

Minebea Group CSR Report 2016



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Editorial Policy

We publish the Minebea Group CSR Report annually as a way to inform our stakeholders of our Group's CSR approach and initiatives. In addition to representative initiatives described in this report, our website provides detailed information on corporate governance systems, environmental measures and various other activities.

In the feature articles for the FY2015 report, we introduce a stakeholder dialogue at the Hamamatsu Plant as an example of our communication with communities around our business sites, along with CSR initiatives at Minebea Electronics & Hi-Tech Components (Shanghai) Ltd., which places an emphasis on discussions with stakeholders. We also continue to share the progress of our specific CSR initiatives in the pages of our "Management Report," "Social Report," and "Environmental Report" sections.

We consider the publication of the CSR Report to be an important means of communication with stakeholders, and in keeping with this approach, we have endeavored to make the contents relevant and clear. We always appreciate receiving forthright opinions and feedback from our readers.

• Scope of report

Minebea and 77 group companies

• Period covered by this report

FY2015 (April 1, 2015–March 31, 2016)

However, this includes some activities before this period and from FY2016.

• Publishing information

Published September 2016 (previous edition published September 2015; next edition planned for September 2017)

• Referenced guidelines

Japanese Standards Association, ISO 26000:2010 (Guidance on social responsibility)
 GRI "Sustainability Reporting Guidelines" (edition 3.1)
 Japanese Ministry of the Environment "Environmental Reporting Guidelines" (2012 edition)

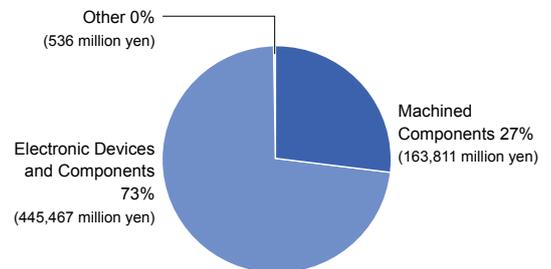
• Enquiries regarding this report

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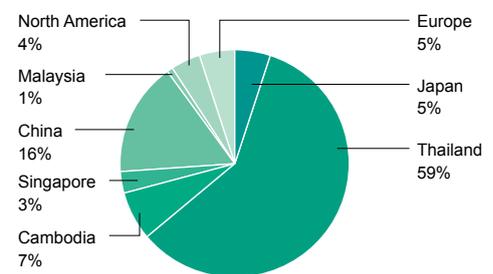
Corporate Profile (as of March 31, 2016)

Corporate name	Minebea Co., Ltd.
Headquarters	4106-73 Oaza Miyota, Miyota-machi, Kitasaku-gun, Nagano 389-0293, Japan TEL: +81-267-32-2200
Tokyo Head Office	3-9-6 Mita, Minato-ku, Tokyo 108-8330, Japan TEL: +81-3-6758-6711
Established	July 16, 1951
Capital	68,258 million yen
Representative	Yoshihisa Kainuma, Representative Director, President and Chief Executive Officer
Main business	Machined component business, electronic devices and components business
Net sales	Consolidated: 609,814 million yen
Operating income	Consolidated: 51,438 million yen
Ordinary income	Consolidated: 46,661 million yen
Net income attributable to owners of parent	Consolidated: 36,386 million yen
Number of employees	Consolidated: 62,480 people
Number of consolidated subsidiaries and affiliates	68 companies

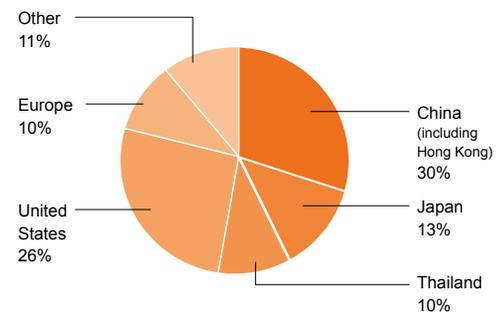
Sales by business segment (FY2015)



Total production by region (FY2015)



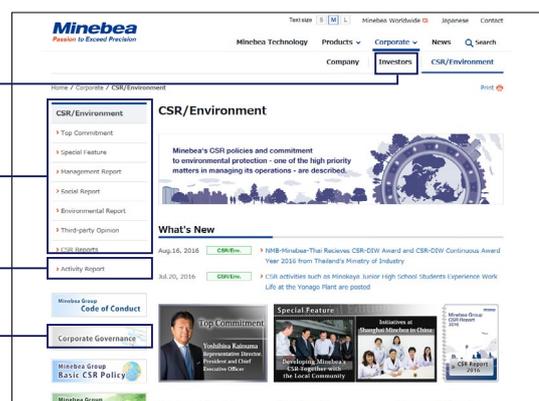
Sales by region (FY2015)



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

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

- › Information for investors
- › CSR Report 2016 detailed data
- › Recent CSR activities
- › Corporate governance information



Commitment from the President

Looking Back on FY2015

I'm pleased to report that our ball bearing business, motor business, and measuring components business, which we have renamed sensing devices, all grew steadily in FY2015 and achieved higher sales and profit amid growing demand. As a result, for FY2015, we posted consolidated net sales of 609,814 million yen, an increase of 21.8% over the previous year. Our consolidated operating income, meanwhile, declined 14.4% to 51,438 million yen, and our net income declined 8.8% to 36,386 million yen. We achieved record-high net sales, despite the income decline in certain areas resulting from customers' reduced production and other factors. The record sales reflect our dedication to our basic business belief of "manufacturing with sincerity."

As we reinforce the foundation of our business activities, it will be essential to implement CSR based on the "Five Principles," which serves as the basis of our CSR approach, in order to ensure sustainable growth into the future.

To vigorously promote our CSR-based management, in November 2015 we repositioned the "Five Principles," which until then had been our basic management policy, as the company credo to be pursued by the entire Minebea Group. Additionally, we confirmed CSR issues at each Group site and bolstered our global CSR management structure.

It is important that we remain aware of stakeholders' expectations of our Group by holding direct communication with them. In FY2015, we conducted a survey of CSR procurement practices in China, following similar surveys in Japan and Thailand, while strengthening our systems for promoting CSR collaboratively with suppliers. In Japan, we continued our local community dialogues by holding a dialogue in May 2016 with Fukuroi City, Shizuoka Prefecture, which hosts the Hamamatsu Plant. We invited the mayor and other community representatives to visit the plant and share their requests and opinions with us. We will respond sincerely to the feedback we received by reflecting their views in plant operations and business development.



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

A handwritten signature in black ink, appearing to be 'Y. Kainuma', written over a white background.

Ensuring Growth through Manufacturing to Create New Social Value

The Minebea Group firmly believes that it is the mission of a manufacturing company to make contributions to society through the development and manufacture of products. In accordance with this belief, the principle of "Creation of social value through products" is included in the Minebea Group's CSR Implementation Principles. In 2015, we announced our new "Five Arrows" strategy to expand business and ensure sustainable growth by creating social value through manufacturing.

For example, we are striving to strengthen our existing product lineups by creating high-value-added products which support our customers' development of high-quality, high-performance end products, such as energy-efficient automobile engines and airplanes with improved fuel efficiency. Over the years, the Minebea Group has successfully developed a broad range of

advanced technologies, from core technologies to ultra-precision machining capabilities and assembly technologies. As we leverage these individual technologies, we are also using them to provide EMS products incorporating a variety of software to offer unique value. In FY2015, we announced the new LED lighting equipment “SALIOT” (Smart Adjustable Light for the Internet Of Things), which combines optical technologies used in LED backlight manufacturing with circuits, motors, and wireless communication technologies to promise new value in the lighting business.

On March 30, 2016, we concluded a final business integration agreement with Mitsumi Electric Co., Ltd. (hereinafter Mitsumi Electric). Although Minebea and Mitsumi Electric share a similar business field, there is little overlap between our product lineups. Additionally, the sources of our competitive strengths are different, and therefore I am confident we can generate synergies in manufacturing. By combining Mitsumi Electric's various product development technologies with our in-house manufactured assembly equipment, mold designs, manufacturing and mass-production capabilities, we can transform ourselves into a true

solutions company. Our goal is to create new products with even higher added value and maximize our corporate value.

Building a Foundation for Our 100th Anniversary to Ensure Sustainable Growth into the Future

I made a promise to build a foundation for our 100th anniversary upon my appointment as CEO in April 2009. To build a stronger foundation, each and every employee in the Minebea Group must be dedicated to our basic belief of “manufacturing with sincerity.” Driven by our 60th anniversary corporate message “Passion to Exceed Precision,” all our executives and employees are striving to achieve sustainable growth with a sense of passion for manufacturing.

This report explains the Minebea Group's business activities and CSR activities from many different perspectives. The feedback we receive from our readers will help us improve our business activities going forward.

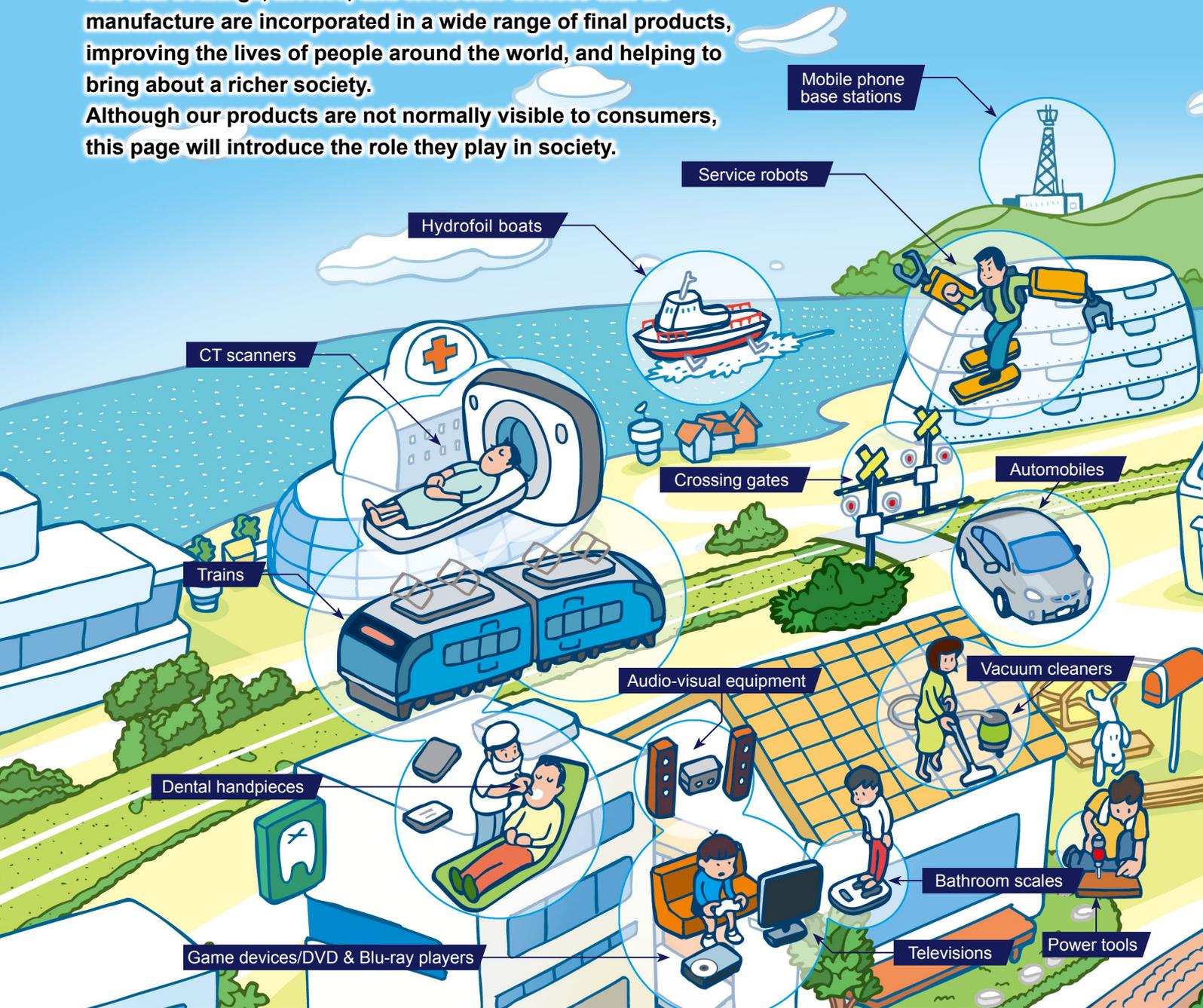
I look forward to hearing your honest opinions.

The New “Five Arrows” Strategy



Minebea Products in Society

The ball bearings, motors, and electronic devices that we manufacture are incorporated in a wide range of final products, improving the lives of people around the world, and helping to bring about a richer society. Although our products are not normally visible to consumers, this page will introduce the role they play in society.



Machined Components

• Products

Ball bearings, rod end & spherical bearings, roller bearings, fasteners, pivot assemblies, precision machined components



• Product applications

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



Electronic Devices and Components

• Products

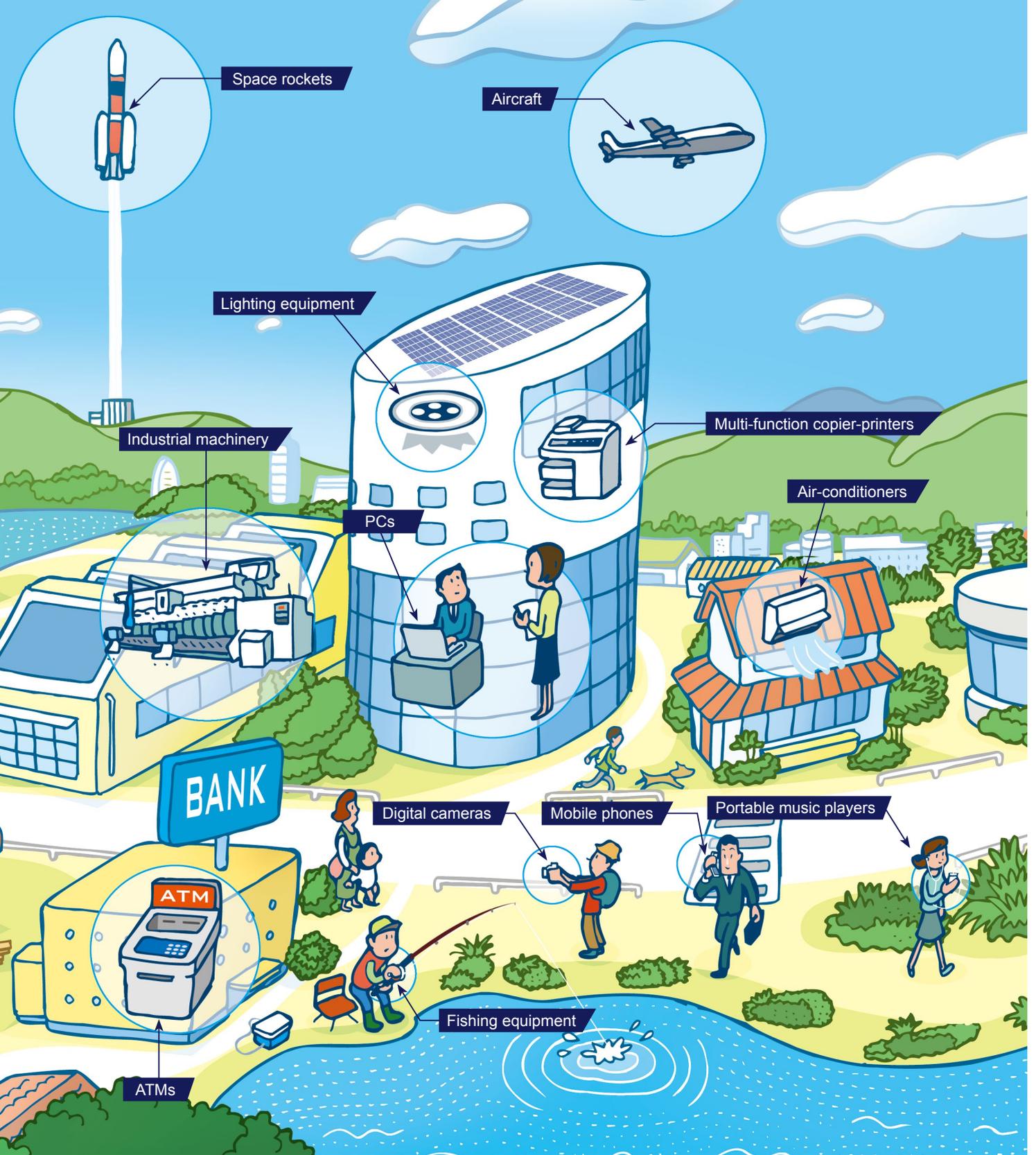
Hard disc drive spindle motors, small precision motors, stepping motors, brushless motors, fan motors



• Product applications

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





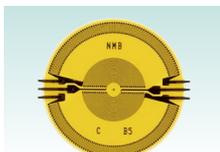
• Products

Lighting devices for liquid crystal displays, measuring components, fan units, LED lighting equipment



• Product applications

Personal computers, digital cameras, mobile phones, smartphones, portable music players, projectors, measuring devices, automobiles, space rockets, lighting equipment



• Products

Special components

• Product applications

Industrial machinery, defense equipment, automobiles



In May 2016, we held a stakeholder dialogue at the Hamamatsu Plant (Fukuroi City, Shizuoka Prefecture) with representatives from the local community. The dialogue was an opportunity for us to explain Minebea's history and business, provide a tour of the plant, and engage in a lively discussion with community members.



List of Dialogue Participants

Participants from Fukuroi City		Minebea Co., Ltd.	
Mayor of Fukuroi City	Mr. Hideyuki Harada	Director, Senior Managing Executive Officer Chief of Electronic Device & Component Manufacturing Headquarters	Mr. Hiroataka Fujita
Special Director and Secretary for Disaster Prevention, Fukuroi City	Mr. Tomio Kinpara	Managing Executive Officer Officer in charge of CSR Promotion Office, Compliance Promotion Office at Finance & Compliance Promotion Division	Mr. Tatsuo Matsuda
General Manager of Industry and Environment, Fukuroi City	Mr. Toru Suzuki	Deputy General Manager, Hamamatsu Personnel and General Affairs Department	Mr. Yasuhisa Tomita
General Manager of Education, Fukuroi City	Mr. Yukio Okawara	Manager, Hamamatsu Plant Maintenance Department	Mr. Yukihiro Takeda
Manager of Industry Promotion, Department of Industry and Environment, Fukuroi City	Mr. Shunsuke Hatakama	Supervisor, Environment Management Office (Hamamatsu), Group Environment Management Department	Mr. Hideyuki Ishikawa
Manager of Disaster Prevention, General Affairs Department, Fukuroi City	Mr. Tsuyoshi Isobe	General Manager, CSR Promotion Office	Mr. Masaki Ishikawa
Chairman, Fukuroi Chamber of Commerce and Industry	Mr. Fujio Toyoda	CSR Promotion Office	Mr. Hidetsugu Irie
President, Shizuoka Institute of Science and Technology	Mr. Hiroshi Noguchi		
Chairman, Asaba Town Chamber of Commerce and Industry	Mr. Takeshi Shibata		
Chairman, Asaba Kita Self-government Association	Mr. Kazumi Totsuka		
* The titles of participants are current as of the date of the dialogue (May 20, 2016).			
		Facilitator	
		CSR Consultant Cre-en Inc.	Mr. Takehiko Mizukami

Introduction

Mr. Hiroataka Fujita: Thank you very much for joining us today at the Hamamatsu Plant. It is an honor to have you. The Minebea Hamamatsu Plant started operations in 1986 in conjunction with our entry into the electronic devices business. Since then, the plant has engaged in R&D and product manufacturing. We have been proud to sponsor local community events, provide plant tours for community members and take part in other activities, and we are



eager to have even more direct communication with community members in the future.

Today, we look forward to hearing everyone's honest opinions and requests regarding Minebea's community initiatives as a first step in enhancing our communication and engagement.

A Globally Expanding Company

Mr. Hideyuki Harada: Thank you for giving us a tour of the Hamamatsu Plant today. This has made Minebea feel more familiar to us. It's reassuring to know that a company like Minebea, with its global presence and reputation, has a site in Fukuroi City. In 2019, Fukuroi City will be a host site for the 2019



Mr. Hideyuki Harada
Mayor of Fukuroi City

Rugby World Cup. We are now planning to internationalize the city in preparation for that event, and we would appreciate any advice from Minebea. I am also pleased that Minebea is eager to be a partner with the community in its urban development amid trial and error by various local government organizations. I know

that Minebea has many sites throughout Japan, and any insight you can share on community development would be greatly appreciated.

Mr. Tatsuo Matsuda: Minebea has held dialogues with communities around the Karuizawa Plant (Nagano Prefecture) and the Yonago Plant (Tottori Prefecture). We strive to maintain good communication with communities around our sites and to jointly tackle community issues. We would be very pleased if these experiences were useful to the people of Fukuroi City.



Mr. Tatsuo Matsuda
Minebea

Mr. Fujio Toyoda: Minebea is a company with a strong global presence, and it would be a great service to us to learn from you how we can promote Fukuroi City to the global community. As an example, Fukuroi has



Mr. Fujio Toyoda
Chairman, Fukuroi Chamber of Commerce and Industry

long been a leading grower of superior green tea. Green tea has become more popular in recent years in recognition of its health benefits, including curing eye fatigue. If your employees at sites outside Japan drank our tea in their offices, that would have a great promotional boost for us.

Mr. Hirotaka Fujita: That's an excellent suggestion. Employees at the Fukuroi Plant regularly enjoy Fukuroi green tea and other locally made products, and I believe there are opportunities for us to collaborate with you by promoting these products internally.

Nurturing Local Youth to Revitalize the Community

Mr. Hiroshi Noguchi: I understand that 43% of the Hamamatsu Plant's 828 employees reside in Fukuroi City, and about 80% reside in the area including Hamamatsu, Iwata, and Kakegawa. It's wonderful that so many employees live in local communities. I think Minebea represents a model for promoting the revitalization of local communities through the employment of younger workers. I'd like to see Minebea continue to promote the benefits of living and working in local communities to the younger generations. For example, you could expand the number of plant tours so that younger people could see how the Hamamatsu plant develops so many great products for society. Younger workers will feel that they can realize their dreams right here in Fukuroi City. At my institute, students are studying the sciences, so it would be very beneficial for us to have Minebea promote internships and hiring from local universities.



Mr. Hiroshi Noguchi
President, Shizuoka Institute of Science and Technology

Mr. Hirotaka Fujita: We've offered plant tours in the past, and if there is interest, we will do the best we can to offer more in the future. As for educational collaboration, our employees have visited local universities to act as guest instructors. This has been a great exchange program for everyone. We introduce business initiatives outside Japan and share our initiatives on manufacturing. If it's helpful for local students, then we are eager to continue.

Mr. Fujio Toyoda: The plant tours allow students to see the latest manufacturing technologies, and this is very encouraging for young children and students thinking about future careers. The chamber of commerce and industry is also spearheading industrial tourism. For example, each year Fukuroi City hosts the Student Formula Japan, where students design and build their own sports cars and compete with each other on performance. This seems to be an area closely related to Minebea's business.

Mr. Hirotaka Fujita: It certainly is. For the Student Formula Japan competition, we donate rod end bearings and other automotive parts in response to requests from various universities. In the past, we've also had these university students take tours of our Hamamatsu Plant. For Minebea, the race is a great opportunity to promote interest in our company among distinguished students and boost our recruiting efforts.

Communication through Local Business and Events

Mr. Hiroshi Noguchi: My institute has established an industry-academia collaboration organization through which we hold joint meetings with some 70 companies located around Fukuroi City. Smart cities, measuring equipment, and some of our other initiatives are closely related to Minebea's business areas, and we would welcome your involvement. In regard to smart city development, Fukuroi City is now planning to install LED lighting on roads to ECOPA Stadium.

Mr. Hirotaka Fujita: That's a very interesting plan. In the area of smart cities, Minebea is collaborating on a Japan's Ministry of the Environment project to install about 9,000 LED street lights with mobile communications functions in Cambodia. Regarding the ECOPA Stadium project, we could contribute our expertise in this area if the city plans to change the lighting equipment.



Mr. Takeshi Shibata
Chairman, Asaba Town
Chamber of Commerce and
Industry

promote the region, and we would welcome Minebea's participation as a way to promote your company and products.

Mr. Hirotaka Fujita: Thank you very much for the invitation. We recognize that we need to improve our PR activities in the local community. We believe that it's very important for the people living in communities

Mr. Takeshi Shibata: The plant tour I participated in today sparked my interest in the excellence of your products and technologies. As a member of the community, I also felt that the people in this community are not sufficiently aware of your presence. For example, in the Asaba region, we hold a trade fair each November to

around us to understand our business well. The trade fair you mentioned is exactly the kind of opportunity we would actively like to participate in.

Mr. Takeshi Shibata: Promoting your presence in the community will help to forge closer ties between your company and the residents. Communication between your company and residents, as well as with local government bodies, will improve and they will ask Minebea to become more involved with their activities. We in the local community have high expectations for Minebea's greater involvement.

Continuing Communication to Build a Better Community

Mr. Kazumi Totsuka: One of this community's most important themes is disaster prevention. In the event of a disaster, can we expect Minebea to share its plant area to support the needs of local residents?



Mr. Kazumi Totsuka
Chairman, Asaba Kita
Self-government Association

Mr. Hirotaka Fujita: Minebea maintains a stock of food and water to prepare for earthquakes and other natural disasters.

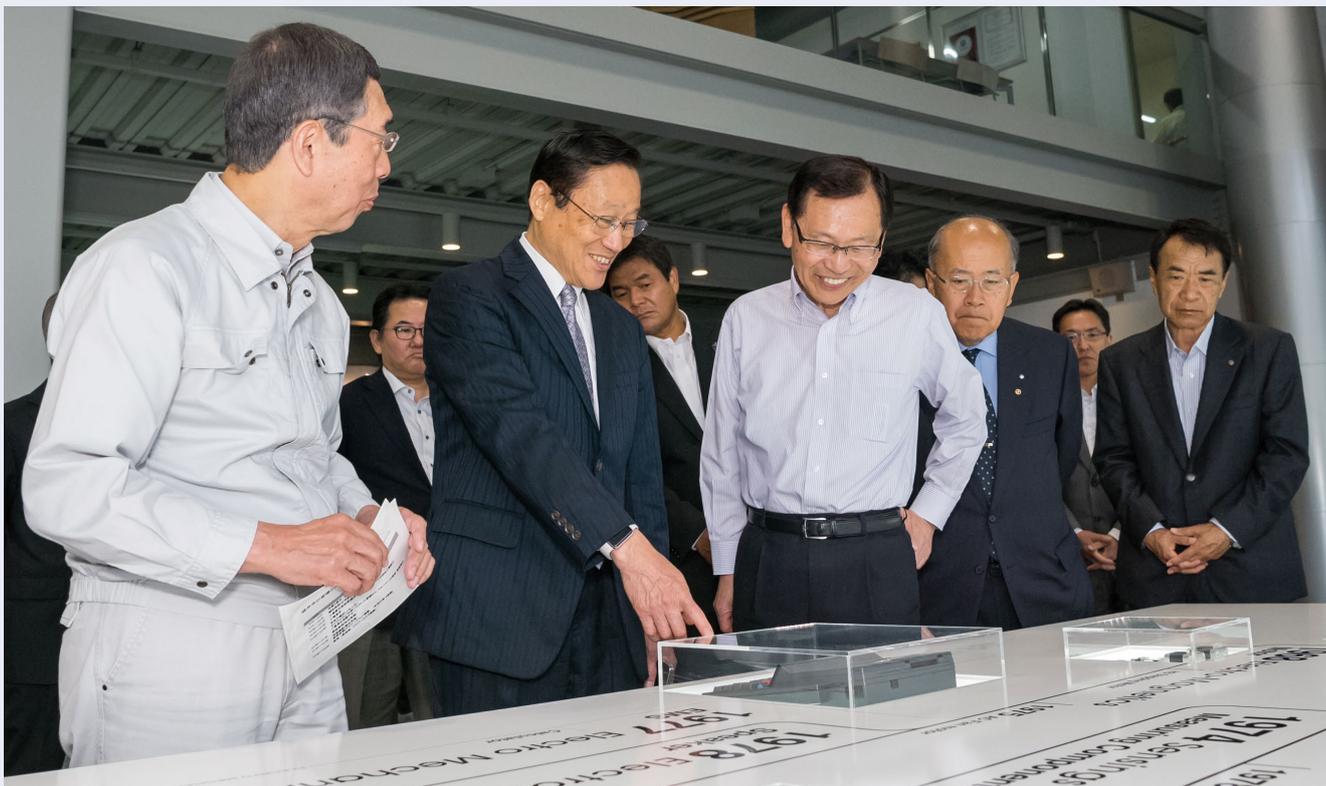
We have a certain amount of surplus to serve local residents. As a member of the community, we would like to help as much as we can during emergencies.

Mr. Tomio Kinpara: The other day, as Fukuroi City's Secretary of Disaster Prevention, I visited Kumamoto Prefecture to witness the impact of the recent earthquakes. The experience in Kumamoto reconfirmed for me the importance of cooperation with local residents and companies to face natural disasters, as municipalities cannot handle the aftermath alone. We have established a disaster response plan for Fukuroi City and we look forward to discussions with Minebea in order to ensure smooth communication in the event of an emergency.



Mr. Tomio Kinpara
Special Director and
Secretary for Disaster
Prevention, Fukuroi City

Mr. Hirotaka Fujita: We also look forward to discussions with you. As a company, Minebea's first



Guests take a plant tour

responsibility is to confirm and protect the safety of its employees. We are also prepared to support local residents as much as possible by offering our seminar hall and welfare annex building as temporary shelters and through other means.

Mr. Hideyuki Harada: Considering that 43% of your plant employees are residents of Fukuroi City, just taking in these residents would significantly lessen the burden on the city. We hope to have more detailed discussions with you about this.

Mr. Yasuhisa Tomita: Lastly, since we have this opportunity, I would like to discuss two points that are of interest to Minebea. The first issue pertains to children on waiting lists for daycare centers. At Minebea, we have many female engineers working at our plant, and a serious issue for many of them is a lack of childcare facilities when they return to work after childcare



Mr. Yasuhisa Tomita
Minebea

leave. We are eager to work with you on improving this situation. The second issue pertains to traffic and transportation facilities around the plant. There are roads without sidewalks, and areas which are

not served by buses and other public transportation. We feel that these represent issues of safety and convenience for local residents, including our employees. We would be very grateful if you could look into these issues.

Mr. Hideyuki Harada: We understand. Thank you for sharing your opinion.

Mr. Hiroataka Fujita: There are things that we can do for each other and things that we cannot do. First, we need to share our opinions frankly and openly. None of these issues are easy to resolve, but we are eager to work on them together with you.

In Closing

Mr. Tatsuo Matsuda: Thank you very much for sharing valuable insights with us today. The foundation of all our CSR activities is our company credo, the “Five Principles,” one of which states, “Work in harmony with the local community.” Understanding how to best contribute to local communities is an important issue for us. Moving forward, the Hamamatsu Plant will strive even harder to be an indispensable part of the local community. To accomplish this, we will use today’s dialogue to continue even more communication with you. Thank you.



Shanghai Plant



Xicen Plant

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

Conducting Business Activities to Meet Stakeholder Expectations

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

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

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

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



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

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

Building on Dialogues with Employees

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

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

» Voice

Leveraging On-site Capabilities



Ms. Weijuan You
Manager
Injection Mold Division
Press Division

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

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



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

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

» Voice

Maximizing the Capabilities of Female Employees



Ms. Daijuan Tao
Assistant Manager
Tool & Die Division

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

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

Operating in Harmony with the Local Environment

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

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

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



Ms. Rongfang Feng
Vice President

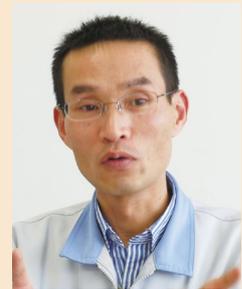
The 3R Committee was launched in 2004 with the notion that waste can be a mountain of treasure. The committee devises measures to reduce the company's environmental impact through "Reduce," "Reuse," and "Recycle" programs, while also generating profits by selling recyclable waste to processing companies.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



Mr. Hui Ye
Assistant Manager
Purchasing Division

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

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



Mr. Lin Zhu
Manager
Plant Maintenance Division



Wastewater processing facility



Checking water quality



Centrifugal chiller



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



Collecting supplies to donate to disaster regions



Volunteers at Zhujiyajiao People's Hospital

▶ A Company Working in Harmony with the Local Community

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

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

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

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

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

» Voice

Bringing Out the Best in Each Other



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

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

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

CSR Promotion Activity Goals and Results

► Results for FY2015 and Goals for FY2016 and the Medium Term

		FY2015 Goals	FY2015 Results		
Management	CSR Management	Formulate a global CSR promotion strategy based on ISO 26000 analysis results CSR	Promoted CSR strategy globally using PDCA management		
		Conduct CSR awareness initiatives and discussions with CSR Officers and CSR sub-staff in and outside Japan CSR	<ul style="list-style-type: none"> Conducted CSR awareness activities and discussions with CSR Officers in Europe, China, and the U.S. through teleconferences Promoted CSR awareness activities among domestic CSR Officers through employee magazine 		
	Corporate Governance Compliance Risk Management	Confirm the status of compliance in China and Southeast Asia and continue pursuing a compliance structure Compliance	Confirmed compliance status in China and Thailand, while promoting the establishment of a compliance structure		
		Conduct compliance training for local managers in China in addition to training in Thailand and South Korea Compliance	Conducted compliance training for local managers in Thailand and South Korea		
		Conduct compliance awareness survey Compliance	Conducted a compliance awareness survey of all Japanese employees working for Minebea		
Society	Relationships with Customers	Formulate basic BCP for Cambodia, China (Suzhou and Zhuhai), and Malaysia GA	<ul style="list-style-type: none"> Formulated basic BCP for Suzhou and Zhuhai Completed formulation of BCP action plan for Cambodia Started formulation of basic BCP for Malaysia 		
		Promote BCP drills at Japanese facilities, Thailand, and other sites GA	<ul style="list-style-type: none"> Enhanced BCP training drills at Karuizawa Plant Conducted flooding countermeasure simulation training in Thailand 		
		Create a quality assurance agreement for suppliers to promote customers' quality requirements among them Quality	Created a quality assurance agreement for suppliers and distributed the agreement among automotive parts suppliers		
	Relationships with Employees	Unify bar code labels for Thai measuring products, rod end products, PMA products, PM motor products, and micro actuators, as well as for Shanghai fan motors Logistics	Unified bar code labels for Thai rod end products		
		Promote acquisition of AEO certification in South Korea and Malaysia Logistics	Applied for AEO certification in Malaysia		
		Continue to strengthen human rights education Human Resources Development	Provided anti-harassment training as part of rank-based training as well as human rights training prior to overseas assignment		
		Continue to strengthen development and utilization of personnel suited for global development Human Resources Development	<ul style="list-style-type: none"> Conducted selective next-generation leader training Promoted strategic rotations for participants of selective next-generation leader training Conducted local manager training in Thailand and China 		
		Promote active roles for female employees Human Resources Development	Conducted training for managers to raise their awareness and reconfirm their roles		
		Continue to promote initiatives relating to work-life balance Personnel	Extended by one year the period under which employees providing childcare can work shorter hours		
		Meet legally required employment percentages for the handicapped and support their continued employment Personnel	Rate of employees with disabilities was 1.84% (as of June 2015)		
Relationships with Local Communities and Global Society	Promote mental health support measures Personnel	Prepared for introduction of a stress-check system			
Relationships with Suppliers	Promote dialogues with communities at all sites in and outside Japan CSR	Held biannual dialogues at the Karuizawa Plant and held a regular dialogue at the Yonago Plant			
Relationships with Shareholders	Distribute CSR Procurement Self-assessment Checklist to main suppliers of Shanghai, Xicen, Suzhou, and Zhuhai plants, receive responses, and analyze status Procurement	Distributed CSR Procurement Self-assessment Checklist to main suppliers of Shanghai, Suzhou, and Zhuhai plants, received responses, and analyzed status			
	Continue to promote active information disclosure relating to progress and implementation of business plan IR	Promoted information disclosure on Medium-term Business Plan and policies through general shareholders' meeting, semiannual business report, and website information			
Environment	Continue to promote active communication with domestic and international investors IR	Held four briefings on financial results and conference calls for institutional investors and securities analysts and one tour to visit investors in the U.S., Europe, and Asia			
	Acquire ISO 14001 certification at Ban Wa Plant Environment	Acquired ISO 14001 certification at Ban Wa Plant			
	Reduce CO ₂ emissions per basic unit of output by 5% compared with FY2010 Environment	Reduced CO ₂ emissions per basic unit of output by about 55% compared with FY2010 (actual emissions of 515,172 tons)			
	Reduce amount of waste ultimately disposed of as landfill by Minebea Group worldwide by 10% per basic unit of output compared with FY2014 Environment	Reduced amount of waste ultimately disposed of as landfill by about 17% per basic unit of output compared with FY2014 (actual amount of waste ultimately disposed of as landfill totaled 5,373 tons)			
	Send response to CDP Environment	As an environmental group, internally considered response to CDP			
	Promote continual improvements in packaging through new packaging methods to raise loading efficiency of marine shipping containers, introduce pallet shipping of cardboard boxes, consolidate pallet sizes, strengthen pallets (for fan motor products) Logistics	Promoted new packaging for PM motor exports to Europe to raise loading efficiency of marine shipping container; Promoted pallet shipping of cardboard boxes for HB motors and PM motors; Completed consolidation of pallet size and pallet strengthening for fan motor products			



▶ CSR Promotion Activity Goals and Results

The Minebea Group believes it is important to manage CSR activities appropriately using the Plan-Do-Check-Action

(PDCA) cycle and sets CSR goals accordingly. In order to systematically promote CSR activities, we have set medium-term goals to accomplish by FY2017.

Evaluation	FY2016 Goals	Medium-term Goals (target year of FY2017)
△	<ul style="list-style-type: none"> Promote global PDCA management through communication with overseas sites CSR Conduct CSR awareness initiatives and discussions with CSR Officers and CSR sub-staff in and outside Japan CSR 	Promote CSR management based on key CSR issues developed through an understanding of stakeholders' expectations and requests CSR
○	<ul style="list-style-type: none"> Continue to build a compliance structure in China and Southeast Asia Compliance Conduct compliance training for local managers in China Compliance Conduct compliance training through e-learning programs for all Japanese employees working for Minebea Compliance Formulate basic BCP for Thailand; formulate basic BCP and action plans for Malaysia; formulate BCP action plans for Shanghai, Suzhou, and Zhuhai GA Promote BCP drills at Japanese facilities, Thailand, and other sites GA 	<ul style="list-style-type: none"> Establish and strengthen a global compliance structure Compliance Formulate BCP for all major sites worldwide and ensure adherence to plans through training drills, etc. GA
○	<ul style="list-style-type: none"> Continue to promote quality assurance agreement among suppliers Quality Prepare for transition to ISO 9001:2015 Quality Unify bar code labels for Thai measuring products, PMA products, PM motor products, and micro actuators Logistics Unify bar code labels for bearings Logistics Promote acquisition of AEO certification in South Korea Logistics 	<ul style="list-style-type: none"> Promote transition to ISO 9001:2015 and further enhancements to quality management system Quality Promote introduction of unified bar codes for all products Logistics Promote continual acquisition of AEO certification Logistics Promote visualization to further enhance logistics quality Logistics
○	<ul style="list-style-type: none"> Continue to strengthen human rights education Human Resources Development Continue to strengthen development and utilization of personnel suited for global development Human Resources Development <ul style="list-style-type: none"> Strengthen training to nurture next-generation leaders Nurturing of local management leaders overseas Continue to promote active roles for female employees Human Resources Development Continue to promote initiatives relating to work-life balance Personnel Meet legally required employment percentages for the handicapped and support their continued employment Personnel Promote mental health support measures Personnel 	<ul style="list-style-type: none"> Strengthen the development of human resources in order to support the active expansion and development of global business Human Resources Development Raise the ratio of female managers (aim to double the ratio in 2021 compared with 2016) Human Resources Development Proactively incorporate demands of society and promote measures to support employee motivation Personnel
○	Promote dialogues with communities at all sites in and outside Japan CSR	Continually conduct CSR penetration activities in and outside Japan CSR
○	Confirm status of CSR promotion at Malaysian and Singaporean suppliers using the CSR Procurement Self-assessment Checklist Procurement	<ul style="list-style-type: none"> Conduct continual awareness activities for the Minebea Group CSR Procurement Guidelines; review and implement revisions as necessary Procurement After distributing the Minebea Group CSR Procurement Promotion Self-assessment Checklist, check the status of CSR promotion as necessary using the Self-assessment Checklist distributed to new suppliers at plants in Japan, Thailand, and China Procurement Assuming the completion of the business integration between Minebea and Mitsumi Electric Co., Ltd., unify the two companies' CSR procurement activities and study the implementation of new policies, targets and activities Procurement
○	<ul style="list-style-type: none"> Continue to promote active information disclosure relating to progress and implementation of business plan IR Continue to promote active communication with domestic and international investors IR 	Continue to actively disclose information and promote communication among a wider group of shareholders and investors to deepen their understanding of Minebea IR
○	<ul style="list-style-type: none"> Start operations based on ISO 14001:2015 Environment Set CO₂ emissions reduction targets for period through FY2020 Environment Reduce CO₂ emissions per basic unit of output by 1% compared with FY2015 Environment Reduce amount of generated waste by 1% per basic unit of output compared with FY2015 Environment 	<ul style="list-style-type: none"> Continually reduce CO₂ emissions per basic unit in comparison with FY2015 Environment Continually reduce amount of generated waste per basic unit in comparison with FY2015 Environment
○	Continue to promote palletization of product packaging Logistics	Continue to promote packaging improvements, with focus on palletization Logistics

CSR CSR Promotion Office **Compliance** Compliance Office **GA** General Affairs Department **Quality** Group Quality Management Department **Logistics** Logistics Department **Human Resources Development** Human Resources Development Department **Personnel** Personnel Department **Procurement** Procurement Department **IR** Investors Relations Office **Environment** Group Environment Management Department

Minebea Group CSR

Basic Approach

The Minebea Group believes that the mission of a company is to contribute to the sustainable development of the global environment and of humanity, not only through strict adherence to laws and regulations, but also through fair and proper business management in accordance with business ethics. To achieve this mission, we have established the “Five Principles” as our company credo, and on the basis of this credo, we have formulated the Minebea Group Basic CSR Policy and the Minebea

Group’s CSR Implementation Principles to guide our CSR activities.

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

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

The Five Principles

- ⊙ Be a company where our employees are proud to work
- ⊙ Earn and preserve the trust of our valued customers
- ⊙ Respond to our shareholders’ expectations
- ⊙ Work in harmony with the local community
- ⊙ Promote and contribute to global society

Minebea Group Basic CSR Policy

As a manufacturer of precision products supporting society, the Minebea Group is working toward stable supply and making reliable products with low energy consumption widely available, to contribute to the sustainable development of the global environment and of humanity.

The Minebea Group’s CSR Implementation Principles

1. The Five Principles and Our Code of Conduct

In promoting CSR activities, the Minebea Group will appropriately manage the organization in accordance with the “Five Principles,” and adhere to its Code of Conduct.

2. Creation of Social Value through Products

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

3. Continuous Improvement and Raising of Awareness

We will put forth goals to be achieved, based on understanding the Minebea Group’s social responsibilities and the key problems that need to be addressed, and continue to improve our CSR activities through implementation and continual review. We will also strive to raise awareness of CSR among all employees through CSR activities.

4. Dialogue with Stakeholders

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

Minebea Group Stakeholders



Supporting the UN Global Compact



Network Japan
WE SUPPORT



▶ The Minebea Group's Stakeholders

Our stakeholders are defined as employees, customers, shareholders, local communities, and global society, which are affirmed in our company credo, the “Five Principles,” as well as suppliers and the environment that supports our society. In carrying out CSR activities, the Group believes that it is essential to maintain communication with each stakeholder group and meet their expectations.

▶ CSR Promotion Structure

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

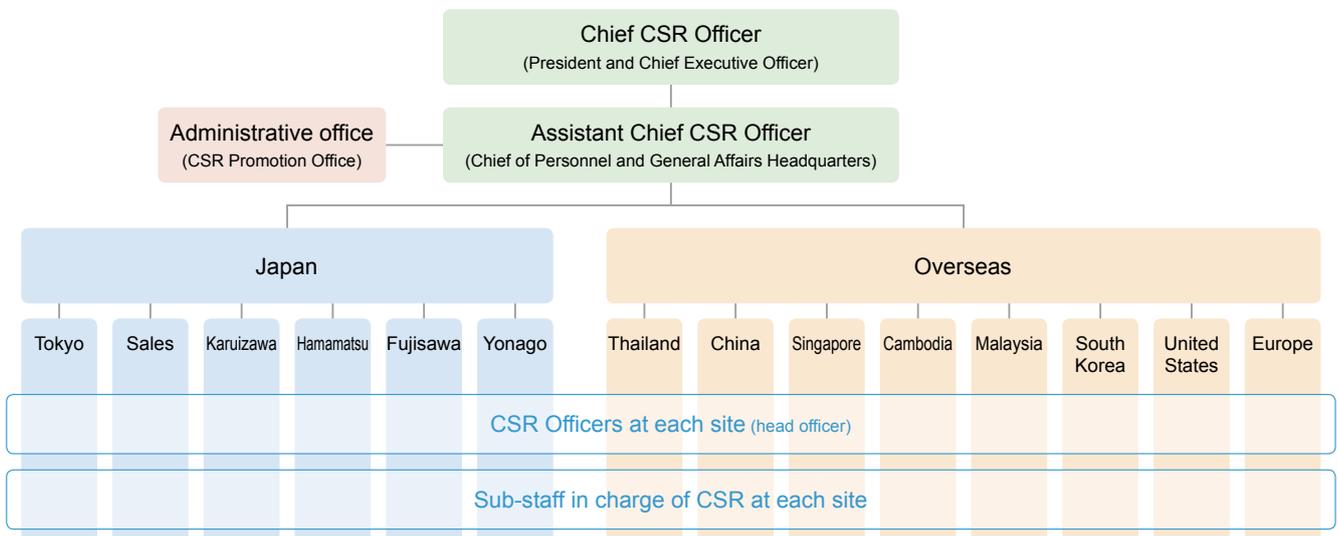
In April 2014, in order to bolster the CSR structure and encourage internal activities, the President and Chief Executive Officer was named the Chief CSR Officer and the Chief of Personnel and General Affairs Headquarters was named his assistant. At each work site, we appointed CSR Officers (head officer) and sub-staff in charge of CSR to promote CSR awareness and monitor the status of activities.

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

▶ Analyzing the Status of CSR Activities

Minebea conducts its CSR activities based on the seven key themes proposed by international social responsibility standard ISO 26000—Organizational Governance, Human Rights, Labor Practices, the Environment, Fair Operating Practices, Consumer Issues, Community Involvement and

▶ CSR Promotion Framework



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

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

Through these analyses, we confirmed the need to systematically pursue CSR through collaboration between worldwide sites and the head office, as well as the need to share cutting-edge initiatives among all sites. Moving forward, we will expand our analysis of the current status of activities to Europe and the United States and promote PDCA management through communication with our CSR Officers.

▶ Internal CSR Diffusion Activities

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

In FY2015, we held discussions and review meetings with CSR Officers in Europe, the United States, and China to confirm progress on initiatives at each site. Additionally, we promoted CSR awareness through articles in the biannual employee magazine.

▶ Future Issues and Goals

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

Compliance

▶ Basic Approach

The Minebea Group believes that implementing compliance is an essential part of promoting CSR. Accordingly, we have established the Minebea Group Code of Conduct and Minebea Group Officer and Employee Compliance Guidelines, and on the basis of these policies, we strive to achieve fair, appropriate and highly transparent management.



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

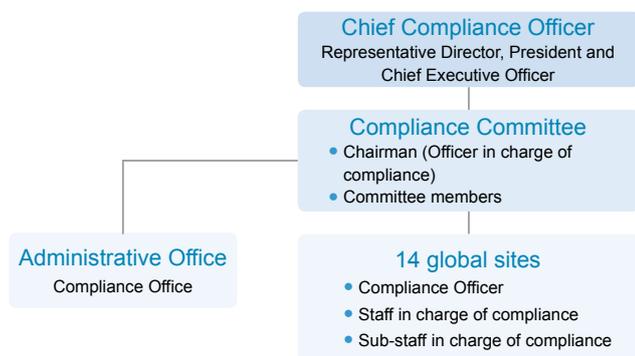
<http://www.minebea.co.jp/english/corp/company/aboutus/conduct/declaration/index.html>

▶ Compliance Promotion Structure

The President and Chief Executive Officer of the Minebea Group has ultimate responsibility for compliance. He is supported directly by the Compliance Committee. Meeting twice a year, the committee ensures implementation of the Code of Conduct and makes decisions on emergency response measures in the event of significant violations of the code. The Compliance Office acts as the administrative body for the Compliance Committee, creating various policies for the promotion of compliance.

In addition, we have appointed compliance officers for each site in order to bolster the Group's compliance management. In FY2015, we confirmed the compliance status in China and Thailand, while taking measures to strengthen coordination in these countries.

▶ Compliance Framework



▶ Compliance Awareness Survey

Minebea conducts compliance awareness surveys biennially to gauge employees' understanding of compliance. The survey in FY2015 was the second following the first one in FY2013. Responses were received from 3,839 Japanese employees working in and outside Japan. The survey found that employees are developing a more positive interest in compliance. Moving forward, we will use the survey results to develop future training programs.

▶ Compliance Education

The Minebea Group also provides training to deepen employees' understanding of compliance. Compliance training is provided along with rank-based training programs. In FY2015, 150 employees received training. We also provide lectures to 750 employees in and outside Japan as part of regular training on compliance with Japan's Antimonopoly Act (competition law). Furthermore, we invited outside attorneys to give lectures on bribery prevention to 42 executive officers including the President and Chief Executive Officer.

Outside Japan, we provided compliance training to local employees in South Korea, attended by a total of 39 employees.

▶ Internal Reporting System

The Minebea Group provides internal and external consultation services for employees to contact when they have questions about whether their own conduct violates the Minebea Group Code of Conduct, or in cases where employees believe others may be in violation of the code. We respond appropriately to all reports received by these services.

▶ Future Compliance Promotion

The Minebea Group believes that employee awareness and knowledge of compliance should be deepened to establish a corporate culture in which each employee maintains an awareness of compliance in conducting business activities. Moving forward, we will enhance our training programs and thoroughly raise awareness of consultation centers, while strengthening collaboration among countries to improve our compliance promotion structure covering the entire Minebea Group.

Risk Management



▶ Basic Approach

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

▶ Risk Management System

The President and Chief Executive Officer of the Minebea Group has final responsibility for risk management, with major decisions regarding risk management being made by the Risk Management Committee. As a precautionary measure, Minebea attempts to predict and classify tangible risks in advance, and remains vigilant against such risks. In the unlikely event of an emergency, the severity of the situation is assigned a level of one to three, and after consultation by the Risk Management Committee, management headquarters and local countermeasures offices are established, to respond rapidly and effectively to the situation. Further, Minebea has organized a system under which—depending on the nature of the risk being managed—a supervisory division may be appointed to handle a situation, for which it will draft and implement responses.

▶ Information Security

Information Security Structure

The Minebea Group believes that protecting information assets is essential for building a relationship of trust. We have therefore established the Minebea and Minebea Group Basic Policy for Protection of Confidential Information (Information Security Basic Policy), which we thoroughly implement.

We have also established an Information Security Committee headed by a senior managing executive officer, composed of Information Security Task Forces that implement measures in each country.

Information Security Training

To improve employee awareness of information security, the Minebea Group conducts information security training. Information security briefings are held annually, and tutorials are conducted by the Information Security Task Force in addition to training for new and experienced employees when they enter the company. In FY2015, a total of 12,901 employees attended information security briefings, including temporary employees and subcontracted employees.

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

Initiatives to Protect Personal Information

Personal information retained by the Minebea Group is managed in accordance with our Personal Information Protection Policy. The purposes for which this information is utilized have also been clearly defined, and we strictly adhere to the parameters for scope of information use.

▶ BCP Initiatives

In the event of a major disaster, emerging infectious disease, act of terrorism or other emergency, we believe that our Group's social responsibility includes confirming the safety of our employees and their families, as well as ensuring that, as a manufacturer of products with world-leading market shares, we can continually supply our customers and minimize the impact to our business. For that reason, we have begun formulating and implementing business continuity plans (BCP) for major business sites in and outside Japan.

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

In FY2015, we formulated basic BCP for the Suzhou and Zhuhai plants in China, and completed formulation of a BCP action plan for the Cambodia plant. Furthermore, at the Karuizawa Plant, we conducted regular BCP training drills simulating our response to an earthquake, while at the Thai plants, we conducted training drills simulating flooding.

▶ Future Issues and Goals

Going forward, we will establish a BCP structure responsive to various kinds of risks and firmly establish the structure through risk management initiatives.

Relationships with Customers

▶ Basic Approach

The Minebea Group aims to be a comprehensive manufacturer of precision components which can make contributions to the development of global society. To this end, we practice the Minebea Group Quality Policy, which is based on the company credo the “Five Principles,” to ensure the quality of products we develop, manufacture, and sell and thereby earn the trust of customers worldwide. Additionally, we use limited resources efficiently to prevent waste.

In support of our goals, we establish and operate quality management systems, while continually verifying their effectiveness and seeking ways to improve them.

▶ Quality Management

Quality Management Framework

We have created a Quality Management Manual covering the entire Minebea Group as part of our measures to ensure the safety of our products and services and prevent accidents. The chief quality management system officer is the President and Chief Executive Officer, who is supported by the Quality Management Committee as well as its subordinate organization, the Group Quality Assurance Managers Meeting, which comprises managers responsible for quality in each business unit. These

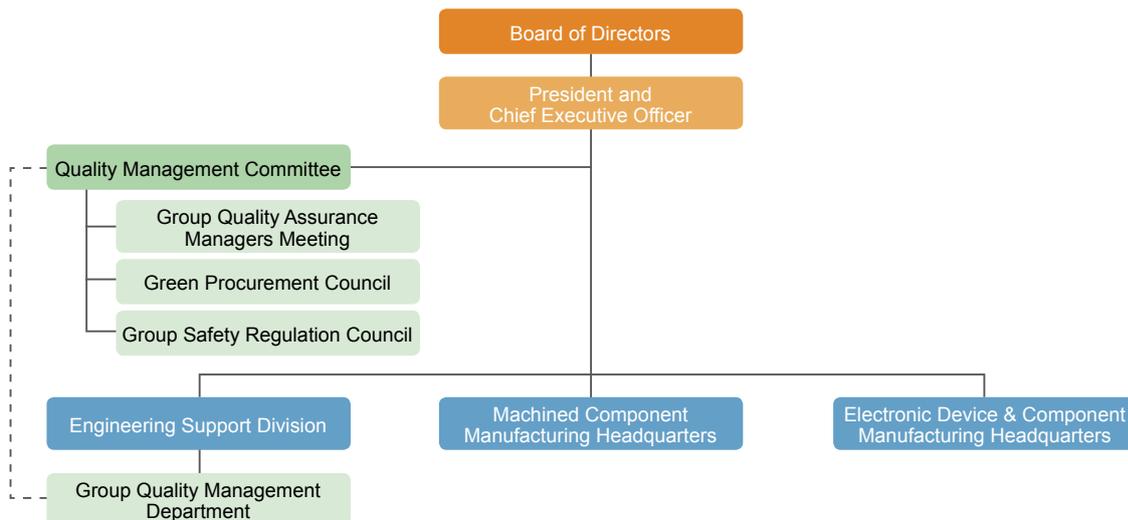
organizations regularly share information on specific quality issues and work to implement internal measures to ensure similar problems do not reoccur. The Group Quality Management Department acts as the administrative office for the Quality Management Committee and the Group Quality Assurance Managers Meeting, and provides quality management support and guidance to each business unit.

Established in FY2013, the Group Safety Regulation Council ensures compliance with the Electrical Appliance and Material Safety Law (in Japan), shares and promotes information on safety standards in each area of the world, and works to strengthen the Group’s safety response.

Risk Assessment

Based on its internal standards, the Minebea Group conducts risk assessments on medical, automotive, and aircraft products—three types of end-products in which the Minebea Group’s parts are commonly used and which could pose a serious impact on society in the event of a problem. These risk assessments are carried out collaboratively between the Group Quality Management Department and the business units. In the event the organizations identify a risk in design or manufacturing, actions are taken to mitigate the risk.

▶ Quality Management Framework



* The Group Quality Assurance Managers Meeting, Green Procurement Council, and Group Safety Regulation Council are comprised of representatives selected from the Manufacturing Headquarters and each business unit. Additionally, the Group Quality Management Department serves as the administrative office for the Quality Management Committee and its sub-organizations listed above.



▸ Quality Improvement Measures

Quality Assurance Agreement for Suppliers

In addition to basic contracts with its suppliers, the Minebea Group concludes quality assurance agreements to ensure that its entire supply chain can meet customers' quality standards. Regarding the manufacture of automotive parts, which present particularly high risks, we distribute quality manuals (quality requirements and specifications documents) and take other measures to ensure the highest levels of quality. In addition to automotive parts, the quality assurance agreement will also be gradually promoted among manufacturers of medical, aircraft and other parts posing a high risk.

Promoting Quality Management System Certification

The Minebea Group acquires quality management system (QMS) certifications necessary at each business site. We are also acquiring certifications in conjunction with the development of new products. Additionally, the Group Quality Management Department holds internal auditor training to continually nurture internal auditors and maintain its auditing capabilities.

Moving forward, each site will take preparations for transitioning to the latest ISO 9001 standard revised in September 2015.

Quality Management and Quality Control Examination

The Minebea Group promotes employees' acquisition of quality certification through quality control examinations (QC certification) administered by the Japanese Standards Organization and Union of Japanese Scientists and Engineers since September 2008. The certification improves each employee's quality assessment and management abilities, which leads to the improvement of higher product quality for the entire Minebea Group. In addition to covering employees' examination fees, we have created a database to share course materials as a way to raise quality management awareness, while providing seminars twice a year prior to examinations. In FY2015, many employees received certification, bringing the cumulative certification total for the entire Minebea Group to 548 employees (includes only employees currently employed by the Group).

Acquiring AEO Certification

The Minebea Group is strengthening and improving logistics management in order to perform trade and logistics properly and efficiently. As part of this effort, we are working to acquire Authorized Economic Operator

(AEO) certifications. We applied for Malaysian certification in FY2015 and plan to acquire it in FY2016. We also plan to acquire certification in South Korea.

Unified Manufacturing Labels and Bar Codes

Among our logistics management activities, we are unifying manufacturing labels and bar codes throughout the Group to prevent mistaken product shipments and raise the productivity of verification processes. In FY2013, we began operating a system for domestically manufactured products, and in FY2014, we began promoting the system outside Japan. In FY2015, we began using the system for Thai-manufactured rod end products. We will continue to make preparations to expand this initiative to all of our manufactured products.

▸ Disclosure of Product-related Information

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

▸ Communication with Customers

Customer Satisfaction Surveys

Within the Minebea Group, individual business units conduct their own customer satisfaction surveys. The survey results are provided to the sales and development departments of each business unit. If customers should evaluate any criterion below a specific satisfaction level, we assess and implement improvements across all divisions.

▸ Responding to Quality-related Issues

In the event there is a major quality issue concerning Minebea Group products or services, we refer to our Quality Management Rules to take necessary measures in response.

▸ Future Issues and Goals

Moving forward, we will strengthen our measures to further improve quality. Specifically, we plan to implement risk assessments and take measures to transition to ISO 9001:2015.

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

Relationships with Employees

▶ Basic Approach

Since its founding, the Minebea Group has recognized that employees are its most valuable resource, and one of our “Five Principles” is that the company should become a place where its employees are proud to work. The Minebea Group is committed to maintaining and improving workplaces where each of our employees can work safely and in good health, and fully exercise his or her abilities.

▶ Number of Employees (Group) (As of March 2016)

	Employees	Japanese staff on overseas assignment	Total
Japan	3,600 persons	n/a	3,600 persons
North America	1,646 persons	26 persons	1,672 persons
Europe	1,873 persons	31 persons	1,904 persons
Asia	54,910 persons	394 persons	55,304 persons
Total	62,029 persons	451 persons	62,480 persons

▶ Work Status (Non-consolidated) (FY2015)

Average length of employment	Average age	Retirement/Resignation	Turnover rate
17 years, 6 months	43 years, 9 months	118 persons	3.2%

▶ Overtime Work Data (Non-consolidated) (Averages for April 2015–March 2016)

Average number of overtime hours/month	8.11 hours/month
Average overtime wages/month	18,123 yen/month

▶ Workforce Diversity

As an organization that conducts global business activities, the Minebea Group believes it is important to strengthen human resource capabilities through workforce diversity. We strive to create work environments in which a diverse group of employees can maximize their talents, regardless of gender, age, nationality, or disabilities.

Promoting Active Roles for Women

As one of its important management strategies, the Minebea Group promotes workforce diversity and encourages the active involvement of its diverse talent as a way to generate new values and competitiveness while supporting the company’s sustainable growth.

We have made the promotion of active roles for female employees a priority. We formulated an action plan in March 2016 to establish employment environments in which female employees can perform at high levels, support an increase in the number of female managerial candidates, and establish work environments where female managers can thrive. The action plan includes a target of doubling the ratio of female managers by 2021

(compared with 1.2% in March 2016).

Additionally, in order to improve leadership and other skills, female employees need to perform managerial duties. In FY2015 we provided chief candidates and managers with training on leadership basics and execution, along with leadership workshops.

Web Please visit the Minebea Group website for detailed information regarding the action plan.
<http://www.minebea.co.jp/english/corp/environment/sociality/employees/2016/index.html>

Appointment of Global Human Resources

The Minebea Group is strengthening initiatives to develop and utilize employees who can support global business expansion. As one initiative, the Group is actively hiring international students studying at Japanese universities. Among the 111 new hires joining the company in April 2016, five were non-Japanese.

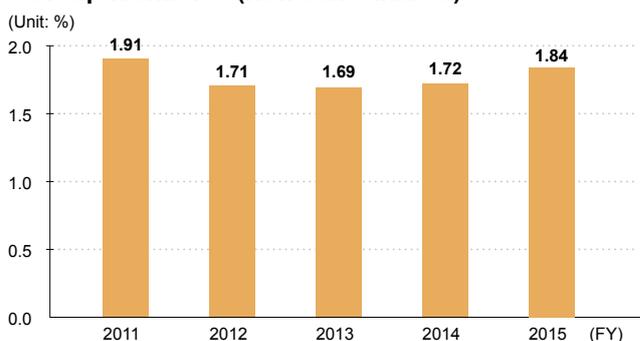
We are also actively recruiting new employees outside Japan, including Japanese overseas students studying in the United States and new Chinese graduates in China. In October 2015, we hired three new Chinese employees, and in April 2016, we hired two Japanese overseas students who had just graduated.

Initiatives Regarding Employees with Disabilities

The Minebea Group actively hires persons with disabilities. As of June 2015, the percentage of employees with disabilities was 1.84%. We plan to bolster our efforts to raise employment of persons with disabilities to the legally mandated rate (2.0%).

Our initiatives also consider improvement in the workplace environment by ensuring that all employees, no matter whether or not they have a disability, are motivated to work by having people with specialized skills acting in leadership roles.

▶ Ratio of Employees with Disabilities in the Minebea Group Workforce (Non-consolidated)





▶ **Human Resources Development**

The Minebea Group strives to develop human resources with a passion for manufacturing, a global mindset, and the ability to think for oneself and work independently with enthusiasm. In addition to establishing a specialized organization, the Human Resources Development Department, dedicated to the development of our personnel, we utilize rank-based group training, specialized skill acquisition and enhancement training, and on-the-job (OJT) training.

Sending Employees to Study at U.S. Business Schools

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

▶ **Voice**

Completing My Overseas Program



Mr. Kuniyoshi Sato
Airmover Sales Management
Product Sales Management
Department, Sales Division

Beginning in September 2015, the company gave me the opportunity to spend 10 months at Columbia University Business School as a visiting fellow. During this program, I took elective courses at the university, attended speeches by member nation representatives at the United Nations in New York, and had seminars with Columbia business school graduates. This was my first opportunity to learn about case studies from people directly involved in frontline business, which was an

invaluable experience I could only get from a place like Columbia. I was somewhat concerned about leaving behind my work during my period overseas, but the experience that I gained through 10 months of study could not be traded for anything. Now I'm focused on applying the knowledge and experience from the program to my sales work and making greater contributions to the company.

Global Human Resources Development

The Minebea Group is actively developing global human resources. In FY2015, we conducted 19 training sessions for employees prior to their overseas appointments, which were attended by a total of 82 employees. Additionally, we are strengthening programs to support employees prior to their overseas assignments, including through opportunities to improve their English language skills.

Our personnel guidelines stipulate five-year terms for overseas assignments as a way to provide as many employees as possible with opportunities to work in the global arena.

In order to localize the management of overseas sites, our subsidiaries outside Japan provide training to local employees based on their respective training programs. Additionally, overseas employees are invited to Japanese plants as trainees so that we can share new technologies and manufacturing know-how. For management-level local employees, we offer an overseas local manager leadership training program to nurture talent capable of leading our global business. In this way, we are strengthening our systems for ensuring that employees throughout the Minebea Group, not just Japanese employees, can thrive in the global arena.

▶ **Initiatives for Creating Environments Conducive to Working**

Support for Diversity in Work Patterns

We believe that the Minebea Group's attention to the work-life balance of its employees will be rewarding them and lead to a sense of fulfillment. To this end, we have a flexible system that enables employees to take time off for childbirth, childrearing, caring for family members, and other important events in their private lives. We have also established the Vacation for Veteran Employees Program, which gives employees who have worked for Minebea for over 30 years an opportunity to rest and recuperate.

In FY2015, we extended by one year the period under which employees providing childcare can work shorter hours. Additionally, we changed the childcare leave period from six months to one year. In these ways, we are enhancing our personnel systems to enable employees to flexibly choose their working style.

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

(FY2015)

Benefit	Description	Total users
Child care leave	Paid leave or shorter working hours for employees caring for children	44 persons
Spousal childbirth leave system	System providing leave when a spouse gives birth (up to 2 days)	37 persons
Family care leave	Paid leave or shorter working hours for employees with family members requiring care	0 persons
Vacation for veteran employees	Travel coupons for employees with 30 years of service, and their families	105 persons

Labor Relations

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

Relationships with Employees

▶ Fair and Balanced Evaluation

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

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

▶ Respect for Human Rights

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

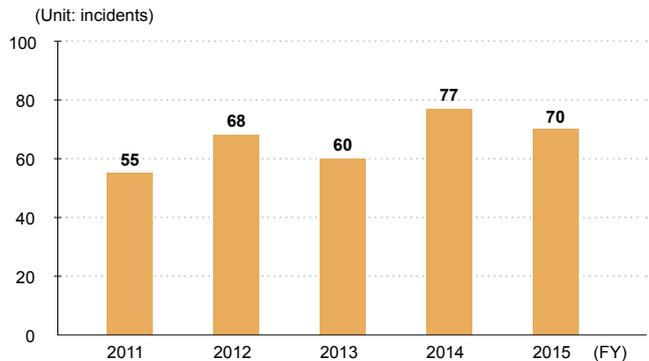
▶ Health and Occupational Safety Management

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

Each of our plants has a Health and Safety Committee comprised of numerous working groups with responsibility for workplace safety, health issues, and other such concerns. These committees meet regularly to share each working group's progress toward its targets. In addition, the Minebea Group's principal plants in its mass production bases of Thailand, China, and Singapore have OHSAS18001 certification, and the Malaysian Plant has also newly obtained the certification.

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

▶ Workplace Injuries and Other Accidents in the Minebea Group



Promoting Health Management

The Minebea Group strives to maintain and improve the health of its employees in accordance with health-related laws in each country and the circumstances of each work site. We provide employees with regular health checkups, offer health consultations, send notices to employees to curb overtime work hours, and have industrial physicians make regular rounds at work sites.

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

▶ Future Issues and Goals

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

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

Relationships with Suppliers

► Basic Approach

The Minebea Group's business is supported by relationships with numerous suppliers. The Minebea Group has adopted Basic Procurement Policies on which healthy partnerships are built. In order to promote CSR throughout our supply chain, we have distributed the Minebea Group CSR Procurement Guidelines to our suppliers and are striving to facilitate their understanding and cooperation.



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

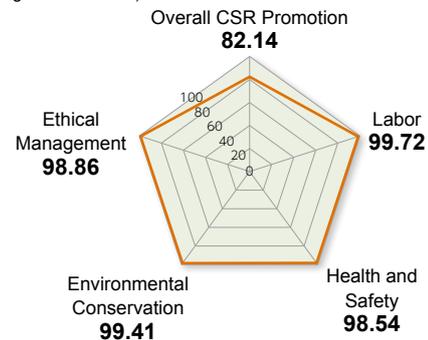
► CSR Procurement

Considering the global scope of the Minebea Group's business activities, we believe it is important to promote CSR throughout our supply chain. In March 2012, we took steps to establish a framework for CSR procurement with the formulation of the Minebea Group CSR Procurement Guidelines, which is based on the Minebea Group Code of Conduct. In November 2012, we added a section on our response to conflict minerals to the guidelines and requested cooperation from our suppliers.

We have also created the Minebea Group CSR Procurement Self-assessment Checklist in order to grasp the status of CSR activities at our suppliers, and we continue to survey suppliers using the checklist. The checklist includes 54 questions in five areas defined by our guidelines: Overall CSR Promotion; Labor; Health and Safety; Environmental Conservation; and Ethical Management. This provides a comprehensive view of our suppliers' CSR promotion status. We have conducted surveys of suppliers in Japan and Thailand, enabling us to confirm their progress on CSR activities.

In FY2015, we requested suppliers to four plants in China (Shanghai, Xicen, Suzhou, and Zhuhai plants), which together represent 81% of all supplies procured in the country, to respond to our checklist. Of a total of 500 points, our suppliers have averaged 479 points, significantly higher than our baseline standard. This demonstrates that our suppliers take CSR very seriously and are responding to our requests. We are providing feedback to suppliers who completed the checklist and communicating individually with suppliers in cases where there were issues with some of their initiatives. In these ways, we are confirming details of their CSR measures.

► Results of Checklist Survey at Chinese Sites (Average for Each Item)



► Green Procurement

We have established and revised the Minebea Group Green Procurement Standard to ensure compliance with countries' laws and directives on chemical substances, to satisfy our customers, and to reduce the use of substances having an environmental impact. Under these guidelines, we require our suppliers to provide products (raw materials, parts, components, and packaging materials) that are free of hazardous substances, and also to submit safety certifications, analysis reports, and other similar documentation.

Furthermore, in FY2015, we published Minebea Group Green Procurement Standard, 5th edition in June 2015. In conjunction with the revision, we held seminars for green procurement suppliers in Thailand and China which were attended by a total of 385 companies.

► Response to Conflict Minerals from Democratic Republic of the Congo

In August 2012, the U.S. Securities and Exchange Commission adopted a disclosure rule mandated by U.S. financial reform legislation requiring companies to disclose the use of conflict minerals. We responded by formulating a Minebea Group policy on conflict minerals in October 2012 and adding a section on our response to conflict minerals to the Minebea Group CSR Procurement Guidelines. Our suppliers have been asked to cooperate with the revised guidelines.

Additionally, we continue to respond to research requests from customers by providing responses using our research database.

► Future Issues and Goals

We are creating a framework for global CSR procurement in order to promote CSR throughout our global supply chain. In FY2016, we plan to distribute the Minebea Group CSR Procurement Self-assessment Checklist among major suppliers based in Malaysia and Singapore and analyze the results to confirm the status of their activities through the responses.

Relationships with Local Communities and Global Society

► Basic Approach

As an enterprise operating on a global scale, the Minebea Group believes in the importance of building sound partnerships with local communities through good communication. To establish firm roots in those communities, we carry out social contribution activities meeting local needs based upon our “Five Principles.”

► Contributing to Global Society

Initiatives in North America

Accepting High School Students for Vocational Experience Program

The Peterborough Plant of U.S. manufacturing subsidiary New Hampshire Ball Bearings, Inc. (NHBB) accepted nine students from nearby Conval High School as part of a four-month vocational experience program lasting from February through June 2016.

The program was planned jointly by the high school and NHBB to complement the high school curriculum with technical education at the plant. The students gained practical experience engaging in various tasks, from working with materials to making the finished products, while also learning about how to make improvements and use teamwork to solve problems.



Students participate in the vocational education program

Initiatives in Europe

Contributing to Local Community Events

German subsidiary myonic GmbH supports the annual “Old town Summer Festival” in its hometown of Leutkirch.

The summer festival was started 13 years ago as a way to provide entertainment to local residents during the summer vacation. myonic supports the festival each year by fielding an employee team in the sports competition and through other activities.



Employees participate in a volleyball competition

Initiatives in China

Support for Social Welfare by Employees

At the Zhuhai Plant in China, employee volunteers participate in a program to deliver donated goods to the elderly in senior citizen homes and children in welfare facilities. Employee volunteers deliver traditional Chinese cakes and other food supplies as well as stationery and

other goods needed by the facilities. They also take part in recreational and other activities to deepen friendships with people at the facilities. In addition, plant employees take part in blood donation drives, tree-planting activities, and a variety of other social contribution activities to support their local community.

At the Shanghai Plant, employee volunteers are taking the lead in collecting and donating bags, books, and other necessities to victims living in regions struck by earthquakes. The plant also donates to musical concerts sponsored by local business associations, and plant employees participate in various other activities to support the development of the local community.



Employees volunteer for tree-planting activities

Initiatives in Thailand

Contributing through Dialogues with Local Communities

NMB-Minebea Thai conducts activities to support higher standards of living in local communities.

In March 2015, the company invited 20 senior citizens living in the Chiang Rak Noi Municipal District, Ayutthaya Province, to participate in a stakeholder dialogue. Senior citizens voiced their need for higher incomes and standards of living. After receiving input from the community, NMB-Minebea Thai will continue considering ways to support the community.

In June 2015, the company also donated chicken feed and chickens to 95 impoverished households in Chiang Rak Noi, near the Bang Pa-in Plant, as part of a program to help local households with inadequate income to become self-sufficient.



NMB-Minebea Thai holds a dialogue with members of the local community



▶ **Contributing to Local Communities**

Support for Earthquake Recovery

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

▶ **Voice**

Participating as an Employee Supporter



Ms. Miku Maruyama
Business Section
Special Device Business Unit
Fujisawa Plant

The students were somewhat nervous when we first met, but as they opened up about their dreams after finishing high school, they relaxed a bit and by the end of our talk they were smiling brightly. It was wonderful to be a part of this memorable experience for the students, and to be able to support them as they enter high school and start a new chapter of their lives. In the future I want to take part in more activities like this while continuing to support these students as they aim for their dreams.

Donating to Fukuroi City’s Disaster-preparedness Fund

In September 2015, the Hamamatsu Plant donated 1 million yen to Fukuroi City’s disaster-preparedness fund. The donation will support the city’s disaster-preparedness measures, including the construction of a seawall aimed at ensuring zero casualties from tsunami. The plant will continue providing an annual donation over a five-year period from 2015 through 2019.



Left: Mr. Hideyuki Harada, Mayor of Fukuroi City
Right: Mr. Hirotaka Fujita, Director, Senior Managing Executive Officer

Support for NPO Asama Highland Sports Club

As part of its amateur sports promotion, the Karuizawa Plant supports curling through donations to the Asama Highland Sports Club, an incorporated nonprofit organization. The monetary donations assist the club in holding curling competitions and support junior and wheelchair teams.



The Minebea Cup curling tournament

Career Support for Local Youth

Minebea provides career support for youths by dispatching employees to schools as guest teachers and offering work experience programs.

In FY2015, the Fujisawa Plant invited four first-year students from nearby Katase Junior High School to a plant tour as part of the school’s Katase-Enoshima fieldwork program aimed at raising disaster-preparedness awareness. Younger employees from the plant also delivered a lecture to some 80 students at Fujisawa Daiichi Junior High School about the meaning of work.

The Yonago Plant welcomed two second-year students from nearby Minokaya Junior High School as part of the school’s work experience program. The students commented that it was their first experience on a manufacturing plant floor, and though they had a hard time adjusting to the new environment, they realized the importance of work along with its enjoyable and challenging aspects. Additionally, plant employees acted as guest teachers for special science lessons at Minokaya Elementary School.



Students enjoy a work experience program at the Yonago Plant

Regular Discussions with the Community

The Karuizawa and Yonago plants hold regular discussions with members of their local communities to facilitate continual dialogue.

The Karuizawa Plant holds semiannual discussions with local community members. At the sixth regular meeting held in November 2015, plant employees and community members exchanged ideas on a broad range of topics, including local disaster-preparedness, wastewater processing, employment, and residential living.

The Yonago Plant held its first regular discussion in January 2016 at which participants exchanged views on local community activities, school-related issues, and exchanges among local businesses.



Regular community discussions (left: Karuizawa Plant; right: Yonago Plant)

▶ **Future Issues and Goals**

By continuing to make active contributions to local communities in and outside Japan, the Minebea Group will strive to be an organization which deepens its community roots and expands sustainably with local communities.

Commitment from the President

Minebea Products In Society

Special Feature 1

Special Feature 2

Management Report

Social Report

Environmental Report

Relationships with Shareholders

▶ Timely Disclosure/Disclosure Policy

In addition to disclosing information required by applicable laws and regulations in terms of timing and level of detail, Minebea has also established its own disclosure policy to ensure a proactive and fair approach in this regard.

▶ Communication with Shareholders

General Meeting of Shareholders

Minebea's Ordinary General Meeting of Shareholders is held annually in June. In addition, we provide shareholders with semiannual reports to keep them informed of the state of the company's business and our management policies.

Communication with Institutional Investors

Minebea holds investor meetings and conference calls on financial results for institutional investors and securities analysts. This information is also published on our website in Japanese and English, simultaneously or as soon as possible.

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

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

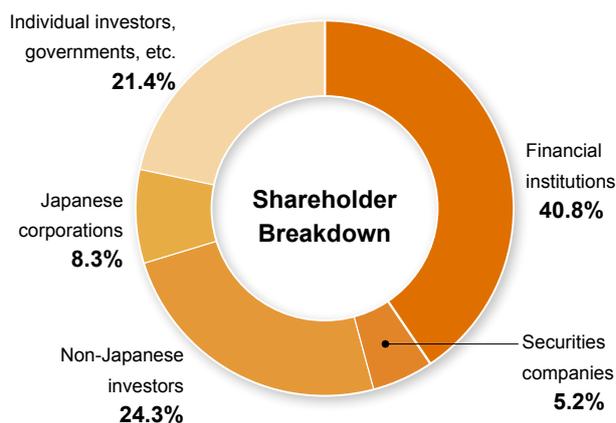
▶ Shareholder Returns

Starting with the appointment of the current president and chief executive officer in FY2009, Minebea has worked toward two goals: maximizing earnings per share and enhancing corporate value, and solidifying the corporate foundation for our centennial. In FY2015, we achieved our third consecutive year of record net sales. Our profits declined, however, due to lower shipments of LED backlights amid reduced production among customers in the smartphone industry. In our other business areas, the ball bearings business posted a steady increase in external sales volume and our motors business increased sales and improved profitability, mainly owing to business with automobile manufacturers, while our measuring components business achieved growth through acquisitions and expansion of existing business. All of these businesses posted both higher net sales and profits. As a result, we raised our annual dividend 8 yen per share to 20 yen per share. For FY2016, consistent with our aim of actively making growth-oriented investments to raise future shareholder returns, we will aim for a consolidated-basis dividend payout ratio of around 20%. Furthermore, in conjunction with Japanese stock exchanges' plan to consolidate trading units by unifying the standard unit for common shares at 100 shares a unit, we changed our

trading unit from 1,000 shares a unit to 100 shares a unit beginning May 2016.

In addition, we repurchase our shares to enable us to pursue flexible capital policies in response to the changing business environment. In the past, we have repurchased shares in November 2008, February 2010, and from May to June 2011.

▶ Shareholder Breakdown (As of March 31, 2016)



▶ IR Website

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



▶ Future Issues and Goals

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

Environmental Management



Basic Approach

The Minebea Group has established an environmental management system based on the Minebea Group Environmental Policy, and all Group companies are striving to contribute to the protection of the earth's environment and the sustainable development of human kind.

As examples of specific initiatives in this regard, we adopted highly energy-efficient equipment and processes and set a FY2015 target of reducing total Group CO₂ emissions per basic unit of output by 5% compared with the baseline year (FY2010). As a result of our measures, the Group as a whole achieved a 55% reduction in CO₂ emissions per basic unit of output through FY2015.

We are also strengthening initiatives to minimize waste materials and wastewater from our plants in order to effectively utilize raw materials and water resources. We also make contributions to the environment through our products, including the active development of communications control technologies, sensors and new materials which are central to energy management in highly efficient motors, lighting, and energy conversion devices, as well as "smart" buildings, plants, and urban residential environments.

Environmental Management System

Environmental Management Structure

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

Environmental Audits

The Minebea Group is promoting the acquisition of ISO 14001 certification at each of its major sites worldwide. All



The Ban Wa Plant in Thailand newly acquired ISO 14001 certification in September 2015

of our existing plants worldwide have acquired certification. For newly constructed and recently acquired plants, we have begun environmental management activities based on the certification acquisition plans. In September 2015, a new Thai manufacturing site for lighting devices, the Ban Wa Plant, acquired ISO 14001 certification.

Furthermore, in response to the September 2015 revision of the ISO 14001 standard, all major Minebea Group plants and offices plan to complete the transition to the 2015 standard by the end of FY2017. In April 2016, we revised documents regarding the Minebea Group's environmental management rules to be compliant with ISO 14001:2015.

Environmental Education

Basic Approach and FY2015 Initiatives (Japan)

The Minebea Group provides fundamental environmental management education to all new employees, midcareer hires, trainees, returnees from overseas assignments, and other employees in order to raise the environmental consciousness of each employee.

Additionally, all employees receive environmental management education covering the Minebea Group Environmental Policy, along with environmental targets and action plans based on each site's ISO 14001. Educational programs also cover waste separation and training drills for responding to emergencies.

Minebea's Environmental Accounting

The Minebea Group conducts environmental accounting to confirm its costs for environmental protection activities and the effect of its investments. The Japanese Ministry of the Environment's Environmental Accounting Guidelines 2005 is used as a reference. The Minebea Group's environmental conservation costs totaled 5,416 million yen in FY2015, a 22% increase over FY2014.

Environmental Protection Costs, FY2011–FY2015

(Unit: 100 million yen)



Environmental Management

▶ Initiatives to Protect Biodiversity

Basic Approach

In FY2012, the Minebea Group revised its Environmental Policy and added “contribution to the international community” as a new initiative. As part of the initiative, we recognize that our business activities may have an effect on biodiversity and ecosystems, and we will work to conserve nature. As a first step, recognizing the importance of understanding the impact of our business activities, we are conducting research on how the Minebea Group’s business relates.

▶ Minebea’s Environmental Impact

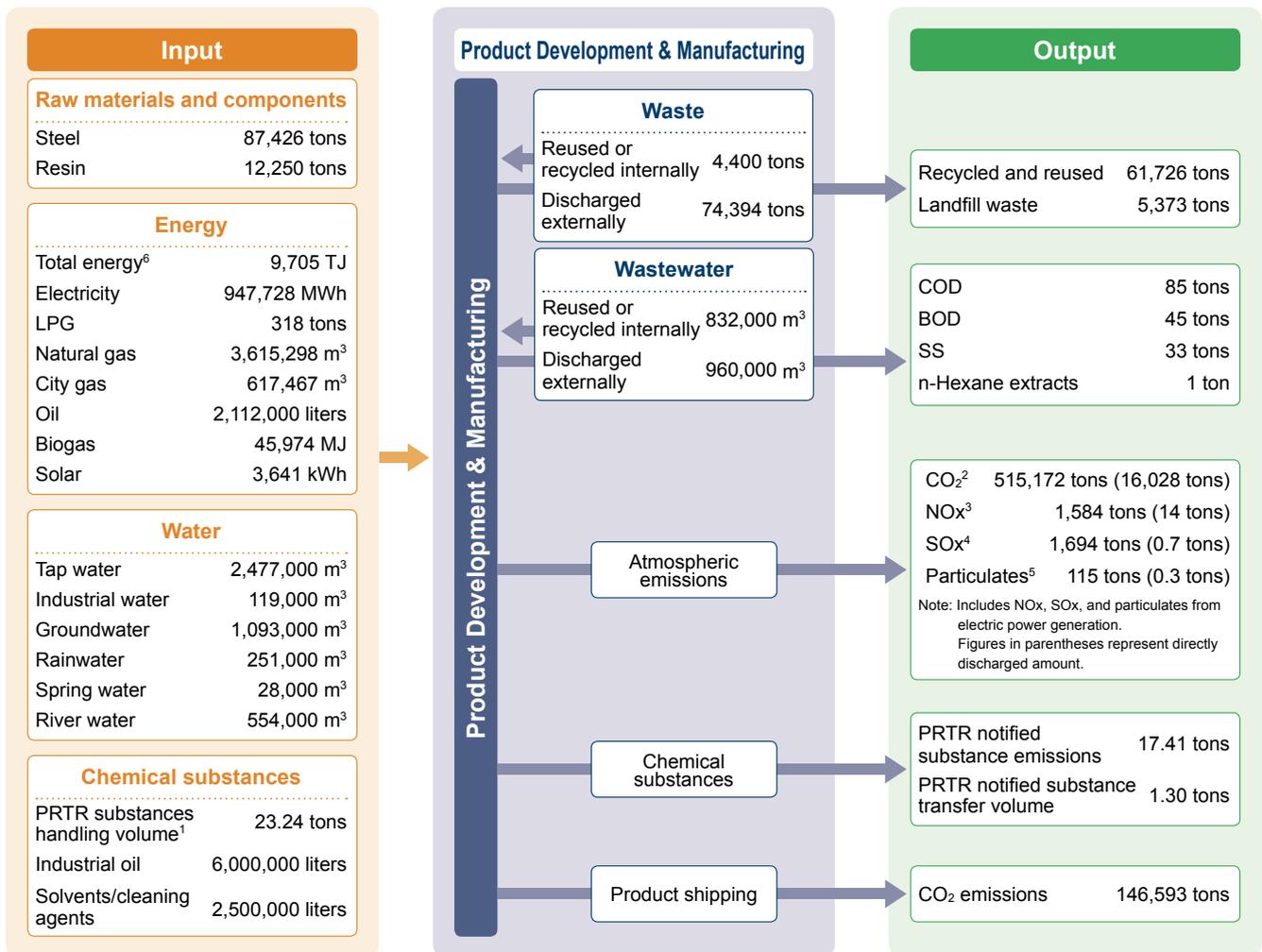
The Minebea Group has plants in 15 countries around the world, manufacturing and selling a range of products

including bearings—our main product—as well as machined components and electronic devices. When environmental impact is viewed in terms of the ratio of total production by region to sales, Asia (excluding Japan) is estimated to account for approximately 80% of the Minebea Group’s consumption and output.

In FY2015, even though our sales increased by 22% year on year, our total energy consumption declined by 1% year on year, the amount of industrial oil remained about on par with the previous year, and the increase in the amount of solvents and cleaning agents was limited to 9% year on year, reflecting our ability to restrain our impact on the environment relative to the amount of sales.

The Group’s environmental impact for FY2015 is summarized below.

▶ Input and Output (FY2015 Actual)



1. PRTR chemicals: Substances included in the PRTR law (The Chemical Substance Control Law/Domestic Japanese Law), for which companies must register and report volumes released and transferred. The figures shown are those reported to authorities.
 2. CO₂: Carbon dioxide
 3. NOx: Nitrogen oxides
 4. SOx: Sulfur oxides
 5. Particulates: Microscopic solid matter contained in exhaust gas generated through combustion, heating, or chemical reaction
 6. The data disclosed on FY2014 total energy was mistaken. Correct amount: 9,795 TJ; previously disclosed amount: 9,541 TJ.

Initiatives for Preventing Global Warming



Basic Approach

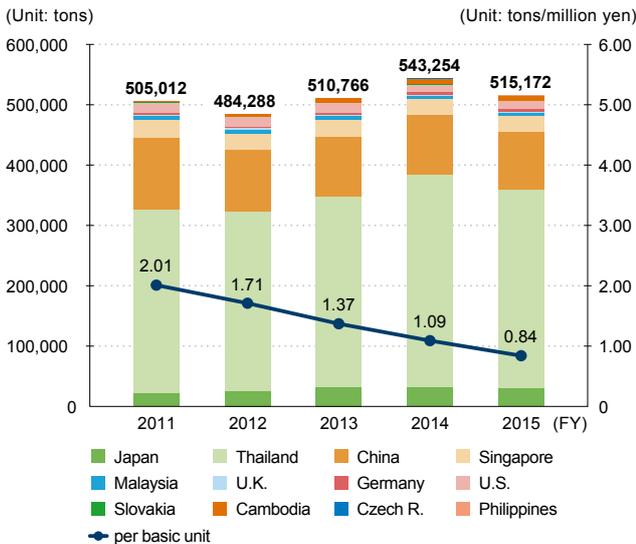
The Minebea Group recognizes that the international issue of global warming, along with the related issues of soaring energy prices and abnormal climatic conditions, pose a significant threat to the sustainability of its business activities.

In response, each office and plant in the Minebea Group is proactively promoting energy efficiency initiatives in order to combat global warming after having completed formulating the main measures for their sites.

Results of FY2015 Initiatives

The Minebea Group's emissions of CO₂ in FY2015 totaled 515,172 tons, 5% less than in FY2014. In terms of basic units of production, CO₂ emissions declined 23% over FY2014 to 0.84 tons per million yen of production. The reason for this decrease was highly energy-efficient manufacturing activities amid strong business growth, as well as efforts taken by plants around the world to reduce CO₂ emissions.

CO₂ Emissions (Total and Per Basic Unit)



Initiatives in Office Spaces

Energy-efficiency Initiatives at Tokyo Head Office (Japan)

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

In FY2015, the building achieved an 8.4% reduction in overall energy consumption compared with FY2013 (base year) through both physical controls, such as changes to air conditioning settings along with turning off and dimming lights, to awareness-type activities such as encouraging all employees to adopt cool business attire. While the office reduced electric power consumption in the use of

air conditioning, the amount of city gas used to power hot and chilled water generators during the summer months increased slightly. Altogether, the office reduced CO₂ emissions by 4.3% in FY2015 compared with FY2013 when converting both electricity and gas consumption.

We also cooperate with the Ministry of the Environment's annual "Light-Down Campaign" encouraging lighted facilities, companies, and households nationwide to turn off lights on the summer solstice, and on Japan's "Tanabata Star Festival." On June 22, 2015, the summer solstice, and on the festival day of July 7, we turned off the Tokyo Head Office's exterior illumination lights for two hours between 8:00 pm and 10:00 pm, saving 6 kw of electricity.

Initiatives at Logistics Divisions

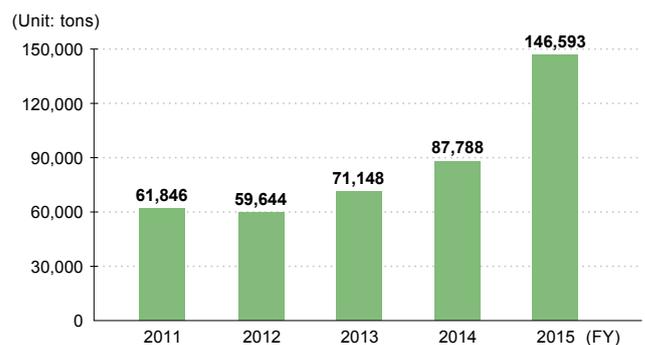
Reducing CO₂ Emissions from Logistics

In addition to direct CO₂ emissions from business activities categorized as Scope 1 (gas and oil) and Scope 2 (electricity, steam, and heat), the Minebea Group also strives to grasp CO₂ emissions from logistics activities (product shipment) categorized under Scope 3 (other).

In FY2015, Minebea Group's emissions of CO₂ related to product shipments totaled 146,593 tons, an increase of 67% compared with FY2014.

When shipping products, logistics divisions select railway and marine shipment, which generate relatively low CO₂ emissions, in order to reduce emissions to the extent possible.

CO₂ Emissions from Logistics Activities



Future Issues and Goals

The Minebea Group will continue to advance its measures to prevent global warming.

In regard to long-term goals for 2020 and 2030, we are taking into consideration the Intergovernmental Panel on Climate Change (IPCC) report, the Paris Agreement adopted by the 21st Conference of the Parties to the United Nations Framework Convention on Climate Change (COP21), and draft agreements proposed by various countries as we make progress on our global warming countermeasures.

Initiatives for Effective Use of Resources

Basic Approach

The Minebea Group recognizes that there are limits to the availability of resources used in its products, which include metals, plastics, and other raw materials, along with oil, natural gas, and other energy sources. Additionally, with regard to rare earth elements indispensable to the manufacture of electronics, since the number of countries producing and exporting the materials is limited, they are more susceptible to export restrictions.

We believe that the effective use of resources is critical to the continuation of our business activities, and to that end we are taking various management measures.

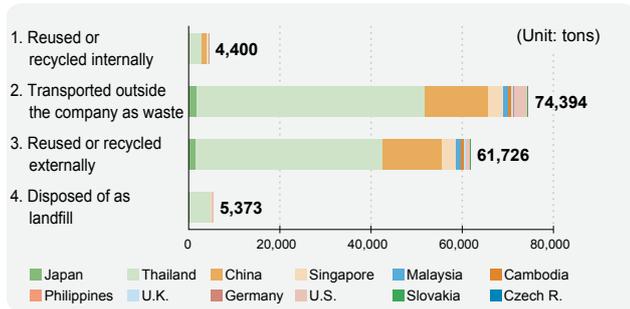
Results of FY2015 Initiatives

In FY2015, principal raw materials used by Minebea Group included 87,426 tons of steel and 12,250 tons of resin, and the total amount of materials used increased about 3% compared with FY2014.

The amount of landfill waste generated by the Group's operations in FY2015 totaled 5,373 tons, an increase of 55 tons compared to FY2014. However, in terms of basic unit of production, the amount of landfill waste generated declined by 17% in FY2015 compared with FY2014.

At our mass production plants in Thailand and China, we are recycling water inside the plants to the greatest extent possible and prevent external emissions through our "Plant Wastewater Zero System." Water emissions from Group plants in FY2015 totaled 960,000 m³, an increase of 67,000 m³ compared with FY2014.

Waste Processed (FY2015 Actual)



Initiatives at Business Sites

Effective Use of Rain and River Water (Thailand)

NMB-Minebea Thai's Bang Pa-in Plant collects rainwater in a reservoir on the plant grounds and purifies it at rainwater reuse facilities for reuse as industrial water, thereby reducing the amount of tap water used.

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



Bang Pa-in Plant's rainwater reservoir and rainwater reuse facility

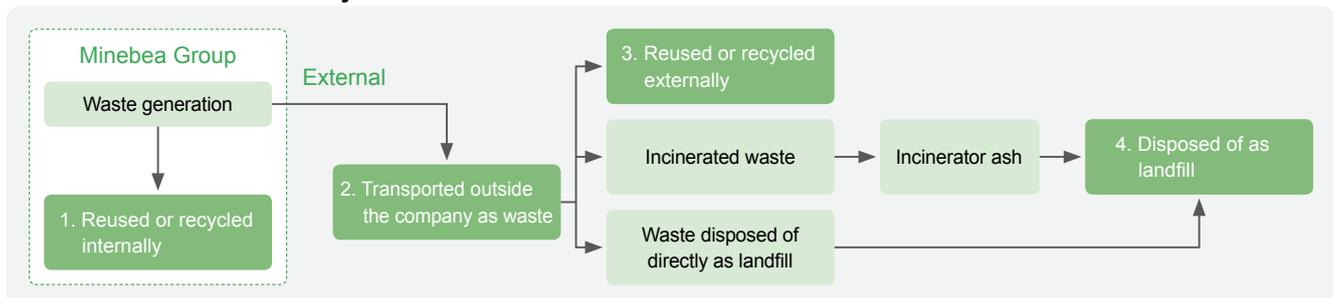
Conversion of Raw Food Waste into Biogas (Thailand)

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

Future Issues and Goals

For FY2016, the Group's goal is to reduce the amount of waste generated by 1% per basic unit of production compared with FY2015.

Flow of Waste Generated by Minebea and Confirmation Methods



Initiatives for Reducing Impacts on the Environment



► Basic Approach

Plant effluents and emissions can be a source of water, air, and soil pollution that poses a threat to local communities. At the Minebea Group, we believe that harmony with local communities is indispensable to our business activities, and as such, we are striving to reduce our impact on the environment.

► Results of FY2015 Initiatives

The Minebea Group ensures compliance with the environmental laws and regulations of each country and locality. For plant wastewater and other types of waste that are hard to manage, we have established voluntary environmental standards exceeding the national and local regulations and monitor waste management on a daily basis. In FY2015, at all of our Group plants, we further strengthened daily monitoring and environmental patrols to ensure there are no leakages, foul odors, noise, vibration or other issues that could inconvenience surrounding communities.

► Plant Initiatives

Plant Wastewater Purification

Prior to releasing wastewater into rivers, Minebea Group plants use their own processing equipment to purify wastewater to within fixed environmental standards. These plants adhere to environmental laws of the countries and localities in which they operate, and independently monitor such wastewater discharges, including regular testing for such metrics as pH¹, COD², BOD³, SS⁴, and the oil content of n-hexane extracts⁵.

1. pH: A scale indicating whether substances are acidic or alkaline. pH7 is neutral. pH values below 7 indicate increasing acidity, while values above 7 indicate increasing alkalinity.
2. COD (chemical oxygen demand): The amount of oxygen consumed to oxidize organic substances (pollution) in water. COD measurement takes less time than BOD measurement, but is less reliable. COD is generally used as a metric in wastewater management for sea, lake, and marsh waters.
3. BOD (biological oxygen demand): The amount of oxygen required for bacteria to consume and decompose organic matter (pollution) in water. Higher values indicate greater degrees of pollution.
4. SS (suspended solids): The volume of substances suspended in water. The higher the number, the greater the degree of water pollution.
5. n-hexane extracts: Substances extracted from oils and detergents that are difficult to volatilize in water using a substance called n-hexane as solvent. In this report they signify mineral oils.



Fujisawa Plant's wastewater processing facility

Bang Pa-in Plant Wins Award for Excellence in Water Quality Conservation (Thailand)

NMB-Minebea Thai has been awarded the Award for Excellence in Water Quality Conservation by the Thai

Ministry of Industry as part of its "The Factories Love Rivers Project." The award recognizes the company's efforts to protect the environment and preserve water quality. The ministry's project celebrates the 83rd birthday of Her Majesty Queen Sirikit (August 12, 2015) by promoting awareness and understanding of the importance of environmental conservation and restoration.

At the award ceremony held at the National Theatre in Bangkok, Mr. Masayuki Imanaka, General Manager of Regional Affairs for South East Asia, received the award from Mr. Pramot Wittayasuk, Deputy Minister of the Ministry of Industry of Thailand. A total of six companies received awards.



Mr. Masayuki Imanaka, General Manager of Regional Affairs for South East Asia, receives award from Mr. Pramot Wittayasuk, Deputy Minister of the Ministry of Industry of Thailand

Operation of Plant Wastewater Zero System (Thailand & China)

The Minebea Group operates plants which use large amounts of water in the processing of manufactured products and take measures to reduce emissions of wastewater. Our plants purify used water to reduce the level of waste to below standards required by each country and locality before releasing the water into the environment. Despite these measures, we cannot guarantee that the released water has zero impact on the surrounding environment. At our plants in Thailand and China, which use large amounts of water, we have adopted the "Plant Wastewater Zero System" to reduce to as close to zero as possible the wastewater released and its impact on the environment.

In this system, the plants further purify wastewater that was previously treated and released into the environment, and then reuse the entire amount of wastewater internally at the plant without any external emissions. Currently, this system is being used by the Bang Pa-in and Ayutthaya plants in Thailand, as well as the Shanghai and Xicen plants in China.

► Future Issues and Goals

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

Product-related Initiatives for the Environment

▶ Basic Approach

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

▶ Group's Environmentally Conscious Products

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

Launching Mass Production and Sales of New Lighting Product, "SALIOT"

The Minebea Group has developed the world's first* LED lighting enabling users to adjust the light distribution angle. "SALIOT" (Smart Adjustable Light for the Internet of Things) harnesses light guiding panels and plastic injection molding technologies developed for LED backlights. We began mass production and sales of this innovative product in July 2015.

SALIOT can adjust its light distribution angles from 10° to 30° by using a motor to control the distance between the light emitting diode and the lens. Leveraging wireless technologies, we added proprietary software enabling users to easily control the light distribution angle, brightness, and illumination position with a smartphone or tablet.

SALIOT can provide multiple light sources from a single illumination, making it ideal for such commercial complexes as large-scale shopping centers with high ceilings, car dealer showrooms, art and other types of museums, educational facilities, event spaces, hotels, and a wide variety of other venues. SALIOT helps to solve a number of issues posed by the lighting of large spaces, including the elimination of dangerous work involved with adjusting lights in high places, as well as improving energy efficiency through the use of LED lighting.



External view of SALIOT

*Based on company's research as of July 2015

Development of High Heat-resistant Ball Bearing Unit for Turbochargers

The Minebea Group has developed and begun manufacturing and selling a high heat-resistant ball bearing unit for turbochargers (air supply device to force air into the engine) which prevents burning of the unit's components. The balls are made of ceramics and the casings used to hold the balls are made of high heat-resistant materials to prevent the shaft bearing from expanding and burning.

Currently, automakers around the world are striving to improve the fuel efficiency of engines to make them more environmentally conscious. As one measure, automakers have been adopting smaller displacement engines and fitting them with air supply devices to boost output and thereby raise fuel efficiency.

We expect these trends to gain further momentum in Japan and Europe, where fuel efficiency regulations are tightening, and in North America, where large-sized gasoline cars are common.



High heat-resistant ball bearing units for turbochargers

▶ Management of Environmental Impact Materials Included in Products

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

▶ Future Issues and Goals

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

Third-party Opinion

Comments on the Minebea CSR Report



Mr. Keisuke Takegahara

General Manager, Economic & Industrial Research Department
Development Bank of Japan Inc.

Following the style of past years, the “Minebea Group CSR Report 2016” offers a strong balance among the environmental, social and governance fields, as well as a detailed explanation of activities in each field. In terms of content, the report clearly demonstrates how Minebea is making further progress in CSR. These changes are explained straightforwardly at the start of the report in the “Commitment from the President” section. Minebea has repositioned its management policy and basis for its CSR, the “Five Principles,” as its company credo. This clarifies how Minebea is reflecting stakeholder expectations into value creation and pursuing it as a unified Group. Based on this approach, this year’s report features an article on how Minebea is building a CSR strategy structure across its Group, including overseas sites, and another article on a direct dialogue with its stakeholders. These two special features underpin the entire report.

The special feature on Shanghai Minebea demonstrates how Minebea is strengthening its structure laterally across the Group and how the company puts its key theme of globalization into practice. It’s remarkable how Minebea strengthens its CSR structure by examining activities broadly to include its supply chain, as shown in the CSR procurement survey of suppliers in China. Supply chain management of overseas sites is an important theme when we consider the CSR boundary¹. Minebea’s feature story is all the more impressive considering the relative lack in information disclosure among Japanese companies in this regard.

Minebea continues to prioritize direct communication with stakeholders. Following a dialogue last year at the Yonago

Plant, the company conducted a dialogue this year at the Hamamatsu Plant, reflecting its deepening bonds with local communities. Additionally, this year’s report demonstrates the company’s commitment to employees. The articles on the Shanghai Plant and global human resources show in detail how Minebea implements a broad range of initiatives to promote diversity, human resources development, and make workplaces comfortable for its employees (work-life balance initiatives, health management). Coupled with employee turnover rate, overtime work and other data, these articles show that Minebea is putting its “Five Principles” into practice by being “a company where our employees are proud to work.”

In terms of environmental initiatives, the Group is decoupling² activities by reducing its overall CO₂ emissions 5% year on year and 23% per basic unit of output even while sales grow. The environmental management system (EMS), which the company has taken the initiative to promote Group-wide, is functioning effectively and showing steady improvements. This bodes well for the Group’s future promotion of CSR.

Regarding future reports, I would like to see more information about Minebea’s research and development activities along with its technological capabilities. Specifically, I would like to learn more about how their product portfolio is changing through the management integration, the new “Five Arrows” growth strategy, and how the company is achieving the “Creation of social value through products” as expressed in its CSR Implementation Principles. These are the kinds of information that best elucidate Minebea’s unique aspects as a company.

1. Boundary: The scope of impact by an organization
2. Decoupling: The separation of economic growth and energy consumption by reducing energy consumption even while maintaining a certain level of economic growth and convenience

Mr. Keisuke Takegahara

After graduation from Hitotsubashi University Faculty of Law, Mr. Takegahara joined the Japan Development Bank (now the Development Bank of Japan, Inc.) He assumed his present post following stints in the bank’s Research Department, Policy Planning Department, its Representative Office in Frankfurt, and as general manager of Environmental Initiatives & Corporate Social Responsibility–Support Department. Mr. Takegahara is also a member of several councils, including the Japanese Ministry of the Environment’s Environment Industry Market Size Research Committee and the Environment Growth Engine Study Council, along with the Cabinet Office’s Future City Promotion Board and the Future City Assessment and Research Committee.

On Receiving a Third-party Opinion



Mr. Tatsuo Matsuda

Managing Executive Officer
Chief of Personnel & General Affairs
Headquarters

Mr. Takegahara has again provided us with valuable feedback on the Group’s CSR promotion. We are honored that he has praised the progress of our overall CSR initiatives.

This year’s report features an article on a dialogue with citizens from the community around the Hamamatsu Plant, an important research and development site for the Electronic Devices & Component Manufacturing Headquarters, as well

as an article on CSR activities at Shanghai Minebea in China. Our relationships with Shanghai Minebea employees and the local community, along with our environmental initiatives there, are representative of the way we are putting our Group’s corporate credo, the “Five Principles,” into practice.

In the social report, we disclosed our CSR procurement activities in China, and we are honored by Mr. Takegahara’s high praise of this initiative. This will only serve as encouragement for us to make further strides on the management of our global supply chain.

Mr. Takegahara has identified areas for improvement in our research and development and technological initiatives. We plan to make a fuller disclosure of these activities from next fiscal year. Additionally, there were CSR goals for FY2015 that we did not achieve. We recognize these as issues to address this fiscal year and in subsequent years as we strive to make continual improvements.



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