

# Cebu Mitsumi Continues to Evolve

## Philippines: Initiatives by Cebu Mitsumi

With the business integration of Minebea and Mitsumi Electric in January 2017, the business of the MinebeaMitsumi Group expanded even further. Cebu Mitsumi in the Philippines, one of the Group's main production sites, has also been disseminating and practicing the "Five Principles," the company credo. This feature presents some of the CSR initiatives the company has undertaken to achieve harmony with local communities.



Cebu Mitsumi, Inc., located on Cebu Island in the Philippines, produces actuators, connectors, battery modules, and other products, supporting the growth of the MinebeaMitsumi Group in the electronics and optoelectronic fields. Cebu Mitsumi is the Group's largest site in the Philippines and has approximately 20,000 employees. In 2019, the Company marked exactly 30 years since it was established on Cebu Island in the Philippines in 1989.

### Reinforcing Organizations through CSR

Even prior to business integration, Cebu Mitsumi continuously undertook initiatives to develop with the local community and its employees, which are members of that community. Handy cards with the Five Principles were distributed to all employees to enhance the sense of unity within the Group from the business integration, and employees carry these cards with them at all times.

"I believe that the main meaning of CSR is business continuity and gaining the loyalty of employees," said Yoshihiro Sakanushi, president of Cebu Mitsumi. He explained the significance of CSR as follows: "Among the topics that we prioritize in particular are nurturing human resources and developing work environments. The Philippines have a shortage of engineers nationally, and therefore, it is necessary to comprehensively nurture engineers. Employees and operators who have gained skills are crucial assets of the company, and we need to properly develop work environments so they will continue working for us. We also undertake social contribution activities under the leadership of employees. These activities not only contribute to the development of local communities,

but are also effective in the sense of instilling pride for the company in employees. This is reflected in the Five Principles, and being a company that employees feel proud to work for leads to organizational success. In this sense, employees are our most important stakeholders."



Yoshihiro Sakanushi  
President  
Cebu Mitsumi

### A Company Where Employees Can Work with Passion and Feel Pride

Caesar D. Augusto, a Group executive officer and director responsible for human resources said, "In order to meet the expectations of customers, it is necessary for Cebu Mitsumi to function as a core site for manufacturing, automation, and systems. Since resources are limited, developing human resources is the most important thing for achieving this." Areas within human resource development that the company is focusing on are developing leadership and enhancing technical skills. Cebu Mitsumi is an organization with nearly 20,000 employees, and consequently, human resources who are hired locally are required to exercise strong leadership. Consequently, leadership development training known as the Leadership Enhancement and Advancement Program has been conducted since 2012, and more than 100 employees have completed the program. Program participants spend several months working toward goals that they set themselves. The program has produced substantial results, and many members of the current leadership are locally-hired employees.



**Caesar D. Augusto**  
HR Director  
Cebu Mitsumi

Cebu Mitsumi is focusing its efforts on developing technical specialists and has established rank-specific training programs for engineers and other personnel. By organizing and conveying the knowledge and skills necessary for each job type and each rank, the specialization of each

employee is enhanced. Efforts are also made to develop operators, and the Best Operator Program was established as a part of those efforts. The program is selective, and by firmly establishing organizational development, formation of the corporate culture, basic mathematics, the five S methodology (sort, straighten, shine, standardize, sustain) and other topics, employees come to consider their activities at the plant from a broader perspective. From FY2003 to FY2018, approximately 1,500 operators participated in the program, raising awareness throughout the plant. The Company also invites college instructors to teach in the Graduate Industrial Technical Program, which allows employees to work while obtaining qualifications in a junior college graduation program. Cebu Mitsumi has established various other internal skills certification programs and commendation programs and works to maintain high skill levels.

To be a company that employees feel pride in, it is important that we also turn our attention to solving the problems of the communities where the employees live, in order to improve the working environment and address community issues. One such initiative is allowing free use of the medical facilities located on the plant site. There are a few hospitals in Danao City, where the plant is located, leading to an environment where it is difficult for residents to obtain health care services. This program was initiated to protect the day-to-day health of employees and create an environment where they can continue working for the company. This is a program not commonly seen among other companies in the area and has led to higher employee satisfaction. The Cooperative Association operated with joint funding by employees also actively implements measures and has various facilities including a bank, pharmacy, and laundry in front of the plant, to the satisfaction of employees.

Taking into consideration the health and sense of reassurance of employees is also an important undertaking. In accordance with the company's health and safety policies, various training is conducted to ensure the safety of employees who work at the plant. The company also implements rigorous measures to ensure that there are no instances of human rights problems such as child labor, which is a social problem. Cebu Mitsumi has received certification from the Philippine authorities that it is in full compliance with labor standards,

and the company has established an environment where all employees can work safely and with a sense of reassurance.

Thanks to these types of measures, employee satisfaction is high and turnover rates are extremely low.



Free healthcare services

### Comment from an Employee



**Angelyn Salcedo**  
Technical Support  
IS Department  
Cebu Mitsumi

I participated in the Graduate Industrial Technical Program with the aim of achieving a higher position. I was extremely pleased to be given the opportunity by the company to work while studying. I plan to continue my education in the future.

## Developing with Local Communities

Many Cebu Mitsumi employees were hired from the local community. The Company undertakes a variety of initiatives based on the belief that developing with the local community is important.

One such initiative, conducted pursuant to a request from the Philippine government, is a mangrove reforestation project that is intended to preserve ecosystems and serve as a countermeasure against storm damage and so on. There were problems in the region including conversion of mangrove forests to agriculture use and logging for charcoal and firewood. This program was started in cooperation with local residents in FY2011, and to date, approximately 50,000 trees have been planted. In addition, coconut and cacao seedlings purchased by Cebu Mitsumi were distributed to employees, their families, and cooperating factories as a disaster prevention measure through reforestation in mountainous areas.

There are many children in the region who are unable to obtain an adequate education, and since increasing educational opportunities is important for local development, the company makes donations to many schools. One example is donations to support scholarships for The Sisters of Mary School—Girlstown, an educational institution that provides basic education such as reading and writing as well as vocational training. The students and school principal Sister Laresa expressed gratitude for Cebu Mitsumi's programs.



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Mangroves planted with support from Cebu Mitsumi



A classroom donated to Santican National High School



Employees running in the Run for Education charity marathon

The Run for Education charity marathon is another event that contributes to the local community. The marathon has been held since 2013 to promote the health of employees and collect contributions for local development. Each year, approximately 1,200 runners participate. To date, more than 2 million yen in donations has been collected, and the funds have been used to provide support in the form of facilities and educational materials provided to schools in the local area.

One educational program that receives particular emphasis is the Robotics Laboratory Program. Engineers are trained in cooperation with the nearby University of San Jose Recoletos. One of the reasons that the Philippines has few engineers is the lack of proper machinery equipment at universities. In response, Cebu Mitsumi provided equipment for the university campus and established the Mitsumi Robotics Lab in cooperation with the university. Company employees use these facilities and the plant to provide practical training to students. The result is the training of extremely high-level engineers such as students who worked together to create a robot that uses AI as their graduation project. To date, 452 students have participated in this program, and some of them have come to work for Cebu Mitsumi. The company also trains university instructors on the use of state-of-the-art facilities, contributing to raising the educational level throughout the university as a whole.

Jeremiah Badana, OIC (Officer-in-Charge) and Dean of the College of Engineering at the University of San Jose Recoletos, expressed his gratitude for the company's activities: "We are extremely grateful for the equipment and other support that we have received from Cebu Mitsumi. The students are able to have direct contact with the latest equipment and technologies, and this provides considerable motivation. I look forward to maintaining the good relationship between the University and Cebu Mitsumi."

The company conducts various other activities in the local community such as seashore cleanup programs, blood drives, and emergency support in disaster areas. Augusto commented on the response to these activities, "We will continue to contribute to the region as a whole with the aim of being the company that employees feel proud of and that is welcomed by the local community."

### Comment from a Member of the Local Community



Algen Laurente  
Principal  
Santican National High School

Cebu Mitsumi donated a classroom to the school, and we are extremely grateful. I hope that in the future we can engage in even further interaction such as by the company dispatching employees to teach science classes.

### Comment from a Participant in the Robotics Laboratory Program



Phillip Michael Castillon  
Equipment Engineer  
Cebu Mitsumi

The Robotics Laboratory Program is a positive initiative that supports the motivation of students to learn. The university lacked equipment and facilities, and as a result, learning in the robotics laboratory involved discovering many new things. After I completed the program, I started working for Cebu Mitsumi, and I am now able to use what I learned in the program in my work.

### Protecting the Local Natural Environment

Environmental initiatives are essential for achieving sustainable development in local society. Cebu Mitsumi is located on the seashore, and consequently, environmental considerations are particularly important. For this reason, Cebu Mitsumi undertakes environmental initiatives in accordance with the MinebeaMitsumi Group Environmental Policy.

To preserve the nearby Camotes Sea, particular effort is made with regard to wastewater treatment. In the Philippines, laws and regulations provide that measures are to be undertaken to preserve water quality, and we make efforts to ensure that the company is in compliance. Industrial waste water is purified in a wastewater treatment facility until it meets the wastewater standards. The company also



Students undergoing vocational training at the Sisters of Mary's School - Girlstown

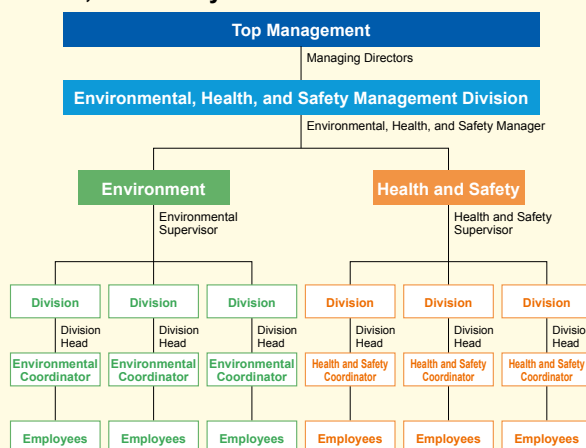


Instructors and Cebu Mitsumi employees at the donated Science and Technology Education Center



University of San Jose Recoletos professors and Cebu Mitsumi employees

### Diagram of Cebu Mitsumi's Environmental, Health, and Safety Structures



conducts sampling tests of ocean water quality to ensure that there is no impact on nearby waters. Cebu Mitsumi is currently building a new sewage treatment facility to comply with the new legal system that will take effect in 2021 and is also developing facilities to use rainwater in order to reduce the amount of groundwater used.

In the Philippines, which are highly susceptible to the impacts of climate change, increasing energy efficiency is an important means of reducing CO<sub>2</sub> emissions. In FY2018, educational measures were conducted to raise employee awareness and updates to facilities were implemented including the application of thermal insulation on plant roofs, installation of LED lights, and the use of inverters for

air-conditioning. As a result, energy consumption and CO<sub>2</sub> emissions each improved by nearly 5%. These measures also lead to cost reductions, which makes them important for management as well.

With regard to reducing waste, in addition to practicing the 3Rs (reduce, reuse, recycle), Cebu Mitsumi took measures in accordance with the “3Rs + 1R” concept, which adds “recovery” (minimizing the impact in cases where waste is released). The plant produces a variety of waste including corrugated board, wood, and bottles, but nearly all of it is reused (recycled), and the current recycling rate is approaching 99%. Furthermore, waste that cannot be reused is being used in other ways such as use as an alternative fuel or as raw material for cement.

Cebu Mitsumi also requests that its suppliers undertake similar measures, and action is being taken throughout the entire supply chain. As a result, the company has achieved a certain level of recognition including certification as an environmentally-friendly partner by customers.

### Practicing the Five Principles

For Cebu Mitsumi, which was recently added to the Group, the concepts of “being a company where employees are proud to work” and “working in harmony with the local community,” as expressed in the Five Principles, the company credo of the MinebeaMitsumi Group, represent a familiar way of thinking. Going forward, Cebu Mitsumi will strive to be a needed presence in society by sharing and practicing these ideas throughout the Group.



Church adjoined to the cooperative association



Cebu Mitsumi's water treatment facility



An internal ISO 14001 audit