

Relationships with Employees

Basic Approach

Since its founding, the MinebeaMitsumi Group has recognized that employees are its most valuable resource, and one of our “Five Principles” of the company credo is that the company should become a place where its employees are proud to work. The MinebeaMitsumi 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 2019)

	Employees	Japanese staff on overseas assignment	Total
Japan	6,334 persons	n/a	6,334 persons
North America	2,589 persons	41 persons	2,630 persons
Europe	2,532 persons	41 persons	2,573 persons
Asia	65,895 persons	525 persons	66,420 persons
Total	77,350 persons	607 persons	77,957 persons

Work Status (Non-consolidated) (FY2018)

Average length of employment	Average age	Retirement / Resignation	Turnover rate
17 years, 3 months	44 years, 2 months	154 persons	3.82%

Overtime Work Data (Non-consolidated) (Averages for FY2018)

Average number of overtime hours/month	10.23 hours/month
Average overtime wages/month	22,031 yen/month

Workforce Diversity

The MinebeaMitsumi Group, which conducts business globally, employs diverse human resources regardless of gender, age, nationality, or disability. We aim to reinforce human resource capabilities and strive to create environments where a diverse group of employees can maximize their talents.

Promoting Active Roles for Women

The MinebeaMitsumi Group positions workforce diversity as a priority management strategy to generate new values and competitiveness and be a company that achieves sustainable growth. We have made the promotion of active roles for female employees a priority.

To empower women, we take action to develop workplace environments where female employees can work with reassurance, and in March 2016, we formulated an action plan to create employment environments where female managers can thrive. The action plan includes a target of doubling the ratio of female managers by 2021 in comparison with 2016 (1.2%), (actual rate in March 2019 in MinebeaMitsumi Inc.: 1.80%).



Action Plan

https://www.minebeamitsumi.com/english/corp/environment/sociality/employees/2018/minebeamitsumi_action_plan.pdf

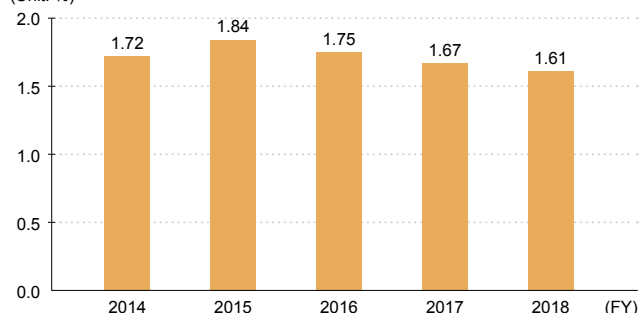
Initiatives Regarding Employees with Disabilities

To actively encourage the employment of individuals with disabilities, MinebeaMitsumi works with business divisions to investigate workplace environments where persons with disabilities can succeed and strengthens collaboration with public employment security offices with jurisdiction, schools for the handicapped, employment and livelihood-support centers for persons with disabilities, and other organizations. As of June 2018, the rate of employees with disabilities was 1.61%. We plan to bolster efforts to achieve the legally mandated rate for raising employment of persons with disabilities (2.2%).

Our initiatives also take into consideration improvement of the workplace environment by ensuring that all employees, whether or not they have a disability, are motivated to work by supporting personnel with specialized skills.

Rate of Employees with Disabilities in the MinebeaMitsumi Group Workforce (Non-consolidated)

(Unit: %)



Mandatory Retirement at Age 65 Introduced

MinebeaMitsumi introduced a reemployment system that enables all employees to continue working after the mandatory retirement age until they turn 65 years old. We took active measures to use the capabilities of senior employees, but mandatory retirement at age 65 will be introduced effective April 2019. Furthermore, a uniform retirement age of 65 years will be established at MinebeaMitsumi and domestic subsidiaries. We will continue to create stable environments where employees can work to their full potential.

Human Resources Development

As its corporate scale expands and globalization accelerates, the MinebeaMitsumi Group is working to develop human resources with an enduring passion for manufacturing, the ability to think for oneself and work independently, and a willingness to achieve goals and take on the challenge of innovation while cooperating with team members with diverse nationalities.



Developing Human Resources Willing to Take on Challenges

The MinebeaMitsumi Group engages in active overseas business development and provides as many employees as possible with opportunities to work in the global arena in accordance with personnel guidelines that stipulate three to five year terms for overseas assignments. As of March 2019, a total of 607 employees were assigned to overseas posts.

In FY2018, we conducted 22 training sessions for employees starting new positions overseas or engaging in long-term, overseas business travel prior to their overseas assignments, which were attended by a total of 81 employees. We have also established support programs for local-language and English-language training to enhance communication skills after employees take up their overseas posts.

Companywide undertakings include conducting TOEIC testing every other year and conducting various programs to assess and improve employees' English skills. In FY2015, we introduced an open rotation system that allows employees to volunteer for transfer to a different department, and to date, more than 31 employees have made use of this program to undertake new work.

In order to localize management at overseas sites, subsidiaries outside of Japan conduct training for local employees. In addition, overseas employees are invited to Japanese plants and Headquarters divisions as trainees so they can acquire Japanese language skills, gain understanding of Japanese culture, and undergo training on the company's core technologies, manufacturing know-how, and management skills.

Developing Human Resources Willing to Take on Developing Future Leaders

The MinebeaMitsumi Group conducts training and implements skill enhancement programs to develop, from a medium to long-term perspective, the leaders of the future generations who are expected to drive the Group's sustainable growth.

As one part of these efforts, employees are sent to Columbia University Business School in the United States as visiting researchers where they can interact with students and researchers from diverse backgrounds, acquire wide-ranging knowledge, build personal networks, enhance language skills, and hone their leadership skills.

In FY2018, we conducted business strategy training to develop generalists who can undertake management in the future as well as technology management training to develop technical managers who can contribute to management. We also conducted next-generation leader training at sites in China with the aim of developing next-generation management human resources. We will roll out these programs to other overseas regions to develop future generations of managers.

Fair and Balanced Evaluation

At the MinebeaMitsumi Group, impartiality and objectivity are our prime concerns in evaluating the abilities and performance of our employees.

In FY2017, we reviewed personnel evaluation standards and promotion standards, held seminars to explain the new system, and took other measures to increase the system's 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.

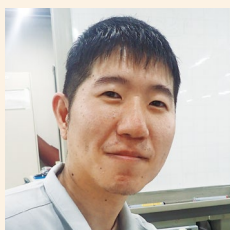
Respect for Human Rights

The MinebeaMitsumi 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 MinebeaMitsumi Group Officer and Employee Compliance Guidelines, sensitivity training to employees before their assignments to overseas sites, 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.

In Thailand, which is our largest site, our labor policy prohibits human rights violations such as compulsory labor and child labor, disciplinary measures have been established, and certification was obtained under TLS 8001-2010, a Thai labor protection standard.

Participation in the Open Rotation System

VOICE



Akihito Ohya

PM Automotive Quality Control
Section
Stepping Motor Manufacturing
Department
Stepping Motor Business Unit

I applied to the open rotation system, which was launched in FY2015, and was transferred from the Material Science Laboratory Hamamatsu (currently the Applied Analysis Technology Section) to the PM Automotive Quality Control Section in the Stepping Motor Business Unit. At my prior position, my main work was using chemical analyzers to perform failure analysis and materials analysis in response to requests from business divisions. I applied to the system because as I considered the causes of failure, I came to have doubts about whether my own ways of thinking were correct and

whether the results were leading to proper improvements. After I transferred to the business unit, I was able to analyze the various problems that occur at work sites and make sure that improvements were implemented. By working in a manufacturing department, the doubts that I originally had have been eliminated and I have developed a new way of thinking that differs from that of an analyst. Above all, I learned that improving our products through a process of repeated trial and error is extremely meaningful work. Problems arise from time to time at work sites, but I hope to contribute by using the strengths that I gained from working in two different worksites.



Relationships with Employees

Initiatives for Creating Environments Conducive to Working

Labor Relations

As recited in the MinebeaMitsumi Group Code of Conduct, the MinebeaMitsumi Group recognizes freedom of association and endeavors to build harmonious labor relations by holding regular labor-management meetings (two or more times per year) and taking other measures to actively communicate with labor unions and employee representatives on issues such as the work environment and working conditions.

Support for Diversity in Work Patterns

We believe that the MinebeaMitsumi 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 established 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.

In FY2017, we reviewed the system for reduced working hours for childcare and modified it to allow use until a child completes the third grade of elementary school. Going forward, we will continue to enhance program so that employees can select flexible work options.

Main Welfare Systems and Number of Users (Japan Group Companies) (FY2018)

Benefit	Description	Total users
Childcare leave	Paid leave or shorter working hours for employees caring for children	107 persons
Spousal childbirth leave system	System providing leave when a spouse gives birth (up to 2 days)	60 persons
Family care leave	Paid leave or shorter working hours for employees with family members requiring care	2 persons
Vacation for veteran employees	Travel coupons for employees with 30 years of service, and their families	151 persons

Health and Occupational Safety Management

The MinebeaMitsumi Group firmly believes that a safe, healthy workplace is key to improving product and service quality, consistency of manufacturing operations, and employee morale.

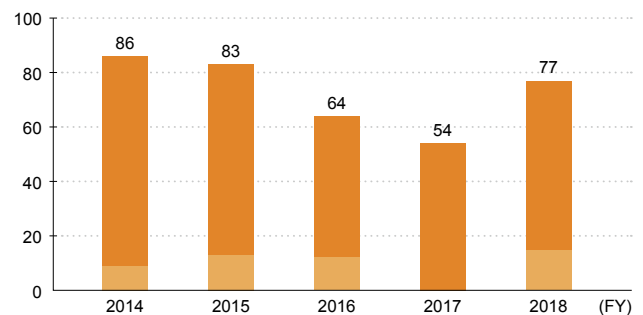
Each plant holds regular meetings of their Health and Safety Committee, comprised of working groups involved in health and safety operations and so on. At the meetings, each working group shares its progress toward its targets. In addition, the MinebeaMitsumi Group's principal plants in its mass production bases of Thailand, China, Singapore, Philippines, and Malaysia have obtained OHSAS 18001 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 MinebeaMitsumi Group

(Unit: incidents)



■ MinebeaMitsumi Group ■ Mitsumi Electric

* Data for FY2014 to FY2016 are aggregate results for the Minebea Group and Mitsumi Electric prior to business integration

* Mitsumi Electric only refers to production sites in Japan

Regular patrols at plants

We conduct monthly safety patrols at the Karuizawa and other plants to ensure that past issues have been addressed and to identify any new issues for improvement. The safety patrols help to confirm that areas around manufacturing equipment are kept clean and orderly, to request improvements when unsafe areas are discovered, to ensure that tools are stored properly, and to confirm that safety glasses and earplugs are being used.



Employees conduct a safety patrol



NMB-Minebea Thai Ltd. employees conduct a safety patrol

Future Issues and Goals

We will continue to increase diversity further and build systems compatible with increasingly global work styles and human resources. We consider the development of workplace environments to be one of our major responsibilities, and we will continue to promote initiatives in this area.

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 diversity. These measures will support our growth as a global enterprise.