successes and notions of common sense, our ways of thinking, ways of doing business, and change everything, including our products.

This is what I mean by “Change to Grow.” I pledge to promote “Change to Grow” within the company by remaining sensitive to the changes of the times. Each of our employees also needs to sense this need for change and growth so that we can speedily respond to the needs of society and our customers. Rallying around the corporate message we created for the company’s 60th anniversary, “Passion to Exceed Precision,” we will all strive for change and growth with a passionate sense of mission.

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.



## “Smart Lighting” Paves Way for Brighter Future

In April 2014, Minebea established the joint venture MIK Smart Lighting Network Co., Ltd. (“MIK”) with Iwasaki Electric Co., Ltd. and Koizumi Lighting Technology Corp. The companies are combining their respective technologies to contribute to the development of next-generation lighting systems designed for “Smart Buildings” and “Smart Cities.”

### For Next-generation “Smart Lighting” Systems

Minebea has been a leader in the development of circuit design and manufacturing technology used in optical components for lighting, personal computers and televisions, as well as light guide plate design and manufacturing technology for mobile phone and smartphone backlights. Now, we are combining these technologies with highly energy-efficient LED lighting and IT to create innovative, highly efficient lighting systems for “Smart Buildings” and “Smart Cities.” To further this aim, in 2013 we took a capital stake in Paradox Engineering SA, a Swiss leader in wireless networking technologies, and then formed MIK with Iwasaki Electric Co., Ltd. and Koizumi Lighting Technology Corp., respective leaders in exterior and interior lighting. Through MIK, we are now developing “Smart Lighting” products which efficiently use and manage energy.

“Smart Lighting” not only replaces traditional incandescent, fluorescent, and halogen lights with energy-saving LED lighting, but utilizes IT to make great leaps in energy efficiency. These systems feature

advanced lighting control and power management. For example, the systems can adjust street lighting based on the volume of pedestrian and vehicular traffic, or automatically adjust a building’s external lighting based on the lighting usage inside the building. LED lighting reduces power consumption by about 60-70% compared with traditional lights. By incorporating network controls to efficiently manage the lighting systems, the power consumption can be reduced by about another 15%. Thanks to its high energy efficiency, the “Smart Lighting” market is seen throughout the world as the next-generation of lighting equipment. In 2014, our proposal to promote high efficiency LED street lighting technology in Cambodia was selected as one of the Ministry of Economy, Trade and Industry’s projects to encourage the dissemination of Japan’s global warming mitigation technologies\*, and we have begun efforts to commercialize the systems. In this way, we are realizing the dream of “Smart Lighting.”

\*Ministry of Economy, Trade and Industry (METI) is aiming to disseminate low-carbon technologies and products in developing countries to reduce the emission of greenhouse gases. The contributions to reducing emissions can be applied to Japan’s targeted emissions reduction under the Joint Crediting Mechanism (JCM). METI is soliciting effective projects to propose to the developing countries.

### Voice

#### Wireless Lighting Networks to Make Streets More Comfortable



**Michiya Kagami**  
Managing Executive Officer  
Engineering Development Division  
Electronic Devices & Component  
Manufacturing Headquarters

Our vision for “Smart Lighting” is to link all street lighting in a given area into network which is not only energy efficient, but which serves as a building block for the creation of “Smart Cities.” Wireless systems for street lighting can serve a larger purpose than just lighting; they can be the cornerstones for various kinds of networking paradigms.

For example, the network can be used to provide Wi-Fi connection spots or to install wireless security cameras and protect the security of communities. At a time when communities are seeking expanded medical services, these networks can wirelessly transmit data on nearby patients and serve as a monitoring function. Additionally, the networking of sensors embedded in bridges, tunnels, and other traffic infrastructure can continually monitor the status of aging facilities and rapidly notify administrators of abnormalities to help protect public safety. These kinds of social contributions have great significance for society and are emblematic of Minebea’s commitment.

Networking technologies tie together and buttress three of the “Five Arrows” of our business strategy, namely EMS products, lighting devices, and measuring components. By utilizing our technological capabilities and solving problems, we can achieve growth in new fields.

# Using ISO 26000 to Analyze CSR Status

We conducted an analysis of our CSR activities at global sites based on ISO 26000 to confirm the progress of our initiatives. Here, we provide an overview of the analysis and the results.

## Promoting CSR Management Globally

As an enterprise doing business on a global scale, the Minebea Group believes that active and continuous CSR promotion is important. Based on this belief, we have set the following medium-term CSR goals to achieve by the end of FY2015: Promote CSR management across the Group, including overseas sites CSR; Enhance PDCA management to meet global standards CSR; and Promote CSR awareness activities across the Group, including overseas sites. With these as our goals, we are promoting CSR management across the entire Group.

## Conducting Analysis Based on ISO 26000

Since FY2013, the Minebea Group has been conducting analyses of our CSR activities using ISO 26000\*, an international standard for social responsibility, in order to better understand the progress of CSR throughout the Group and create policies for future activities. In the most recent survey, we conducted an analysis using seven key themes proposed by ISO 26000 as well as the item, "Social Responsibility Awareness and Integration into Entire Organization."

In FY2013, we conducted an analysis of CSR activities at domestic sites while confirming the importance of each item to the Group. In FY2014, we held discussions with the CSR Officers at six major Asian sites outside Japan to survey the status of CSR activities relating to the eight different themes.



Sharing CSR approaches, including ISO 26000 implementation, during teleconferences with domestic CSR Officers

## Analysis Results and Future Initiatives

The results of the latest surveys confirmed that sites in Japan and Asia are implementing basic CSR activities. Additionally, we found that at many of the Asian sites outside Japan, we must address the issue of how to systematically proceed with CSR activities through collaboration with the head office, mainly through the local CSR Officers appointed in FY2013.

In terms of specific initiatives, we found that some of the sites outside Japan have exemplary environmental initiatives, and it is necessary to share leading examples among our global sites. We also shared the importance of promoting throughout Asia the continual implementation of supply chain management and other initiatives which have already made progress.

Moving forward, we will expand the scope of analysis to Europe and the U.S. and continue to confirm the status of activities through discussions with local representatives. The results will be used to formulate a global CSR promotion strategy and promote PDCA management through communication with CSR Officers.

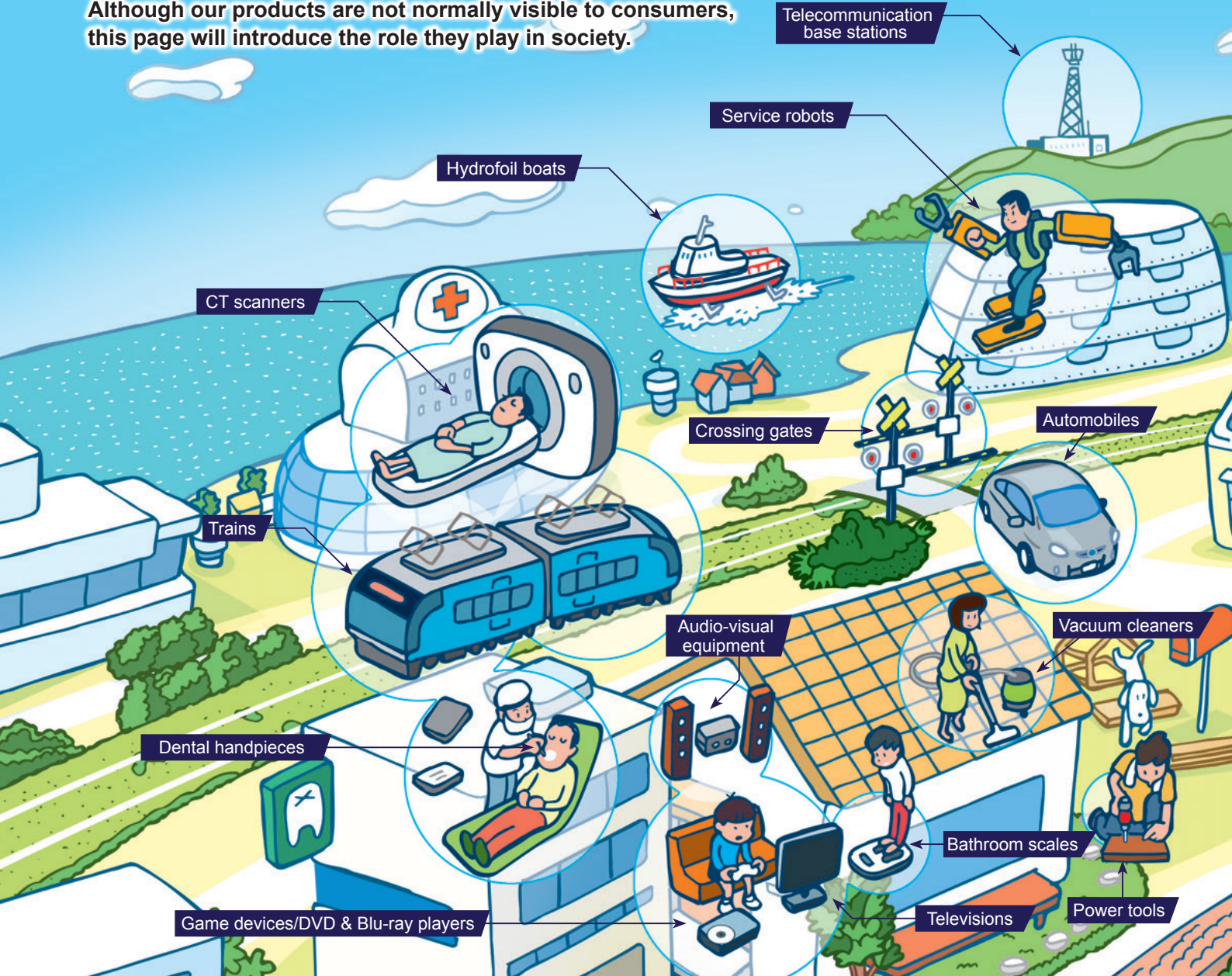
\*A guideline published by the International Standards Organization (ISO) in November 2010. The guideline proposes seven themes for implementing social responsibility within an organization: Organizational Governance; Human Rights; Labor Practices; the Environment; Fair Operating Practices; Consumer Issues; Community Involvement and Development.

### Evaluation Results for Japan and Asia (six sites)



# 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

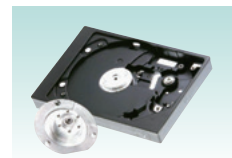
Personal computers, hard disc drives, information and telecommunications equipment, OA equipment, consumer electronics, audio-visual equipment, ATMs, automobiles, aircraft



## Electronic Devices and Components

### ● Products

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

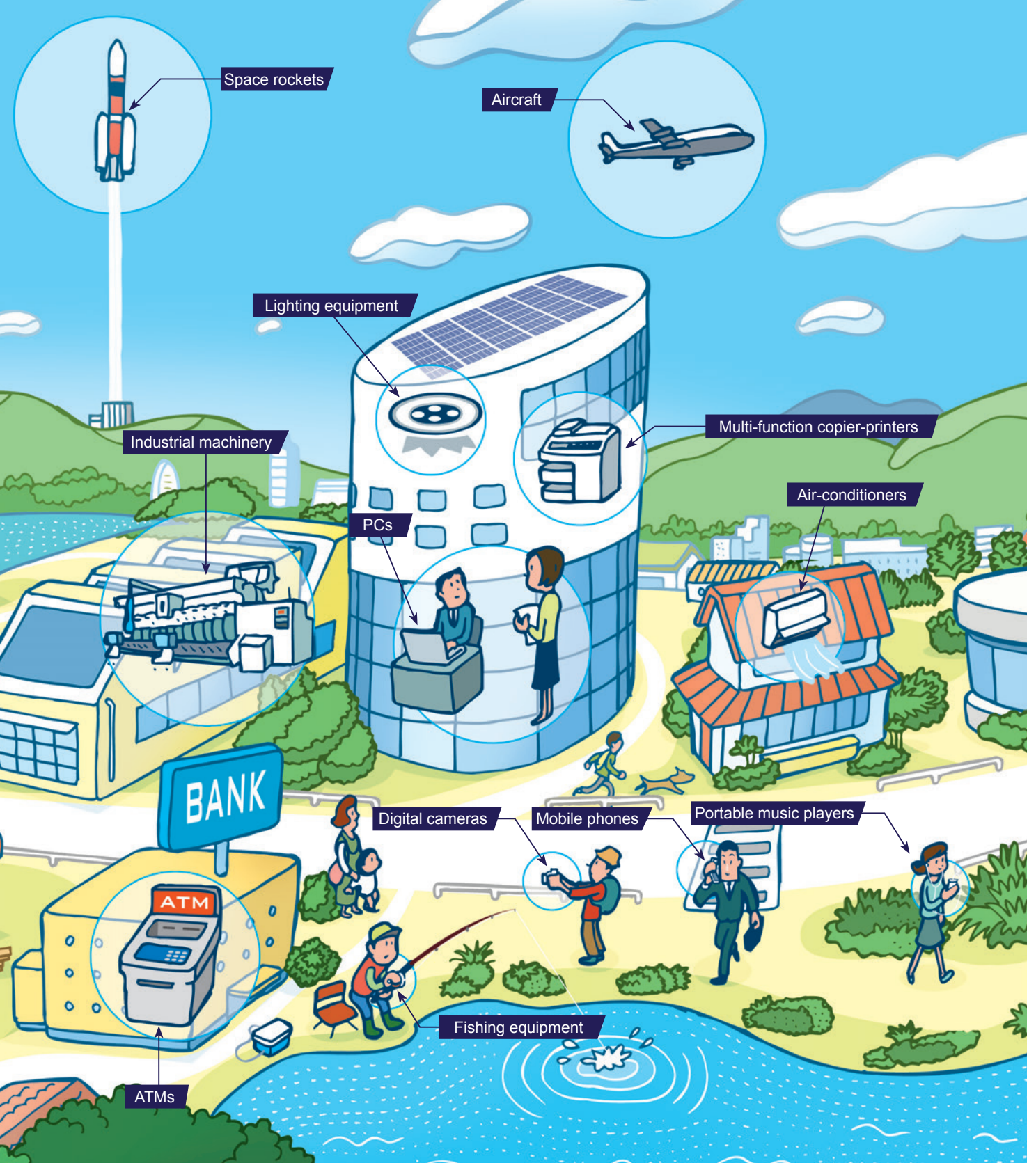


### ● Product applications

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





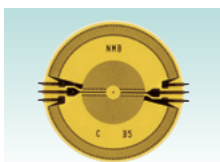
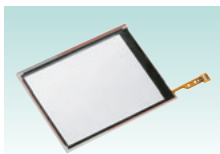


● **Products**

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



Minebea held a stakeholder dialogue with citizens of Yonago City, Tottori Prefecture, where the company operates the Yonago Plant. Company representatives explained Minebea's business and the plant's role, and then listened to the citizens' wide-ranging expectations and desires of Minebea towards the local community. This two-way dialogue helped to deepen communication with local citizens.



List of Dialogue Participants

### Participants from Yonago City

|   |                       |
|---|-----------------------|
| Mayor of Yonago City  | Mr. Yasuo Nozaka      |
| General Manager, Yonago City Economic Department  | Mr. Takashi Yuasa     |
| Assistant Section Manager, Business and Industry Section, Yonago City Economic Department           | Mr. Koichi Mori       |
| Representative Director, Matsumoto Aburaten Vice President, Yonago Chamber of Commerce and Industry | Mr. Kei Matsumoto     |
| President of Iwao District Neighborhood Council Association   | Mr. Takiichi Senoo    |
| Chief of Yonago City Iwao Community Center  | Mr. Yasuo Tsukada     |
| President of Iwao District Social Welfare Council   | Mr. Kenji Yokoyama    |
| Principal of Minokaya Junior High School  | Mr. Shuichi Matsumoto |
| Principal of Minokaya Elementary School   | Mr. Makoto Kanba      |

### Minebea Co., Ltd.

|  |                        |
|--|------------------------|
| Managing Executive Officer<br>Officer in charge of CSR Promotion Office, Compliance Promotion Office at Finance & Compliance Promotion Division      | Mr. Tatsuo Matsuda     |
| Executive Officer<br>Head of Brushless Motor Business Unit of Information Motor Division at Electronic Device & Component Manufacturing Headquarters | Mr. Haruki Kato        |
| Manager, Yonago Personnel and General Affairs and Yonago Plant Maintenance Department  | Mr. Yukihiro Nomizo    |
| Environment Management Office (Yonago), Group Environment Management Department  | Mr. Shinro Korenaga    |
| General Manager, CSR Promotion Office  | Mr. Masaki Ishikawa    |
| CSR Promotion Office   | Mr. Hidenori Kobayashi |
| CSR Promotion Office   | Ms. Fumiko Watanabe    |

### Facilitator

|                               |                       |
|-------------------------------|-----------------------|
| CSR Consultant<br>Cre-en Inc. | Mr. Takehiko Mizukami |
|-------------------------------|-----------------------|

\* The titles of participants are current as of the date of the dialogue (January 23, 2015).

## Introduction

**Mr. Tatsuo Matsuda:** The Yonago Plant has become an important manufacturing site for the entire Minebea Group. Today, we welcome citizens of Yonago who are supporting this community in so many different ways. We recognize that we must remain a trusted partner to the local society and the community if we are to continue business here over the long term. It's essential, therefore, to maintain a dialogue with the community. Today's dialogue gives us an opportunity to hear your expectations and opinions of our company. Thank you for taking the time to join us today.



Mr. Tatsuo Matsuda, Minebea

## Working Together to Energize the Local Economy

**Mr. Yasuo Nozaka:** In recent years, the revitalization of regional communities has become an issue in Japan. Here in Yonago, we are also faced with the important issues of maintaining our population, securing employment for residents, and energizing our economy. Yonago has a population of around 150,000 people, and we are pleased that a global company like Minebea can thrive here. We hope that Minebea can take a leading role in the community's economic development and work together with us to tackle the issues facing Yonago City.



Mr. Yasuo Nozaka, Mayor of Yonago City

**Mr. Takashi Yuasa:** The city has developed industrial parks and logistics parks to attract companies. These investments have begun to pay off in recent years as many different companies have launched business



Mr. Takashi Yuasa,  
Yonago City Economic  
Department

here. Thanks to recent trends, we're creating a foundation for young people to remain in the community. There are many small- and medium-sized businesses here, so we are pleased that a global company like Minebea can grow in our community as a locally rooted company. From a civic policy perspective, we would like

to support you as much as possible.

**Mr. Kei Matsumoto:** Minebea is also a member of the Yonago Chamber of Commerce and Industry. Currently, the chamber has about 2,500 members. The chamber organizes company visits and other events so that members can get to know each other better. I believe that Minebea could raise its awareness in the community if it also joined one of these events. In addition, if there are opportunities to increase your business with local companies, we would be pleased if Minebea could actively provide information to local companies.



Mr. Kei Matsumoto,  
Yonago Chamber of  
Commerce and Industry

**Mr. Haruki Kato:** The Yonago Plant is a site for our Brushless Motor Business Unit and DC Motor Business Unit. The plant also designs and develops some of our Group's manufacturing equipment. For these activities, we currently procure a large amount of raw materials, parts and outsourced manufacturing services from local companies. In addition to this, we can consider other opportunities to purchase products and services from companies in Tottori Prefecture.



Mr. Haruki Kato,  
Minebea

**Mr. Yasuo Nozaka:** The five cities of Yonago, Matsue, Izumo, Yasugi, and Sakaiminato have created a mayor's conference, and the cities' chambers of commerce are also collaborating to match companies. Many companies aren't aware of potential partners in neighboring cities, so we're developing new initiatives as opportunities for the companies to broaden their awareness and increase regional alliances.

**Mr. Kei Matsumoto:** The chambers of commerce of the five cities are collaborating to hold manufacturing fairs, which would be a good opportunity for Minebea to build relations.

**Mr. Haruki Kato:** There are still many local companies Minebea does not have relations with, so we'd be

very pleased to consider appropriate ways for us to become involved with them. The Yonago Plant also has two registered vocational skill certification staff. We collaborate with local organizations by dispatching these staff for external tests and also providing evaluation sites. Additionally, I believe we could support small- and medium-sized companies in the prefecture which want to receive vocational skill certification but have difficulties with the process.

### Deepening Communication as a Foundation for Contributions

**Mr. Kenji Yokoyama:** The strength of the private sector has a very large impact on the revitalization of communities. The goal is for private-sector companies and local government, along with community organizations like mine, to come together as one and build our community. To do that, it's essential that we deepen our mutual understanding and develop very close communication. Now, Minebea is taking the first steps with Yonago City, and I have high expectations that your company will give careful thought to community contributions.



Mr. Kenji Yokoyama,  
Iwao District Social  
Welfare Council

**Mr. Takiichi Senoo:** As a community association, we believe that trusted relations built on dialogue are very important. This is the first time that a company has provided us with a communication forum, so we are very pleased at this opportunity and we look forward to future opportunities to develop this exchange of opinions. Now that I have this opportunity, I would like to ask some questions about matters in which local citizens have a high interest. First, regarding our efforts to build a safe and secure community environment, what is the Yonago Plant doing to prevent noise and water pollution in areas surrounding the plant?



Mr. Takiichi Senoo,  
Iwao District  
Neighborhood Council  
Association

**Mr. Shinro Korenaga:** Regarding environmental measures, first we believe that we must diligently comply with all the laws and regulations set forth by national and local governments. Based on this approach, a third-party organization regularly



Mr. Shinro Korenaga,  
Minebea

evaluates our atmospheric and wastewater emissions as well as our soil impact to stringently confirm that there are no issues. In terms of noise and vibration, there are no residential areas around our plant, so we are considered outside the regulated area. If a citizen notifies us of a problem, however, we will respond to it appropriately.

**Mr. Takiichi Senoo:** On a different point, to what extent do you employ people from the local community? Additionally, would you consider holding cultural or sporting activities as community exchange events?

**Mr. Yukihiro Nomizo:** Currently, there are 186 employees working at the Yonago Plant, and of them, about 10% are from the local Minokaya district. For FY2015, there are four new hires at the Yonago Plant, and one of them is a Yonago City resident, while another graduated from Yonago National College of Technology. In the future, we plan to confer with the different departments of the plant on their needs and continue to regularly hire people from the community. In terms of sports, we have regatta, futsal, and badminton clubs at the company. We'd be pleased to consider opportunities to have community exchanges through these clubs. If there are requests to use our plant's facilities for community events, we will do our best to accommodate these requests.

**Mr. Yasuo Tsukada:** On the topic of cultural events, the local Iwao Citizen's Center holds an annual festival.



Mr. Yasuo Tsukada,  
Yonago City Iwao  
Community Center

If Minebea were to participate, you could set up a motor exhibit to explain how motors work, for example, and get children interested in the technology. Since you have so much great technology, I'd like to see you make opportunities to tell young people about it through various kinds of activities.



Mr. Yukihiro Nomizo,  
Minebea

and national tournaments. I know that Minebea has an accomplished long-distance running team, and it would be a great encouragement to us to have the team members interact with and give advice to us in sports so that we could aim higher. Also, our second-year students visit many companies to get hands-on work experience, and we would appreciate your cooperation here, too. It would be very beneficial to have your employees talk about their work at the company so that our students could think seriously about what they want to do in the future.

**Mr. Haruki Kato:** Please let us know what we can do and we will positively consider your proposals. We regularly hire local employees from specialized technology high schools, and we have already begun programs to dispatch graduates from the high schools to talk about their work experience with current students.

**Mr. Makoto Kanba:** Even at elementary schools, we are making efforts to prepare children for the future through career education. When children become aware that a nearby company is a company with a global presence, it helps nurture a positive interest in work. It might also be interesting for children to develop a global perspective by listening to the experiences of your employees doing business on a global stage.



Mr. Makoto Kanba,  
Minokaya Elementary  
School

**Mr. Yasuo Tsukada:** In addition to school education, we offer social education to a broad group of people at our community center through various seminars. We'd welcome talks from your employees at these venues as well.

**Mr. Haruki Kato:** I believe we can help you with these kinds of activities. We have many employees with overseas work experience, and we also regularly have trainees from China, Thailand and other countries working at the plant. In that sense, I believe we could help with cross-cultural education programs.

**Mr. Makoto Kanba:** Our sixth-grade elementary students have a motor assembly lesson as part of their science curriculum. We'd be pleased to hear about motors from your employees with specialized knowledge of the technology. In addition, we take field trips around the neighborhood each year, and we'd like to visit your plant for a tour as part of the event. For children, a tour around a manufacturing site would be a new experience.

### Educational Opportunities for Children Key to Our Future

**Mr. Shuichi Matsumoto:** At my junior high school, we put a lot of effort into sports promotion. In recent years, we've had success in soccer, badminton, baseball, long-distance running relays and other sports, with our athletes taking part in prefectural



Mr. Shuichi Matsumoto,  
Minokaya Junior High  
School



A tour of the company's products

**Mr. Haruki Kato:** I think that both of these types of children's educational activities are significant, and we will consider how exactly we can cooperate. Regarding plant tours, we have regulations to ensure the protection of confidential business information, but we can select areas of the plant which do not pose problems for educational visits, and therefore I don't anticipate any problem. We will arrange the procedures internally to support your visit.

**Mr. Kei Matsumoto:** Having children learn that there is a company in their community with a proud global legacy will foster pride among the children in their community.

### Valuing Dialogue to Build Trust

**Mr. Hidenori Kobayashi:** Minebea held its first community dialogue in 2012 at the Karuizawa Plant. Since then, the Karuizawa Plant has held a meeting with the local community on a semiannual basis, and the result is that communication with the local citizens has improved greatly. As an example, the plant has made an agreement with the town and local fire department to make the plant's heliport available to emergency helicopters during disasters and for medical helicopters. In the same way, we'd like to strengthen the bonds with the Yonago community.

**Mr. Takiichi Senoo:** As a local government body, we would strongly welcome a system under which we could contact Minebea directly during times of disasters and cooperate with each other on measures in a flexible manner.

**Mr. Makoto Kanba:** We operate the "Children's Shelter 110" program as one of our community safety

initiatives, and we'd appreciate your cooperation by placing a program sticker on the plant's entrance showing children that they can take shelter there in times of danger. In this way, the plant could be used as a shelter in times of emergency.

**Mr. Yasuo Nozaka:** I agree that it would be beneficial to have regular meetings to discuss the community's issues. It's important that we both appoint coordinators to improve daily communication. With this foundation, we could create an atmosphere where it's easy, for example, to request a Minebea employee to teach a lesson at an elementary or junior high school.

**Mr. Tatsuo Matsuda:** I agree completely. We need a hotline between groups conducting activities in the same community. Let's put formalities aside so that this hotline can enable us to continue our dialogue in a frank and informal way.

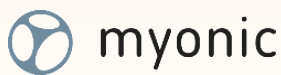
### In Closing

**Mr. Haruki Kato:** I would like to thank everyone for coming to our plant today and offering so many valuable opinions and insights from a broad perspective. Although the Yonago Plant has been operating for many years, our presence in the community is still insufficient. I realize now that the plant's corporate activities for making a contribution to the community have been insufficient. Moving forward, we will take on new activities one by one so that we are recognized as a member of the community. The community has many expectations of us, and we will strive to our fullest to meet those expectations. In the future as well, I look forward to hearing your frank views.

With manufacturing bases in 14 countries around the world, the Minebea Group is striving to enhance its CSR initiatives globally. Here, we introduce the CSR activities of myonic GmbH, a Minebea subsidiary in Germany which has successfully integrated CSR into its management.



myonic GmbH



Germany

Czech Republic

myonic s.r.o.



## myonic Products Trusted for High Quality

myonic GmbH (hereafter myonic) of Germany joined the Minebea Group in 2009. Founded in 1936, the ball bearing manufacturer is based in the town of Leutkirch in the Allgäu region near the southern German Alps. The company has 415 employees, with manufacturing plants in Germany and the Czech Republic. These plants play an important role in the Group for the development and manufacture of Minebea products.

myonic's core strength is miniature ball bearings for dental and medical equipment, which accounts for about 60% of the company's sales. The equipment used at dental and medical offices support human health, making superior reliability a necessity. myonic products are renowned globally for their reliability in surgical and inspection equipment at medical offices as well as in dental handpieces, where equipment failures are not tolerated.

With proven environmental resistance, myonic products are also widely used in aircraft navigation systems, automobile turbochargers, and other applications. The products excel even under such extreme conditions as high-speed revolution, high temperatures, and high pressure, ensuring the quality of the end-products they are used in.

In 2012, myonic completed a new plant in Leutkirch equipped with the latest manufacturing technologies. The new site enables the company to meet a

broader array of customer needs, while cementing its position as a critical part of the Minebea Group's manufacturing network.

## Growing with Stakeholders

The nearly 80-year legacy of myonic represents the accumulated efforts of employees and many other stakeholder groups. Over the decades, myonic has collaborated with many people to make social contributions, respond to environmental issues and carry out many other kinds of CSR activities. These activities have played a significant role in the growth of the company.

In January 2011, myonic announced a new corporate vision to further this commitment to CSR and ensure that it can continually respond to the changing needs of society in each new era. The new vision transcends the conventional focus on corporate growth to emphasize the importance of growing hand-in-hand with customers and employees.

In conjunction with the new vision, myonic has launched a project to enhance its appeal for employees. The town of Leutkirch has a population of only about 20,000 people, which has raised concerns over how to attract highly skilled employees and ensure business continuity. The goal of the project is to raise the company's profile as a great place to work. To this end, the project initiatives are aimed at raising

The Vision signed by employees



### Vision myonic

myonic is an exceptional employer where employees are prepared to assume responsibility for sustainable growth and profitability. myonic offers innovative and economic solutions by constantly providing quality, speed and flexibility—these are the reasons why myonic is the number one choice for customers.

the satisfaction levels among employees, who are also important members of their municipal community, and using community contribution activities to build support within the community.

In addition to its active initiatives, myonic also commissions biennial surveys of employees from the Great Place to Work® Institute, which conducts its “Great Place to Work” survey in 49 countries around the world. Feedback from the survey is used to make further improvements. As a result of these efforts, myonic was ranked third in the Allgäu region in September 2014, with 85% of the employees saying they were satisfied working there.

Instilling the new vision throughout the company requires not only the leadership of management, but also direct initiative by the employees themselves. All employees were encouraged to take active roles in the project, with the result that the entire workforce has developed a profound understanding of the new vision. Today, the vision is displayed at the plant entrance with the signatures of all employees and has become a cornerstone of myonic’s corporate culture.

### Voice

**“We respond thoughtfully to stakeholders in our quest to become an attractive company.”**



**Mr. Thomas Arnold**  
Manager  
Controlling and Finance,  
myonic

We are instilling the new vision steadily among employees, and at the same time, the vision has become a foundation for many different discussions we are having. With each Great Place to Work® Institute survey we make, our ranking improves. Today, we are ranked 130th among all German companies (600 companies surveyed). Of course, the goal is not to improve our rank, but we can better analyze the current situation and feel a sense of satisfaction that our individual initiatives are making progress.

For us, it’s important to have direct dialogue with stakeholders, including employees, the community, and business partners. When we have meetings with employees to exchange views, long-time employees continue to express their pride in the company. Our ability to foster stronger affection for the company among this stakeholder group is the real heart and core of our CSR.

Commitment from the President

Hot Topics

Minebea Products in Society

Special Feature

Management Report

Social Report

Environmental Report

Apprentices with the myonic instructor



Award from the region



School where apprentices learn new skills



## Appealing Workplaces for Employees

With the new vision as a foundation, myonic is taking a diverse range of measures to create appealing workplaces for its employees.

The company implements health and safety measures to ensure that employees can work energetically and with a high level of motivation. In addition to promoting safety and health in collaboration with the labor union, myonic provides advice to employees on healthy eating and ways to avoid obesity. To root the new corporate culture into the company, employees are also recognized for their service and efforts. Long-time employees are awarded commendations for service and their families are presented with gifts for their support.

myonic puts a special emphasis on education. In Germany, youths graduating from junior high school have the option of receiving practical apprenticeships at companies during their secondary education. myonic actively cooperates with this system by accepting student apprentices and supporting the region's career development initiatives in order to encourage young people to take an interest in working for the company in the future.

Students are enrolled in the apprenticeship program for three to three-and-a-half years. During this time, apprentices enjoy a broad range of training, learning such basic skills as CAD\* along with manufacturing equipment maintenance and manufacturing parts in accordance with specifications. The program has a backup system in which apprentices can consult with myonic employees on their training at any time. They also interact with the community as a member of myonic by acting as teachers for children visiting the plant for tours.

myonic strives to enhance the significance of the apprentice training by coordinating the program with partner schools' curriculums and jointly holding year-end testing. Instructors at partner schools have praised the myonic program and the excellent relations the company has built with schools over the years. The company's efforts have been widely recognized with many commendations from the community.

These educational initiatives have helped people connected with myonic to better appreciate its corporate culture and appeal, while also spreading an awareness throughout the community and raising its presence.

\*Computer Aided Design

## Voice

### "I joined myonic after an internship during my school days."



Mr. Nico Wellhäuser  
Process Engineer,  
myonic

I was in the apprenticeship program for three-and-a-half years from 2008 through 2011 to study mechanical engineering, and now I'm working for myonic. I've always been interested in the manufacture of miniature precision parts, a field in which myonic excels at. It was a great opportunity because I was able to apply my theoretical study to hands-on training.

The program was more than just learning the basics of mechanical engineering. I worked as part of a team and on large projects, and each of my experiences gave me insight into exactly how products are made and what processes are needed to make them in an organization. The experiences I had during that apprenticeship are invaluable today in my work at myonic.



### Becoming an Attractive Partner to the Community

Another important part of myonic's new vision is the sustainable development of the local community. As a responsible company, myonic seeks to build excellent relations with people in its community through a wide range of cultural, environmental, and social activities.

As part of these activities, myonic supports cultural events organized by the town of Leutkirch as a way to deepen relations with residents and contribute to the community's development. The company is a sponsor of the monthly "Talk im Bock" event held in the city center in which well-known figures give talks to the community. myonic also provides financial donations to the city's summer festival, while company employees take part in municipal sports events, sharing valuable time with local residents.

myonic also believes that lowering the environmental burden is critical to building a bright future for the community. At the new plant completed in 2012, the company has set its energy consumption reduction target 30% higher than the national target.

Some of the plant's energy-efficiency measures include using groundwater for air conditioning systems, adopting natural gas power, and switching to highly efficient lighting. The company exhibits in its own booth at the city's environmental information center as part of awareness activities supporting Leutkirch's bid to become an environmental town.

myonic also conducts social exchange events for local children. In the TECHNOlino project, company employees provide students at the local Leutkirch Johanneskindergarten with fun science lessons. Students are regularly invited to the company to enjoy easy product-making lessons, such as making toy windmills using myonic products, which stimulates their interest in science.

For myonic, CSR is not an ancillary activity to business, but rather an integral management issue in becoming an exceptional company. With an eye towards the future, myonic will continue to conduct CSR activities sincerely in order to achieve its vision and grow hand-in-hand with its many stakeholders as an essential part of their society.



Local summer festival



Talk im Bock event



TECHNOlino project

### Voice

**"This is a great project for building ties between the kindergarten and the company."**



Leutkirch Johanneskindergarten  
**Ms. Elke Rehwald**  
(Instructor)

We started the "TECHNOlino" program in 2009 in collaboration with myonic and members of its labor union. Kids learn very quickly during their kindergarten years, and it's very meaningful to have this opportunity to take part in a high-level study program and build interest in science.

In addition to the workshops for children, we also receive support from myonic to hold large exchange events for parents once a year. These opportunities to interact with myonic employees give the children a chance to develop sociability. We've gotten great feedback from parents on these events, and our teachers have also learned a lot. All in all, it's a wonderfully successful project.

# CSR Promotion Activity Goals and Results

## ● Results for FY2014 and Goals for FY2015 and the Medium Term

|             |  | FY2014 Goals  | FY2014 Results  |
|-------------|--|---|---|
| Management  | CSR Management   | Establish reporting structure for entire Group, including overseas sites, centered around CSR Officers <b>CSR</b>   | Established reporting structure through teleconferences with domestic CSR Officers and ISO 26000-based survey requests to overseas CSR Officers   |
|             |  | Identify CSR issues at overseas sites using ISO 26000 to analyze status <b>CSR</b>  | Conducted survey of overseas sites to analyze CSR status based on ISO 26000   |
|             |  | Conduct CSR awareness initiatives and discussions with domestic CSR Officers <b>CSR</b>   | Conducted CSR seminars and discussions with domestic CSR Officers through teleconferences   |
|             | Corporate Governance<br>Compliance<br>Risk Management  | Share status of compliance activities among overseas sites and formulate future direction for compliance <b>Compliance</b>  | Confirmed status of compliance at Thai sites and made progress studying the establishment of a compliance committee   |
|             |  | Promote overseas training and awareness activities to prepare for establishment of global compliance system <b>Compliance</b>   | Conducted compliance training for local managers in Thailand and South Korea  |
|             |  | Promote formulation of basic BCP for Cambodia and China (Zhuhai) plants <b>GA</b>   | Promoted the formulation of basic BCP for Cambodia  |
|             |  | Formulate BCP for Tokyo Head Office <b>GA</b>   | Formulated BCP for Tokyo Head Office  |
| Society     | Relationships with Customers   | Create internal risk assessment standards for automotive, aircraft, and medical products <b>Quality</b>   | Created internal risk assessment standards for automotive, aircraft, and medical products   |
|             |  | For automotive products, begin compiling data on risk assessment results in accordance with procedures <b>Quality</b>   | Started recording data on risk assessment results for new automotive products customers   |
|             |  | Establish a framework to continually comply with product safety laws, regulations, and internal rules for major products <b>Quality</b>   | Established a safety standards conference, researched standards requiring compliance, and established a compliance management structure   |
|             |  | Unify manufacturing labels and bar codes for PM motors, hybrid stepping motors, fan motors, micro actuators <b>Logistics</b>  | Unified manufacturing labels and bar codes for all domestic products and for Thai hybrid stepping motor products  |
|             |  | Acquire AEO certification in Germany <b>Logistics</b>   | Acquired AEO certification in Germany   |
|             | Relationships with Employees   | Continue to strengthen human rights education <b>Human Resources Development</b>  | Provided anti-harassment training as part of rank-based training as well as human rights training prior to overseas assignment  |
|             |  | Strengthen development and utilization of personnel suited for global development (next-generation leader training, strategic rotation implementation) <b>Human Resources Development</b>   | <ul style="list-style-type: none"> <li>Conducted selective next-generation leader training</li> <li>Promoted strategic rotations for participants of selective next-generation leader training</li> </ul>         |
|             |  | Strengthen involvement of female employees <b>Human Resources Development</b>   | Conducted interviews and surveys of female employees to confirm status of activities, and provided career development training  |
|             |  | Continue to promote initiatives relating to work-life balance <b>Personnel</b>  | Established spouse childbirth leave system, improved system for shorter working hours for childcare, and promoted other measures  |
|             |  | Meet legally required employment percentages for the handicapped and support their employment <b>Personnel</b>  | Rate of employees with disabilities was 1.72% (as of June 2014)   |
|             |  | Promote mental health measures <b>Personnel</b>   | Established health management offices with full-time health nurses at all sites   |
|             | Relationships with Local Communities and Global Society  | Promote dialogues with communities at all sites in and outside Japan <b>CSR</b>   | <ul style="list-style-type: none"> <li>Held a dialogue at the Yonago Plant to better understand the community's needs</li> <li>Continued to hold semiannual meetings with community at Karuizawa Plant</li> </ul> |
|             | Relationships with Suppliers   | Distribute CSR Procurement Self-assessment Checklist to 300 suppliers in Thailand, receive responses, and analyze status <b>Procurement</b>   | Distributed CSR Procurement Self-assessment Checklist to 313 suppliers in Thailand, received responses, and analyzed status   |
|             |  | Distribute Minebea Group "Green Procurement Standard," 5th edition to suppliers in and outside Japan <b>Procurement</b>   | Created Minebea Group "Green Procurement Standard," 5th edition and distributed it to subject suppliers   |
|             | Relationships with Shareholders  | Continue to promote active information disclosure relating to progress and implementation of business plan <b>IR</b>  | Promoted information disclosure on Medium-term Business Plan and policies through general shareholders' meeting, semiannual business report, and website information  |
|             |  | Continue to promote active communication with domestic and international investors <b>IR</b>  | 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 for Minebea Tokyo Head Office <b>Environment</b>   | Acquired ISO 14001 certification for Minebea Tokyo Head Office  |   |
|             | Reduce CO <sub>2</sub> emissions per basic unit of output by 4% compared with FY2010 <b>Environment</b>  | CO <sub>2</sub> emissions rose by 35,173 tons compared with FY2010, a decline of 42.3% per basic unit of output   |   |
|             | Reduce amount of waste ultimately disposed of as landfill by Minebea Group worldwide to under 4,850 tons/year, for a decline of 1.3% per basic unit of output <b>Environment</b> | In FY2014, special cleaning of Thai wastewater processing facilities was conducted; excluding this waste, the amount of waste ultimately disposed of as landfill by Minebea Group worldwide was 5,318 tons/year, for a decline of 13% per basic unit of output                                      |   |
|             | Send response to CDP <b>Environment</b>  | Prepared a response to CDP as Environmental Group   |   |
|             | Expand use of efficient packaging to all models of hybrid stepping motors, PM motors, and power brushless motors, as well as to fan motors and other products <b>Logistics</b>   | Changed packaging improvement items from packaging itself to new items which can generate results in a shorter timeframe, such as loading efficiency of marine shipping containers, pallet shipping of cardboard containers, consolidation of pallet size, and improvement of pallet strength, etc. |   |
|             | Open new warehouse in Thailand to improve logistics efficiency <b>Logistics</b>  | Thai warehouse being prepared for opening was converted into a parts manufacturing plant  |   |



## ● 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. In order to systematically promote CSR activities, we have set new medium-term goals to accomplish by FY2017.

| Evaluation | FY2015 Goals  | Medium-term Goals (target year of FY2017)   |
|------------|---|---|
| ○          | <ul style="list-style-type: none"> <li>Formulate a global CSR promotion strategy based on ISO 26000 analysis results <b>CSR</b></li> <li>Conduct CSR awareness initiatives and discussions with CSR Officers and CSR sub-staff in and outside Japan <b>CSR</b></li> </ul>   | <ul style="list-style-type: none"> <li>Promote CSR management based on key CSR issues developed through an understanding of stakeholders' expectations and requests <b>CSR</b></li> <li>Continually conduct CSR penetration activities in and outside Japan <b>CSR</b></li> </ul>   |
| ○          | <ul style="list-style-type: none"> <li>Confirm the status of compliance in China and Southeast Asia and continue pursuing a compliance structure <b>Compliance</b></li> <li>Conduct compliance training for local managers in China in addition to training in Thailand and South Korea <b>Compliance</b></li> <li>Conduct compliance awareness survey <b>Compliance</b></li> <li>Formulate basic BCP for Cambodia, China (Suzhou, Zhuhai), and Malaysia <b>GA</b></li> <li>Promote BCP drills at Japanese facilities, Thailand and other sites <b>GA</b></li> </ul>  | <ul style="list-style-type: none"> <li>Establish and strengthen a global compliance structure <b>Compliance</b></li> <li>Firmly establish BCP formulation and training throughout the Group <b>GA</b></li> </ul>  |
| ○          | <ul style="list-style-type: none"> <li>Create a quality assurance agreement for suppliers to promote customers' quality requirements among them <b>Quality</b></li> <li>Unify bar code labels for Thai measuring products, rod end products, PMA products, PM motor products, and micro actuators, as well as for Shanghai fan motors <b>Logistics</b></li> <li>Promote acquisition of AEO certification in South Korea, Malaysia <b>Logistics</b></li> </ul>   | <ul style="list-style-type: none"> <li>Further improve the quality management system when migrating to ISO 9001:2015 <b>Quality</b></li> <li>Promote introduction of unified bar codes for all products <b>Logistics</b></li> <li>Promote continual acquisition of AEO certification <b>Logistics</b></li> </ul>  |
| ○          | <ul style="list-style-type: none"> <li>Continue to strengthen human rights education <b>Human Resources Development</b></li> <li>Strengthen development and utilization of personnel suited for global development <b>Human Resources Development</b> <ul style="list-style-type: none"> <li>Next-generation leader training</li> <li>Strategic rotation implementation</li> <li>Nurturing of local management leaders overseas</li> </ul> </li> <li>Promote active roles for female employees <b>Human Resources Development</b></li> <li>Continue to promote initiatives relating to work-life balance <b>Personnel</b></li> <li>Meet legally required employment percentages for the handicapped and support their continued employment <b>Personnel</b></li> <li>Promote mental health support measures <b>Personnel</b></li> </ul> | <ul style="list-style-type: none"> <li>Strengthen the development of human resources in order to support the active expansion and development of global business <b>Human Resources Development</b></li> <li>Raise the ratio of females in senior management roles to 8% <b>Human Resources Development</b></li> <li>Proactively incorporate demands of society and promote measures to support employee motivation <b>Personnel</b></li> </ul>   |
| ○          | Promote dialogues with communities at all sites in and outside Japan <b>CSR</b>   | Continue to hold dialogues with communities at all sites in and outside Japan <b>CSR</b>  |
| ○          | Distribute CSR Procurement Self-assessment Checklist to main suppliers of Shanghai, Suzhou, and Zhuhai plants, receive responses, and analyze status <b>Procurement</b>   | <ul style="list-style-type: none"> <li>Conduct continual awareness activities for the Minebea Group CSR Procurement Guidelines; review and implement revisions as necessary <b>Procurement</b></li> <li>Confirm status of CSR promotion at Malaysian and Singaporean suppliers using the CSR Procurement Self-assessment Checklist <b>Procurement</b></li> <li>Take measures responding to the CSR Procurement Self-assessment Checklist survey (measures for suppliers requiring improvement) <b>Procurement</b></li> <li>Consider new measures to reconfirm the status of CSR activities at Japanese and Thai suppliers (consider new scope and confirmation methods, etc.) <b>Procurement</b></li> </ul> |
| ○          | <ul style="list-style-type: none"> <li>Continue to promote active information disclosure relating to progress and implementation of business plan <b>IR</b></li> <li>Continue to promote active communication with domestic and international investors <b>IR</b></li> </ul>  | Continue to actively disclose information and promote communication among a wider group of shareholders and investors to deepen their understanding of Minebea <b>IR</b>  |
| ○          | <ul style="list-style-type: none"> <li>Acquire ISO 14001 certification at Ban Wa Plant <b>Environment</b></li> <li>Reduce CO<sub>2</sub> emissions per basic unit of output by 5% compared with FY2010 <b>Environment</b></li> <li>Reduce amount of waste ultimately disposed of as landfill by Minebea Group worldwide by 10% per basic unit of output compared with FY2014 <b>Environment</b></li> <li>Send response to CDP <b>Environment</b></li> <li>Promote continual improvements in packaging through new packaging methods to raise loading efficiency of marine shipping containers, introduce pallet shipping of cardboard boxes, consolidate pallet sizes, strengthen pallets (for fan motor products) <b>Logistics</b></li> </ul>  | <ul style="list-style-type: none"> <li>Continually reduce CO<sub>2</sub> emissions per basic unit of output compared with FY2010 <b>Environment</b></li> <li>Continually reduce volume of waste ultimately disposed of as landfill per basic unit of output <b>Environment</b></li> <li>Further expand packaging improvements <b>Logistics</b></li> </ul>   |

Commitment from the President

Hot Topics

Minebea Products in Society

Special Feature

Management Report

Social Report

Environmental Report

# 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.

In April 2015, we revised the Minebea Group’s CSR Implementation Principles. Based on our commitment to creating beneficial value for society through our products, we added the principle of “Creation of social value through our products.”

We also stress the importance and strive to fulfill the Ten Principles of the UN Global Compact, to which we announced participation in 2012.

### 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 Creation of Social Value through Products

As a manufacturer of precision products supporting society, the Minebea Group is actively developing reliable products which reduce energy consumption, and making them widely available.

### 3 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.

### 4 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



Network Japan  
WE SUPPORT



### ● The Minebea Group's 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.

### ● CSR Promotion Structure

The Minebea Group established its CSR Promotion Office in 2010 in order to better promote CSR activities on the basis of the Minebea Group Basic CSR Policy and the Minebea Group CSR Implementation Principles.

In April 2014, in order to bolster the CSR promotion structure and encourage internal activities, the President and Chief Executive Officer was named the chief officer for CSR and the Managing Executive Officer in charge of Finance & Compliance Promotion Division was named his assistant. At each work site, we appointed CSR Officers (head officer) and sub-staff in charge of CSR to promote CSR awareness and monitor the status of activities.

Going forward, we will further reinforce our CSR structure in order to promote activities across the Group.

### ● Analyzing the Status of CSR Activities

Minebea conducts its CSR activities based on the seven key themes proposed by international social responsibility standard ISO 26000—Organizational Governance, Human

Rights, Labor Practices, the Environment, Fair Operating Practices, Consumer Issues, Community Involvement and Development—as well as Social Responsibility Awareness and Integration into Entire Organization. In relation to these themes, we confirm the status and importance of our activities, while identifying priority issues we need to tackle. In FY2013, we analyzed the status of activities at sites in Japan, and in FY2014, we expanded the analysis of CSR issues to overseas sites.

We will use the survey results as reference for future activities.

▶ Please see P. 6 for details.

### ● Internal CSR Diffusion Activities

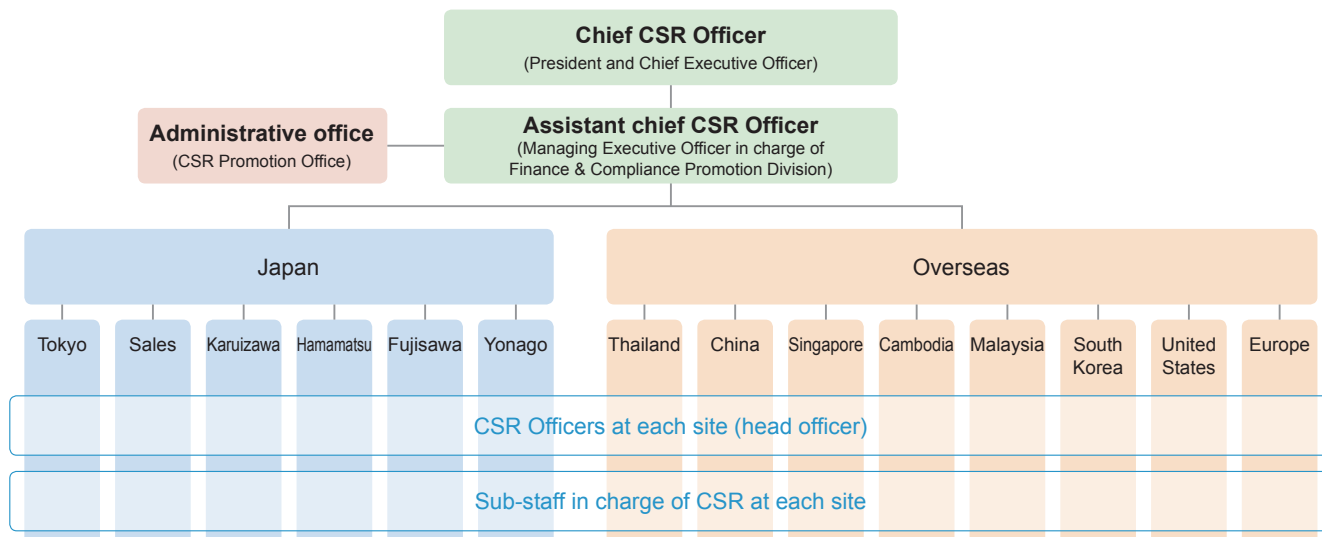
Since FY2012, we have been holding CSR study meetings among working-level coordinators in each division to discuss goals for our CSR promotion activities.

In FY2014, we invited an outside instructor to hold seminars for 52 CSR Officers (managers responsible for CSR) and sub-staff in Japan.

### ● Future Issues and Goals

As a global enterprise, the Minebea Group aims to promote CSR based on ISO 26000 and other international standards. We will strive to establish a Group-wide CSR strategy, inclusive of overseas sites, and promote management activities in order to instill CSR throughout the Group.

### ● CSR Promotion Framework



Head CSR Officers are appointed to each site along with multiple sub-staff

# Compliance

## ● Basic Approach

The Minebea Group believes that implementing 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 policies, we strive to achieve fair, appropriate and highly transparent management.



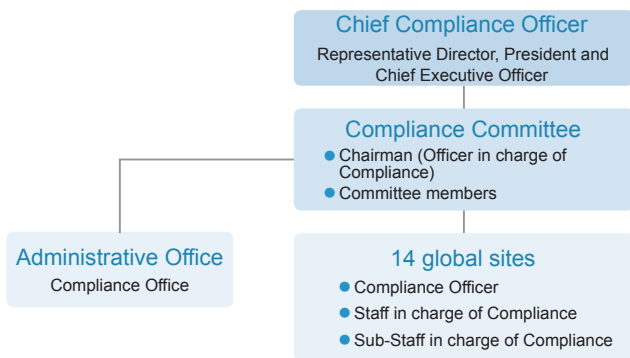
Please visit the Minebea Group website for detailed information regarding the Minebea Group Code of Conduct and Minebea Group Officer and Employee Compliance Guidelines.

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

## ● Compliance Promotion Structure

The President and Chief Executive Officer of the Minebea Group has ultimate responsibility for compliance. He is supported directly by the Compliance Committee. Meeting twice a year, the committee ensures implementation of the Code of Conduct and makes decisions on emergency response 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. From FY2012, we appointed compliance officers for each site in order to bolster the Group's compliance management.

## ● Compliance Framework



## ● Compliance Education

The Minebea Group also provides training to deepen employees' understanding of compliance. Compliance training is provided along with rank-based training programs. In FY2014, 131 employees received training. We also provide regular training on compliance with Japan's Antimonopoly Act (competition law), inviting outside attorneys to give lectures to 50 executive officers including the President & CEO. Compliance training was also provided to domestic sales divisions and attended by 279 employees.

Outside Japan, we provided compliance training to local managers in Thailand, Cambodia, and South Korea, attended by a total of 218 employees.

## ● 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. Moving forward, we will enhance our training programs and thoroughly raise awareness of consultation centers, while strengthening collaboration among countries to improve our compliance promotion structure covering the entire Minebea Group.

### Regarding Violations of Competition Laws

In November 2014, the Korea Fair Trade Commission announced that Minebea Co., Ltd. and NMB Korea Co., Ltd., Minebea's Korean sales subsidiary, had committed a violation of the Korea Fair Trade Law (competition law) in relation to the past trading of small-sized ball bearings in Korea. Minebea agreed to the commission's order for corrective action by both companies and payment of a surcharge of 4.912 billion Korean won (approximately 500 million yen) by Minebea. Additionally, in February 2015, Minebea entered into a plea agreement with the U.S. Department of Justice, agreeing to pay a fine of 13.5 million USD (approximately 1.6 billion yen) based on the violation of U.S. antitrust law in connection with past sales of certain small-sized ball bearings.

With regard to these issues, we deeply apologize to all the parties concerned, including our shareholders and customers, for causing significant worry. Minebea takes the matters very seriously and will ensure thorough compliance systems while making all-efforts to regain trust and credibility.

Minebea has issued a declaration pledging that it will not commit violations of antimonopoly laws, including cartel activities, or take any inappropriate action that might raise suspicion of a violation. We are taking company-wide efforts to prevent reoccurrence of violations. Specifically, from April 2013 we began operating an internal rule by which, in principle, we prohibit contact with competitors. Additionally, we issued a revised antimonopoly act compliance manual in April 2014 and have been striving to raise awareness.

Furthermore, in addition to regular antimonopoly law (competition law) training, we instituted antimonopoly law training through an e-learning system and provided the training to 3,651 Japanese employees and other employees capable of receiving Japanese-language training.

# 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 FY2014, a total of 12,566

employees attended information security briefings, including temporary employees and subcontracted employees.

Moving forward, we will continue to utilize our education systems to confirm prohibited actions regarding information security, share key points on how to prevent security-related accidents, and take other initiatives to raise employee awareness.

### 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 Group's 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 reason, we have begun formulating and implementing business continuity plans (BCP) for major business sites in and outside Japan.

BCP are plans based on an analysis of conceivable risk scenarios for each site, and their contents are determined in accordance with the risk levels. In terms of specific activities, BCP encompass the creation of emergency manuals, earthquake strengthening of facilities, storage of food, establishment of an internal fire brigade, disaster drills, and introduction of a personnel safety confirmation system, among other measures.

In June 2015, we formulated a BCP for the Tokyo Head Office. We also conducted three BCP drills at the Karuizawa Plant using earthquake drills. Outside of Japan, we formulated a basic BCP for Cambodian operations.

## ● Future Issues and Goals

Going forward, we will establish a BCP structure responsive to various kinds of risks and firmly establish the structure by revising BCP for sites in and outside Japan and conducting drills.

Commitment from the President

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# Relationships with Customers

## ● Basic Approach

In accordance with the Minebea Group Quality Policy, the Minebea Group aims to fully satisfy customers in terms of quality, cost, supply capacity, and speed, working diligently to maintain and 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 as well as its subordinate organization, the Group Quality Assurance Managers Meeting, which comprises managers responsible for quality in each business unit. These organizations regularly share information on specific quality issues and work to implement internal measures to ensure similar problems do not reoccur. The Group Quality Management Department oversees quality management for the entire Group and acts as the administrative office for the Quality Management

Committee and the Group Quality Assurance Managers Meeting. The department decides key issues and targets for the Group in consideration of the management policies, proposes collaborative solutions, reports issues to the Board of Directors and Senior Executive Officer Council, and provides quality management support and guidance to each business unit.

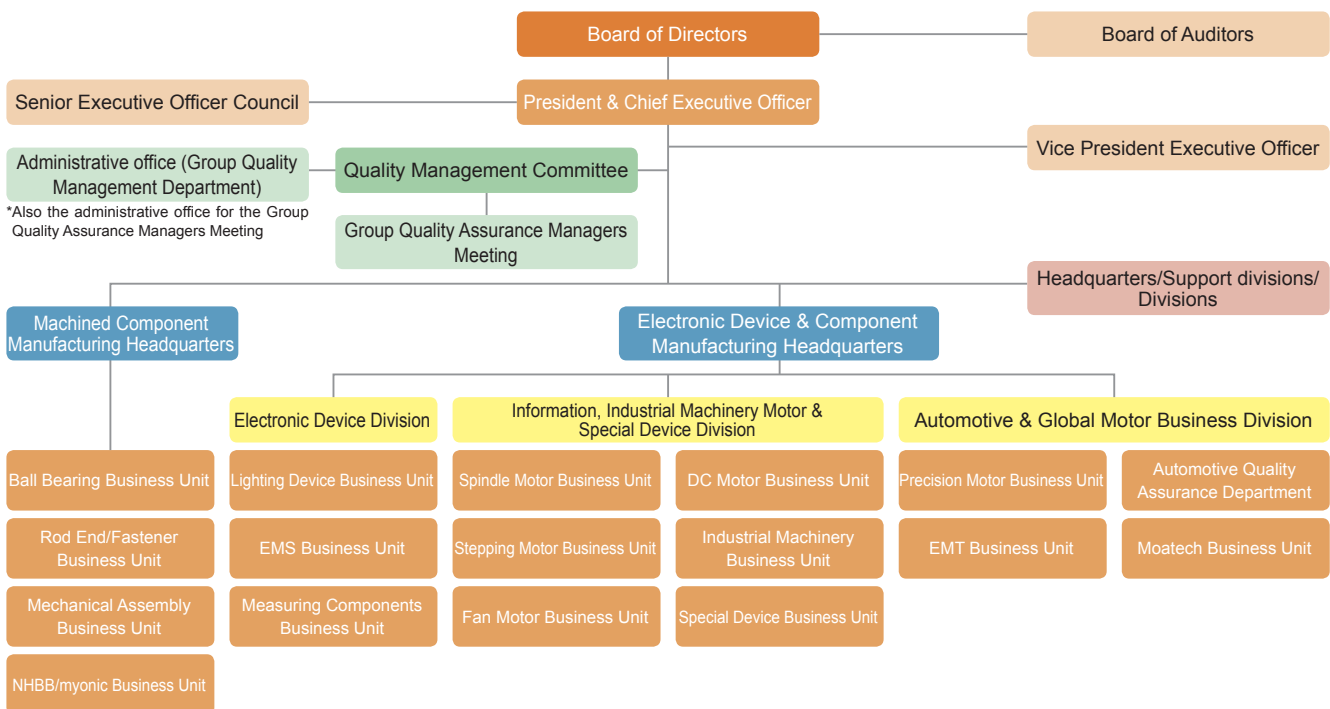
Launched in FY2013, the Safety Regulation Council ensures compliance with the electrical appliance and material safety law, shares and promotes information on safety standards in each area of the world issued by product safety certification agencies and other organizations, and works to strengthen the Group's safety response.

### Risk Assessment

Minebea is creating internal standards for risk assessments on medical, automotive, and aircraft products, three areas among the Minebea Group's final end products which could pose a serious impact on society in the event of a problem. These internal standards will clarify risk in the event of a recall or other problem and support an expedited response. The Group Quality Management Department is collaborating with the business units on the standardization of the risk assessment procedures.

In FY2014, we made progress on the formulation of standard internal procedures for confirming the applications and safety requirements of our medical products. For automotive products, we conducted risk

## ● Quality Management Framework







assessments for new accounts and recorded assessment results in accordance with procedures. For aircraft products, we focused on internal audits of the major processes, from design through manufacturing, to mitigate latent risks.

### ● Quality Improvement Measures

#### Promoting Quality Management System Certification

The Minebea Group promotes the acquisition of certification for quality management systems (QMS) at each business site. Currently, 88 business sites worldwide have acquired ISO 9001/TS 16949 or another QMS certification. Additionally, the Group Quality Management Department holds internal auditor training to nurture new internal auditors.

#### QC Qualification Examinations

The Minebea Group promotes employees' acquisition of quality certification through quality control examinations (QC certification) administered by the Japanese Standards Organization and Union of Japanese Scientists and Engineers since September 2008. The certification improves each employee's quality assessment and management abilities, which leads to the improvement of higher product quality for the entire Minebea Group. We cover employees' examination fees, distribute textbooks to enhance quality management understanding and provide seminars prior to the examinations. In FY2014, 80 employees received certification, bringing the cumulative certification total for the entire Minebea Group to 558 employees.

#### 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, we are working to acquire Authorized Economic Operator (AEO) certifications. We acquired German certification in FY2014, and next plan to acquire certifications in South Korea and Malaysia.

#### 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. In FY2013, we began operating a system for domestically manufactured products. In FY2014, for Thai-manufactured hybrid stepping motors, we began using unified bar code labels for products shipped

from February. We will continue to make preparations to expand this initiative to all of our manufactured products.

### ● 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 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. The survey results are provided to the sales and development departments of each business unit. 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 there is a major quality issue concerning Minebea Group products or services, we refer to our Quality Management Rules and recall guidelines to take necessary measures in response.

### ● Future Issues and Goals

Moving forward, we will strengthen our measures to further improve quality. Specifically, we plan to promote risk mitigation activities based on the results of risk assessments, while also responding to the revision of ISO 9001.

For logistics operations, we are strengthening management by unifying labels and bar codes for overseas manufactured products and promoting acquisition of certification.

Commitment from the President

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# 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.

## ● Number of Employees (Group) (As of March 2015)

|               | Employees      | Japanese staff on overseas assignment | Total          |
|---------------|----------------|---------------------------------------|----------------|
| Japan         | 3,493 persons  | 0 persons                             | 3,493 persons  |
| North America | 1,703 persons  | 24 persons                            | 1,727 persons  |
| Europe        | 1,784 persons  | 23 persons                            | 1,807 persons  |
| Asia          | 56,533 persons | 407 persons                           | 56,940 persons |
| Total         | 63,513 persons | 454 persons                           | 63,967 persons |

## ● Work Status (Non-consolidated) (FY2014)

| Average length of employment | Average age        | Retirement/Resignation | Turnover rate |
|------------------------------|--------------------|------------------------|---------------|
| 17 years, 6 months           | 43 years, 6 months | 105 persons            | 2.9%          |

## ● Overtime Work Data (Non-consolidated) (Averages for April 2014 – March 2015)

|  |                  |
|--|------------------|
| Average number of overtime hours/month | 7.72 hours/month |
| Average overtime wages/month           | 17,090 yen/month |

## ● 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 strive to create work environments in which a diverse group of employees can maximize their talents, regardless of gender, age, nationality, or disabilities.

### Promoting a Women-Friendly Workplace

The Minebea Group believes that it is important to create workplaces in which female employees can demonstrate their talents on a continual basis and take an active role. In keeping with this approach, we actively promote the appointment of female employees to managerial positions. We have set specific targets of raising the ratio of female employees in manager or higher positions to 3% of all such positions (1.3% in 2014) and the ratio of females in assistant manager or equivalent positions to 8% of all such positions (2.9% in 2014) by 2017.

In March 2015, we offered Leadership Training for Female Managers to a group of female employees in assistant manager or higher positions to support the enhancement of skills needed for managerial positions, primarily leadership skills.

## Appointment of 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 62 new hires joining the company in April 2015, one was non-Japanese.

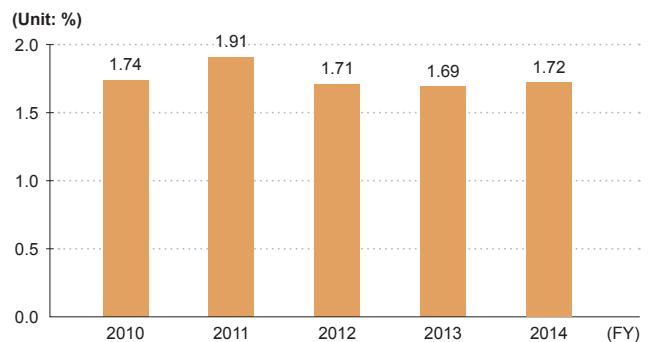
Furthermore, we actively recruit global human resources outside Japan, including at the Boston Career Forum in the U.S. In FY2014, four of our new employees were hired outside Japan.

## Initiatives Regarding Employees with Disabilities

The Minebea Group actively hires persons with disabilities. As of June 2014, the percentage of employees with disabilities was 1.72%. 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 (Non-consolidated)



## ● 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. In addition to establishing a specialized organization, the Human Resources Development Department, dedicated to the development of our personnel, we utilize rank-based group training, specialized skill acquisition and enhancement training, and on-the-job (OJT) training.



## Global Human Resources Development

The Minebea Group is actively developing global human resources. In FY2014, we conducted 22 training seminars for employees prior to their overseas appointments, which were attended by a total of 75 employees. Additionally, we are strengthening programs to support employees prior to their overseas assignments, including through opportunities to improve their English language skills.

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.

Overseas, we provide overseas assignee training for Japanese staff working at overseas subsidiaries, based on training programs developed in Japan. We also provide training for local staff at overseas sites based on programs offered by each of our respective subsidiaries. Additionally, overseas employees are invited to Japanese plants as trainees so that we can share new technologies and manufacturing know-how.



### Completing My Training in Japan



**Zhu Xiaoxun**  
Engineering Support Division,  
Materials Science Development  
Department  
Materials Science Laboratories,  
Shanghai

I took part in a training program in Japan from June 2014. Before arriving, I was a little anxious about daily living in Japan. But my worries disappeared before I knew it amid the beautiful environment around the Karuizawa Plant, and I was able to completely focus on work and study.

During my training, Minebea's environmental activities left a deep impression on me. Before the technical training began, the human resources department had sent us an explanation of some important points. Among them was the importance of separating garbage. The training taught me how to thoroughly recycle and reuse resources, and I learned that separating waste begins with yourself, and that we can always start with a small task that we do all the time.

While learning about specialized manufacturing skills in Japan, I was also taught the importance of a beautiful environment. Since returning to China, I've not only put to use my technical skills on the job, but I've also communicated Minebea's environmental philosophy to my colleagues to help make a contribution to the environment.

## Dispatching Employees to Business School

Taking a medium- to long-term view of nurturing the next generation of leaders, Minebea selects candidates to participate as visiting fellows at the Center on Japanese Economy and Business at the Columbia University Business School in the U.S. We fully sponsor employees during the 10-month study program to give them the chance to interact with a diverse group of students and other fellows and learn the art of management.



### Columbia University Business School Studying Abroad



**Yuji Takenaka**  
Rod End/Fastener  
Business Unit  
Administration Division  
Rod End Administration Section

From August 2014 through May 2015, I was a visiting fellow at the Columbia University Business School. Before taking part in the program, I was working in my current department, the Control Department, and involved in business planning and calculation management. My focus in university, however, was mechanical engineering, and I lacked knowledge about management. Both as an employee and as a person, I felt my development was stuck. That's when I learned about the call for candidates for the overseas study program, and I made no hesitation applying. Being selected was a dream come true. During the program, I was not only able to take part in the business school's courses and seminars, but I built relations with professors, students, and other fellows and had the opportunity to think deeply about a host of issues completely separated from my work. My goal now is to leverage this new knowledge to make contributions to the development of business for the company.

## 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.

In FY2014, we changed the work leave system for employees with 10 or more years' tenure to allow for one year of leave instead of six months, and we also newly added a spousal childbirth leave system. These and other enhancements to our systems enable employees to flexibly choose their work pattern.

### Main Welfare Systems and Number of Users (Japan Group Companies) (FY2014)

| Benefit                                 | Description   | Total users |
|---|---|-------------|
| Child care leave                        | Paid leave or shorter working hours for employees caring for children                                       | 104 persons |
| Spousal childbirth leave system         | System providing leave when a spouse gives birth (up to 2 days)   | 24 persons  |
| Family care leave                       | Paid leave or shorter working hours for employees with family members requiring care                        | 0 persons   |
| Overseas vacation for veteran employees | Trip to Thailand, China (Shanghai), or Singapore for employees with 30 years of service, and their families | 434 persons |

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# Relationships with Employees

## 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.

### Fair and Balanced Evaluation

At the Minebea Group, impartiality and objectivity are our prime concerns in evaluating the abilities and performance of our employees. In FY2014, we revised the personnel evaluation system to raise objectivity by setting new standards for promotion based on ability, experience, and other factors. We held seminars to explain the new system to employees and raise transparency.

Moving forward, we will implement personnel policies to flexibly respond to changes in the workplace environment and employment structure, with the aim of creating workplaces where employees perform to their maximum potential and where high motivation is rewarded.

### Respect for Human Rights

The Minebea Group prohibits discrimination based on such factors as race, age, gender, nationality, and religion. We provide various types of education to ensure this policy is followed, including new employee training using the Minebea Group Officer and Employee Compliance Guidelines, sensitivity training to employees before their assignments to regions with different cultures, and anti-harassment training as part of our rank-based training program. Moreover, we are working to prevent human rights abuses by providing a consultation center and an internal reporting system.

### 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.

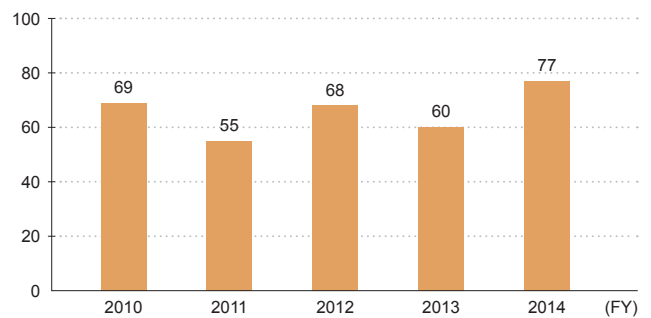
Each of our plants has a Health and Safety Committee comprised of numerous working groups with responsibility for workplace safety, health issues, and other such concerns. These committees meet regularly to share each working group's progress toward its targets. In addition, the Minebea Group's principal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

18001 certification, and the Malaysian Plant has also newly obtained the certification.

In the event of a fire, workplace injury, traffic accident, or other similar incident, safety managers take the lead in identifying the cause and handling the issue. Information about such incidents is shared with other production sites in each country to prevent similar incidents in the future.

### Workplace Injuries and Other Accidents in the Minebea Group (Group)

(Unit: incidents)



### 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, offer health consultations, send notices to employees to curb overtime work hours, and have industrial physicians make regular rounds at work sites.

In regard to mental health care, which has drawn social interest in recent years, we have a consultation structure in place to ensure that employees can discuss issues with industrial physicians and counselors. Additionally, the health advisors working at each plant meet quarterly to discuss issues. Our employee magazine regularly publishes mental health information and we distribute mental health checklists during regular health checkups. In these ways, we are promoting prevention through employee self-assessment and care.

### Future Issues and Goals

Moving forward, we will take various measures to improve work-life balance and strengthen health management in order to encourage high levels of motivation and maintain a work environment in which employees can work energetically.

Furthermore, we continue to take various measures to create work environments which can nurture global-minded employees, pass down know-how from one generation to the next, and leverage our diversity. These measures will support our growth as a global enterprise.

# 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.

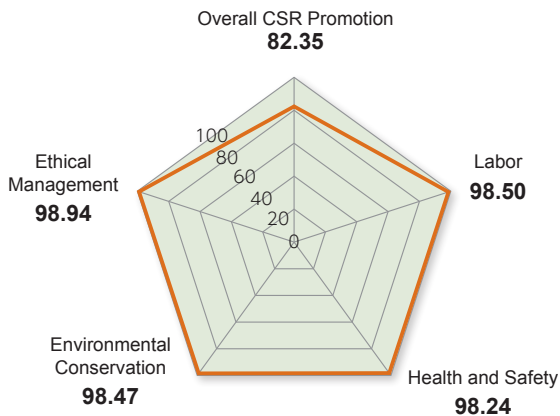
**Web** Please see our website for detailed information on our Basic Procurement Policy and Minebea Group CSR Procurement Guidelines. <http://www.minebea.co.jp/english/corp/company/procurements/index.html>

## ● 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 November 2012, we added a section on our response to conflict minerals to the guidelines and requested cooperation from our suppliers.

We have also created the Minebea Group CSR Procurement Self-assessment Checklist in order to grasp the status of CSR activities at our suppliers, and we continue to survey suppliers using the checklist. The checklist includes 54 questions in five areas defined by our guidelines: Overall CSR Promotion; Labor; Health and Safety; Environmental Conservation; and Ethical Management. This provides a comprehensive view of our suppliers' CSR promotion status. In FY2013, we distributed the checklist to suppliers in Japan, while in FY2014, we surveyed Thai suppliers representing 75% of our total local procurement.

## ● Checklist Results (Average for Each Item)



Of a total of 500 points, our suppliers have averaged 477 points, significantly higher than our baseline standard. This demonstrates that our suppliers take CSR very seriously and are responding to our requests. We are also communicating the results of the survey to our suppliers as feedback and requesting that they continue to promote their CSR activities.

## ● Green Procurement

We have established and revised the Minebea Group Green Procurement Standard to ensure compliance with countries' laws and directives on chemical substances, 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.

Furthermore, in FY2015, we published Minebea Group Green Procurement Standard, 5th edition in June 2015.

## ● 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 creating a framework for global CSR procurement in order to promote CSR throughout our global supply chain. As part of this initiative, in FY2015, we plan to distribute the Minebea Group CSR Procurement Self-assessment Checklist to suppliers of our Shanghai, Suzhou, and Zhuhai plants in China and analyze the status of activities through the responses. We will also continue to use the Minebea Group CSR Procurement Guidelines as a way to implement ongoing education.

# 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 North America

#### ● Donation to Fire Department

In March 2015, U.S. manufacturing subsidiary New Hampshire Ball Bearings, Inc. (NHBB) made a US\$15,000 donation to the Peterborough Fire Department, which protects the area in which the company’s plant is located.

In February 2014, waste chemicals caused an explosion at NHBB’s Peterborough Plant. The donation was made as a token of appreciation for the great contribution the fire department made in responding to the accident. Afterwards, the fire department chief expressed his gratitude for the donation, noting that the funds would be spent to purchase an important thermal imaging camera which searches for people in buildings.



Donation made to local fire department

### Initiatives in Europe

#### ● Employment support for people with disabilities

German subsidiary myonic GmbH is cooperating with the local office of the Stiftung Liebenau foundation to support employment of people with disabilities. Stiftung Liebenau is a non-profit foundation promoting support for people with disabilities and for educational initiatives. The organization has more than 6,000 employees in Germany, Austria, Switzerland, Bulgaria, and Italy.

myonic has collaborated with the foundation to provide employment opportunities for people with disabilities, and from May 2014, the company began newly hired one person as a cafeteria trainee.



Employees of the Stiftung Liebenau foundation

### Initiatives in China

#### ● Support for Social Welfare by Employees

At the Zhuhai Plant in China, 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, tree-planting activities, and a variety of other social contribution activities to support their local community.

The Shanghai Plant provides donations to musical concerts sponsored by a Shanghai business association. The plant also accepts interns from Shanghai Dianji University for social training and takes part in a wide variety of other community activities.



Employees take part in the activities

### Initiatives in Thailand

#### ● Award Received from Thai Ministry of Industry for Continued CSR-DIW

As a company aiming to fulfill its corporate responsibility, NMB-Minebea Thai promotes a wide variety of CSR activities based on ISO 26000 and other international standards related to social responsibility.

In FY2014, the company’s plants provided educational seminars to their communities’ children about waste separation, held career development projects for local citizen, participated in reforestation efforts to revitalize mangrove forests, and took other initiatives for the development of their communities.

In recognition of these efforts, the company’s Bang Pa-In, Lopburi, Ayutthaya and Rojana Plants once again received the CSR-DIW Continuous Award Year 2014 from the Thai Ministry of Industry for their continuous CSR activities.



Plant managers receive award



● **Contributing to Local Communities**

**Support for Earthquake Recovery**

Minebea established the “Charitable Trust—Minebea Scholarship Fund for Orphans of the Great East Japan Earthquake” as an endowment for children orphaned by the Great East Japan Earthquake. The scholarship fund provides annual grants of 100,000 yen to orphans of elementary school and junior high age. In March 2015, third-year junior high school children receiving support from the trust were invited to Tokyo to celebrate their graduation alongside employee supporters.

**Supporting Work Experience Programs**

In September 2014, Minebea’s Matsuida Plant welcomed a student from Myogi Junior High School in adjacent Tomioka City, Gunma Prefecture, as part of the school’s work experience program.

A part of the school’s occupational education curriculum, the program is designed to help students gain a better understanding of what it’s like to work in the real world and work-related responsibilities, while equipping them with better communication skills. The student completed a two-day program in inspection operations at the plant’s Rod End/Fastener Business Unit. In a thank-you note, the student described how the work experience drove home the challenge of making things and gave him a newfound appreciation for the fruits of others’ labor.



Work experience program

**Clean-up Campaign in Tottori Prefecture**

In October 2014, Yonago Plant employees took part in a community beautification initiative to pick up trash along hiking trails and at the peak of Mt. Daisen (1,729 meters) in Tottori Prefecture, where the plant is located.

Altogether, 26 employees and family members participated. On the same day, the volunteers also participated in the “One Tree, One Rock” campaign aimed



Employee volunteers pick up trash

at restoring the mountain summit by carrying a small rock in their backpacks that they deposited at the mountain’s peak.

**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 meetings to afford opportunities for communication with community members.

The 2014 discussions focused on the response to heavy snowfall and resulting damage in February, along with participation in community events. Community members and plant representatives enjoyed a frank exchange of ideas.

● **Collaboration During Disasters**

In October 2013, the Karuizawa Plant signed an agreement with Miyota Town allowing the town to utilize the plant’s heliport in times of disasters. In October 2014, the plant expanded the provision of the heliport by signing a new agreement with the local fire department of Miyota Town, Kitasakugun, Nagano Prefecture giving it free access to the plant’s heliport for use by medevac helicopters.



Medevac helicopter

● **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.



The Minebea Cup curling tournament

● **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.

Commitment from the President

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# 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.

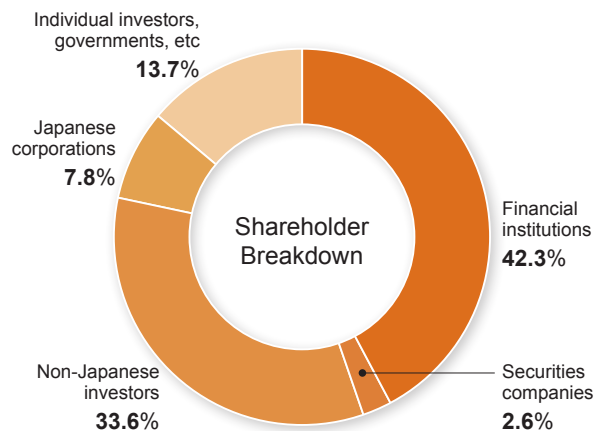
We also participate in investor seminars sponsored by securities companies, while holding numerous private meetings as part of active efforts to disclose financial and non-financial information.

## ● 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 FY2014, Minebea's consolidated net sales, operating income, ordinary income, and net income all achieved record levels, meeting the three-year medium-term targets in advance within a year. As a result, we raised our annual dividend 4 yen per share to 12 yen per share. For FY2015, consistent with our aim of actively making growth-oriented investments to raise future shareholder returns, we will aim to increase the consolidated-basis dividend payout ratio to around 20%.

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

## ● Shareholder Breakdown (As of March 31, 2015)



## ● IR Website

Minebea's (IR) website won the "2014 Internet IR Excellence Award" from Daiwa Investor Relations Co., Ltd., as well as the "2014 Company Website Best Company Award" from Nikko Investor Relations Co., Ltd., in the all listed company website ranking and the sector-based ranking. Additionally, our website won the "Gomez IR Site Overall Ranking 2015 Silver Award" from Morningstar's Gomez Consulting Division. We have won all three of these awards for seven consecutive years.



## ● 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



## ● 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 and have set a FY2015 target of reducing total Group CO<sub>2</sub> emissions per basic unit of output by 5% compared with the baseline year (FY2010). 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 the active development of communications control technologies, sensors and new materials which are central to energy management in highly efficient motors, lighting, and energy conversion devices, as well as "smart" buildings, plants, and urban residential environments.

## ● Environmental Management System

### Environmental Management Structure

In order to carry out the Minebea Group Environmental Policy, the Minebea Group has an environmental management structure headed by the Board of Directors and the President and Chief Executive Officer. We also have an Environment Management Committee, a promotion organization composed mostly of executive officers, and a Group Environmental Protection Committee, which is staffed by working-level members. This structure enables rapid implementation of 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 plants and offices.

### Environmental Audits

The Minebea Group is promoting the acquisition of ISO 14001 certification at each of its major sites worldwide. Regarding our plants, we have acquired certification for all of our existing plants worldwide. For newly constructed and recently acquired plants, we have begun environmental management activities based on the certification acquisition plans.



External audit at Cambodia plant

In FY2014, we made plans to acquire ISO 14001 certification for the Tokyo Head Office, the first non-plant site to seek certification. The office was audited by an external certification organization in June 2014 and successfully acquired certification. To maintain certification, we conduct annual external audits by third-party organizations and internal audits by internal auditors.

## ● Environmental Education

### Basic Approach and FY2014 Initiatives (Japan)

The Minebea Group provides training on environmental management 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.

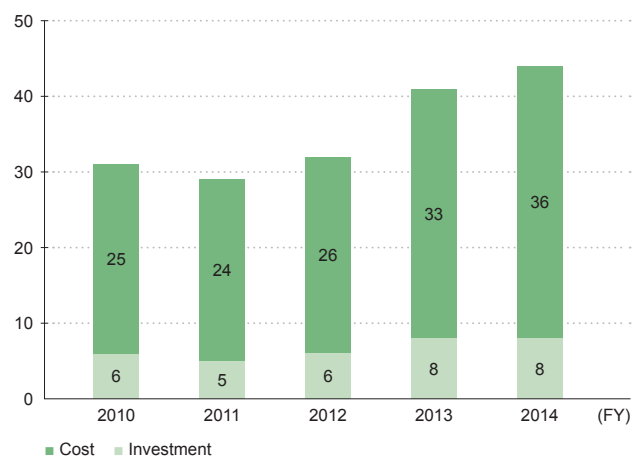
## ● Minebea's Environmental Accounting

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 4,444 million yen in FY2014, an 7% increase over FY2013. This increase, however, was largely the results of fluctuations in exchange rates.

Furthermore, regarding environmental protection costs disclosed through FY2013, we have identified costs that should not have been included, and therefore we have revised the previous cost disclosures since the FY2014 report.

### ● Environmental Protection Costs, FY2010 – FY2014

(Unit: 100 million yen)



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# Environmental Management

## ● 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.

## ● Minebea’s Environmental Impact

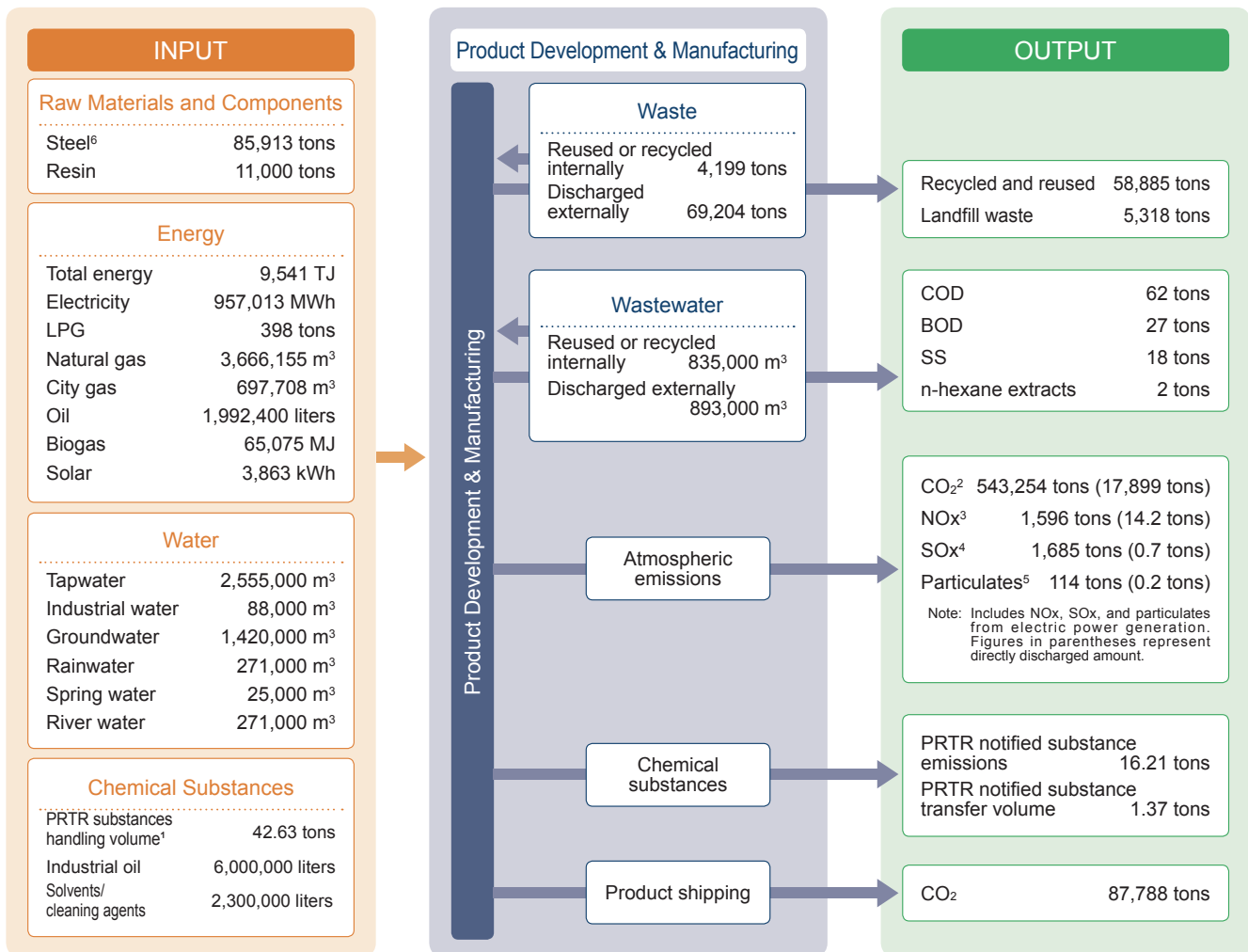
The Minebea Group has plants in 14 countries around the world, manufacturing and selling a range of products

including bearings—our main product—as well as machined components, electronic devices, and rotary components. 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 FY2014, even though our sales increased by 34.8% year on year, we limited increases in total energy input to approximately 7% year on year, the amount of industrial oil by about 3% year on year, and the amount of solvents and cleaning agents by about 15% year on year, reflecting our ability to restrain our impact on the environment relative to the amount of sales.

The Group’s environmental impact for FY2014 is summarized below.

## ● Input and Output (FY2014 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. CO<sub>2</sub>: Carbon dioxide
3. NOx: Nitrogen oxides
4. SOx: Sulfur oxides
5. Particulates: Microscopic solid matter contained in exhaust gas generated through combustion, heating, or chemical reaction
6. The data disclosed on FY2013 steel materials emissions was mistaken. Correct amount: 83,390 tons Previously disclosed amount: 87,800 tons

# Initiatives for Preventing Global Warming



## 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.

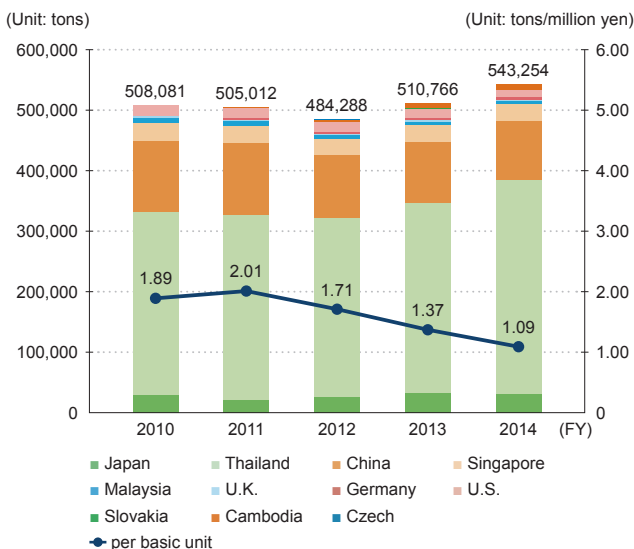
In response, each office and plant in the Minebea Group is proactively promoting energy efficiency initiatives in order to combat global warming after having completed formulating the main measures for their sites. Additionally, our Energy Conservation Promotion Committee, which is made up of representatives 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 FY2014 Initiatives

The Minebea Group's emissions of CO<sub>2</sub> in FY2014 totaled 543,254 tons, 6% more than in FY2013. In terms of basic units of production, CO<sub>2</sub> emissions declined 20% over FY2013 to 1.09 tons per million yen of production. The reason for this decrease was highly energy-efficient manufacturing activities amid strong business growth, as well as efforts taken by plants around the world to reduce CO<sub>2</sub> emissions.

In FY2014, the Group's CO<sub>2</sub> emissions generated from logistics operations totaled 87,788 tons, an increase of 23% compared with FY2013.

## CO<sub>2</sub> Emissions (Total and Per Basic Unit)



## Initiatives in Office Spaces

### Energy-efficiency Initiatives at Tokyo Head Office (Japan)

Our Tokyo Head Office relocated to a newly purchased office building in Tokyo in January 2013. In October 2013, the office began full-fledged ISO 14001 environmental management activities.

The energy-efficiency activities included both physical controls, such as changes to air conditioning operations along with turning off and dimming lights, to awareness-type activities such as encouraging employees to adopt cool business attire. As a result, the building was able to reduce its overall energy consumption by 7% compared with FY2013. While the office reduced electric power consumption in the use of air conditioning, the amount of city gas used to power hot and chilled water generators during the summer months increased slightly. Altogether, the office reduced CO<sub>2</sub> emissions by 5% in FY2014 compared with FY2013 when converting both electricity and gas consumption.

## Initiatives at Work Sites

### Upgrading to High-efficiency Equipment (Thailand)

When upgrading plant equipment, the Minebea Group selects and installs high-efficiency type equipment to promote environmentally conscious manufacturing activities. In FY2014, NMB-Minebea Thailand upgraded two chillers at its Bang Pa-in Plant. The upgrade has reduced electric power consumption by approximately 20%.



Chillers installed at Bang Pa-in Plant

## 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 CO<sub>2</sub> emissions per basic unit of production by 5% compared with FY2010, or 1% annually.

In terms of long-term goals for 2020 and 2030, 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

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# Initiatives for Effective Use of Resources

## 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 FY2014 Initiatives

In FY2014, principal raw materials used by Minebea Group included approximately 85,913 tons of steel and 11,000 tons of resin, with the total amount of materials used about on par with the previous fiscal year.

The amount of landfill waste generated by the Group's operations in FY2014 totaled 5,318 tons, an increase of 754 tons compared to FY2013. However, in terms of basic unit of production, the amount of landfill waste generated declined by 13% in FY2014 compared with FY2013.

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 FY2014 totaled 893,000 m<sup>3</sup>, an increase of 196,000 m<sup>3</sup> compared with FY2013.

## Initiatives at Business Sites

### Effective Use of Rain and River Water (Thailand)

At our Thai plants, we collect rainwater in a reservoir on the plant grounds and purify it with rainwater reuse equipment for reuse as industrial water, thereby reducing the amount of tap water used.

In addition to this system, one of the Thai plants took further steps in FY2012 to substantially reduce tap water consumption by drawing water from the nearby Chiang Rak Noi Canal and purifying it to use as an alternative to tap water. With the start of this system, the plant has reduced both its tap water consumption and its water-related costs.

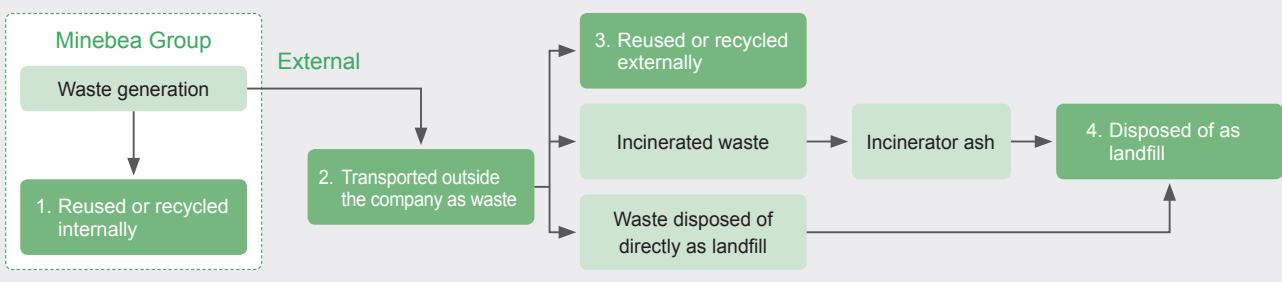
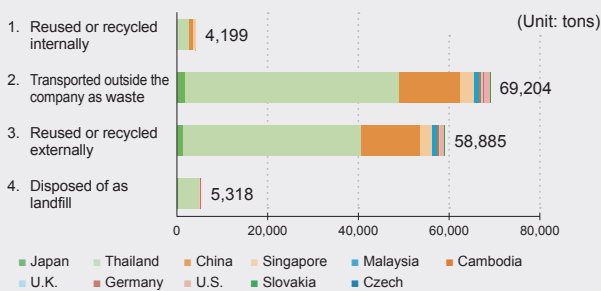
### Conversion of Raw Kitchen Waste into Biogas (Thailand)

NMB-Minebea Thailand is taking part in a project by the Thai Ministry of Energy to promote the recycling of raw food waste into biogas energy. Both the Bang Pa-in and the Lop Buri plants have installed biogas generation systems on site. The generated biogas, which boasts a low environmental footprint, is used as an alternative to LP gas for cooking meals in the cafeterias.



Biogas generation equipment

## Waste Processed (FY2014 Actual)



## Future Issues and Goals

For FY2015, the Group's goal is to reduce the amount of waste ultimately disposed of as landfill by 10% per basic unit of output compared with FY2014.

Additionally, we will conduct research on the condition of waste already disposed of as landfill along with market analysis in an effort to reduce waste even further in the future.

# Initiatives for Reducing Impacts on the Environment

## ● 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 FY2014 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. At all of our Group plants, we have enhanced daily monitoring and environmental patrols to ensure there are no leakages, foul odors, noise, vibration or other issues that could inconvenience surrounding communities.

## ● 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 pH<sup>1</sup>, COD<sup>2</sup>, BOD<sup>3</sup>, SS<sup>4</sup>, and the oil content of n-hexane extracts<sup>5</sup>.

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.

### Oil Spill at Fujisawa Plant (Japan)

In May 2014, wastewater from the Fujisawa Plant containing oil spilled from a drainage drench into a nearby river. We immediately informed local authorities and took action to prevent an expansion of the spillage based on their guidance. Specifically, we took steps to contain the spill in the river and used oil fences and absorbent mats to collect oil on the water surface. We confirmed that the spilled oil did not flow into the ocean, and we analyzed the collected oil to confirm that it did not contain substances harmful to people or local ecosystems.

We also confirmed that the cause of the accident was

aged facilities, and we have taken steps to prevent reoccurrence based on guidance from Fujisawa City. Furthermore, we have checked other equipment to ensure that similar types of degradation do not exist.

Moving forward, we will make every effort to prevent similar accidents from happening.

### 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.

In August 2014, the chairman and deputy chairman of the Group Environmental Protection Committee visited our sludge and liquid waste disposal contractor in Thailand (GENCO) to inspect the processing site. The visit confirmed that waste was being disposed of properly and there was no pollution released into the area around the site.



August 2014 visit to disposal site of Thai sludge and liquid waste contractor GENCO

## ● 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

## ● Basic Approach

Since its products are utilized in many different kinds of end-products, the Minebea Group believes that it has an especially important role in providing parts that contribute to environmental consciousness throughout the product life cycle. This responsibility extends from ensuring that its parts are free of materials hazardous to the environment, to energy-efficiency, resource-efficiency, and long-life.

Minebea Green Products, which we have been developing based on this approach, will continue to be promoted as part of the new “Five Arrows” strategy aimed at making contributions to the development of “Smart Buildings” and “Smart Cities” through the promotion of “smart” product development.

## ● Minebea Group’s Environmentally Conscious Products

The products that the Minebea Group produces and sells are environmentally conscious products. This means that they satisfy various countries’ environmental laws and customers’ environmental requirements from the development and design stage as well as undergo voluntary product chemical substance evaluations and product assessments.

### Auxiliary Device for Small Machine Tools “Wavy Nozzle”

The Minebea Group has developed an auxiliary device for small machine tools named “Wavy Nozzle” which removes machine dust and chips through swing jetting of coolants\*. By spraying coolants while oscillating to the point of processing, machining dust and chips will be removed efficiently, thereby contributing to the realization of quality improvement and efficiency enhancement for precision component machining.

Minebea has successfully developed a device capable of efficiently removing machine dust and chips without employing a large-scale “high-pressure coolant system”



Exterior view of Minebea’s “Wavy Nozzle” (in KICK mode operation)

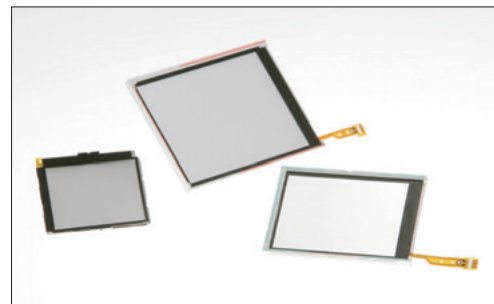
\* Cutting fluids, or grinding fluids which produce a cooling or lubrication effect on the processing point in machine processing

that had been conventionally used in the market. As such, this product can be installed in small-sized machine tools (small CNC lathes and machining centers, etc.), with which a large-sized high-pressure coolant system could not be loaded up to date.

### LED Backlight Units for LCD Displays

The Minebea Group develops, manufactures, and sells LED (light-emitting diode) backlight units which illuminate smartphone and tablet computer LCD displays from the rear.

The LED is positioned on the edge of the device, and the light guide plate is critical to spreading LED light evenly over the display. We leveraged our proprietary design development and superior plastic injection molding processes used in precision metals molding to successfully develop light guide plates measuring 0.3 mm thick or less. The thinner light guide plates not only help to make the end products thinner, but help to reduce power consumption, weight and size compared with previous models.



LED backlight unit for LCD displays

## ● Management of Environmental Impact Materials Included in Products

The Minebea Group has issued the Minebea Group Green Procurement Standard requiring suppliers to supply products (raw materials and parts) free of hazardous substances along with data and documentation verifying their products’ safety. We also conduct our own verification tests of suppliers’ products using XRF (X-ray fluorescence spectrometers) to ensure the products are free of hazardous materials subject to RoHS regulations.

## ● Future Goals and Issues

The Minebea Group will continue to accurately grasp the detailed needs of society in order to develop products that can contribute to safety, energy-efficiency and resource-efficiency.

# Comments on the Minebea CSR Report



**Mr. Keisuke Takegahara**

General Manager,  
Environmental Initiatives &  
Corporate Social Responsibility-  
Support Department  
Development Bank of Japan Inc.

The Minebea Group CSR Report 2015 reviews the company's CSR implementation in FY2014, when the company achieved record-high financial results, by shedding light on "manufacturing with sincerity" from four different standpoints.

The first of these standpoints, "technological capabilities," is featured in the "Commitment from the President" section. Minebea has clarified the importance of technological capabilities by adding "Creation of social value through products" to its CSR Implementation Principles. Additionally, the company's new "Five Arrows" strategy emphasizes the use of various kinds of technology to drive future growth. From the feature article on "Smart Lighting," Minebea reveals how it aligns product development and manufacturing with the creation of social value and demonstrates the importance of technological capabilities in supporting this approach. The discussion of environmental measures for the manufacturing processes further clarifies this commitment. The report also shows that Minebea continues to take Group-wide efforts to improve energy efficiency, and its CO<sub>2</sub> emissions per basic unit are steadily declining. Backing up the theme of creating social value through products by achieving a decline in the environmental burden of the manufacturing processes used to create products is typical of Minebea's conscientious approach.

The next standpoint featured prominently is the company's deepening commitment to "globalization." Minebea has expanded the implementation of CSR Procurement Guidelines to its overseas sites as part of its efforts to enhance initiatives. Additionally, the company is conducting an analysis

of CSR activities based on ISO 26000 at six major Asian sites outside Japan. This shows that Minebea understands the importance of systematic CSR promotion based on coordination between the head office and overseas sites, and with the involvement of overseas sites, CSR activities are being fully promoted horizontally throughout the company. The third standpoint, which is evident throughout the report, is the continued emphasis on "people." The president's message notes that each and every employee must change and grow in support of the "Change to Grow" theme driving preparations for the company's 100th anniversary. This message is supported through various articles spotlighting people, such as diversity and the nurturing of global-minded employees, along with myonic's aim to be a company where employees are highly motivated.

Turning to the fourth standpoint, the "relationships with local communities" represent the focal point of various activities taken by the sites. This year's report features activities at the Yonago Plant and Group company myonic, and the articles on the stakeholder dialogues reveal how Minebea is aiming to be an appealing partner to its communities. Discussing activities at these two sites together demonstrates that despite the differences in their backgrounds, the company's CSR activities are being steadily infused throughout the Group.

Minebea has also included negative information in this report, showing its continued commitment to accountability. Overall, this year's report has a higher level of completion as a CSR report from a global company. Moving forward, I expect Minebea to leverage the new "Five Arrows" strategy, and its targets for the medium-term business plan, to demonstrate in even greater detail and more dynamically the relationship between the company's growth and the creation of social value.

## Mr. 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



**Mr. Tatsuo Matsuda**

Managing Executive Officer  
Officer in Charge of CSR Promotion Office,  
Compliance Promotion Office at Finance &  
Compliance Promotion Division

Mr. Takegahara has once again provided us with important feedback on the Group's CSR promotion. We are honored again this year to receive his valuable insight.

In this year's report, we introduced two examples of the kinds of communication activities we are taking with communities in which we do business—one in Japan and another outside

Japan. In the "Hot Topics" section, as an example of how we create social value through our products, we described the development of next-generation lighting systems through the "Smart Lighting" concept. Additionally, as an example of the global promotion of CSR management, we reported on the results of our initiative to analyze the status of CSR activities through ISO 26000.

We are honored by Mr. Takegahara's praise for these initiatives, and we are committed to furthering improving these CSR activities in the future. Our analysis of CSR activities based on ISO 26000 has raised issues for us to tackle, and there are other CSR targets we have yet to achieve. We will strive to continually improve our CSR activities and take a forward-looking approach to future measures.



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 CO<sub>2</sub> 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 CO<sub>2</sub> that these forests can absorb.

