

# Minebea Group CSR Report 2010

Minebea Group CSR Report

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# Editorial Policy

Minebea has issued the "Minebea Group Environmental Report" since 2003; however from this year, we will be publishing the "Minebea Group CSR Report" outlining our CSR (Corporate Social Responsibility) initiatives.

The CSR Report is being published for the first time this year, and comprises sections from the "Management Report" that details Minebea's thoughts regarding CSR, as well as our activities in order to maintain integrity and transparency in our management. It also contains sections from the "Environment Report" and the "Social Report," both of which communicate our thoughts and activities regarding stakeholders that include customers, employees, local communities, international society, suppliers, shareholders, and the environment, all of these being an integral part of our business activities.

We consider the publishing of the CSR Report one form of communication with readers, who are also stakeholders, and our intention is that this be pertinent and easy to understand. Our hope is that all our readers will provide their honest opinions and impressions regarding Minebea's CSR activities.

We have also received third party opinions regarding our CSR activities and our CSR Report, and these are available on our website at the following URL.

Third-Party Opinion

Japanese: <http://www.minebea.co.jp/environment/index.html>

English: <http://www.minebea.co.jp/english/environment/index.html>

■ Scope of report

Minebea and its 40 Group Companies

■ Period covered by this report

FY2009 (April 1, 2009 through March 31, 2010)

However, this includes some activities before this period, and from FY2010.

■ Publishing information

Published November 2010 (next edition: planned for September 2011)

■ Reference guidelines

GRI "Sustainability Reporting Guidelines 2006"

Japanese Ministry of the Environment: "Environmental Reporting Guidelines (2007 edition)"

■ Enquiries regarding this report

CSR Promotion Office, CSR Promotion Division, Minebea Co., Ltd.

TEL: +81-3-5434-8653



# Corporate Profile

[As of March 31, 2010]



Corporate Name : Minebea Co., Ltd.

Headquarters : 4106-73 Oaza Miyota, Miyota-machi, Kitasaku-gun, Nagano 389-0293

TEL: +81-267-32-2200

Tokyo Head Office : 19F Arco Tower, 1-8-1 Shimo-Meguro, Meguro-ku, Tokyo 153-8662

TEL: +81-3-5434-8611

Established : July 16, 1951

Capital : 68,258 million yen

Representative : Yoshihisa Kainuma, Representative Director, President and Chief Executive Officer

Outline of business: Machined components business, Rotary components business, Electronic devices and components business and Others

Net sales : Consolidated: 228,446 million yen Non consolidated: 158,011 million yen

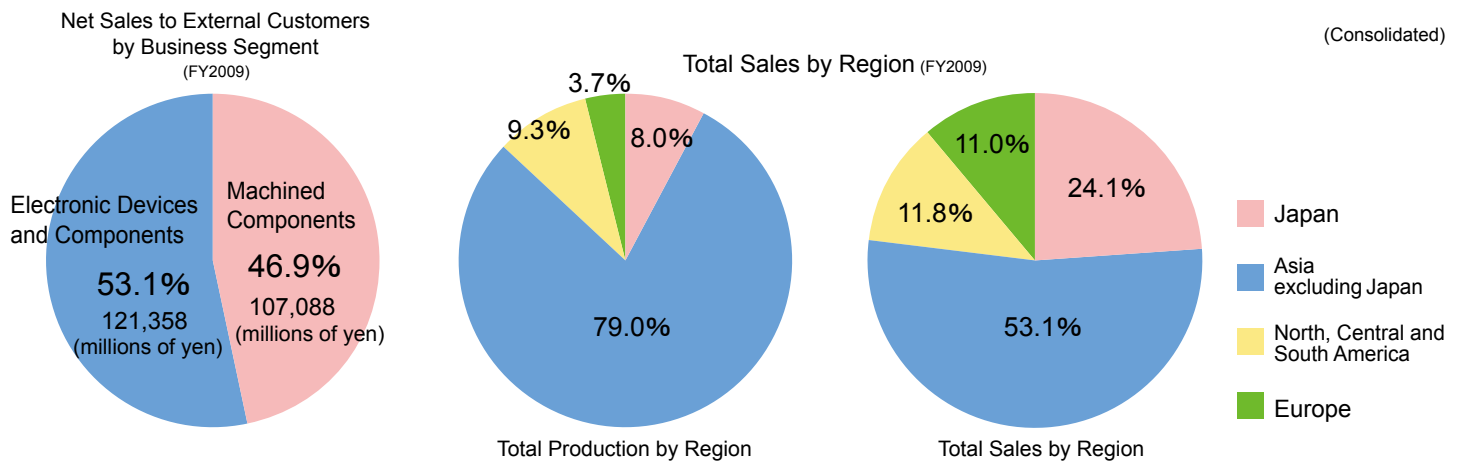
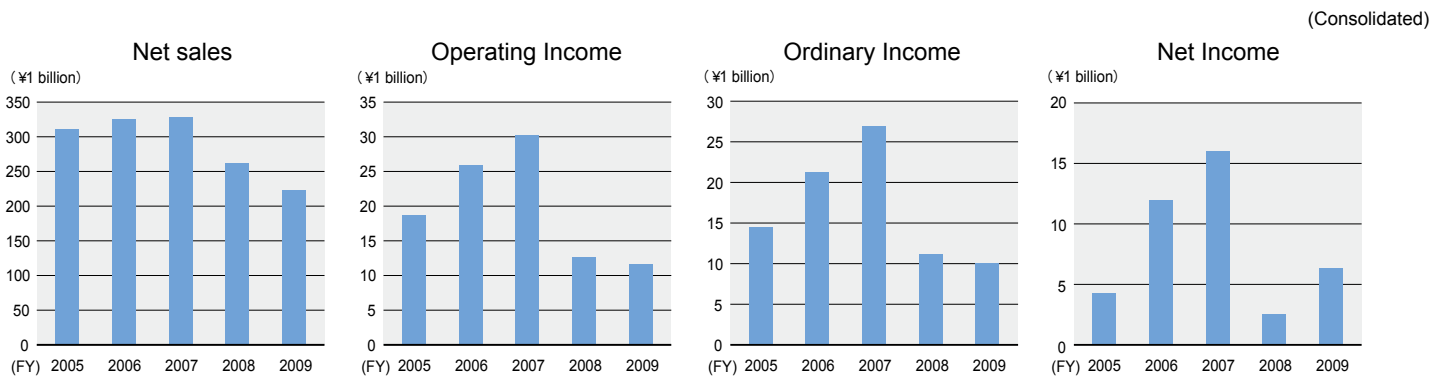
Operating Income : Consolidated: 12,059 million yen Non consolidated: 556 million yen

Ordinary Income: Consolidated: 10,203 million yen Non consolidated: 6,753 million yen

Net Income : Consolidated: 6,662 million yen Non consolidated: 5,221 million yen

Number of Employees: Consolidated: 49,091 persons Non consolidated: 2,814 persons

Number of consolidated subsidiaries and affiliates : 38



# Top Commitment

Minebea strongly believes that the pursuit of “manufacturing with sincerity” is directly tied to both the building of strong relationships with stakeholders and to our sustainable growth.

## Minebea, Where Everything Starts with Our Passion for Manufacturing

In 2011, Minebea will celebrate its 60th anniversary. We are proud that at the heart of our longevity is our passion for and close attention to “manufacturing with sincerity.” We take this to mean producing better-quality products more efficiently than anyone else and providing these to the world at large. Businesses must survive in the face of stiff competition, but we have cultivated our beliefs and philosophy through actively participating in healthy competition.

Our ideas about manufacturing include eliminating inefficiencies and aggressively pursuing the best efficiency and optimization in a highly competitive marketplace. And as we strive for “manufacturing with sincerity,” we believe it is essential to engage in dialogue to create and protect healthy relationships with everyone with a connection with Minebea. This approach has been passed down through successive management.

Our “Five Principles” management policy, detailing the type of relationships we should build with all stakeholders, including employees, customers, shareholders, local communities, and global society, was formulated roughly 15 years ago. This is the basic concept behind our approach to social responsibility and is the starting point for all the activities that make Minebea what it is.

## Pursuing Efficiency to Reduce Our Environmental Burden

Since the company’s founding, we have made every effort to build streamlined production lines and maximize energy efficiency. Eliminating waste and inefficiencies from the manufacturing process, and striving for functionality and efficiency in the products themselves, by extension leads to savings of energy and resources and reduces waste, important ways in which we can reduce our environmental burden.

After building a plant in Singapore in 1972, we opened production facilities in Thailand, China, North America, and Europe, and we have continued to grow together with these areas. We have actively promoted various initiatives there, including capital investment in facilities, such as complete recycling of plant effluents at our Thailand and Shanghai plants and implementation of region-appropriate energy-saving measures. We also maintain and manage our manufacturing plants according to our own high standards, in addition to observing local laws and regulations. We do this not only out of concern for the environment but because we

believe that honest interactions foster acceptance by local citizens, making it possible to continue our business over the long term and constituting the cornerstone upon which we can pursue our ultimate goal in manufacturing.

We believe that initiatives such as these have contributed to our being recognized as an environmentally-friendly company by government bodies in the United States, Thailand, and China, which has given us a positive image in those countries.

## Dialogue with Stakeholders

Similarly to the role played by our concern for the environment through pursuing efficiency and eliminating waste and fostering a relationship of trust with local communities, Minebea’s manufacturing activities are made possible by building good relationships with our employees, customers, shareholders, global society, and suppliers.

For example, it is people who make our products, and providing them with a comfortable working environment helps achieve efficient, waste-free manufacturing. To this end, we engage in direct dialogue with employees to solicit their opinions and are doing what we can to make improvements. Thailand, for instance, has a hot climate, so in response to employee requests, we were early in providing air-conditioned shuttle buses, manufacturing plants, and company canteens, to improve the workplace environment. At face value, air conditioning may appear to increase the impact on the environment, but the comfort obtained boosted employee morale and workplace productivity, and in the end, this resulted in being one of the most effective ways of achieving efficient, lean manufacturing.

Looking for growth opportunities, Minebea began manufacturing products abroad and over the past 40 years has maintained positive labor relations in all of our locations. I believe this has been achieved through sustained, honest dialogue.

Looking forward, we will work to maintain communication with employees and all other stakeholders and strive to strengthen relationships of mutual trust so that Minebea can continue to provide “manufacturing with sincerity.”

## Leveraging Collective Strengths and Diversity, to Become a Truly Global Company

Minebea has been expanding overseas business to seek opportunities for growth since the 1970s. At present, Minebea has manufacturing plants in 16 countries around the world, with employees from a diverse range of backgrounds, and our operations have grown into global enterprises able to offer

each other mutual support.

Since becoming the president, my focus has been on organizational reforms throughout the Group so as to make the best use of Minebea's collective strengths and diversity. For example, we are actively promoting initiatives relating to job transfers, support for duties, and training, on a global level rather than simply within divisions or regions.

By integrating the various strengths and capabilities of an international workforce creating a diverse range of products, the Minebea Group as a whole is aiming for true globalization so that we can create even better products.

## Tying Our Origins to the Future

I believe that one of my most important responsibilities is to instill the manufacturing philosophy that Minebea has developed up to the present in our employees around the world who are responsible for future generations, to lay the groundwork for Minebea's 100th anniversary in 40 years' time.

To make this come true, we must place even greater importance on communication with employees, but at the same time, we need to be more active in engaging in dialogue with stakeholders outside the company, so that we can respond flexibly

to changing times and society's needs.

Thus, to meet the social responsibilities expected of us, in 2009 we established the CSR Promotion Division as an interface for communication both within and outside the company, and for internal coordination. In 2010, we established the Minebea Group Basic CSR Policy, to coordinate the company's direction and employees' awareness.

We define ourselves through our "manufacturing with sincerity," which we will continue to adapt to changing times so that we may continue to be a company that serves society.

This is the first issue of Minebea's CSR report. We hope that the report will give you a better understanding of what we do, and we will ensure that opinions received with regard to the report are reflected in our future corporate activities. We therefore welcome your honest opinions.



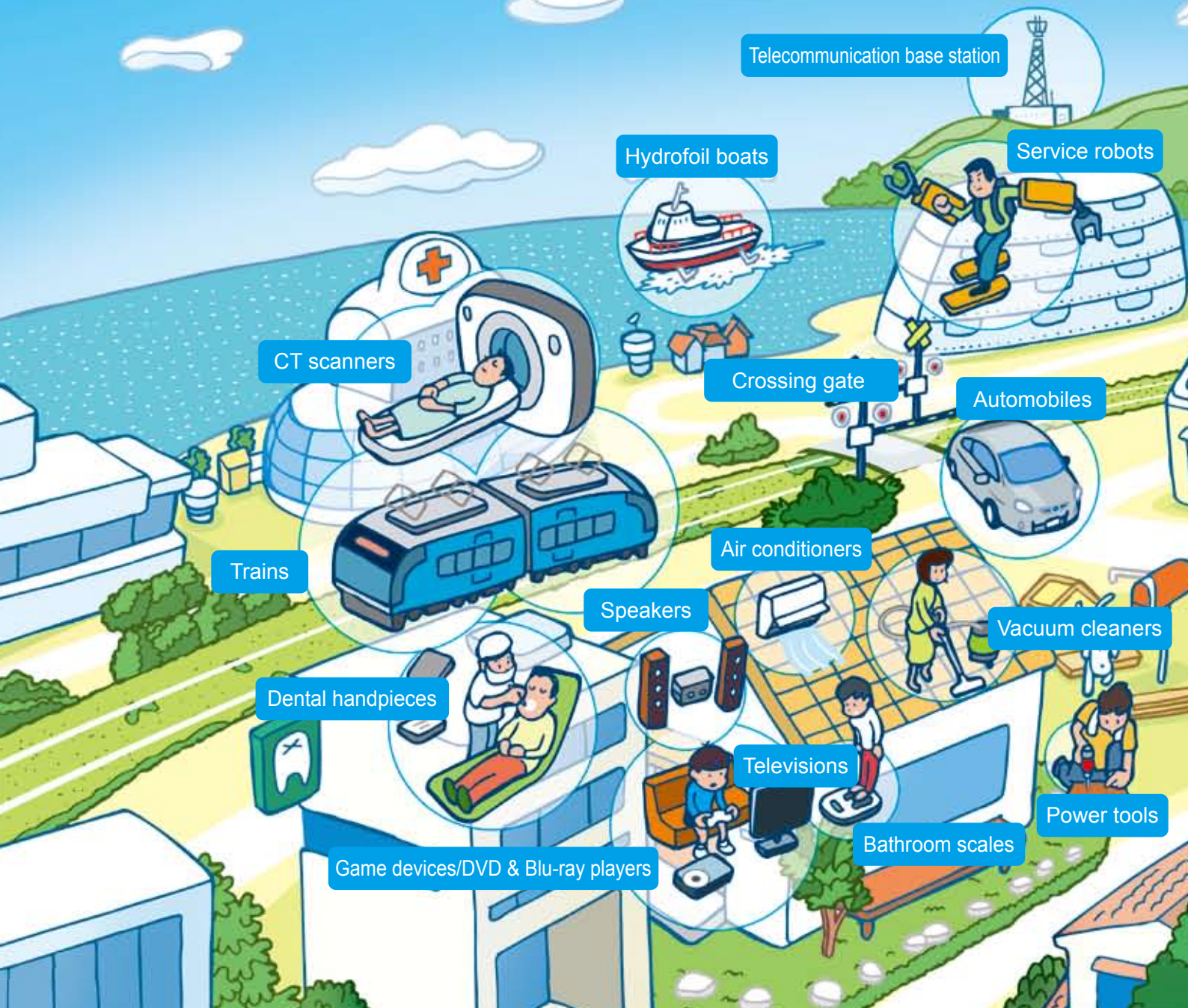
Yoshihisa Kainuma  
Representative Director, President  
and Chief Executive Officer





# 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 livelihoods of people around the world, and helping bring about a richer society. Our products are not normally in view, however this page will introduce the roles 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



## Rotary components

### [Products]

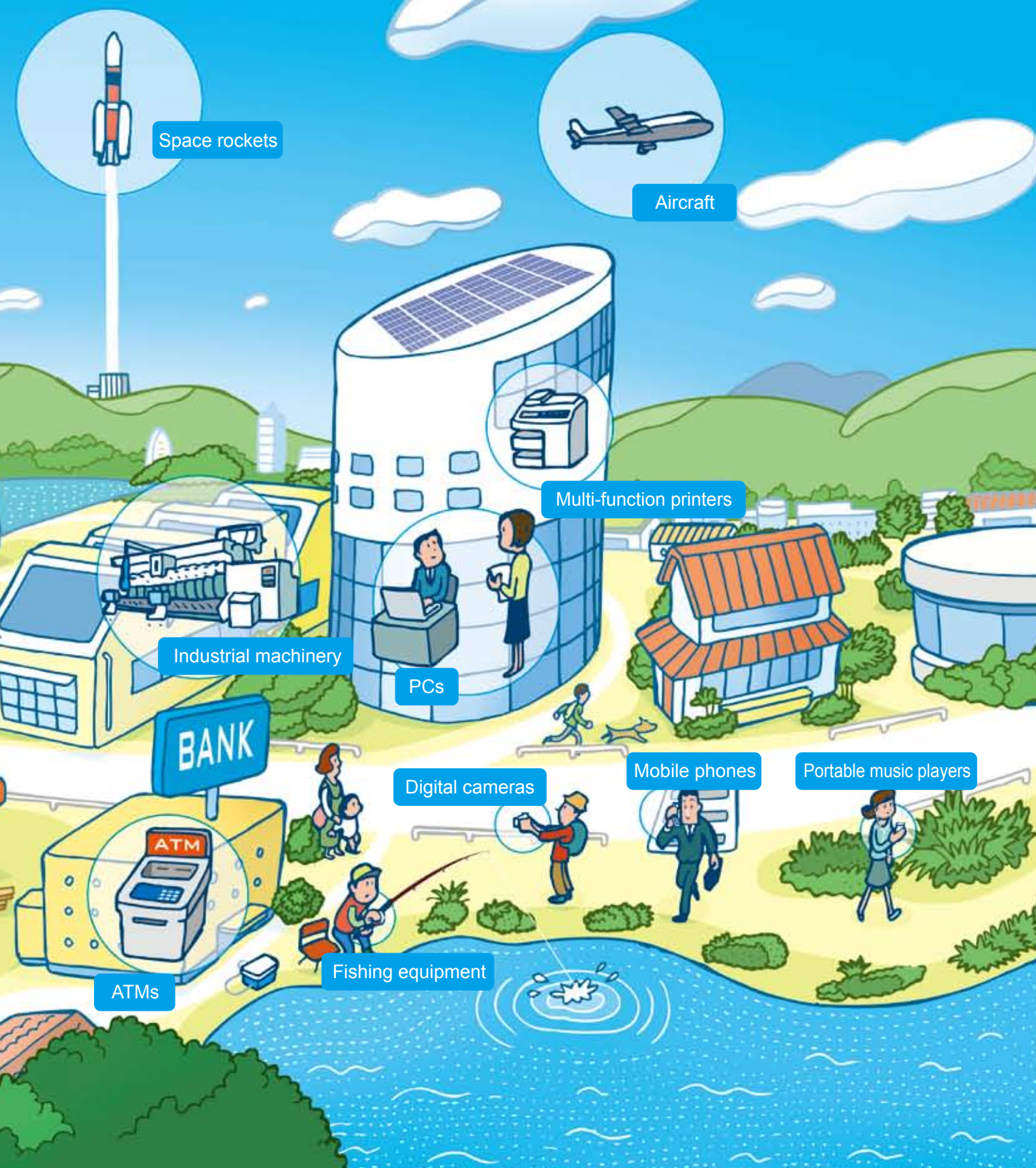
Hard disc drive spindle motors, Small precision motors, Stepping motors, Brushless motors, Fan motors, HMSM (Heat Management System Module)

### [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







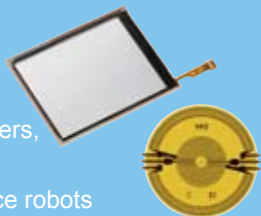
### Electronic devices & components

#### 【Products】

Lighting devices for liquid crystal displays, Color wheels, Backlight inverters, Various measuring components

#### 【Product applications】

Personal computers, Digital cameras, Mobile phones, Smart phones, Portable music players, Projectors, Measuring equipment, Automobiles, Space rockets, Service robots



### Other

#### 【Products】

Personal computer keyboards, Speakers, Next-generation input devices, Special components

#### 【Product applications】

PC speakers, Audio-visual equipment, Industrial equipment, Defense equipment



# Minebea Group CSR

In order for the Minebea Group to develop its business on a global scale, we are putting in place a group-wide system for the promotion of CSR.

## Basic Approach

The Minebea Group has a mission to contribute to the sustainability of the global environment and of humanity, not only by adhering to laws and regulations but also through fair and proper management of our business based on our business ethics. Since early on in the company's history, Minebea has been expanding overseas. Communication is essential, in order that we may meet the expectations of our stakeholders (all interested parties) and thus fulfill our mission.

To further promote the Group's CSR activities, we need to share our thoughts on this topic throughout the group as a whole. To this end, we have established the "Minebea Group Basic CSR Policy" and the "CSR Implementation Principles" (see P. 8).

## Minebea Group Stakeholders

As indicated in the "Five Principles" outlined in our basic policy for management, the Minebea Group considers employees, customers, shareholders, local communities, and global society to be our main stakeholders, together with our suppliers and the global environment upon which our society rests.

The business of our Group consists of creating healthy relationships with these stakeholders. In order to bring about a sustainable society, we are actively pursuing communication with stakeholders and aiming to build relationships that can develop into the future.

### ■ Minebea Group Stakeholders





**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 towards stable supply and making widely available reliable products with low energy consumption, 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 administer the organization in accordance with the "Five Principles" and adhere to its Code of Conduct.

### 2. 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.

### 3. Dialogue with Stakeholders

Constructive dialogue with stakeholders (employees, customers, shareholders, local communities, global society, suppliers, and the environment) allows us respond to expectations and requests, and we will improve transparency and accountability in our corporate activities.

# Corporate Governance

In the Minebea Group, we are fulfilling our social responsibilities, and in order to maximize corporate value, we are striving to achieve a robust, highly transparent management.

## Basic concepts

Minebea has adopted the five principles as its basic policy for management. Under this basic management policy, Minebea's business objective is to fulfill its social responsibilities to the various stakeholders, such as shareholders, customers, the local community, global society, and employees, and maximize its corporate value. In order to achieve this business objective, Minebea has approached the enhancement and reinforcement of corporate governance as a key management theme.

Also, in order to ensure the health of the management of the company and strengthen corporate governance, we are promoting the establishment, maintenance and expansion of an internal control system.

## Corporate Governance System

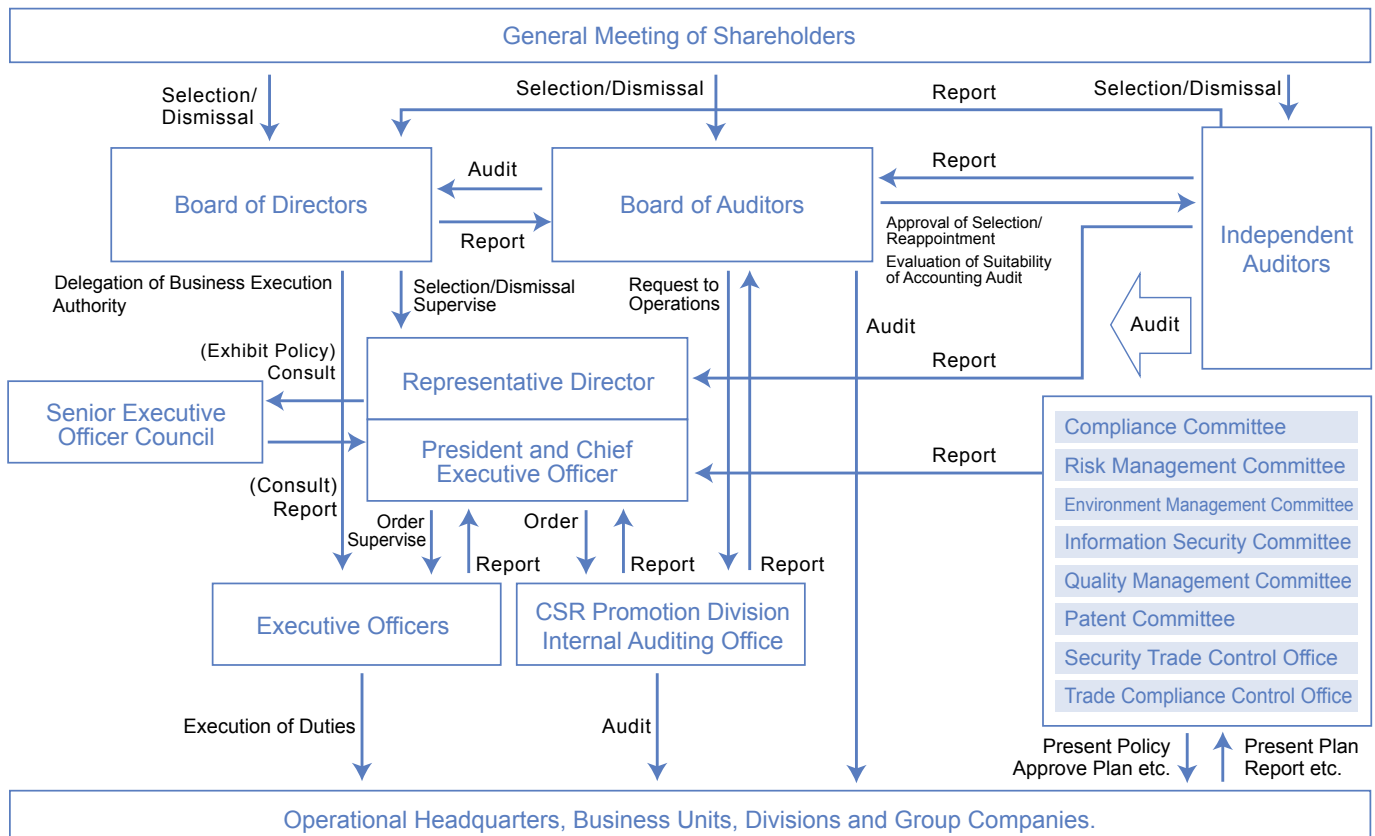
We have a ten-member Director system (eight of whom are concurrently executive officers) in response to the need for highly strategic business judgments and timely action. At the same time, by having an executive officer system, we delegate significant authority from the Board of Directors to Executive Officers, and clearly divide the role of management / supervision functions from execution functions.

Moreover, aimed at obtaining advice on all aspects of our corporate management and strengthening the Board of Director's functions to supervise the organizations of execution, we include two independent board members in the ten Board of Directors.

Furthermore, regarding the Board of Corporate Auditors, in order to strengthen and enhance its auditing functions, we have the Board of four members (including three external corporate auditors).

In addition to holding the Board of Corporate Auditors' meetings and attending the Board of Directors' meetings and other important meetings, the corporate auditors, in conjunction with the Independent Auditors, and the Internal Audit Department, audit domestic offices, subsidiaries, and overseas subsidiaries, to carry out auditing the activities of directors

### Minebea Group's Corporate Governance System



## Supervision of Management

Minebea's supervision of management is done by the ten-member Board of Directors who will make significant strategic business judgments that can facilitate prompt and highly strategic decision making. We have included two independent Board members in the Board of Directors aimed at obtaining advice of our corporate management and strengthening the Board of Directors' functions to supervise the organizations of execution.

## Execution Function of Management

The executive officer system delegates operational management authority to Minebea's executive officers to ensure the efficient performance and enhancement of business operations.

## Monitoring of Management

Minebea has built a monitoring system made of four corporate auditors, of which three are external corporate auditors.

Also, there are no titles for the Board members in order to enhance the monitoring of each Board member.

## Enhancement of Internal Control System

By establishing an internal control system that disciplines business management, we will reinforce corporate governance and strongly fulfill the company's social responsibilities, as well as further increase corporate value.

For this purpose, in order to ensure the health of the management of the company, Minebea has resolved the basic policies for the internal control system, based on the Company Law, at the Board of Directors Meeting. Based on the "Basic Policy for Internal Control System", Minebea has comprehensively implemented such systems as the compliance system, information storage system, risk management system, efficiently performing duties system, group company control system, and auditing system, and is working to further strengthen them.

In 2009, Minebea established the CSR Promotion Division with an eye to further boosting its internal control system. Comprised of the Internal Auditing Office, Internal Control Promotion Office, and Compliance Office, the new division is working to seamlessly integrate Minebea's systems for internal controls and financial reporting with Company Law. In 2010, Minebea also established CSR Promotion Office to this division.

## Structure of Internal Control System

- (1) Structure to assure that Board Members', Executive Officers' and employees' execution of duties conform to laws and articles of incorporation (Compliance System)
- (2) Storage and management of information related to execution of duties by Board Members and Executive Officers (Information Storage System)
- (3) Rules for Risk of Loss Management and other Structures (Risk Management Structure)
- (4) Structure that assures the execution of duties by the Board Members and Executive Officers are efficiently done (System for an Efficient Execution of Duties)
- (5) Structures to ensure that the Operations of the Company's and its Affiliated Companies are adequate (Management of Group Companies)
- (6) Structures to ensure that the Audits by the Corporate Auditors are effective (Audit System Matters)

## Internal controls over financial reporting

As part of its internal control system, Minebea has formulated a process for internal control to ensure the reliability of its financial reporting, which it continues to improve. The Company has also established and is implementing a basic framework for internal control over financial reporting that complies with Japan's Financial Instruments and Exchange Law.

In accordance with this framework, management assessed the Company's internal control of financial reporting as of March 31, 2010, and based on the results thereof concluded that the Company's internal control over financial reporting was effective as of that date. Management has published its conclusions in the Report on Internal Control System, which has been audited by the Company's independent auditors, KPMG AZSA & Co.



# Compliance

In order that all of our employees may engage in fair and proper business activities based on high ethical standards, the Minebea Group has established the Group Code of Conduct and is putting compliance into practice in its activities.

## Basic Approach and System for Promoting Compliance

At the Minebea Group, we consider compliance an important factor in our business activities, and we believe that compliance not only involves adherence to laws and regulations but also activities in accordance with corporate ethics as a good corporate citizen, based on the awareness that putting compliance into practice is one element of implementing CSR. To this end, we have formulated the Minebea Group Code of Conduct as a set of guidelines when group executives and employees need guidance in selecting appropriate actions, striving to operate our business in a fair, proper, and transparent manner. Based on this Code of Conduct, in FY2010 we enacted the Minebea Group Officer and Employee Compliance Guidelines which detail specific items that should be adhered to by executives and employees.

To ensure company-wide compliance, the Representative Director, President and Chief Executive Officer has overall responsibility for compliance, and the Compliance Committee reports directly to him. The committee is responsible for applying the Code of Conduct, and for decision-making regarding emergency measures in the event of significant violations of the Code. The Compliance Office within the CSR Promotion Division acts as the secretariat for the Compliance Committee, carrying out education and training in order to promote compliance throughout the company and other compliance promotion measures.

## Compliance Education

To help employees better understand compliance, Minebea conducts compliance training during training sessions for employees of various ranks. In FY2009, a total of 326 employees ranging from new employees through to newly appointed chiefs received compliance training. Another 146 employees participated in training for domestic general managers, deputy



A compliance training session for employees

general managers, and sales managers in Thailand and Singapore received legal compliance training.

## Internal Reporting System

To prevent actions in violation of the Minebea Group Code of Conduct or legal infractions, a consultation center has been established. Employees may consult this center if they are unsure whether their actions or decisions are in violation of the Code of Conduct, or if they come across actions they suspect are in violation of the Code. We have both an in-house and an outside consultation center; the privacy of individuals reporting information is protected and measures are taken so that they are not treated in detrimental fashion.

## Import and Export Control Initiatives

For the sake of maintaining international peace and safety, the Minebea Group has established a management system and created procedural forms and manuals to ensure that our Logistics Division adheres to customs laws and other laws and regulations. In FY2007, we received Authorized Importer and Authorized Exporter certification from the Tokyo Customs Bureau because of our outstanding freight and compliance management.

## Compliance Promotion in the Future

Advancing the compliance system of the Minebea Group, which is active on a global scale, requires ever-stronger awareness and knowledge of compliance among all employees. This year, our focus will be on initiatives that include compliance training incorporating e-learning and creating a more extensive compliance database on our intranet.

For details on the Minebea Group Code of Conduct and the Minebea Group Officer and Employee Compliance Guidelines, please see the Minebea Group website. (<http://www.minebea.co.jp/english/company/aboutus/conduct/declaration/index.html>)

## Minebea Group Code of Conduct (Articles)

Enactment: October 3, 2005  
Amendment: July 1, 2009

### 1. Labor

The Minebea Group is committed to upholding the human rights of employees, and to treating them with dignity and respect. All Minebea Group companies shall adhere to the following standards regarding use of labor:

- (1) Freely Chosen Employment
- (2) No Child Labor
- (3) Discrimination
- (4) Harsh or Inhumane Treatment
- (5) Minimum Wages
- (6) Working Hours
- (7) Freedom of Association

### 2. Health and Safety

The Minebea Group recognizes that the quality of its products and services, consistency of production, and employee morale are enhanced by a safe and healthy work environment. All Minebea Group companies shall adhere to the following standards regarding health and safety:

- (1) Machine Safeguarding
- (2) Industrial Hygiene
- (3) Safety
- (4) Emergency Preparedness and Response
- (5) Occupational Injury and Illness
- (6) Physically Demanding Work
- (7) Dormitory and Canteen

### 3. Environment

The Minebea Group recognizes that environmental responsibility is integral to producing world class products. In our operations, adverse effects on the environment and natural resources shall be minimized while safeguarding the health and safety of the public. All Minebea Group companies shall adhere to the following standards regarding the environment:

- (1) Product Content Restrictions
- (2) Chemical and Hazardous Materials
- (3) Wastewater and Solid Waste
- (4) Air Emissions
- (5) Environmental Permits and Reporting
- (6) Pollution Prevention and Resource Reduction

### 4. Ethics and Business Practice

To meet our social responsibilities and to increase our corporate value, The Minebea Group are to uphold the highest standards of ethics including:

- (1) No Corruption, Extortion, or Embezzlement
- (2) Disclosure of Information
- (3) No Improper Advantage
- (4) Fair Business, Advertising, and Competition
- (5) Community Engagement and International Operation
- (6) Protection of Intellectual Property
- (7) Fair Stock Trading
- (8) Import/Export
- (9) Response to Antisocial Forces

## Minebea Group Officer and Employee Compliance Guidelines (Articles)

Enactment: October 1, 2010

These "Minebea Group Officer and Employee Compliance Guidelines" are provided as the standards of conduct with which all officers and employees of the Minebea Group must comply. All officers and employees of the Minebea Group shall read, understand and comply with the Guidelines.

### <Compliance>

1. Compliance with laws and regulations and internal company rules, and conduct of ethical business activities
2. Maintenance of credibility and reputation of the Minebea Group

### <Diversity>

3. Respect for culture and customs in each country and region

### <Labor>

4. Respect for fundamental human rights
5. No harassment
6. Realization of work-life balance

### <Health and Safety>

7. Maintenance of healthy and safe workplace

### <Environment>

8. Business activities that consider the environment

### <Ethics and Business Practice>

9. Timely and appropriate disclosure of information
10. Protection of confidential and personal information
11. No offering of bribes
12. Ensuring fair trade and competition
13. Protection of intellectual property
14. Prevention of insider trading
15. Appropriate procedures for import and export, etc. of products and materials, etc.
16. Response to antisocial forces
17. Protection of company assets
18. No conflicts of interest

### <Social Contribution>

19. Provision of useful products for society
20. Contribution to local community

### <Coexistence with International Society>

21. Compliance with international rules and contribution to local community

### <Compliance Structure>

22. Internal reporting

# Risk Management

To ensure continued growth, the Minebea Group has put in place a risk management system capable of accurately assessing and managing risk.

## Basic Approach

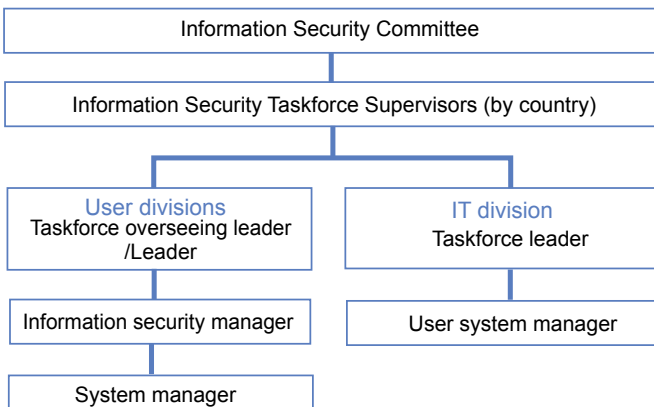
Because our response to risk situations could profoundly affect the Group, we believe that risk management is vital to the management of the company. We established the Minebea Group Basic Rules for Risk Management which define preventive measures we should have in place, our response in crisis situations, and the type of system the group should put in place. To minimize the effect of risk situations on the company's business, we are working to establish and improve our risk management system.

## Risk Management System

At the Minebea Group, the Representative Director, President and Chief Executive Officer 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



## Information Security Structure

The Minebea Group believes that protecting information received from stakeholders as well as our own 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.

Our Information Security Committee, established to protect information assets and headed by senior executive officers, is under the direct supervision of the president, and is composed of Information Security Taskforces that implement measures in each country.

## Information Security Training

The Minebea Group believes that improving employee awareness is the most vital factor for achieving thorough information security. To that end, we have created clear standards for information security training, centering on our Information Security Taskforces, and are working to disseminate this knowledge among our employees.

## 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 used have also been clearly defined and we strictly adhere to the parameters for scope of use of the information.

## BCP Initiatives

In the event of a widespread disaster, influenza, terrorism incidents or other emergencies, the Minebea Group will ensure the safety of its employees and their families. To deal with such eventualities, we have created the Minebea Group Basic Rules for Risk Management, to meet our responsibilities to our customers as the component manufacturer with the world's largest market share, and to keep disruption of our business to a minimum. Specifically, we have created an emergency manual, reinforced our plants against earthquakes, stored emergency food supplies, and adopted a system to confirm the safety of our personnel. We will further strengthen our risk management systems and are working to develop a company-wide BCP (business continuity plan).



# Minebea's Environmental Initiatives for 2050

## A Message from the Environmental Management Officer

Founded in 1951, Minebea will enter its centennial year in 2051. By 2050, the preceding year, humanity's common goal of halting global warming will either have succeeded as a result of initiatives at all levels, including the governments of every nation, private enterprise, and individual families, or the efforts made will have proven insufficient and our situation will not have improved.

From its very beginnings, Minebea has sought to and made it possible to precision-manufacture its products in an environment-friendly way. Moreover, ball bearings and small motors, our primary products, have contributed to society by conserving energy and saving resources through their efficiency and reliability.

But industry initiatives for the environment in 2050 must be speeded up even more. We must be proactive in adopting and using new technologies in our products and manufacturing processes.



To reduce CO<sub>2</sub> emissions, we will use energy-efficient facilities, equipment and processes in all phases of our manufacturing activities. We will also avoid wasteful use of materials and water resources and continue to make improvements to minimize the output of wastewater and solid waste from our plants.

At the same time, we will be proactive in developing high-efficiency motors, lighting, and energy conversion devices needed to create the infrastructure for a new society, and the control technologies and sensors that will be key to energy management of such products and devices. Additionally, Minebea is committed to the development and application of new materials, including new magnetic materials, needed to bring the aforementioned technologies to fruition.

Furthermore, we deliver products to customers only after thorough advance testing to ensure that they are safe, reliable and free of toxic substances, in order to minimize the environmental impact over the entire life-cycle of these new products, from manufacture through usage and final disposal.

Minebea has created an infrastructure and offers education so that all employees can undertake environmental activities with a clear awareness and sense of responsibility. We also periodically evaluate their activities, in order to achieve continuous improvement.

Additionally, we disclose information on our environmental activities to our customers, suppliers, local communities and global society, contributing to society in the area of environmental technology.

### Akihiro Hirao

Director, Senior Managing Executive Officer,  
Officer in Charge of Environmental Preservation

# Environmental Management

In recent years, environmental problems such as the destruction of ecosystems due to ocean pollution and natural disasters that may be attributable to global warming, and human damage brought on by hazardous chemical substances, are occurring on a global scale. The Minebea Group has long taken an active role in addressing environmental issues, and we are conducting environmental conservation activities at locations around the globe.

## Environmental Management at Minebea

Our environmental management actions began in earnest with the establishment of the Anti-Chlorofluorocarbon Committee in July 1991, aiming to completely eliminate the use of specified chlorofluorocarbons and ethane in cleaning. Thanks to this initiative, in April 1993, we became the first bearing manufacturer in the world to completely eliminate the use of specified chlorofluorocarbons and ethane from all of the plants in its group.

Following that, we inaugurated its Environmental Charter (now called the Environmental Philosophy), which is based on the Global Environment Charter of Japan's Federation of Economic Organizations, and accordingly, we are proceeding

with measures to conserve energy and reduce waste.

Currently the Environmental Management Committee, headed by the officer in charge of Environmental Preservation, is deliberating on and making decisions regarding our environmental policies for the future.

The Minebea Group focuses on creating environmentally-friendly products, conserving resources, and global warming measures that are directly linked to manufacturing activities. Additionally, sales of new products and construction of new plants, advance evaluation of environmental risks associated with new business activities, communication with all stakeholders associated with business activities, and contributing to society are also seen as important issues for the environment.

## Minebea's Environmental Philosophy

Established August 26, 1993  
Revised April 1, 2009

Minebea strives to contribute to higher quality, more comfortable lifestyles by providing truly valuable products and services. At the same time, the Company works to minimize the environmental burden of its various activities and promote greater harmony, thereby contributing to the presentation and improvement of a healthy environment.

### Environmental Policy

#### 1. Development and Design

Minebea shall focus on the development and design of products that contain no hazardous substances for the environment or the health and safety of humans, consume little energy and satisfy the "3R" (reduced, reused or recycled) criteria.

#### 2. Manufacturing

Minebea shall set targets and restructure and revise its manufacturing procedures by using materials that contain no hazardous substances for the environment or the health and safety of humans, thereby improving yield, reducing waste and lowering energy consumption.

#### 3. Logistics

Minebea shall employ packing materials that contain no hazardous substances for the environment or the health and safety of humans and satisfy the "3R" criteria, as well as procedures that lower energy consumption and prevent the release of hazardous substances.

#### 4. Cooperation with Authorities and Local Public Entities

Minebea shall observe environment-related rules and regulations imposed by the country and local authorities and support environmental conservation and prevention of pollution.

#### 5. Overseas Activities

In its manufacturing and distribution activities overseas, Minebea shall observe environment-related rules and regulations imposed by local authorities and do its best to preserve environment and prevention of pollution in adjacent areas. Minebea shall also be an aggressive supplier of new environmental protection technologies.

#### 6. Environmental Audits

Minebea shall conduct periodical environmental audits at all of its manufacturing and other facilities with the aim of ensuring the effective implementation and continual improvement of its environmental management system.

#### 7. Employee Education

Minebea shall require employees to attend courses to encourage their involvement in environmental protection activities in the workplace and at home.

#### 8. Observe Minebea's Environmental Policy

All Minebea Group employees and other individual working at our sites shall adhere to Minebea's Environmental Policy. If any individual has an environment-related concern, he/she shall report it promptly to his/her manager, who shall respond promptly.

## Environmental Management System

### Environmental Management Structure

Important environmental policies of the Minebea Group are deliberated on and set by the Environmental Management Committee. The Group Environmental Protection Committee, comprised of representatives from each plant and business headquarters will deliberate on specific methods for applying important environmental policies set by the Environmental Management Committee. Each Minebea facility implements the policies selected by the Group Environmental Protection Committee and the Environmental Management Committee, centered on Plant Environmental Protection Committees.

### Environmental Auditing

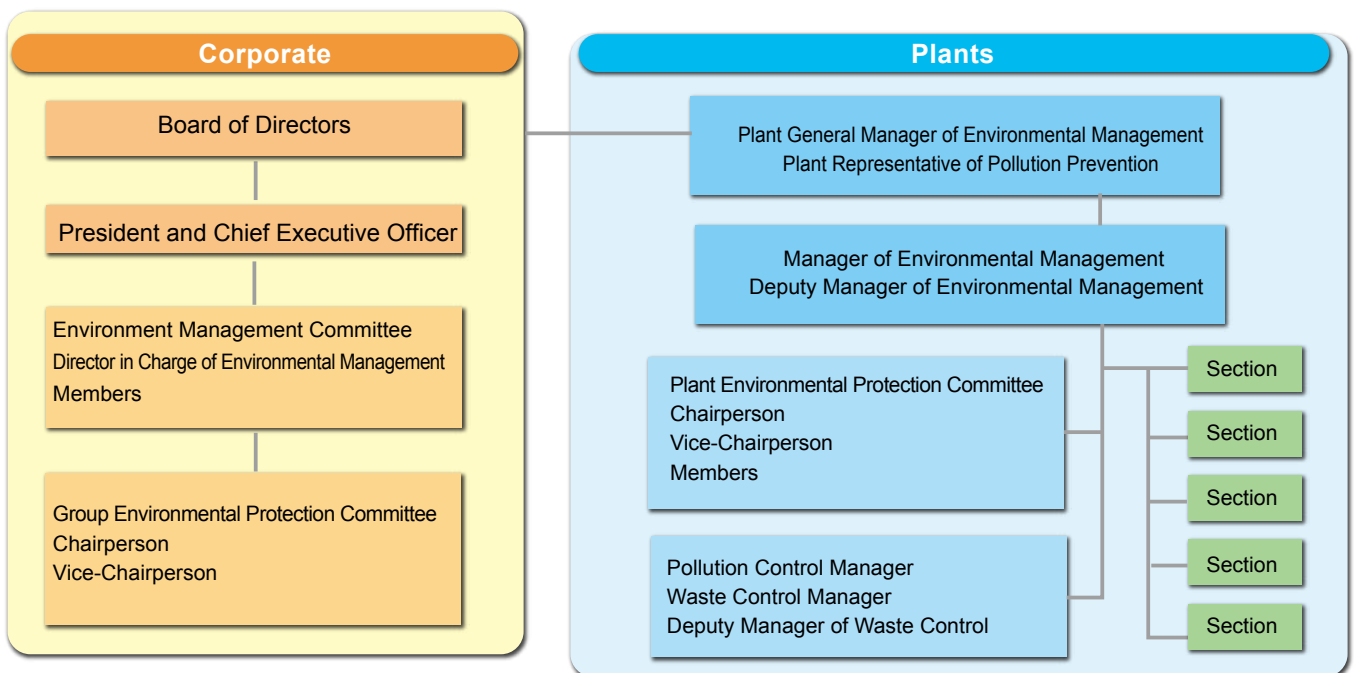
The Minebea Group has acquired ISO 14001 for all major production facilities around the world. To maintain this certification, these venues undergo an external audit by a third-party agency and an internal audit by company auditors once a year.



An Environmental Management Review held at Hamamatsu plant.

### Compliance with Laws and Regulations

In order to enforce compliance with environmental laws of all kinds, every place of business in the Minebea Group sets and manages its own individual standard values that exceed the legal requirements of the relevant country or region. Third-party agencies are periodically asked to assess areas of importance that are monitored, and report to the administration.





## Environmental Education

### Basic Concepts and Initiatives for FY2009

The Minebea Group believes that raising the environmental awareness of each one of us will eventually create a large cycle and protecting and nurturing the environment for the future. In addition to activities within the company, we would like our employees to be proactive in environmental conservation at home and at their residential areas. To this end, we offer a variety of environmental education initiatives. The following are examples of environmental education initiatives conducted in Japan in FY2009.

1. Environmental management basics training	
• Education for new employees of the Minebea Group	75 people
• Education for new employees at company facilities	81 people
• Environmental training for employees hired in mid-career	45 people
2. General environmental education	
• Education for environmental policies, objectives/indices, implementation plans etc	All employees
• In-house environmental newspaper "Hello Environment!", In-house magazine "Shihou"	All employees
3. ISO 14001 Internal Auditor Training	
• Internal auditor training courses	18 people
• Internal auditor refresher courses	81 people
4. Waste management education	
• Education on appropriate methods for waste disposal	All employees
5. Emergency response training	
• Training for evacuation and response to possible disasters	All employees
• Training with facilities and equipment used in possible emergency circumstances	93 people

Note: The education initiatives above were planned and held by the Group Environment Management Division and / or Environmental Management Departments at each plant, and do not include those initiatives implemented independently within specific work places. Additionally, the numbers of people are a total of those reported as attending education initiatives at plants.

### ISO 14001 Internal Auditor Training Courses

Our ISO 14001 environmental management system must undergo an internal audit on a regular basis to ensure that it is operated appropriately and effectively. Additionally, the auditors in such cases must perform audits in a fair and objective manner.

Minebea conducts yearly training courses for internal auditors, taught by employees with auditing qualifications received from external organizations, and by staff with experience in internal audits. As of March 2010, 216 employees had received this training and become internal auditors.



Internal auditor training course: On-site auditing training

### In-house Newspaper About the Environment "Hello Environment!"

The Group Environmental Protection Division encourages employees of every company in the Minebea Group to think about the environment, and publishes "Hello Environment!" every month to inform them of the environmental initiatives being undertaken by the Minebea Group. In order that employees take a broader interest than just the environmental issues within the Group, "Hello Environment!" contains articles related to everyday life, and on the natural environment.

The first issue was published independently at the Group's Hamamatsu plant in January 2000 as an environmental newspaper, and as of March 2010 was in its 118th issue in its current form as the environmental newspaper of the Minebea Group.



The Minebea Group environmental newspaper "Hello Environment!"

## Environmental Communications

### Basic Approach

In order to make the environmental protection activities of the Minebea Group known to more people, we publish information about these initiatives and successes on the internet and via a range of other media such as environmental reports, the company brochure, and the annual report. Additionally, the Minebea Group is an active participant in regional activities, and works to create opportunities to show people our initiatives toward the environment.

### Environment Click Fund-Raising (Fujisawa Plant)

Minebea supports the "Fujisawa city environment click fund raising" initiative run by Fujisawa city, location of Minebea's Fujisawa Plant. We have supported this initiative, which aims to increase citizens' environmental awareness, public relations for companies contributing to society, and fulfillment of environmental education for children who will be major players in the next generation, since July 2009. Donations can be made simply by clicking on the "contribution" item on web pages introducing the environmental activities of participating companies, who will donate five yen for each click. These donations are put towards providing teaching materials, etc. for environmental education to elementary schools in Fujisawa city.

In FY2009, Minebea donated 15,370 yen, in response to 3,074 clicks.

[Fujisawa city environment click fund-raising]

<http://fj4.city.fujisawa.kanagawa.jp/oneclick/index.php>



Site showing pages of Fujisawa city environment click fund-raising for Minebea

## Initiatives for Preserving Biodiversity

### Basic Approach

To date, the Minebea Group has embarked on a range of environmental protection activities. However, we believe that assessment of biodiversity in the natural environment in the areas surrounding plants and company facilities is important to preserving biodiversity, a field which has received a great deal of attention in recent years.

Minebea aims to strike a balance between its business activities and preserving biodiversity, and is working to strengthen cooperation with local communities.

### Managing the Rich Natural Environment of the Balancing Pond (Hamamatsu plant)

The Hamamatsu plant is situated on land surrounded by a rich natural environment of fields, hills, and forests. As with the environment in the surrounding areas, a natural habitat exists in the storm-water reservoir in the plant environs. Water plants grow in abundance in the pond, fish swim, wild birds rest, and insects such as dragonflies and butterflies are in evidence. To preserve and manage this reservoir, we have cut back the surrounding undergrowth, reclaimed the waterways, and removed the trash from drainage channels, and is now active in the preservation and management of this area.

We will continue to maintain and manage this reservoir, and work to preserve the biodiversity of the surrounding area.



The reservoir at the Hamamatsu plant

### Minebea's Effect on the Environment

The Minebea Group has 30 plants and 37 sales offices in 16 countries around the world, manufacturing and selling a range of products including bearings and related products (our main product lines), machined components, rotary components, and electronic devices.

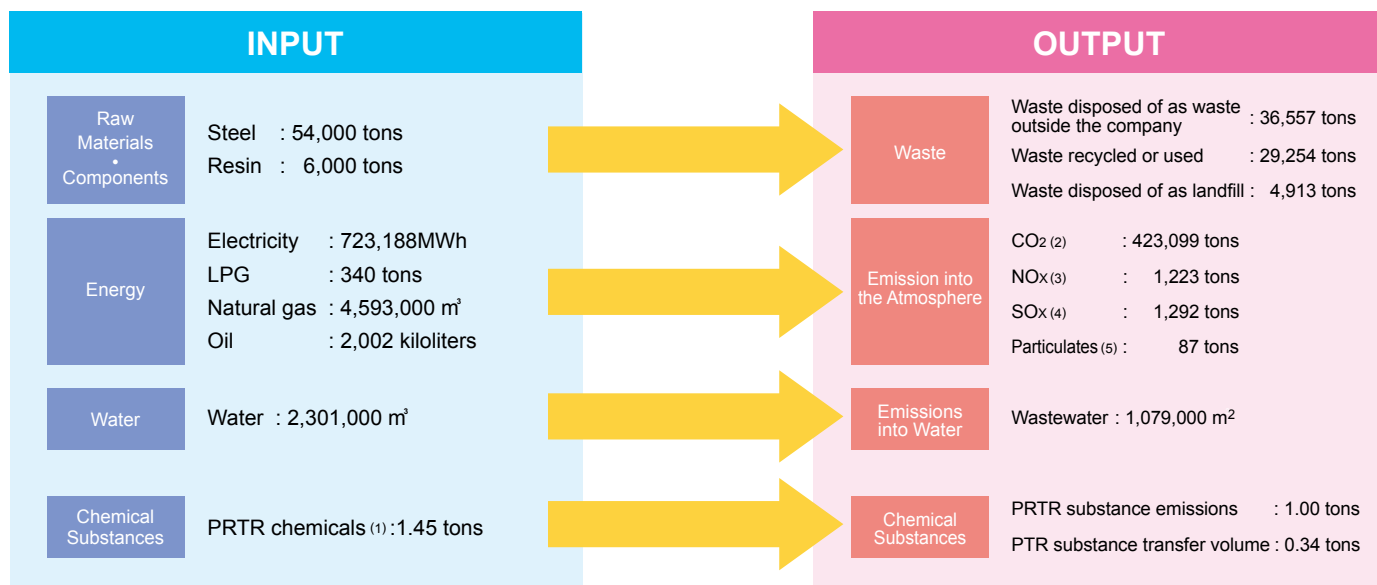
In FY2009, the effect on the environment due to the input and output from the Group's major plants was as follows.

When environment effect is viewed in terms of the ratio of total production by region to sales, Asia (excluding Japan) is estimated to account for approximately 80 percent of the Minebea Group's consumption and output.



The Minebea plant in Shanghai, China, which has achieved zero output of industrial effluent

Located in China, Shanghai and Xicen plants are positioned adjacent to Dianshan Lake, which is the source of their water supply. Accordingly, at the both plants, all industrial wastewater is purified to the same level as drinking water and recycled, with the goal of preserving the water quality of Dianshan lake and reducing municipal water consumption. (Refer to page 28)



**Glossary**

- (1) PRTR chemicals : Substances included in the PRTR law (The Chemical Substance Control Enhancement Law / Domestic Japanese Law), for which companies must register and report volumes released and transferred.
- (2) CO<sub>2</sub> : Carbon dioxide
- (3) NO<sub>x</sub> : Nitrogen oxides
- (4) SO<sub>x</sub> : Sulfur oxides
- (5) Particulates : Particulate are microscopic solid matter contained in exhaust gas generated as a result of combustion, heating, or chemical reaction.

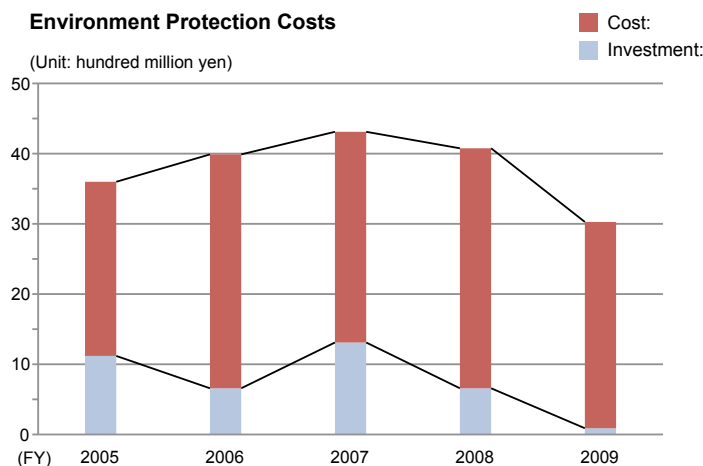


## Environmental Accounting

In order to gain a quantitative understanding of environmental protection activities, the Minebea Group follows the "Environmental Accounting Guidelines 2005" published by Japan's Ministry of the Environment to total the environmental protection costs of our business activities.

A worsening business environment in FY2009 meant that there was less new investment in environmental protection than in FY2008.

### Environment Protection Costs



(Unit: Millions of yen)

Costs of Environmental Protection Activities			Total amount of covered subject	
Category		Description	Investment	Expenses
1	Business area costs (Environmental protection costs to minimize the environmental burden resulting from manufacturing and service activities within the business area)	See specific entries for a, b and c below.	86	2,305
	Breakdown	a. Pollution prevention costs	7	529
		b. Environmental protection costs	53	1,226
		c. Resource recycling costs	26	550
2	Upstream/downstream costs (Environmental protection costs to minimize the burden of key upstream and downstream operations)	Costs related to the installation of analyzers, analysis of materials as part of the Green Procurement Program, printing and revenue stamp costs for contracts with suppliers, etc.	0	99
3	Administration costs (Environmental protection costs stemming from administrative activities)	Personnel, maintenance and management costs for environmental management system, etc.	2	311
4	R&D costs (Environmental protection costs stemming from R&D activities)	Costs related to the research and development of ODS-free water-based cleaning facilities, etc.	0	30
5	Community activity costs (Environmental protection costs stemming from community activities)	Costs related to greening programs, landscape preservation, etc.	0	2
6	Environmental remediation costs (Costs incurred for environmental remediation efforts)	Costs related to soil replacement and the operation, maintenance and depreciation of water-based cleaning facilities, etc.	0	191
Total			88	2,938

Exchange rates used: US\$1.00=\93.0 ; €1.00=\131.1 ; 1baht=\2.7 ; 1yuan=\13.6; S\$1.00=\64.9 ; £1.00=\147.8

## Environmental Protection Plan

### Establishment of an Environmental Protection Plan

In order to contribute to a sustainable global environment, Minebea has implemented the "Environmental Philosophy" throughout the entire Minebea Group, and is addressing environmental consideration at all stages of its business activities. As a specific policy aimed at implementing this vision, Minebea has enacted its environmental protection plan and is working to achieve its goals at every company in the Group.

Below are the principal initiatives, results, and achievements of the environmental protection plan that Minebea implemented in FY2009, along with plans for initiatives in FY2010. The principal activities for each initiative are described in detail on page 23 of this report.

### Recap of FY2009

Activities for the environmental protection plan for FY2009 went mostly according to plan.

On the environmental management front, Minebea continued environmental auditing and education activities from FY2008. In addition to research and development on magnets aimed at achieving low power consumption for products, and revisions to the Minebea Group Green Procurement Standard, we proceeded with development of environmentally-friendly products. Additionally, although initiatives for offices and logistics were reduced due to a drop in manufacturing caused by the global recession, environmental effects such as CO<sub>2</sub> emissions were reduced due to ongoing environmental protection activities.

**Evaluation** A...Plans achieved, continuing favorable conditions B...Some areas of plan not achieved, or ongoing C...Plan not achieved, or problems occurring

Category	Item	Objectives for FY2009	Achievements in FY2009	Evaluation	Objectives for FY2010
Environmental management	Environmental Audits	【In-house environmental audits】 Ongoing	Implemented audits by in-house environmental auditors	A	Ongoing
		【External environmental audits】 Ongoing	Implemented audits by a third-party certification organization	A	Ongoing
	Environmental Education	【New employees】 Ongoing	Implemented environmental education programs for new recruits	A	Ongoing
		【Basic employee education】 Ongoing	Provided regular environmental education for all employees	A	Ongoing
		【Emergency response training】 Ongoing	Implemented emergency and oil leak drills	A	Ongoing
		【In-house training】 (Internal auditors) Ongoing	1. Internal auditor training course implemented in March 2010 18 trainees 2. Refresher courses for internal auditors implemented at each plant prior to internal audits	A	Ongoing
	Environmental Communications	【Present information on environmental protection efforts】 Publish Minebea Group Environmental Report	1. Published "Minebea Group Environmental Report 2009" 2. Presented information on environmental protection efforts on the Minebea web site.	A	Publishing of CSR Report 2010, introduction of environmental protection activities
		【Communication with local communities】 Continue to communicate with local communities	1. Conducted summer festival, etc. with local residents 2. Supported Environmental click fund-raising for Fujisawa city	A	Continue to communicate with local communities

## Evaluation

A...Plans achieved, continuing favorable conditions

B...Some areas of plan not achieved, or ongoing

C...Plan not achieved, or problems occurring

Category	Item	Objectives for FY2009	Achievements in FY2009	Evaluation	Objectives for FY2010
Products	Develop products that consume less electricity	Development and manufacturing of complex products (Electro Mechanics Solution) that are combination of machined parts and electronic instruments.	Applied and received NEDO (New Energy and Industrial Technology Development Organization) innovation implementation promotion service."Development of components (magnets) using nano-structures and anisotropic integrated directional control valves, and application in rotating bridges"	A	Development of products and technologies that contribute to energy conservation
	Resource conservation	Development and commercialization of long-life, weather resistant <sup>(1)</sup> products	1. Commercialization of long-life, highly weather-resistant, high -efficient AC fan motors 2. Commercialization of high corrosion resistant miniature bearings	A	Development and manufacturing of products with enhanced life and high weather resistance
	Control chemical substances in products	More thorough green procurement including supplier chain	Revisions to the Minebea Group Green Procurement Program Outline completed.First issue in FY2010	A	Release of revisions to the Green Procurement Program Outline, and circulation of the publication outside Minebea.
Plants	Reduction of Energy / Contribution to Prevention of Global Warming	Lower electricity consumption (per unit of sales) 1% annually	Worldwide plants of the Minebea Group 1. CO <sub>2</sub> emissions FY2008 volume: 429,672 tons FY2009 volume: 423,099 tons (-1.5%) 2.CO <sub>2</sub> emissions (in proportion to sales output) FY2008 1.68 tons CO <sub>2</sub> / million yen FY2009 1.85 tons CO <sub>2</sub> / million yen (+10.4%) *Due to the drop in sales caused by the global recession	B	Decrease Worldwide CO <sub>2</sub> emissions (per unit of sales) from Minebea Group plants by 1% from the previous fiscal year.
	Waste Prevention	Reduction in final disposal volume(landfill) < 5,000 tons / year	Final disposal volume (landfill) at worldwide plants of the Minebea Group FY2008 volume: 5,935 tons FY2009 volume: 4,913 tons (-17.2%)	A	Final disposal volume (landfill)at worldwide plants of the Minebea Group < 4,500 tons / year
	Prevention of Water Contamination	Observe environmental laws and self-imposed regulations	All plants have brought contamination below levels stipulated by local laws and self-imposed regulations	A	Observe environmental laws and self-imposed regulations
	Prevention of Air Pollution	Observe environmental laws and self-imposed regulations	All plants have brought contamination below levels stipulated by local laws and self-imposed regulations	A	Observe environmental laws and self-imposed regulations
	Rehabilitation of Contaminated Soil and Groundwater	Continue to implement cleanup measures at plant sites found to be contaminated	Continued to take steps to resolve contamination caused by chlorinated organic solvents Cleanup of municipal land in Kanegasaki town, Iwate Prefecture is completed	A	Continue to implement cleanup measures at plant sites found to be contaminated
	Management of Chemical Substances	Expand use of MMDB-II <sup>(2)</sup>	Restoration of MMDB-II which had been temporarily suspended due to computer trouble	B	Management of the volume of chemicals used at Minebea Group plants
	Establishment of Pollution Patrol Programs	Continue to implement regular patrols	Implementation at each division	A	Continue to implement regular patrols
Conduct regular on-site audits of waste processing service providers		Implementation at each division	A	Conduct regular audits of waste processing service providers	
Distribution	Reduction of Energy	Expand use of energy-efficient distribution methods	Ongoing use of sea and rail transport for freight CO <sub>2</sub> emissions from logistics in Japan FY2008: 549 tons FY2009: 408 tons	A	Expand use of energy-efficient distribution methods
	Resource conservation	Improve packaging materials and transport methods	New recycling route for styrofoam packaging	A	Improve packaging materials and transport methods

## Glossary

(1) Weather resistant: Materials with superior resistance to erosion under natural conditions in which they are subject to open air, wind, and rain.

(2) MMDB-II: A database for control reference of receipt and dispatch of, and reference to, MSDS chemicals used in Minebea Group processes.

# Product-Related Initiatives for the Environment

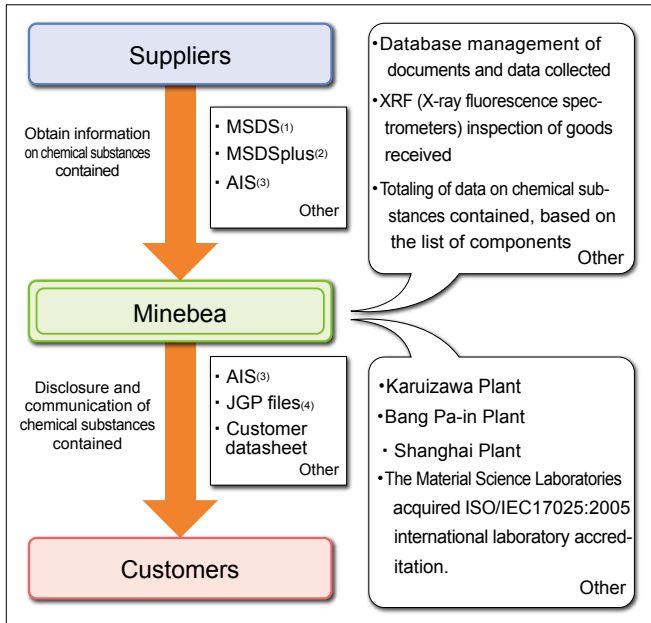
The products of the Minebea Group are used in a wide range of products in everyday life. Accordingly, we are developing products such that contribute to reducing the burden on the environment.

## Philosophy on Environmentally-Friendly Products

Many of the products the Minebea Group manufactures, including bearings and motors, are assembled in our customers products as their components, and are not externally visible. However, because they are assembled as part of a variety of products, we believe that it is important for us to offer products that contribute to eliminating effects on the environment through safety, energy and resource contribution, and long life.

## Management of Environment-Affecting Substances included in Products

The Minebea Group publishes the Minebea Group Green Procurement Standard, and provides customers with products (materials and components) that do not contain toxic substances. We request our suppliers to provide data and documentation for verification. Furthermore, XRF (X-ray fluorescence spectrometers) are used in the Minebea Group's inspections of goods received to confirm that they do not contain any substances subject to the RoHS directive.



## Products that Contribute to Energy Conservation

### Ultra-small permanent magnet (PM)-type stepping motor with high resolution<sup>(5)</sup>

Minebea has commercialized two types of world's highest resolution ultra-small permanent magnet-type stepping motors (the "PM stepping motors").

The outside diameter of 3.3 mm, despite with an ultra-small diameter, allows fine positioning of 20 steps per rotation. It aims for adoption in compact, low-profile digital products - such as high-performance cameras for cellular phones and Blu-ray Disc drives for slim-type notebook computers - that was difficult for conventional products. The model with outside diameter of 6mm achieves high resolution of 40 steps per rotation (conventional products are 20 steps) - the first time in the world as a mass-produced PM stepping motor of the same size. The 6 mm motor contributes to further heightening the functionality and added value of digital cameras, such as image stabilization through accurate positioning control, quick auto focuses and miniaturizing and silencing products by eliminating reduction gears.



Ultra-small permanent magnet (PM)-type stepping motor with high resolution (Left 3mm dia, right 6mm)

### Glossary

- (1) MSDS (Material Safety Data Sheet): An information communication sheet containing the information necessary for safe handling of chemical substances. (ingredients, characteristics, handling methods, emergency coping methods).
- (2) MSDSPlus: A sheet recommended by JAMP (Joint Article Management Promotion Consortium) for communicating basic information on the chemical substances and compounds. Contains information not provided by the MSDS necessary for management of toxic substances contained in products.
- (3) AIS (Article Information Sheet): A basic information sheet recommended by JAMP for communicating information on toxic substances contained in product molds. Compiled based on the MSDS, MSDS Plus, etc.
- (4) JGP File: A standard format file defined for Green Procurement inspection by the JGPSSI (Japan Green Procurement Survey Standardization Initiative).
- (5) Stepping motors: Stepping motors convert electrical signals into mechanical actions. The number of electrical signals generated determines rotation number. Stepping motors support not only successive rotation but also intermittent driving, variable rotation, positive rotation and negative rotation. They are used in various OA equipment, such as printers and fax machines, PC peripherals, digital devices, precision equipment, etc.

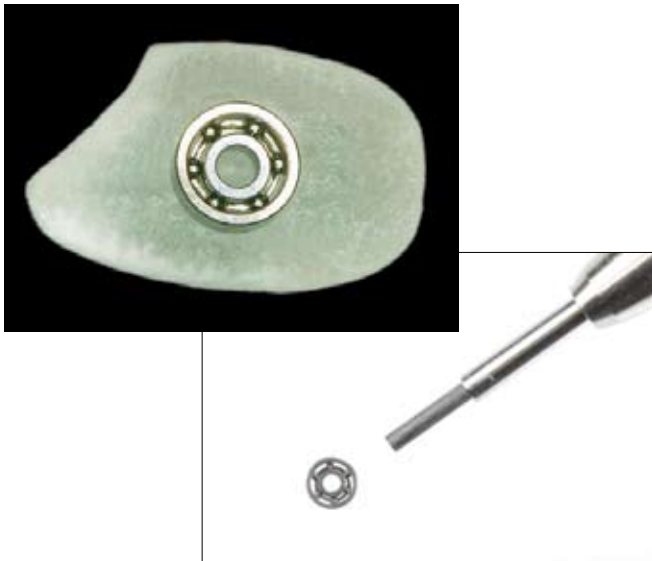


### World's smallest ball bearings with ultra-small outer diameter of 1.5 mm

Minebea has succeeded in the commercialization of ultra-small ball bearings that are 1.5 mm in outer diameter and 0.65mm in thickness, making them the smallest in the world (according to our research). These ball bearings have the same pressed-steel ball bearing cage structure as normal miniature ball bearings.

While achieving further miniaturization, these ultra-small ball bearings of 1.5 mm in outer diameter have the same high precision, durability and rigidity of the products that were formerly the smallest.

This new product will be proposed for active use in the moving parts of medical devices, micro-motors, micro-machines and other fields for which the conventional ball bearings were not suited.



World's smallest ball bearings with ultra-small outer diameter of 1.5mm

### Products that Contribute to Resource Conservation

#### Weather-resistant, long-life, high-performance AC fan motors

Minebea has commercialized a series of weather-resistant (oil proof and dust proof), long-life AC fan motors for products used in harsh environments, such as machine tools and for products used in outdoors, such as solar light generation systems and rechargers for electric vehicles.

Enhancing weather resistance in all kinds of environments, this series saves users' time and trouble required for the maintenance while at the same time contributing to lowering life cycle costs.

### Development of Products that Contribute to Energy and Environmental Technologies

#### Research and development of magnets to improve motor performance [NEDO-subsidized project]

Motors, one of the principal products of the Minebea Group, are a component that converts electrical energy into mechanical energy. It is said that 57% of the total energy consumption of a motor is used as the driving force of the motor itself. Minebea is conducting research and development on magnets that will rapidly improve the output and efficiency of these motors.

These efforts have been selected for support from NEDO (the New Energy and Industrial Technology Development Organization) as an innovation implementation promotion service for 2010, and is receiving assistance as industrial technology that is important to Japan.



Prototype magnets made using molding equipment for research and development



Weather resistant, long-life, high efficiency AC fan motors

# Initiatives to Prevent Global Warming

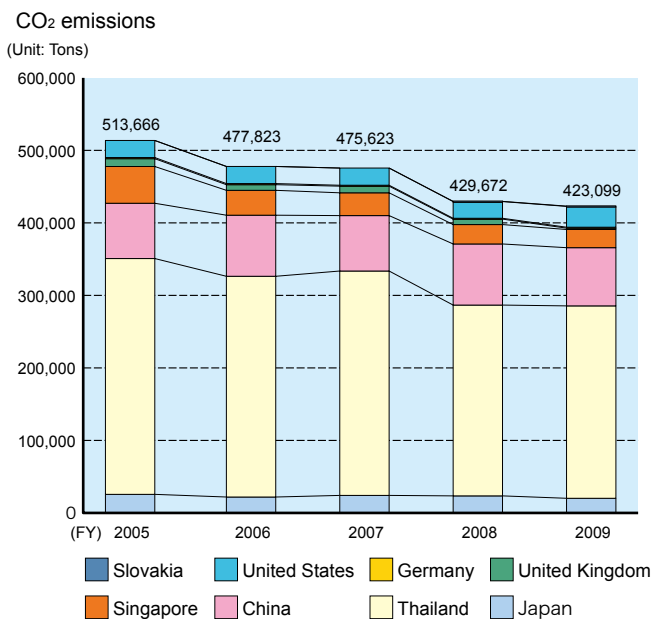
Minebea Group management emphasizes initiatives to reduce CO<sub>2</sub>, as a measure against global warming.

## Basic Approach

Most of the greenhouse gas emitted through the business activities of the Minebea Group is CO<sub>2</sub>, created through our use of energy. Of this, more than 95% is due to electricity consumption, which is why we see initiatives related to electricity use as important, and have instituted individual energy conservation efforts at each plant. In January 2010 we took energy conservation even further, establishing the "Energy Conservation Promotion Committee," which promotes the sharing of knowledge between all plants and offices, and facilitates the pursuit of energy conservation activities with a shared viewpoint and goals.

## Recap of FY2009

The CO<sub>2</sub> emissions for the entire Minebea Group in FY2009 totaled 423,099 tons. This represents a reduction of 23% in comparison to the 549,460 tons of CO<sub>2</sub> emitted in FY2003, when the Group began collecting data on CO<sub>2</sub> emissions. Although this reflects the effects of a worsening business environment, it is also due to changes in the heavy oil used at the Karuizawa Plant, and to energy conservation at plants in Thailand, the largest production facilities in the Minebea Group.



## Initiatives at Offices

### Reduction of heavy oil fuel use (Karuizawa Plant)

Traditionally, boilers and cold/hot water supply machines using fuel oil "A" as heat source for air conditioning have been used in various plants. However, burning of fuel oil "A" will cause carbon dioxide blamed for global warming as well as dust and nitrogen oxide that are harmful to humans to be released into the atmosphere. The boiler and cold/hot water supply machines using fuel oil "A" were changed into equipments using city gas in Karuizawa Plant as city gas pipes were laid around the plant and carbon dioxide emissions were reduced about 24% compared with old equipments.



City gas boiler in the Karuizawa Plant

### Construction of energy-saving plants (Thai Operations)

New plant for cutting and pressing process of bearings in Bang Pa-in Plant, Thailand, which started operation in June 2008, was built with the concept of "the most energy-saving plant in the Minebea Group"

Cutting and pressing are a difficult machining process as that consumes large amount of energy. Previously, every overseas manufacturing plant performed the processes from manufacturing parts to assembly. The cutting and pressing processes are consolidated in the new plant where skilled workers trained in Thailand manufacture parts, which are supplied to plants in Thailand and Singapore to increase production efficiency and to contribute to energy saving.

Various measures to conserve energy were adopted to build the new plant and energy cost such as for electricity and water was reduced by approximately 45% than conventional Minebea plants. These measures saw the Bang Pa-In plant in Thailand won the "Highest Award for Energy-saving Controlled Plant" in the "Energy Award in Thailand, 2008" held by the Thai Department of Energy.

### 【Measures to conserve energy adopted in the new plant】

1. Thermal barrier coating on the outer wall and roof of the building
  2. Adoption of high-efficiency water-cooled turbo freezing machine
  3. Adoption of high-efficiency air blower
  4. Adoption of electronic ballast for fluorescent lamps
  5. Adoption of downlight LED for outdoor lights and interior lights
  6. Recovery of waste heat and adoption of controlling fresh air intake using CO<sub>2</sub> sensor
  7. Adoption of high-efficiency transformer
- Particularly effective energy consumption measures are also being implemented at existing plants



Energy-saving plant built in Bang Pa-in Plant, Thailand

### Initiatives at Offices

#### Lighting reduction initiatives (Tokyo Headquarters)

Air conditioning and lighting consumes a large amount of the energy used at Minebea Group offices. All offices and sales offices work to conserve energy through measures such as making sure not to use excess heating and cooling, and cutting down on lighting by a degree that does not affect work.

Tokyo Headquarters reviewed lighting for all floors in FY2009, removing 139 of 1,492 fluorescent lamps installed. This resulted in a drop in electricity consumption of 11,693kWh per year, which equates to a reduction of 4 tons in CO<sub>2</sub> emissions per year.

#### Participation in CO<sub>2</sub> reduction/light down campaign (Each office and sales facility in Japan)

The Japanese Ministry of the Environment conducts "CO<sub>2</sub> reduction/light down campaign" on the summer solstice and on the day of the star festival (July, 7) every year, suggesting that lights in light-up facilities and in offices be turned off to prevent global warming. The objective of this campaign is to experience darkness and realize how much light we use so that people accustomed to illumination will think about global warming.

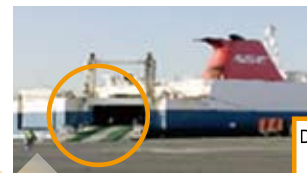
Every plant and sales offices of the Minebea Group in Japan took part in the campaign in 2009. We designated the July 7th as simultaneous going home day throughout Japan to turn off not only outdoor lamps but also lights in offices.

### Initiatives Related to Logistics and Transport

#### Modal shift initiatives

Minebea uses high-speed ferries between Shanghai and Hakata for exporting or importing products, machinery and equipment, materials or the like between China and Japan, and uses JR freight trains or domestic vessel between Hakata and Tokyo. This transportation route shortens lead time greatly compared with transportation using only common freight ships between Shanghai and Tokyo and reduces energy consumption (CO<sub>2</sub> emission) substantially compared with air transportation.

High-speed ferries (RORO ships<sup>(1)</sup>) allow loading and unloading containers using trailers without using large-sized harbor cranes to contribute substantially to reduction of lead time while saving energy.



Direct marine container loading/unloading



### Future Issues and Goals

While continuing with the implementation of the environmental protection plan, the Minebea Group will work to achieve "the vision for an 80% reduction in greenhouse gasses by 2050" put forward by Japan and the governments of other nations.

#### Glossary

- (1) RORO ship (Roll On & Roll off ship) : High-speed ferry that allows loading and unloading truck containers without using large-sized harbor cranes to save time.



# Initiatives for Effective Use of Resources

As a global citizen, the Minebea Group is working to recycle 100% of plant waste water, reduce waste, and recycle raw materials to achieve effective use of limited natural resources.

## Basic Approach

The Minebea Group attempts to make efficient use of resources in both product design and manufacturing processes.

We believe that, with regard to product design, making products smaller and lighter, and primary assembly easier is important, and we therefore evaluate our designs on these variables when conducting design reviews of each product.

Additionally, in manufacturing, we recycle and make effective use of materials by improving the yield rates.

## Results of Initiatives in FY2009

In FY2009, the main materials used by the Minebea Group were steel: approximately 54,000 tons, and resin: approximately 6,000 tons. Due in part to the global recession, use of both materials was down more than 30% in comparison to figures for FY2007.

## Initiatives at Facilities

### Making briquettes from swarf

Minebea recycles the steel swarf created in manufacturing processes at new cutting plants in Thailand.

As a great deal of oil is contained in the swarf used during cutting, in order to improve transportation efficiency, the oil is removed using an in-house compression device in the plant, and handed over to a recycling contractor in a compressed form (briquettes).



Equipment for recovery and compression of swarf

Swarf in briquette form

### Recycling runner from resin molds

When performing injection molding of resin<sup>(1)</sup>, the areas where resin flows into the mold to become the product, called the runner, is a requirement. Although this area becomes unnecessary when it cools and hardens, it is made of exactly the same material as the product itself. If these runner areas, along with defective molds, are within the bounds permitted for UL (Underwriters Laboratory) certification, where customers give permission to do so, these materials are recycled.



Resin pellet containing a mix of virgin and recycled materials



Un-needed runner pieces after injection molding

### Periodic audits of waste disposal contractors

Waste generated by the business activities of enterprises must be dealt with appropriately until finally disposed of by a contractor.

As part of its responsibilities as producer of waste, Minebea provides a regular written definition of the contractor to whom disposal is entrusted, and the location in which it is disposed.



Thailand / Periodic audit of hazardous landfill disposal sites

### Glossary

(1) Injection molding : A method of molding in which resin is heated until it melts, then forced into a mold at high pressure, and finally cooled until it hardens. This method is suitable for mass producing products with complicated shapes.



### Reducing waste

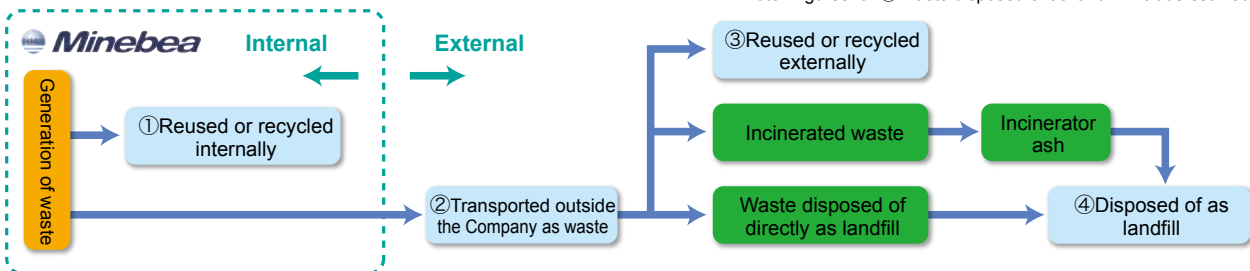
Although the Minebea Group makes every effort to reduce the amount of waste generated through business activities, at present it is difficult to reduce the amount produced to zero. We work to minimize the volume finally disposed of to landfill, by recycling waste produced as thoroughly as possible through waste treatment processing.

However, treatment methods may vary due to the conditions in different countries, even though the waste itself is the same. In FY2009, the entire Minebea Group emitted approximately 36,557 tons of waste outside its facilities, of which an estimated 4,900 tons (13%) was disposed of to landfill.

Waste processed in FY2009

Classification	Japan	Thailand	China	Singapore	United Kingdom	Germany	United States	Slovakia	Total
Reused or recycled internally	0	868	1,419	76	30	0	783	0	3,176
Transported outside the Company as waste	1,478	22,318	7,758	2,929	460	46	1,447	121	36,557
Reused or recycled externally	1,044	18,581	6,643	2,071	164	36	625	90	29,254
Disposed of as landfill	42	3,737	111	536	44	1	434	8	4,913

Note: Figures for ④ waste disposed of as landfill include estimates



### Reducing water usage

The Bang Pa-in Plant in Thailand and the Shanghai and Xicen Plants in China have implemented the "Plant wastewater zero system," under which plant wastewater is purified to the same quality as municipal water for reuse, and now recycle 100% of the wastewater they produce.

Additionally, plants are now introducing rainwater recycling systems sequentially, and investing their efforts in effective use of water resources.



The rainwater recycling facility and reservoir at the plant in Bang Pa-in, Thailand

#### Glossary

(2) Waste : As used in this report, waste refers to industrial waste, that is, unwanted materials from industrial operations, and includes materials to be recycled

### Initiatives for Logistics

Stretch films have traditionally been wound around cardboard or plastic cases on pallets to prevent collapse of cargo during transportation. Stretch films were used only once and then thrown away. Minebea now uses reusable bands to prevent collapse of cargo during transportation between Minebea plants and warehouses instead of using disposable films. The bands can be used approximately 1,000 times.



Reusable bands for preventing loads collapsing

### Future Issues and Goals

Minebea is proceeding with initiatives to use resources effectively and prevent the creation of waste, aiming to achieve zero emissions (zero disposal of waste to landfill) at all facilities.

## Initiatives for Reducing the Effect on the Environment

**Water, air, and soil pollution stemming from effluent and emissions from plants is problematic for communities in the surrounding areas.**

**With a goal of becoming an enterprise that coexists with the regions in which it is located, the Minebea Group believes that waste reduction is an issue that will always need to be addressed.**

### Basic Approach

To comply with environmental laws in each country at region, each plant in the Minebea Group sets its own standards that exceed legal requirements and observes them on a daily basis. Additionally, employees conduct patrols to check that there is no change in color or unusual odor around our plants.

### Results of Initiatives in FY2009

In FY2009, monitoring did not find any abnormalities in water or atmosphere quality at any Minebea plants. Furthermore, there have been no complaints regarding these matters.

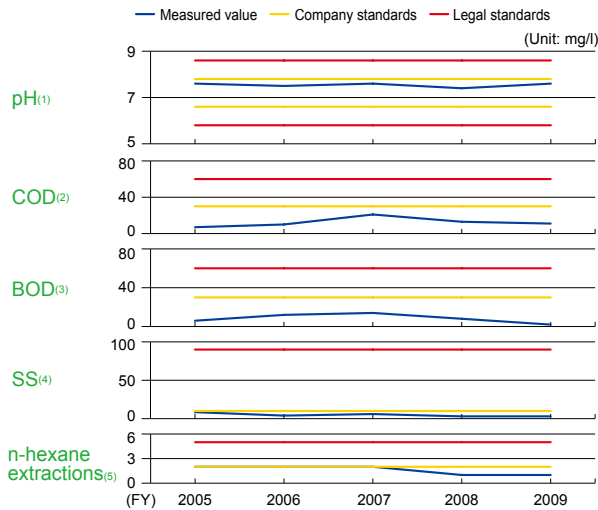
### Initiatives at Divisions

#### Preventing water pollution

Plants with special facilities designated by law, which use substances with an environmental impact in business activities and subsequently dispose them into the public water supply, must be equipped with wastewater treatment equipment, and emit it after purification.

Prompted by the expansion of its fastener plant, Minebea's Fujisawa plant conducted repairs on its wastewater treatment equipment, reinforcing observation systems and increasing the capacity of its dikes, and improving emergency procedures with regard to environmentally harmful substances.

Monitoring of water quality at the Fujisawa Plant



Wastewater treatment facility at the Fujisawa plant

Prevention of air pollution

In April 1993, the Minebea Group became the first bearing manufacturer in the world to completely eliminate specified chlorofluorocarbons and ethane from its cleaning processes, and has worked from an early stage to prevent air pollution. In 2008, as specified on P25 of "Initiatives against Global Warming," we converted our boiler fuel from type "A" heavy oil to city gas, contributing to a reduction in the emission of dust, nitrogen oxide, and sulphur oxide into the atmosphere.

Glossary

- (1) pH: A scale indicating whether substances are acidic or alkaline. pH7 is neutral. The lower the number below 7, the more acidic the substance. The higher the number above 7, the more alkaline the substance.
- (2) COD: Chemical Oxygen Demand  
The amount of oxygen consumed to oxidize of organic substances (dirt) in water. Measuring COD takes less time than to measure BOD, but is less reliable. COD is generally used in wastewater management for sea, lake, and marsh water.
- (3) BOD: Biological oxygen demand  
The amount of oxygen consumed for bacteria to consume and decompose organic matter (dirt) in water.  
The larger the BOD, the dirtier the water. Measurement takes several days. BOD is generally used to observe effluent water in rivers.
- (4) SS: Suspended solids  
The volume of substance suspended in water. The larger the number the greater the degree of water pollution.
- (5) n-hexane extractions:  
A substance called n-hexane, extracted from oils and detergents that are difficult to volatilize in water. In this report they signify mineral oils.

Management of PRTR-controlled substances (Japan)

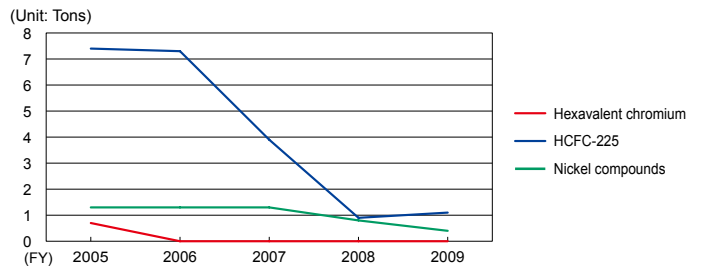
Reported results for FY2009

(Unit: Tons)

Control number	Substance name	Handling volumes	Emission volumes			Transfer volumes
			Air	Water	Landfill	Waste
144	HCFC-225	1.05	0.97	-	-	0.08
232	Nickel compounds	0.4	-	0.03	-	0.26

Each facility in Japan manages the handling and transfer volumes of PRTR-controlled substances, in accordance with the PRTR (Pollutant Release and Transfer Register) law.

PRTR substance transaction volumes



Initiatives against soil and groundwater contamination

Some facilities in the Minebea Group have, in the past, caused contamination of soil and groundwater. Although much of this contamination was due to VOCs (volatile organic compounds), some facilities caused soil contamination due to heavy metals. Cleanup work of contaminated plants and plant sites is proceeding under Minebea's auspices.

One such location is the municipal land that we leased from Kanegasaki town in Iwate Prefecture, where cleanup was completed in March 2010. A meeting explaining the completion of the cleanup work was held in May.



The meeting held regarding the completion of cleanup work in Kanegasaki town, Iwate Prefecture (May, 25, 2010)

Future Issues and Goals

Minebea continues to conduct business operations in compliance with environmental law in Japan and around the world, and is proceeding with cleanup work in areas where it has caused environmental contamination in the past.

# Relationship with Customers

We strive to meet the expectations of society by providing safe, quality products and services that our customers can use with peace of mind.

## Basic Approach

In accordance with the Minebea Quality Policy, the Minebea Group aims to fully satisfy customers in terms of quality, cost, supply capacity, and speed, working diligently to enhance its reputation as the most reliable component manufacturer.

As part of this effort, we place great emphasis on risk assessment at the product design and process design stages, enabling us to provide our customers with products of consistently high quality.

## Quality Management

### Quality Management Framework

In conjunction with the enactment of its Product Safety Charter in 1995, the Minebea Group established a Product Safety Committee. Since then, each production site has worked to ensure the safety of products and services and prevent accidents. As we enter new fields of business, such as aircraft parts, and the market demands ever-higher levels of quality and reliability, the entire group is working to continuously enhance quality. To this end, group-wide Quality Management Manual was adopted in 2007 to improve our quality management framework.

Under the quality management system, the Quality Management Committee was established as a support and advisory body for the President and Chief Executive Officer in his capacity as chief executive. This committee is tasked with monitoring quality management systems and the performance of those systems overseen by the heads of each business headquarters or business unit.

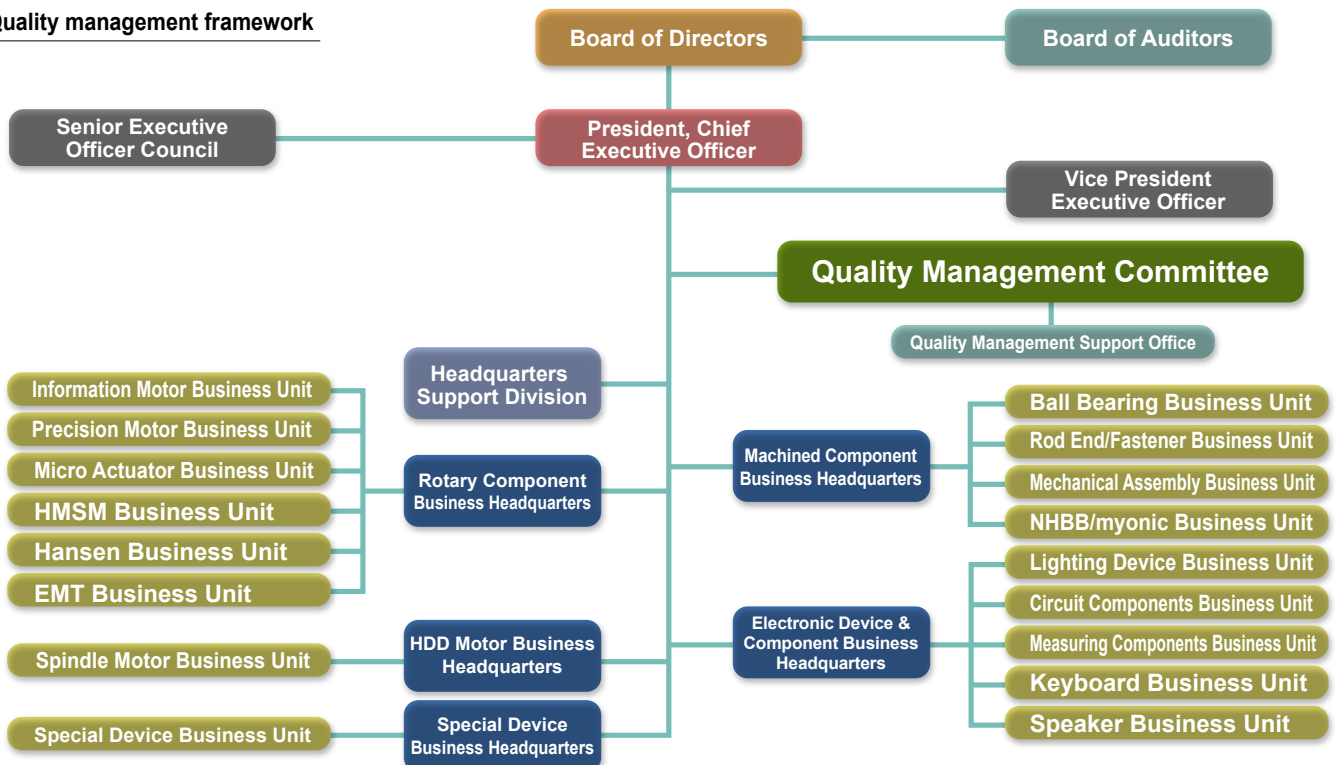
We established a Quality Management Support Office to act as the secretariat for the Quality Management Committee, to give advice and propose improvements concerning quality management at each business unit or business headquarters, and to provide support for quality assurance and audit and for dealing with critical quality problems.

### Promoting Acquisition of Quality Management System Certification

Our Group is promoting acquisition of certification for ISO9001, the international standard for quality management systems, in each business unit. Acquisition of certification for AS9100, the standard for the aerospace industry, and for ISO/TS16949, the automotive industry standard, is also being promoted.

As part of this approach, the Precision Motor Business Unit acquired ISO/TS16949 certification in FY2009, and the Lighting Device Business Unit is aiming to acquire the same certification in FY2010.

Quality management framework





## Quality Improvement Measures

In the pursuit of ever-higher levels of quality, a presentation on DRBFM<sup>(1)</sup> case studies in FY2009 across all business units, focusing on the study of risk assessment methods, was made. In addition, past quality-related problems were researched and the failure knowledge database which can be shared throughout the company was expanded.

### Disclosure of Quality-related Information

Most products from the Minebea Group are ultimately integrated into finished products that pass into consumers' hands. For this reason, we provide quality-related information to our customers as requested. Also in response to customer requests, we communicate information about chemicals in our products, based on information obtained through our suppliers.

For speakers and a number of other finished products, user's manuals include safety-related information.

### Communication with Customers

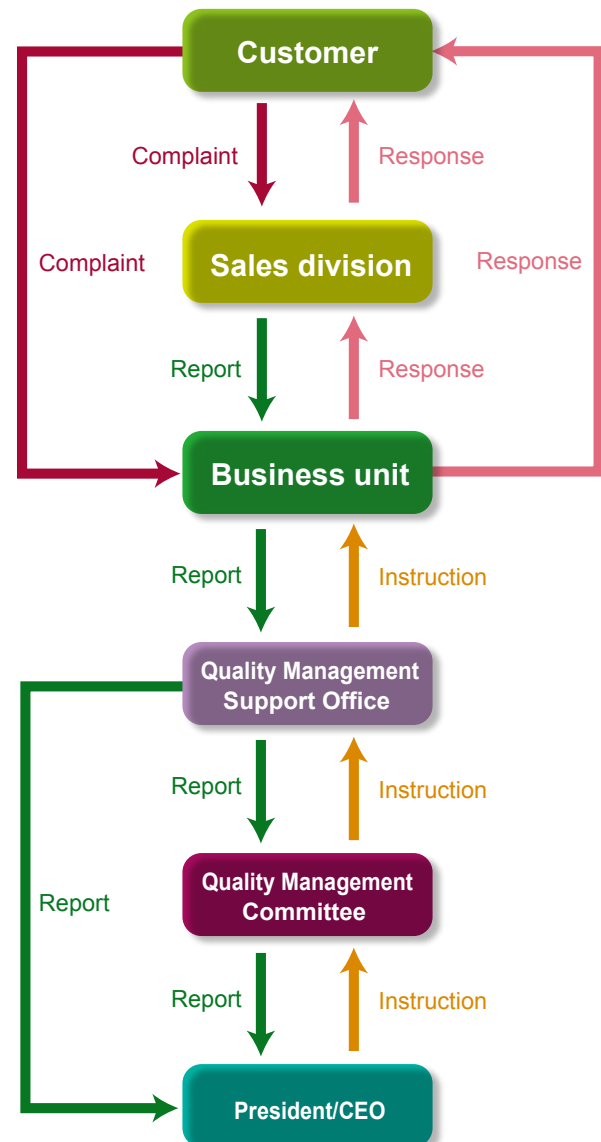
## Customer Satisfaction Surveys

Within the Minebea Group, individual business units conduct their own customer satisfaction surveys. This research spans a comprehensive range of evaluation criteria, including sales support, quality of response to product-related problems, and product prices. Findings based on these data are then fed back to the sales and development departments of the corresponding business units. If customers should evaluate any criterion below a specific satisfaction level, we assess and implement improvements across all business units.

### Responding to Quality-related Problems

If a serious problem concerning the quality of Minebea Group products or services were to occur, the Quality Management Support Office would notify the President and Chief Executive Officer and the Quality Management Committee, which would then determine the best way to respond to the situation.

(1) DRBFM stands for "design review based on failure mode," a quality analysis procedure developed by Toyota Motor Corporation. Under this approach, defects that could potentially occur as a result of design changes are identified at design review meetings, where the methods for best preventing these defects are determined.



## Future Issues and Goals

We will work not only to enhance the quality management systems in use at all business headquarters and business units, but also to uphold design and development quality and further improve our core engineering strengths and develop new technologies. In this way, we are committed to enhancing quality in a comprehensive fashion spanning all phases from design through to the finished product.

# Relationship with Employees

At the Minebea Group, we take the health and safety of our employees very seriously, and we aim to create a workplace where all employees can develop to the best of their potential. Through this, we hope to instill a sense of pride in our employees and energize the company as a whole.

## Basic Approach

Since Minebea's earliest days, our Group has recognized that its employees are its most valuable resource; one of the central tenets of our management philosophy is that the company should become one that its employees "are proud to work." To make this possible, we are committed to creating workplaces where our employees all over the world can work safely and in good health, and fully exercise their abilities.

**Minebea Group Workforce (as of March 2010)**

	Employees			Japanese staff on overseas assignment	Total
	Male	Female	Total		
Japan	2,606	577	3,183	—	3,183
North America	1,040	780	1,820	26	1,846
Europe	675	376	1,051	31	1,082
Asia	10,152	32,447	42,599	381	42,980
Total	14,473	34,180	48,653	438	49,091

## Human Resources Development

At the Minebea Group, we look for employees who can work on the global stage, who can develop ideas independently, and who are up to a challenge, and we nurture our workforce through education and training. Be they newly hired or intermediate-level employees, or newly promoted managers, we have specially tailored programs for every employee rank. Featuring seminars, study sessions, and on-the-job training, these programs have been designed to impart specialized knowledge and reinforce skills.

## Fair and Balanced Evaluation

At the Minebea Group, impartiality and objectivity are our prime concerns when it comes to evaluating the abilities and achievements of our employees. Compensation and benefits reflect evaluation results, so as to create a workplace where workers can feel that they are performing valuable work and where ambitious employees are encouraged to perform to their maximum potential. We will continue implementing personnel policies based on rewarding effort and achievement and permitting a flexible response to any future changes in the workplace environment and employment structure.

**Principle Domestic Training Programs by Rank (FY2009)**

Program	Candidates	Aim of Training
New Employee Training	New employees	<ul style="list-style-type: none"> <li>- To learn the proper manners expected of working members of society, attitude toward work, and how to carry out work duties</li> <li>- To understand the company's management philosophy and code of conduct, and company rules, systems, and organization</li> </ul>
Junior Employee Training	Employees in their second year of employment	<ul style="list-style-type: none"> <li>- To learn how to set goals and ensure ongoing personal development</li> <li>- To learn the fundamentals of improving their work and the basics and importance of communication</li> </ul>
Intermediate Level Training I	Employees in their fifth year of employment	<ul style="list-style-type: none"> <li>- To review their personal abilities, what they want to be in the future and what actions they should take</li> <li>- To understand the role expected of them as intermediate-level employees and learn how to proactively motivate co-workers</li> </ul>
Intermediate Level Training II	Employees in their tenth year of employment	<ul style="list-style-type: none"> <li>- To reflect on the meaning and value of their own and the company's work from an outside perspective (customers, the market)</li> </ul>
New Assistant Manager Training	Newly promoted assistant managers	<ul style="list-style-type: none"> <li>- To learn about the role expected of assistant managers as managerial and supervisory executives, leadership, and how to mentor and nurture subordinates</li> </ul>
New Manager Training	Newly promoted managers	<ul style="list-style-type: none"> <li>- To learn the fundamentals of management innovation, identify the problems in their section, and evaluate and formulate responses to important issues</li> <li>- To learn how to lead and mentor/train subordinates</li> </ul>

Note: In addition to the above, a manager training program and a training program for intermediate-level employees are held every two years for Japanese employees on overseas assignment.

## Health and Occupational Safety

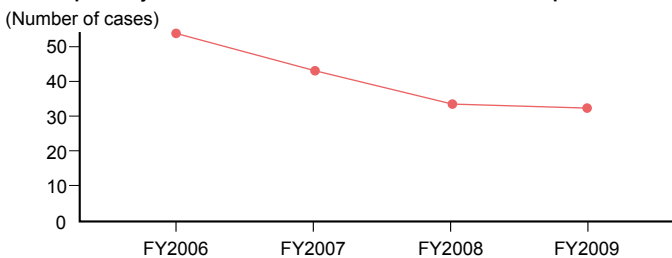
### Health and Occupational Safety Management

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 comprising numerous working groups with responsibilities for working safely, ensuring sanitation, and so on. These committees meet on a regular basis to jointly review the working groups' progress toward their individual targets. Our main plants in Thailand, China, and Singapore—key manufacturing regions for us—have obtained OHSAS 18001 certification.

In the event of a fire, workplace injury, traffic accident, or other similar incident, safety managers not only take the lead in identifying the cause and handling the issue appropriately but also ensure that information about such incidents is shared with all other production sites throughout the world so that similar incidents can be prevented in the future.

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



### Regular Patrols at the Karuizawa Plant

Regular safety patrols are conducted once a month at the group's Karuizawa Plant, reviewing progress in terms of the previous month's safety patrol findings and identifying further areas where improvements are needed. These patrols ensure that areas in the vicinity of production equipment are kept neat and tidy, that potentially dangerous tools are stored properly, and that safety glasses and earplugs are used.



A regular patrol

### Promoting Health Management

To promote health and fitness among its employees, the Minebea Group offers regular health checkups and counseling in accordance with the laws and customary practices of each country. Meanwhile, given the increasing awareness in recent years of the importance of mental health, we have stepped up our efforts in this area, making industrial physicians and counselors available to advise employees and also holding mental health seminars.

### Health and Occupational Safety Initiatives in Thailand

With approximately 60% of the group's total workforce employed at our five Thai plants—Ayutthaya, Bang Pa-in, Rojana, Lop Buri, and Nava Nakorn—Thailand represents an important base for the Minebea Group.

We strengthened occupational safety and health promotion initiatives, and our approach was recognized when we obtained OHSAS18001 certification in 2004. We have also been certified under the TLS8001 labor standards enacted by the Thai Ministry of Labor in 2003. Among the conditions of these standards are that companies must limit overtime work to 12 hours per week, within three years of obtaining certification, and this limit is currently being implemented in our Thai plants.

In terms of health and occupational safety education, we train at least 40% of our employees in fire fighting as required by law. Meanwhile, we also comply with Thai legislation requiring that at least 50% of employees be provided with access to skill improvement programs and that training aimed at improving quality of life also be provided to staff.



Safety training in Thailand

## Workforce Diversity

### Promoting Female Employment

Workforce diversity is an important issue for the Minebea Group, which has global operations. Over 34,000 women are employed by the group throughout the world, accounting for approximately 70% of our entire workforce. Accordingly, we will continue taking a proactive approach in promoting women employees to managerial positions and other posts.

### Initiatives Regarding Reemployment of Seasoned Employees

The retirement age for Minebea Group employees in Japan is 62, so that highly skilled and motivated employees may continue working longer. Meanwhile, in light of the enactment of the Act on Stabilization of Employment of Elderly Persons, the Group also provides all employees who so desire with an opportunity to be rehired after compulsory retirement.

### Initiatives Regarding Employees with Disabilities

As of June 1, 2009, persons with disabilities accounted for 1.27% of Minebea's total workforce. In the future, we will work toward meeting the statutory 1.8% employment ratio by developing new areas where these employees can contribute while also promoting the employment of persons with disabilities throughout the Group. (N.b.: The reported employment ratio was 1.74% as of August 2010.)

Ratio of Employees with Disabilities in the Minebea Group Workforce (%)

	FY2005	FY2006	FY2007	FY2008	FY2009
Employment ratio	1.10	1.16	1.16	1.11	1.27

### Respect for Human Rights

In light of the importance of compliance to companies today, the Minebea Group prohibits discrimination on the basis of race, age, gender, nationality, or religion. Furthermore, we have established an internal reporting system and provided counseling services in order to help prevent infringements on human rights.

## Initiatives for Creating Environments Conducive to Working

### Support for Diversity in Work Patterns

Minebea is committed to creating a workplace making work-life balance possible for employees, so that they can continue working with higher levels of motivation and pride in the company.

We have a flexible employment system that makes it possible for employees to take time off for childbirth, child-rearing, caring for family members, or other important events in their private lives. There is also a special holiday system that gives employees time off to rejuvenate, physically and mentally. And to celebrate our 50th anniversary in 2001, we instituted a system under which employees with 30 years or more of service are given the opportunity to take a quality-time vacation in Asia with their families.

Through these and other similar efforts, we will continue to further improve the workplace environment, so that our employees may work with peace of mind.

#### Principal Special Leave Benefits for Employees in Japan (FY2009)

Benefit	Description	No. of employees taking leave
Child care leave	Paid leave or shorter working hours for employees caring for children	35
Family care leave	Paid leave or shorter working hours for employees with family members requiring care	0
Overseas vacation for veteran employees	Trip to Thailand, China (Shanghai), or Singapore for employees with 30 years' service and their families	15

### Labor Relations

As recited in the Minebea Group Code of Conduct, we recognize freedom of association and endeavor to build harmonious labor relations by actively communicating with labor unions and employee representatives on issues such as the work environment and working conditions.

## Future Issues and Goals

We recognize that the training of human resources is an essential element for furthering our global expansion of a stable supply of high-quality precision products generated through manufacturing skills and technological innovation. Accordingly, we are engaged in nurturing human resources with skills applicable anywhere in the world and in passing on know-how.



### I want to use the experience I acquired in Japan after I return to Thailand.

I came to Japan from Thailand to participate in a year-long ILO training program and I've been here for eight months. Thanks to language training I received at the Hamamatsu ILO Center during my first three months here, I am finally able to speak some Japanese. Now based at the Karuizawa Plant, I am learning about work practices related to production control and procurement. After returning to Thailand, I want to apply what I learned here and my Japanese language skills in my work for the company. I also intend to continue studying Japanese.



**Chuleeporn lamtae**

NMB-Bearing Div. Production Control  
NMB-Minebea Thai Ltd.,

### I am proud of the way my work allows me to develop as a person.

I've been working for Minebea since 1994, and I'm proud of the fact that, despite poor economic conditions, the company's monthly sales volume of bearings to Asia and the Greater China region has expanded six-fold during that time and that sales are continuing to grow. For my part, I gained valuable experience through my job in production control, particularly because I learned to communicate effectively with sites all over the world. This not only benefited my work but helped me learn about the cultures of various countries, helping to broaden my perspective and contribute to my personal growth.



**Ricky Tan Tiam Huat**

Manager  
Singapore Sales Division  
NMB Singapore Limited.

### I underwent Intermediate Level Training I.

This most recent training course gave me the opportunity to appreciate the fact that I am now an intermediate level staff member. By applying what I learned during the course and remaining conscious of particular tendencies I have when it comes to work (especially my weak points), I feel that I can be a little more relaxed about my work than before. Over the three days of the course, I spoke with many other intermediate level staff members from different departments, and this also encouraged me to do a good job.



**Mayumi Saito**

Customer Support Engineering  
Ball Bearing Business Unit  
Minebea Co., Ltd.

### I feel that involvement in activities benefiting a worthy cause helps motivate employees

The grounds are a sea of greenery and blossoms, so much so that visitors have praised it for looking more like a flower garden than a manufacturing plant. We are also active contributing members of environmental protection programs and other society-oriented projects both here at the plant and in the community. I believe I can also speak for many other employees in saying that a company with this type of outlook is a pleasure to work for.



**Qingyun Lu**

Senior Manager  
Personnel & General Affairs Division,  
Minebea Electronics & Hi-Tech Components  
(Shanghai) Ltd.

### I was happy to be able to benefit from the Group's vacation scheme for veteran employees.

As of April 2010, I had been a Minebea employee for 30 years. Notified by the Personnel & General Affairs Department that I was now eligible to take an overseas trip, as an expression of the company's appreciation of my service, I proudly returned home to tell my waiting family, and we immediately set about making plans. The three of us traveled to Singapore at the end of July. Although I did not say so in so many words, I am grateful for this opportunity to express my gratitude to my family.



**Hiroshi Sawamoto**

Manager  
Baraki Warehouse  
Logistics Department  
Minebea Co., Ltd.

### I was most impressed by the company's child-care leave and shorter work-hour schemes.

When I returned to work after child-care leave, having to get back up to speed from scratch was quite daunting. Thanks to the company's shorter work-hour scheme, however, I find it's quite easy to return to full-time duty, and because I have only a limited amount of time, I can concentrate and get a lot of work done. While balancing work and taking care of a child is always difficult, a child's smile is like a ray of light from heaven, and my days are now much more fulfilling. I hope that many more employees, men and women alike, will avail themselves of this scheme from now on.



**Misa Suminaga**

Accounting Department  
Finance & Administration Division.  
Minebea Co., Ltd.

# Relationship with Local Communities and Global Society

As a corporate citizen, the Minebea Group aims to contribute to society through activities supporting both 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. We carry out social contribution activities meeting local needs, in order to establish firm roots in those communities.

## Contributing to Global Society

### Appointment as Honorary Investment Advisor by the Board of Investment of Thailand

The Board of Investment of Thailand (BOI) is a governmental organization authorized to award preferential treatment for investment in order to promote investment in Thailand. In recognition of the fact that the Minebea Group has continued to actively invest in the country ever since establishing its Ayutthaya Plant in 1982, the BOI appointed Yoshihisa Kainuma, President and Chief Executive Officer of Minebea, an honorary investment advisor on June 10, 2010. We intend to continue contributing to Thailand's further development by making recommendations to promote investment in Thailand by Japanese companies.



Appointment ceremony

## Building Schools and Libraries in Thailand

In Thailand, a key manufacturing center for the Minebea Group, we focus on support activities for children's education. As part of this effort, we collected and contributed a total of 3.5 million baht to the Mae Fahn Luang School in Tak Province in order to replace the dilapidated school building and build a new library. As a result, the school was able to increase its capacity from 70 to 100 students.

We intend to intensify our efforts to support the education of Thailand's young in the future as well. Among planned projects, we are now collecting funds to build a new junior high school near the Mae Fahn Luang School.



Mae Fahn Luang students and their new school building

## Promoting Environmental Education

### Presentation of Books to Thai Schools

To support environmental education among Thai children, the Minebea Group has contributed books on the environment and energy to schools in the vicinity of our plants. In FY2009, we presented approximately 200 books to the Mae Fahn Luang School and 107 books to the Wang Daeng Nuar School.



Presenting books to the Wang Daeng Nuar School

### Waste Separation Seminar at Bang Pa-in Plant

In FY2009, together with officials from the Natural Resources and Environment Administration, staff of Minebea's Bang Pa-in Plant in Thailand held a seminar to teach proper waste separation to children at the Thammanawa School. The seminar's aims were to improve awareness and understanding of waste separation and promote reuse of natural resources, and it was attended by a total of 507 children, 279 from the elementary school and 228 from the junior high school. The Bang Pa-in plant also contributed 12 waste separation containers to the school.



Students attending a waste separation seminar

### Contributing to solving social issues by raising children's awareness

Our aim in inviting elementary and junior high school children to participate in a waste separation seminar is to increase their awareness of and instill in them the importance of separating waste from an early age. This activity was begun because in Thailand, the amount of waste produced is growing at a phenomenal rate and waste separation is not yet a widespread practice, which has made waste a major social concern. We hope to fundamentally solve the problem through seminars, and we will support such seminars at one or more schools a year.



Pinphaka Nadej  
Secretary of CSR  
NMB-Minebea Thai Ltd

## Protecting Nature in Thailand

As part of its efforts to protect nature in Thailand, the Minebea Group is actively involved in tree-planting programs. One such program got underway in the estuary region of Prachuapkhirkhan Province in FY2007, where 30 of our employees took part to plant mangrove trees. In FY2009 alone, we planted 40,000 trees, and a cumulative total of 100,000 trees have been planted since the start of this activity in FY2007.

A group of 30 Minebea employees participated in a reforestation project sponsored by the Thai royal family in the Cholasit region of Lop Buri Province. In addition to planting teak trees found in the vicinity of Pa Sak Cholasit Dam, they released fish indigenous to the region. A total of 100,000 fish were released in FY2009.



Staff participating in the Cholasit reforestation project

## Contributing to Local Communities

### Plant Tours

Groups of elementary and junior high schools on field trips are always welcome at Minebea Group plants. Our Karuizawa and Fujisawa plants offered tours to school children in FY2009, and in addition to touring our facilities, they also took part in hands-on activities to get a taste of actual work.



### Donation of Weigh Scales for Wheelchair Users

Since FY2008, we have been donating weigh scales for wheelchair users incorporate Minebea-produced load cells. In FY2009, we donated one scale to Miyota Town, Nagano Prefecture, where our Karuizawa Plant is located, and another to Fukuroi Municipal Hospital, located close to our Hamamatsu plant. These scales allow wheelchair users to be weighed without having to get out of their wheelchairs, which significantly reduces the workload of staff at medical and social welfare facilities.



Presentation ceremony at Heartpia Miyota  
Presenting a document listing the content of the donation to Yuji Moteki, Mayor of Miyota Town

## Promoting Amateur Sports

To promote amateur sports, Minebea provides operational support and has donated bench jackets to Curling Hall Miyota, a regional sports center located in Miyota Town, Nagano Prefecture.

Additionally, in FY2009 we supported the 2009 Karuizawa International Curling Championship. At this tournament, 16 curling teams from nine countries, including the Nagano Prefecture women's team, joined in five days of heated competition.



## Summer Evening Festival at the Fujisawa Plant

Just before the start of the summer holidays each year, the Fujisawa Plant holds a summer evening festival. Comprising a wide range of individual events, this festival is enjoyed by employees, their families, and many people from the area.



### The 2010 Summer Evening Festival

Welcoming over 1,000 visitors from the plant and the surrounding region, the summer night festival held at the Fujisawa Plant on August 10 was a much bigger success than anyone expected. Many members of the organizing committee, myself included, had no previous experience planning and running an event like this. At first, we had no idea how to get started, and both preparation and organization on the day itself were completely nerve-racking. But ultimately, the stage performances, stalls, and other attractions that we arranged were a big hit with all who came.



**Nobuhisa Ikegami**

Vice-chairman, Health Management  
Planning Committee  
Fujisawa Plant, Minebea Co., Ltd.

## Future Issues and Goals

Minebea hopes to be a company that can develop relationships of trust with local communities and that can continue growing with them, through ongoing involvement in activities contributing to society both in Japan and abroad.



# Relationships with Suppliers

The Minebea Group aims to cultivate sound relationships with its suppliers by promoting fair and equitable competition, and we look forward to growing together with them by working together to be considerate of the environment.

## Basic Approach

Our business relies on relationships with many suppliers. The Minebea Group has adopted a Basic Purchasing Policy to support the development of a sound partnership. We also ask our suppliers to comply with the Minebea Group Code of Conduct, which includes provisions regarding respect for human rights, and we aim to encourage environmentally-friendly business practices by promoting cooperation in green procurement.

### Basic Purchasing Policies

1. Legal compliance  
To ensure proper procurement activity, we respect the spirits of applicable business laws and regulations. At the same time, we are also committed to abiding by such laws and regulations.
2. Open-door  
Under the open-door policy of providing all applicants with competition opportunities, we aim to do our best in business with you, regardless of whether you are located at home or abroad.
3. Equity and Fairness  
Based upon the principle of fair competition, we assure you of equitable treatment in the selection of suppliers, while making a comprehensive assessment of your quality, price competitiveness, delivery assurance, after-sales services, reliability and technological edges.
4. Green procurement  
To deploy business operations aimed at preserving the environment, we actively commit ourselves to the procurement of materials that gives full consideration to the global environment.
5. Secrecy  
Any trade and technical secrets known to us during the course of purchasing operations shall be kept confidential, and shall not be disclosed to any third parties without suppliers' permission.

## Green Procurement

In July 2004, we established the Minebea Group Green Procurement Standard to ensure compliance with RoHS<sup>(1)</sup>, REACH<sup>(2)</sup>, and other international laws and directives, in order to satisfy our customers' requirements in relation to environmental protection and reduce our own environmental burden. Under these guidelines, we require our suppliers to provide products, whether raw materials, sub-assemblies, components, or packaging, that are free of hazardous substances and to also submit certification of safety, analysis reports, and other similar documentation.

(1) RoHS directive: The Restriction of Hazardous Substances Directive prohibits the usage of six hazardous materials in electrical and electronic products used in the European Union.  
 (2) REACH: The European Union's Registration, Evaluation, Authorization and Restriction of Chemicals regulation was enacted to protect human health and the environment. This regulation requires companies to register and evaluate the safety of 30,000 different types of chemicals sold and used within the EU.

## Supplier Selection Policy

Whenever the Minebea Group starts dealing with new suppliers, we ask them to confirm their agreement with our approach to materials procurement and to proceed in accordance with our New Supplier Certification Standards, to ensure compliance with our procurement activities policy. These standards require us to assess 10 items, for example whether the company in question will be able to conduct business in a stable, continuous manner; whether it satisfies the Minebea Group Green Procurement Standard; and whether it agrees to abide by the Minebea Group Code of Conduct. Where necessary, we visit prospective suppliers in order to inspect their production facilities. In FY2009, we certified a total of 65 suppliers in this way.

## Communication with Suppliers

Minebea is committed to communicating effectively with its suppliers: one example of this is the supplier briefings that we hold whenever revisions are made to the Minebea Group Green Procurement Standard. When Panasonic Corporation transferred its information equipment motor business to Minebea Motor Manufacturing in FY2009, we held similar briefings for suppliers in both Japan and China. Since a number of that business's suppliers had no previous dealings with the Group, the briefings were held in part to explain our approach to procurement. The briefing in Japan was attended by 112 persons from 84 companies; 165 persons from 156 companies attended the China briefing.



Supplier briefing

## Future Issues and Goals

We intend to continue communicating effectively with our suppliers in order to improve quality based on shared values and to further strengthen our consideration for human rights and the environment.



# Relationship with Shareholders

We consider communication with our shareholders and investors important and endeavor to disclose information appropriately, and we endeavor to manage the company to meet these expectations.

## Appropriate Timing for Disclosure/Disclosure Policy

In addition to disclosing information as required by applicable laws and regulations in terms of timing and level of detail, we have also established our own disclosure policy to ensure a forward-looking approach in this regard.

## Communication with Shareholders

### General Meeting of Shareholders

Minebea's Ordinary General Meeting of Shareholders is held in June every year. In addition, we send shareholders a report twice a year to keep them informed of the state of the company's business and of our management policies.

### Communication with Institutional Investors

Twice a year, Minebea holds briefings on financial results and conference calls for institutional investors and securities analysts. In FY2009, the briefings on financial results took place in May and November, and conference calls were organized in February and August.

We spend one week per year for each region on visiting investors in North America, Europe, and Asia.

We also participate in brokerage-sponsored investor seminars, conduct numerous one-on-one consultations, and proactively engage in many other investor-related activities.

### Communication with Private Investors

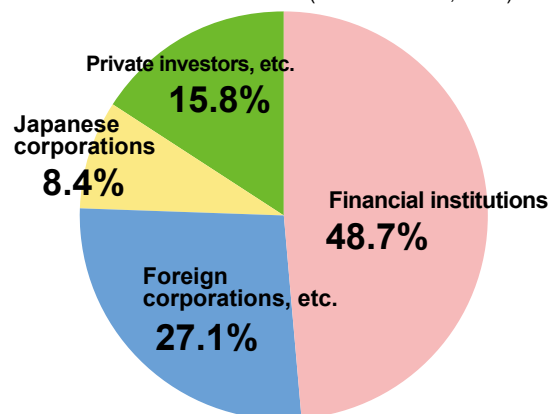
At a Minebea briefing for private investors held in March 2010, the president explained details of our operations and plans for the future.

## Shareholder Returns

Starting with the appointment of the current president in FY2009, Minebea adopted two major targets in terms of shareholder returns. The first is maximizing earnings per share and enhancing corporate value, and the second is solidifying the corporate foundation for our centennial. FY2009 was our first year working toward these new targets, under extremely challenging market conditions as a result of the global financial crisis. Nevertheless, higher sales in the second half, together with a range of cost reduction measures, helped to boost earnings, and we were ultimately able to pay a total dividend of seven yen per share for the year.

In November 2008 and February 2010, meanwhile, we implemented a repurchase of our shares to allow for flexible capital policies in order to respond efficiently to changes in business conditions.

Shareholder Breakdown (as of March 31, 2010)



## IR Website

Daiwa Investor Relations awarded its "Best Company" prize to Minebea's IR website in the Internet IR category in 2009, and in 2010, Gomez Consulting's "Gomez IR Site Ranking" ranked our site among its top 20.

In addition, Nikko Investor Relations recognized our website as the most comprehensive of all listed companies in FY2009.



## Future Issues and Goals

Through enhanced IR activities, we aim to expand our communication with shareholders and to promote a greater level of understanding of the Minebea Group among all types of investors.

# Minebea

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