

Performing CSR through Dialogue

—CSR Initiatives at Shanghai Minebea in China—



Shanghai Plant



Xicen Plant

Shanghai Minebea performs a central manufacturing role for the Minebea Group. In addition to our core belief of “manufacturing with sincerity,” our business in China derives its success from reflecting communication with various stakeholders into its business activities, based on the company credo, the “Five Principles.” Here we introduce the CSR initiatives of Shanghai Minebea, which has successfully rooted itself in the local community over the past 20 years with the aim of nurturing employees with pride in their company and working in harmony with the local community.

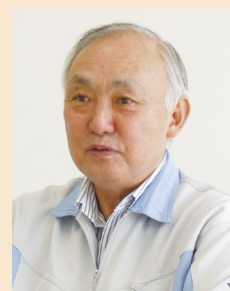
Conducting Business Activities to Meet Stakeholder Expectations

Minebea Electronics & Hi-Tech Components (Shanghai) Ltd. (hereinafter “Shanghai Minebea”) operates the Shanghai Plant and the Xicen Plant, which are located on the shore of Dianshan Lake in the Qingpu District of Shanghai. Shanghai Minebea has been manufacturing products for more than 20 years since its establishment in 1994. The company currently manufactures ball bearings, fan motors and measuring components. Products sold in China account for about 30% of all the sales in the Minebea Group, and these two plants play a central role in the manufacturing operations.

“CSR is very important to our business,” notes Mr. Koichi Takeshita, Chairman and President of Shanghai Minebea. “Today, our customers, the country, and the local community all consider CSR to be a natural part of business. In other words, CSR activities are a matter of course for any company intending to do business on a worldwide scale. To ensure that we practice CSR, we create many different opportunities to talk about CSR, with an emphasis on the ‘Five Principles,’ which as the company credo for the group is the basis for all CSR activities.” Both plants have acquired ISO 14001 environmental management system certification and OHSAS 18001 occupational health and safety certification, while also operating the Environment and Safety Committee, 3R Committee,

and Compliance Promotion Committee. The company also holds discussions with the plants’ labor union,* conducts CSR procurement surveys on its suppliers, and carries out audits as part of its CSR initiatives.

“It’s important to listen to the views of each stakeholder and respond as best we can to their expectations,” adds Mr. Takeshita. “As we implement CSR, there are times when our stakeholders have different views on a subject. The thinking among our employees can also be different. We always try to coordinate the various interests and find optimal solutions. An important part of that process is an environment in which we can have open discussions.” Mr. Takeshita points to relationships between Shanghai Minebea and employees, and between Shanghai Minebea and the local community as particular areas for improvement in the future. “Over the years, we’ve striven to promote local employees as much as possible to ensure smooth employee communication. Moving ahead, we will establish new structures and further increase opportunities for dialogues with employees and the local community,” adds Mr. Takeshita with a sense of passionate purpose.



Mr. Koichi Takeshita
Chairman and President
Minebea Electronics &
Hi-Tech Components
(Shanghai) Ltd.

*Labor union: Chinese companies are legally required to form labor unions to protect worker rights.

Building on Dialogues with Employees

Employees are an important stakeholder group for Shanghai Minebea. The company has placed an emphasis on maintaining close communication with employees through an employee satisfaction survey, as well as the promotion of personnel programs based on discussions with the labor union. Ms. Qingyun Lu, manager of the Personnel and General Affairs Division, and Ms. Ying Qian, representative for the labor union, have taken leading roles in the communication process. "The plants have been operating for more than 20 years, so the relationship between employees and management is very good," notes Ms. Lu. "With nearly 6,000 employees, we can't expect the company to meet all of their expectations. But the company and the labor union maintain strong ties, so there is a structure in place to quickly respond collaboratively to problems when they occur."

In FY2015, the company and labor union began holding regularly scheduled meetings as a way to share information, leading to more active coordination. "These meetings are intended to improve employees' understanding of company decisions and to share employee views with the company," says Ms. Qian. "It's made the employees feel more respected by the company." Management is also enthusiastic about the meetings. "Through these meetings, we can build even strong face-to-face relations and share our viewpoints," says Ms. Lu.



Left: Ms. Qingyun Lu, Human Resources Executive Manager, Personnel & General Affairs Division
Right: Ms. Ying Qian, Labor Union President

"The company evaluates us fairly," adds Ms. Qian, in regard to the Minebea Group's aim to "Be a company where our employees are proud to work," one of the core tenets of the company credo. "I've been working at Shanghai Minebea for nearly 20 years, since I graduated from high school, and I've enjoyed positions with responsibility. There are almost 500 Chinese employees like me who have worked for about 20 years. That in itself shows that employees have pride in where they work." Ms. Lu notes that Shanghai Minebea is among the leaders in China for its high standards. "Moving ahead, we will continue to strive for more than just meeting legal requirements," she says with passion. "We will summon all our capabilities to become a company where all employees take pride in working."

» Voice

Leveraging On-site Capabilities



Ms. Weijuan You
Manager
Injection Mold Division
Press Division

This is my 20th year working at Shanghai Minebea. In 2000, I became a manager and today I manage about 700 employees. Instead of simply relying on support from Japan, my division is striving to operate independently by encouraging local employees to come up with lots of ideas. We may become reliant on the mother

plant if we always sent support requests to Japan. Instead, we've developed our own initiatives to improve productivity through automation, and these ideas have been adopted by other Minebea plants outside China. As a manager, it's my job to take the initiative and try new things, while raising the overall technological capabilities of the division and promoting our independence.

» Voice

Maximizing the Capabilities of Female Employees



Ms. Daijuan Tao
Assistant Manager
Tool & Die Division

I'm the assistant manager in a manufacturing division that manufactures fan motor molds and tools. Our division's work is closely related to design and manufacturing technologies. Most of the employees are men, but the delicate kinds of work that women do is also very important to the division. We try to leverage the attributes of both

the male and female employees, complement each other and help support the growth of female employees. We manufacture 24 hours a day, so it can be a challenging work environment. We've developed working systems to improve productivity so that women do not have to work the late-night shifts. Moving forward, we will do everything we can to improve productivity and technological capabilities to create an even better work environment.

Operating in Harmony with the Local Environment

It's also important for Shanghai Minebea to operate in harmony with local society. The company is located next to Dianshan Lake, an important source of water for Shanghai City. Environmental protection measures are critical to plant operation. Stricter environmental regulations in recent years have spurred the company to enhance its initiatives. Leading environmental measures include internal manufacturing of dryers to reduce the amount of waste generated, along with the introduction of a centrifugal chiller to raise energy efficiency. Shanghai Minebea has been recognized as a model for the region, with local governmental organizations and companies visiting to observe our hazardous materials handling drills.

The Environment and Safety Committee and 3R Committee are spearheading the company's environmental activities.

The Environment and Safety Committee comprises nearly 70 members and operates sub-committees covering the five areas of environmental management and resource conservation, safety and health, disaster preparedness, crime prevention, and chemical substances. These sub-committees create and implement annual plans. Representatives from each division attend the committee meetings, promote awareness among their division colleagues on site, and ensure implementation of measures. "The divisions all collaborate together, not only to solve issues but for the important role of preventing accidents," says Ms. Rongfang Feng, vice chairperson of the committee, noting the important role of the committees.



Ms. Rongfang Feng
Vice President

The 3R Committee was launched in 2004 with the notion that waste can be a mountain of treasure. The committee devises measures to reduce the company's environmental impact through "Reduce," "Reuse," and "Recycle" programs, while also generating profits by selling recyclable waste to processing companies. "The committee's first initiative when it started was to encourage employees to properly separate waste," says Mr. Hui Ye of the Purchasing Division, who also handles the committee administration. "Finally, we have developed a stable operation system under which we evaluate the waste, remove hazardous materials, and select reliable processing companies to recycle the waste."



Mr. Hui Ye
Assistant Manager
Purchasing Division

Shanghai Minebea has also developed a "Plant Wastewater Zero System" to ensure that no wastewater is emitted outside the plants. This system protects the water quality of nearby Dianshan Lake as well as the environment around the lake. "We installed special equipment to purify wastewater and reuse it inside the plant," says Mr. Lin Zhu. "This system achieves zero wastewater emissions. Regarding the purified water, we have set quality standards higher than the government's standards. Even so, we are clearing these higher standards by a wide margin."

The zero-emissions system also helps to conserve water usage. In FY2015, Shanghai Minebea's water usage totaled 526,000 m³, of which city water amounted to 108,000 m³, or about 21%. The company reused 361,000 m³ of plant wastewater, as well as 56,000 m³ of rainwater.



Mr. Lin Zhu
Manager
Plant Maintenance Division



Wastewater processing facility



Checking water quality



Centrifugal chiller



Staff at Zhujiyajiao People's Hospital with Ms. Feng and Ms. Qian



Collecting supplies to donate to disaster regions



Volunteers at Zhujiyajiao People's Hospital

A Company Working in Harmony with the Local Community

As of one its "Five Principles," the Minebea Group strives to work in harmony with the local community. In accordance with this principle, we believe it is important to make contributions to communities around our plants. At Shanghai Minebea, the labor union plays a central role in various local community activities. These include protecting China's cultural assets, donating books and supplies to regions affected by natural disasters, and visiting senior citizens.

Support for Zhujiyajiao People's Hospital is one of the company's leading activities. In accordance with China's national health policy, each year Zhujiyajiao People's Hospital provides free medical examinations for people with disabilities and senior citizens. Due to the large number of patients receiving exams, there is a shortage of staff to properly guide patients around the hospital. Shanghai Minebea has previously arranged exams for employees at Zhujiyajiao People's Hospital, and from 2013, the company has also dispatched

employees to the hospital to act as volunteers. "We thought this would be a good way to instill the Minebea Group's 'Five Principles'," said Ms. Qian of the labor union in explaining how the initiative started. Every year, about 20 to 30 employees volunteer over a weeklong period. The employees receive training before the program, but most activities are limited to things all employees can do, such as helping patients in wheelchairs and showing patients to the restroom. With many patients and few staff to help them, the hospital has been grateful for the support.

"In the future, we want to focus on things we can do and do what's needed by society," says Ms. Qian. Ms. Lu, manager in the Personnel and General Affairs Division, adds, "These kinds of activities help inspire employee pride in the company, so we want to actively deepen exchanges with the community."

Moving forward based on the "Five Principles," Shanghai Minebea will continue to build dialogues with stakeholders and pride among employees to be a company that works in harmony with the local community.

» **Voice**

Bringing Out the Best in Each Other



Ms. Xiaoping Xiang
Deputy Director, Zhujiyajiao
People's Hospital

Besides creating jobs and making other economic contributions, Shanghai Minebea has contributed to the Qingpu District as a model company for environmental conservation. And the employees have gone even further by becoming volunteers at our hospital, which is a rare gesture in this area for which we are truly grateful. The patients are also very pleased by the support from Minebea, as it makes them feel like a part of the community. In fact, this volunteer program has earned a great reputation in the community through word of mouth.

I'd like to see Minebea continue to act as a model company for the community. In exchange, we as a hospital can create useful health programs as we build a mutually beneficial relationship.