



MinebeaMitsumi Group  
**CSR REPORT 2018**

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## Editorial Policy

We publish the MinebeaMitsumi Group CSR Report annually as a way to inform our stakeholders of our Group's CSR approach and initiatives.

In the report for FY2017, we present special features highlighting examples of communications with the local communities where we conduct business. The example from Japan concerns a stakeholder dialogue conducted at the Mitsumi Electric Chitose Business Division with the participation of local residents. The examples from overseas are CSR programs in Thailand with deep community ties and the current status of initiatives at the Cambodia Plant, which has grown in tandem with its employees.

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 regarding the Group's CSR activities from our readers. Starting this year, we will also issue a separate integrated report. For information on financial results, governance, and other topics, refer to the MinebeaMitsumi Group Integrated Report 2018.

### Scope of report

MinebeaMitsumi and 94 group companies

### Period covered by this report

FY2017 (April 1, 2017–March 31, 2018)

However, this includes some activities before this period and from FY2018.

### Publishing information

Published September 2018 (previous edition published September 2017; next edition planned for September 2019)

### Referenced guidelines

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

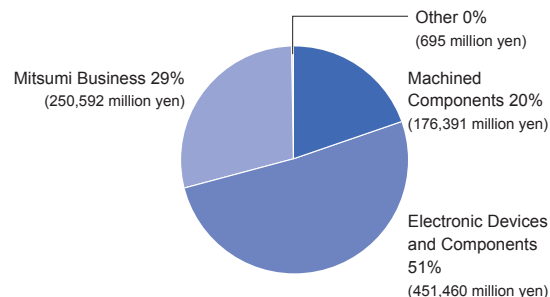
### Enquiries regarding this report

CSR Promotion Office, Personnel & General Affairs Division, MinebeaMitsumi Inc.  
TEL: +81-3-6758-6724

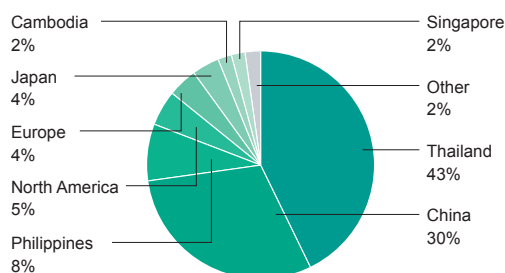
## Corporate Profile (as of March 31, 2018)

<b>Corporate name</b>	MinebeaMitsumi Inc.
<b>Headquarters</b>	4106-73 Oaza Miyota, Miyota-machi, Kitasaku-gun, Nagano 389-0293, Japan TEL: +81-267-32-2200
<b>Tokyo Head Office</b>	3-9-6 Mita, Minato-ku, Tokyo 108-8330, Japan TEL: +81-3-6758-6711
<b>Established</b>	July 16, 1951
<b>Capital</b>	68,258 million yen
<b>Representative</b>	Yoshihisa Kainuma, Representative Director, CEO and COO
<b>Main business</b>	Machined component business, electronic devices and components business
<b>Net sales</b>	Consolidated: 879,139 million yen
<b>Operating income</b>	Consolidated: 79,162 million yen
<b>Ordinary income</b>	Consolidated: 78,038 million yen
<b>Net income attributable to owners of parent</b>	Consolidated: 59,382 million yen
<b>Number of employees</b>	Consolidated: 78,351 people
<b>Number of consolidated subsidiaries and affiliates</b>	90 companies

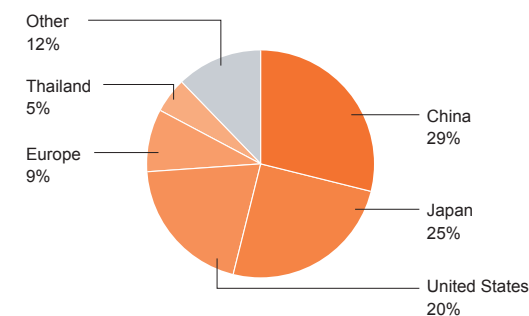
## Sales by business segment (FY2017)



## Total production by region (FY2017)



## Sales by region (FY2017)



## Information available on the CSR website: <http://www.minebeamitsumi.com/english/corp/environment/>

The MinebeaMitsumi 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 2018 detailed data
- › Recent CSR activities
- › Corporate governance information



# Commitment from the CEO

## Looking Back on FY2017

During the 2017 fiscal year, the sense of economic uncertainty increased due to the ongoing rise in the value of the yen precipitated by United States trade policies and other factors, making it a year in which surrounding circumstances became even more demanding. Despite this, profits from the Mitsumi business, with which Minebea implemented a business integration in January of last year, increased substantially, and overall, the Group achieved higher sales and profit. In FY2017, we posted consolidated net sales of 879,139 million yen, an increase of 37.6% over the previous year, consolidated operating income of 79,162 million yen, an increase of 61.5%, and consolidated net income of 59,382 million yen, up 44.3%. Consolidated net sales, operating income, ordinary income, and net income all reached record highs.

I believe that we were able to achieve these results by developing business while responding accurately to social needs at all times. The machined component business posted strong results by responding to needs such as pursuing energy savings and safety in automobiles and the growing demand for electric vehicles. In the electronic devices and components business, LED backlights performed well as a result of improvements to existing technologies, and automotive motors posted strong growth. The solid performance of the Mitsumi business was supported by strong sales of all products, and I believe that making use of the synergy effects of the entire Group and improving productivity through extensive technical guidance also made significant contributions.

Our medium-term goal of achieving either consolidated net sales of 1 trillion yen or consolidated operating income of 100 billion yen has come into sight. As a true comprehensive manufacturer of precision components unrivaled anywhere in the world, we are committed to making even further advances.

With regard to social responsibility, the entire Group is working to build structures in accordance with the spirit of the “Five Principles,” the company credo. In order to bolster CSR management, we appointed CSR officers at the Mitsumi Electric sites in Japan, which were added to the Group, to conduct educational programs and ascertain current circumstances regarding CSR activities.

In May 2018, we conducted a community dialogue at the Mitsumi Electric Chitose Business Division with the mayor of Chitose City, individuals associated with the local university, and local residents. The aim was to deepen communication so that



Yoshihisa Kainuma  
Representative Director  
CEO and COO  
MinebeaMitsumi Inc.

we can become a more essential presence in the community.

We will expand these types of initiatives throughout the entire Group and take action to put the Five Principles into practice. I believe that this is the optimal status of CSR for the MinebeaMitsumi Group.

## Tackling New Challenges Together through Integration

We are aware that in order to remain a company needed by society, it is essential that we develop products that can contribute to the sustainable development of the global environment and humanity, as set forth in our Basic CSR Policy. To do this, it is important that we accurately understand social issues including environmental problems and for the Group to integrate and use its varied strengths.

The products we refer to internally as the “trio of new products” that were generated from this stance are now starting to produce results.

First is LED lighting “SALIOT.” Users can freely control the direction of lighting up or down and left or right as well as the brightness, light distribution angle, and color temperature using a smartphone or tablet. These devices have high environmental performance, and lighting adjustments, work

that in the past was time-consuming and had to be done in exhibition halls and other such venues late at night from the top of a ladder and so on, can be made using a single smartphone and as a result, they are also leading to work style reforms for on-site workers.

Second is a bed sensor system for the nursing care market. The system, which combines high-precision weight sensors with signal analysis technology, uses sensors placed under the legs of a bed to perform high-precision, no-contact monitoring of where in the bed the user is sleeping as well as reference weight, movement, and other attributes. The system can provide support in a wide range of health care and nursing care fields such as monitoring services in facilities for the elderly.

Third are smart city solutions. For the past several years, we have been conducting a project to install high-efficiency LED streetlights that use a wireless network in Cambodia. Compared to earlier sodium lights, the LED lights cut greenhouse gas emissions by approximately 80% and received the Cambodian Environment Minister's Prize. We are also conducting demonstration trials in which various types of sensors are connected to the streetlight network. We will continue to take on challenges so that streetlights can evolve into systems that lead to increased convenience and enhance safety for urban residents.

We will of course continue to invest management resources into the "Seven Spears" of our core business (bearings, motors, sensors, connector/switches, power supplies, wireless/telecommunication/software, and analog semiconductors) and provide additional value to society.

## Sharing Our Thinking on "Manufacturing with Sincerity"

Since the establishment of the MinebeaMitsumi Group, we have built up a commitment to "manufacturing with sincerity" in order to provide higher-quality products at lower prices, faster, in greater quantities, and smarter. This commitment will remain unchanged in the future and will serve as the foundation for the entire group.

Based on our corporate slogan "Passion to Create Value through Difference," we will make use of the Group's strengths including its advanced technologies and experience in niche fields to create new value through "differences" that go beyond common practices. We will also conduct business with an emphasis on ESG management that takes the environment, society, and governance into consideration as a means of supporting sustainable growth. Specifically, we will become a company that is essential to society by providing various products that contribute to reductions in energy consumption to reduce environmental impact, undertaking environmental preservation measures, and contributing to social issues such as the sustainable development goals (SDGs) necessary for global solutions.

This report explains the MinebeaMitsumi Group's current business and CSR activities from a variety of perspectives. We will actively use the comments and requests received from readers in our future business activities, and we look forward to receiving your honest opinions.

### New product trio



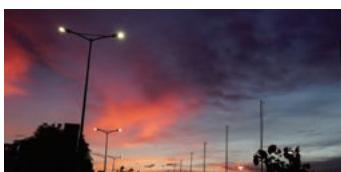
#### LED Lighting Equipment: **SALIOT**

- ▶ Extensive track record of use in art and other museums, hotels, department stores, and other facilities in Japan and overseas
- ▶ Efforts are underway to expand sales worldwide including Thailand, Cambodia, Europe, the United States, and China
- ▶ Wide product lineup including a tracking model



#### Sensors: **Bed Sensor Systems**

- ▶ Launched in July 2018 cooperation with Ricoh for nursing care facilities
- ▶ Expansion of sales to overseas regions is under consideration
- ▶ Use on home care in the future is also anticipated















#### Sensors/Lighting Equipment: **Smart City Solutions**





- ▶ Billing business launched in Cambodia
- ▶ External sales to commence in autumn 2018
- ▶ Global sales activities to be reinforced

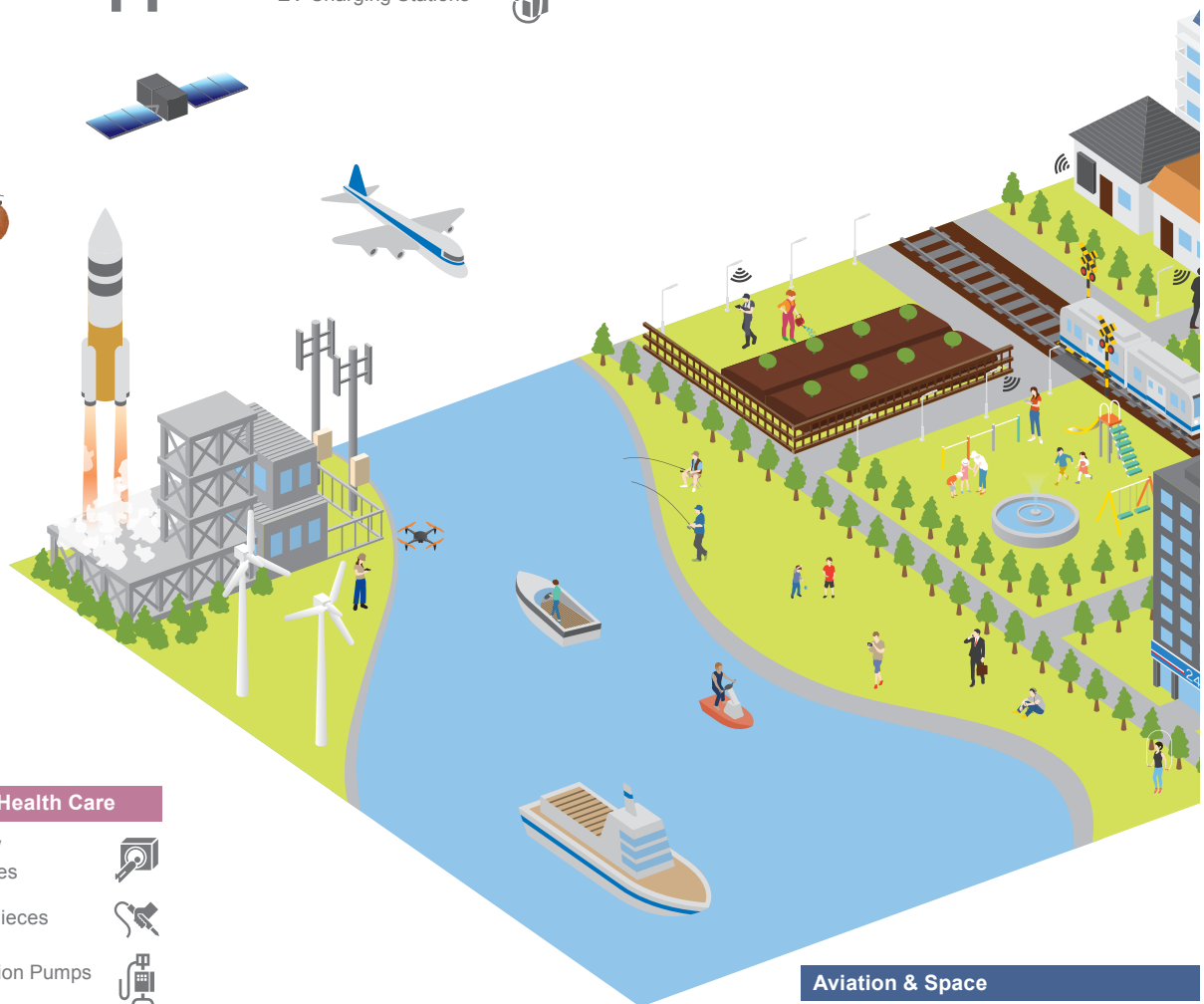
# MinebeaMitsumi Products in Society

## Smart City & Infrastructure



- |                        |   |                        |   |
|------------------------|---|------------------------|---|
| Solar Power Generators |  | Smart Lighting Devices |  |
| Wind Power Generators  |  | Smart Street Lights    |  |
| Battery Modules        |  | Parking Sensors        |  |
| Smart Meters/Bulbs     |  | Security Cameras       |  |
| Smart Locks            |  | Elevators/Escalators   |  |
| Automatic Ticket Gates |  | EV Charging Stations   |  |

## Industry





- |                                    |   |
|------------------------------------|---|
| Industrial Machinery               |  |
| Industrial Measurement Instruments |  |
| ATMs                               |  |
| POS Terminals                      |  |





## Medical & Health Care

- |                             |   |
|-----------------------------|---|
| CT Scanners/ X-ray Machines |  |
| Dental Handpieces           |  |
| Medical Infusion Pumps      |  |
| Laboratory Equipment        |  |
| Nursing Care Products       |  |
| Bathroom Scales             |  |
| Blood Pressure Monitors     |  |
| Blood Purification Machines |  |
| Alcohol Breath Testers      |  |




## Robotics

- |                      |   |
|----------------------|---|
| Drones               |  |
| Communication Robots |  |
| Cooperative Robots   |  |
| Surgical Robots      |  |
| Industrial Robots    |  |

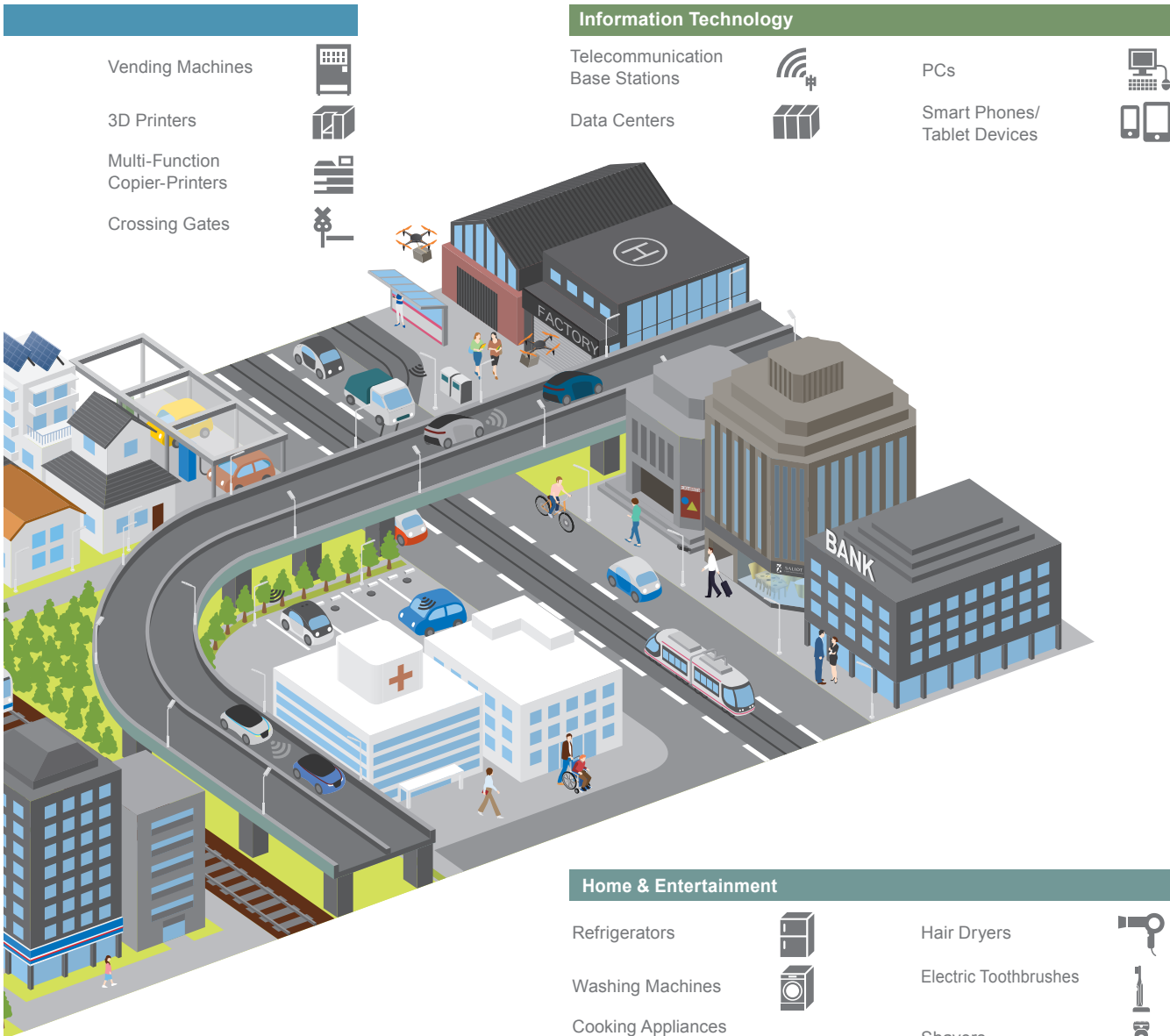
## Aviation & Space

- |                        |   |
|------------------------|---|
| Aircraft               |  |
| Satellites/Space Craft |  |





## Transportation

- |                   |   |
|-------------------|---|
| Automobiles       |  |
| Electric Vehicles |  |
| Electric Bikes    |  |

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.





**Information Technology**




- Vending Machines 
- 3D Printers 
- Multi-Function Copier-Printers 
- Crossing Gates 

- Telecommunication Base Stations 
- Data Centers 
- PCs 
- Smart Phones/ Tablet Devices 

**Home & Entertainment**

- Refrigerators 
- Washing Machines 
- Cooking Appliances (Induction Cookers/ Microwaves/ Rice Cookers) 
- Vacuum Cleaners 
- Air Conditioners 
- Electric Fans 
- Air Cleaners/Humidifiers/ Dehumidifiers 
- Bidets 
- Televisions 
- Set Top Boxes 
- DVD/Blue-ray Disc Players 
- Digital Cameras/ Action Cameras 
- Hair Dryers 
- Electric Toothbrushes 
- Shavers 
- Fitness Equipment 
- Facial Care Equipment 
- Toys 
- Game Devices 
- VR Equipment 
- Automatic Translation Devices 
- Power Tools 
- Fishing Equipment 
- Suitcases 

- Space Rockets 

- Trains 
- Ships/Motor Boats/ Water Bikes 
- Trams/Light Rails 

# Developing MinebeaMitsumi Group's CSR Together with the Local Community

—Chitose Business Division, Mitsumi Electric—



## List of Dialogue Participants

### Participants from Chitose City

Mayor of Chitose City	Mr. Kotaro Yamaguchi
Vice Mayor of Chitose City	Mr. Ryuichi Yokota
General Manager of Industrial Promotion Department	Mr. Hiroyuki Shimakura
General Manager of Industry Support Office, Industrial Promotion Department	Mr. Masatoshi Shinada
Manager of Enterprise Promotion Section, Industry Support Office, Industrial Promotion Department	Mr. Atsushi Sawada
Manager of Science and Technology Promotion Section, Industry Support Office, Industrial Promotion Department	Mr. Hiroki Hayashi
Assistant Manager of Enterprise Promotion, Enterprise Promotion Section, Industry Support Office, Industrial Promotion Department	Mr. Keisuke Tsukada
Assistant Manager of Investment Promotion, Enterprise Promotion Section, Industry Support Office, Industrial Promotion Department	Mr. Kunihiko Idogawa
Manager of the Secretariat for the Planning Department	Mr. Hiroshi Hotta

### Participants from Chitose Institute of Science and Technology

University President of Chitose Institute of Science and Technology	Mr. Masaaki Kawase
Managing Director of Chitose Institute of Science and Technology	Mr. Nobuyuki Watanabe

### MinebeaMitsumi and Mitsumi Electric

Managing Executive Officer, Chief of Personnel & General Affairs Headquarters	Mr. Tatsuo Matsuda
General Manager of Business Promotion Department, Semiconductor Business Division	Mr. Takashi Kume
General Manager of Wafer Production Department, Semiconductor Business Division	Mr. Tsukasa Sakai
Deputy General Manager of Business Promotion Department, Semiconductor Business Division	Mr. Minoru Hashimoto
Manager of General Affairs Section, Business Promotion Department, Semiconductor Business Division	Mr. Mutsuo Hirai
General Manager, CSR Promotion Office	Mr. Masaki Ishikawa
Assistant Supervisor, CSR Promotion Office	Ms. Reiko Echigo

### Facilitator

Consultant, Cre-en Inc.	Mr. Hiroshi Tomita
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\* The titles of participants are current as of the date of the dialogue (May 22, 2018).

In May 2018, we held a stakeholder dialogue at the Chitose Business Division (Chitose City, Hokkaido) with representatives from the local community.

Various opinions and proposals regarding future collaboration and cooperation were expressed, and an active discussion took place.

## Introduction

**Mr. Matsuda:** Thank you very much for joining us today. It is an honor to have you. In January, 2017, Minebea Co., Ltd. implemented business integration, converting MITSUMI ELECTRIC CO., LTD. into a wholly owned subsidiary through a share exchange. As a result, MinebeaMitsumi Inc. was created. The Group currently has 64 manufacturing sites in 17 countries around the world, and the Chitose Business Division is one of those sites.

One of the “Five Principles” of the company credo is

to “work in harmony with the local community.” This principle has been incorporated into various activities intended to contribute to local communities in order to create deeper ties. We hope to raise the level of collaboration and cooperation even further so that we can make use in our future measures of the opinions and requests expressed today by the participants. Now, let's start the discussion.



Mr. Tatsuo Matsuda  
MinebeaMitsumi



We offer our heartfelt sympathies to the victims of the earthquake that occurred in the Hokkaido region on September 6, 2018.

## Connections between the Chitose Business Division and the Region

**Mr. Kume:** The Chitose Business Division began operations in this region in 1983. For the subsequent 35 years, the production site has manufactured semiconductors. It currently has a little under 500 employees, but during the prior and current fiscal terms, business has been extremely busy and the labor shortage has become a significant issue.



Mr. Takashi Kume  
Mitsumi Electric

**Mr. Hashimoto:** In our relationship with the local community, the business division has placed particular emphasis on traffic safety since the very start of operations. Employees stand in the street and give traffic directions, and each year employees propose yearly traffic safety slogans for submission to the Traffic Safety Association as a part of educational programs. Slogans selected within the business division are submitted to the Chitose Traffic Safety Association, and nearly every year we win an award. The winning submissions are displayed at various locations throughout the city.



Mr. Minoru Hashimoto  
Mitsumi Electric

With regard to the environment, plastic bottle caps and pull rings collected at the site are donated to social welfare organizations, and each year we conduct cleanup activities and install flowerpots in the vicinity of the business site. We have also cooperated with blood donation drives for more than 20 years, and in 2017 we received a Golden Order of

Merit from the Japanese Red Cross Society.

**Mr. Yamaguchi:** I am very grateful that efforts continue to be made to deepen ties with Chitose City even after the business integration. I feel that manufacturing and sales activities in Chitose and the dissemination of technologies and information to the world by the companies that represent Japan leads to enhancement of the value of Chitose City.



Mr. Kotaro Yamaguchi  
Mayor of Chitose City

## Work Style Reforms throughout the Region

**Mr. Yamaguchi:** One area that Chitose City is currently putting particular effort into is work style reforms. These are not simply reforms in accordance with public servant ethics. Rather, we believe that workplace reforms from the perspective of adapting to the lifestyles of workers is important, and we are currently in the trial and error stage. Based on the idea that workplace reforms are working style reforms and that work style reforms are lifestyle reforms, we are taking measures to increase what is referred to as the “*ikuboss*”<sup>\*</sup> in the city by raising awareness in businesses and so on and create a community where workers can achieve a good balance between work and family life and engage in enriching childcare activities.

\* A supervisor (executive or manager) who considers the work-life balance of subordinates and staff members who work with the supervisor and supports both career development and personal development while producing good results for the organization and enjoying his or her own work and personal life.

**Mr. Yokota:** As a part of these efforts, *ikuboss* training was conducted for executives and managers from the mayor down in January of 2017, and all of the participants issued an *Ikuboss* Declaration. Initially, we are working to change the awareness of workers, and we are holding seminars and conducting other activities. What types of actions does the Chitose Business Division undertake in relation to the work-life balance?



Mr. Ryuichi Yokota  
Vice Mayor of Chitose City

**Mr. Hashimoto:** At the Chitose Business Division, we encourage employees to use their paid leave. Currently, each employee takes an average of 15 days per year, but if there are significant differences among individuals, this is not meaningful. In response, we set a target for all employees to take at least 10 days of vacation time each year. We also set an annual target for overtime work and are taking measures to ensure that overtime does not exceed that target.

The business division has few female employees, and as a result no employees had taken childcare leave, but last year the first employee went on childcare leave. Also, this year, male employees also plan to take childcare leave. Although progress is gradual, I feel that the change in awareness is taking root.

**Mr. Yokota:** It is a necessity of the times, and we would like businesses to take these types of measures as

much possible. I will be very pleased if this leads to the development of an image of Chitose City as a good place to live and a good place to work.

#### Creating Cooperative Structure to Respond to Disasters

**Mr. Shimakura:** I would like to take advantage of this opportunity to request cooperation with our disaster response efforts. Chitose City established the Chitose City Disaster Preparedness Plan in anticipation of a volcanic eruption of Mt. Tarumaesan, earthquake, wind or snow damage, or other disaster, and each year we conduct comprehensive disaster preparedness drills in cooperation with various organizations.



Mr. Hiroyuki Shimakura  
General Manager of  
Industrial Promotion  
Department, Chitose City

We have also entered into cooperative agreements regarding disaster responses with 50 businesses, shops, and other organizations. MinebeaMitsumi has not entered into a cooperative agreement, but I would like to ask the company to offer its cooperation in the event of a disaster by providing supplies to local residents and so on.

**Mr. Hashimoto:** The business site has established a business continuity plan (BCP) manual setting forth the actions that we need to take to protect employees and continue business operations in the event of an emergency situation such as an earthquake, abnormal weather, fire, or epidemic. If a disaster occurs, we will establish a disaster response headquarters at the business site. We have stores of food and water for about three days of activities by the 30 members of the disaster response headquarters as well as 60 employees who will be unable to return to their homes and for provision to 100 residents of company dorms. The quantity of supplies may be somewhat high, and if an emergency occurs, it may be possible to use those supplies throughout the industrial district.

**Mr. Shimakura:** Companies and business sites have various different characteristics, and I think it would be beneficial if we could encourage collaboration and cooperation in ways that make use of those characteristics.

**Mr. Yokota:** The Chitose Industrial Club, in which MinebeaMitsumi has participated for some time, and Chitose City signed a collaborative agreement the year before last.

The agreement includes provisions on comprehensive utilization of the supplies and resources of each company, and I would like to request MinebeaMitsumi's cooperation.

#### Creating New Value through Collaboration between Industry and Academia

**Mr. Kawase:** Students from the Chitose Institute of Science and Technology have been gaining employment at MinebeaMitsumi since around the time of the first graduating class in 2002, and I feel that the recent business integration is extremely fortunate. The Institute has decided to become a public university corporation of the city in 2019. I believe that even greater collaboration with MinebeaMitsumi will be possible in the future.



Mr. Masaaki Kawase  
University President  
of Chitose Institute of  
Science and Technology

**Mr. Yamaguchi:** I expect that various added value will be generated through collaboration among industry, government, and academia. Chitose City will cooperate to the greatest extent possible, and I look forward to receiving proposals and requests from MinebeaMitsumi.

**Mr. Kawase:** To give an example, under the Nanotechnology Platform promoted by the Ministry of Education, Culture, Sports, Science and Technology, advanced analysis equipment and so on has been installed at 25 sites throughout Japan for use by businesses. The Institute is one such site, and the equipment is available for use by businesses in the city. I would be pleased if MinebeaMitsumi also made use of this equipment.

**Mr. Sakai:** In fact, a request has already been made on the staff level, and I request your cooperation in this regard.



Mr. Tsukasa Sakai  
Mitsumi Electric

#### Using Local Human Resources

**Mr. Kawase:** A dozen or so of the Institute's graduates have gained employment at MinebeaMitsumi, but almost no graduates have been hired in about the last five years. I would like to take this opportunity to reestablish our relationship with regard to hiring. We conduct various

programs such as internships and informational briefings, and I would like to extend an invitation to MinebeaMitsumi participate in these activities.

**Mr. Matsuda:** The Group as a whole hired 120 recent graduates who started work in April 2018, and we hired 150 mid-career employees during the first half of this fiscal term. Because of the rapid pace of change in business today, we need employees who can immediately contribute, and for this reason the percentage of mid-career hiring has increased, but we would also like to increase hiring of recent graduates and develop their capabilities. The labor shortage has become prominent at the Chitose Business Division, and we plan to hire a large group of some 190 recent graduates in April 2019. I request your cooperation at that time. We would also like to accept interns to the greatest extent possible.

**Mr. Watanabe:** How long after hiring does it take for a recent graduate to become an effective employee?

**Mr. Matsuda:** It depends in part on the division, but we would like employees to continue working in sales or technology for five years. I think that it is necessary to view things from a long-term perspective to a certain degree.

**Mr. Watanabe:** I see. According to the results of a survey we conducted, a significant number of graduates change jobs within three years. What are the actual conditions? Also, what measures can be taken to reduce job turnover?

**Mr. Matsuda:** Our turnover rate is extremely low at 3.4%. I have confidence that for all levels from young workers to senior employees, the key is to create positive and rewarding work environments.

**Mr. Kume:** The Chitose Business Division has a particularly low turnover rate within the Group.

**Mr. Sakai:** I believe that one of the reasons why the turnover rate is low is that when an employee says, "I am not suited to this job," we're able to keep the employee in a different division.

**Mr. Matsuda:** I think that's right. We have a structure where employees can request to be transferred to a different division. If an employee is going to come to work for MinebeaMitsumi, I think it's better that we try to raise motivation by having the employee perform work that they want to do.



Mr. Nobuyuki Watanabe  
Managing Director of  
Chitose Institute of  
Science and Technology

## Making Chitose into an Environment-friendly Community

**Mr. Ishikawa:** I noticed in a pamphlet issued by Chitose City that one of the issues the city is addressing is creating an environment that is people- and earth-friendly. What specific measures are being taken?

**Mr. Shimakura:** In 2012, the city issued an environmental declaration in the mayor's name and established basic principles and action guidelines. Based on this, the city established a unique environmental management system known as "Eco-Action" and is taking measures to reduce energy consumption and environmental impact. To expand these initiatives to business sites, we established ECO Chitose, our version of an environmental management system certification program. More than 60 business sites have obtained certification and measures are being taken throughout the city.

**Mr. Ishikawa:** We look forward to your cooperation in the future.

**Mr. Sakai:** I have one request relating to the environment. In the semiconductor industry, it is necessary to continuously cool clean rooms using air conditioning. The temperature in Chitose City is low, and this is extremely beneficial, but even so, a considerable amount of electric power is needed. Electric rates in Hokkaido are high compared to other regions, and this is a disadvantage for us. We are in negotiations with Hokkaido Electric Power, but I believe that the circumstances will change if there were more companies that require large amounts of electric power such as other companies in the semiconductor industry, and therefore, I would like the city to make efforts to attract more companies. I believe that this will lead to the further invigoration of Chitose City and Hokkaido.



Mr. Masaki Ishikawa  
MinebeaMitsumi

## In Closing

**Mr. Matsuda:** Thank you very much for taking the time to share your valuable insights with us today. I would like MinebeaMitsumi to be a company that is a source of pride for Chitose City. To this end, I would like to continuously enhance communications and receive various suggestions and proposals. I hope that we can create ties based on mutual understanding. I look forward to your continued support in the future.

# Establishing Deep Local Ties with Multiple Generations

—CSR Seen in Business Activities in Thailand—

## THAILAND

- Lopburi Plant
- Ayutthaya Plant
- Rojana Plant
- Bang Pa-In Plant
- Navanakorn Plant
- Bangkok
- Chonburi Plant



The MinebeaMitsumi Group's largest production site is Thailand. In this feature, we introduce local CSR measures, which have been carried out during approximately 40 years since the Group first established operations in Thailand.

### Responsibility to Thai Communities as the Group's Largest Production Site

The MinebeaMitsumi Group's business in Thailand started with the establishment of a company in Ayutthaya Province, which is located to the north of the capital city Bangkok, in 1980. In the subsequent period of nearly four decades, operations expanded to six plants, and as a result of the 2017 business integration with Mitsumi Electric, the Chonburi Plant, located to the southeast of Bangkok, was added to the Group for a current total of seven plants. The combined output of the seven plants in Thailand accounts for approximately 40% of the Group's total production, making Thailand the Group's largest production site.

The Group has approximately 35,000 employees in Thailand, making it one of the largest foreign-affiliated employers in the country. Many people in nearby communities work at the plants, and there are numerous instances of multiple generations from the same family

working for the Group. In addition, the value of products exported to countries around the world is approximately 350 billion yen annually, making a significant contribution to the economic development of Thailand. The presence and awareness of the MinebeaMitsumi Group in the local community is quite high and General Manager of Regional Affairs for South East Asia Masayuki Imanaka, who oversees local operations, points out that "When a company reaches this scale, the relationship with the local community becomes crucial as a matter of course. It is essential that we respond appropriately to the expectations of both employees and the local community."



Masayuki Imanaka  
Managing Executive Officer  
General Manager of Regional  
Affairs for South East Asia

### 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

### Putting the Company Credo of “Five Principles” into Practice through CSR

In Thailand too, the MinebeaMitsumi Group’s company credo of “Five Principles” is the foundation of our CSR. Management is carried out by the CSR Committee by making reference to ISO 26000. What is distinctive about the Group’s CSR measures in Thailand is that each plant engages in direct dialogue with local communities, sets themes according to the issues in each region, and implements projects based on those themes. We make sure to reflect the results of projects in future plans. These integrated undertakings have been well received, and the Group has received the CSR-DIW\* Continuous Award from the Department of Industrial Works, Ministry of Industry for nine consecutive years.

The MinebeaMitsumi Group focuses on environmental measures to fill its responsibilities to local communities. The Group’s plants in Thailand have sought to be energy-saving facilities since their establishment. Some plants have introduced “Plant Wastewater Zero Systems” that gather all wastewater and purify it to levels stricter than those required by laws and regulations for use on the plant site. This is an extremely important initiative from the perspective of business continuity. In addition, food waste from on-site cafeterias is composted, the biogas generated by the compost is used for cooking to reduce LP gas use, and other active measures are taken to reduce environmental impact.

One area of particular emphasis at present is the dissemination of CSR information. General Manager Imanaka, who oversees activities, explained, “We inform local executives and all employees about CSR activities by reporting important matters to the Executive Officer Council and the Executive Council and posting the details of activities on the Thai websites in Thai and English.” Other efforts are also made to disseminate information internally including monthly production and distribution to all employees of CSR-related pamphlets as an employee communications tool.

\* CSR-DIW: Corporate Social Responsibility, Department of Industrial Works

### A Company Where Employees Are Proud to Work

In Thailand, the MinebeaMitsumi Group seeks to “be a company where our employees are proud to work,” one of the “Five Principles” of the company credo. As one aspect of this, particular effort is made to enhance human resource development programs. Specifically, systematic training opportunities are provided to employees from orientation training for new employees to work training, rank-based training, and ongoing training. All employees have work objectives, and a performance evaluation system based on those objectives has been introduced.

To ensure that the MinebeaMitsumi Group is a place where employees can work with reassurance, we strive to maintain fairness, respect human rights, promote diversity, and achieve high levels of occupational health and safety as well. The Group has established policies regarding human rights and has procedures in place to prevent violations and impose disciplinary measures when necessary. We also adopted TLS 8001-2010, labor standards formulated by the Thai Ministry of Labour, and acquire third-party certification. To address issues of diversity, the Group prohibits discrimination based on gender and religion and respects diverse values through means such as giving due consideration to religious practices with regard to meals and in Company facilities.

One measure that is unique to Thailand is the Happy Workplace Program. This initiative, which contributes to enhancing employee well-being, was launched to diminish feelings of stagnation following the economic downturn precipitated by the bankruptcy of Lehman Brothers in 2008 and to provide a greater sense of meaningfulness in their work. Numerous employees participate in voluntary activities centered on eight themes including emotional well-being, relaxation, and family.

Human Resources Manager Aksorn explained the reason for these activities: “In Thailand, local personnel play key roles in operations, and this means that it is crucial to create an environment where Thai employees can grow and feel satisfaction with their work.” At the same time, Thailand’s population is aging, and as a result, recruiting young human resources has become an issue.



CSR-DIW Award



Facilities for a plant wastewater zero system



A storage tank for biogas

### Activities to Ensure That the Group is Welcomed by Local Communities

The MinebeaMitsumi Group undertakes activities that are requested by members of local communities. In FY2017, plants undertook some 80 projects addressing a wide range of topics including themes set by the individual plants as well as infrastructure development and educational support. These efforts lead to the development of good relationships with stakeholders.

Construction of a Buddhist hall began in 2016 at a temple in Lopburi Province. Employees were called on to contribute during the two-year construction period. Employees cooperated with the production of Buddhist images and tree planting around the shrine. The shrine is scheduled to open in 2018 as a site of emotional tranquility for local residents. Rojana Plant Manager Wira reflected on the employee activities: "I feel that employee teamwork has improved as a result of this project. Our relationship with the local neighborhood has also been enhanced. This has been a positive undertaking for all stakeholders."

The plant cooperated with sluice gate repairs, irrigation facility maintenance, release of juvenile fish, and tree planting at the nearby Huay Yang Nueng Reservoir. The sluice gates had not been maintained for about 20 years, and there was a shortage of water in the area. Village Headman, Ruob of the neighboring village said, "Thanks to the repairs performed by MinebeaMitsumi, we can manage the water and effectively use it for agriculture and dairy farming." He added, "Previously, I knew the company only as a place where a number of village residents worked, but as a result of these activities, MinebeaMitsumi is better understood in the region."

Plants also provide various support linked to the development of local children. For example, school uniforms, seats, and cushion covers have been donated and computer education support provided to childcare facilities in Pra-Inta Racha Municipality in Ayutthaya Province since 2016. Mayor Suchote has expectations, stating, "It is important for children to have contact with computer-related knowledge, as it opens up possibilities for the future. I would like to MinebeaMitsumi to continue cooperating with local development in the future."

#### CASE 1 Local Traffic Development

One plant renovated traffic facilities in its vicinities. Roofs and benches were installed at bus stops so that local residents and employees can use them in comfort. In 2018, donations were made for the installation of a crossing bridge as a route to a shopping center where vehicular traffic was heavy, making crossing dangerous.

"I feel proud working for MinebeaMitsumi, which not only gives consideration for its employees, but also supports the local community."

**Pinphaka Nadej**  
CSR Committee Member

"The bus stops support users of public transportation and enhance convenience in our community."

**Teerapath Puangkaew**  
CSR Committee Member



#### CASE 2 Support for Hydroponic Cultivation Education

Equipment for hydroponic cultivation of vegetables was provided in 2017 to the Thamlaythai Prodsad Elementary School, and hydroponic cultivation training began. As a result of this training, three types of vegetables are being cultivated hydroponically, and the vegetables are cooked to increase their added value for sale.

"Because of a health boom, demand for hydroponic vegetables is increasing. We received support for hydroponic cultivation, an area in which the students have few educational opportunities. I am extremely grateful."

**Ms. Kanchana Duang-arhit**  
Teacher





Local residents at the Buddhist hall under construction



Tree planting



Donation of seats and cushion covers to an childcare facility

Every year, each plant selects educational facilities for support and undertakes programs tailored to the requests of the schools.

### Continuing Manufacturing with Sincerity and Deep Local Ties

It has been approximately 40 years since the MinebeaMitsumi Group first established operations in Thailand. We have undertaken business activities based on the concept of “manufacturing with sincerity,” our philosophy of manufacturing higher quality products at lower prices, faster,

in greater quantities, and smarter. Continuing these activities will require support from employees and local communities. General Manager Imanaka explains his aspirations: “We have developed operations in Thailand in collaboration with members of the local community, and I believe that in the future, giving due consideration to the environment and employees and responding to the expectations of the region will be the mission of management. I hope to deepen communications with local stakeholders and raise understanding of our activities.”

#### CASE 3 Environmental Education for Children

Continuous support is provided to the Wat Banheeb Elementary School for environmental education about waste separation. Students are taught how to distinguish between kitchen garbage, recyclable waste, and so on, and sorting bins were donated to the school and local community. Future plans call for collecting recyclable waste and generating a revenue stream for use by schools and the local community.

“Thanks to this program, the school and entire area have become extremely clean. I am very pleased about this improvement to our community.”

**Mr. Uthai Malijai**  
Teacher



#### CASE 4 Support for Educational Facilities

Support regarding traffic safety is provided to the Bankumtae Elementary School. The school grounds include a road used by automobiles and motorcycles, so traffic signs and fences were donated to ensure the safety of the schoolchildren. Various other support such as repairing and painting playground equipment was also provided.

“The support from MinebeaMitsumi has been extremely helpful. The donation of equipment has also changed awareness of safety within the community.”

**Ms. Kansuya Boonkerd**  
Teacher



# Cambodia Plant—Aiming to Be a Company Where Employees Are Proud to Work

The Cambodia plant has developed into one of MinebeaMitsumi's main facilities. In this feature, we present the history of its spirit of accepting challenges, which has progressed along with the plant employees, and the plant's current status.

The Cambodia plant was established in the Phnom Penh Special Economic Zone seven years ago. The plant, which has become a massive site with about 5,000 employees and floor area of 100,000 m<sup>2</sup>, was required to perform a new role as one of MinebeaMitsumi's main facilities. In addition to its existing assembly procedures, component machining processes were also transferred to the plant.

Supporting production at the Cambodia Plant are the employees hired locally. Human resource development has been consistently emphasized with "growth with employees" as the fundamental stance. Before operations, more than a few of the plant's employees could not read and write. However, before-work study groups were established, and as a result of continuously encouraging participation, the literacy rate has reached 100%. More recently, the plant has hired numerous students who learned electrical engineering and mechanical engineering at local universities and specialized schools so that it can manufacture higher value-added products. The plant is collaborating with local vocational schools to provide learning opportunities regarding specialized technologies.

One of the plant's key features is that any local employee has a chance to be hired as a manager. Because of an open promotion system that allows anyone to seek a managerial position, the number of employees working as line leaders and senior line leaders has increased. This program has established a clear distinction from the general tendency for Cambodian employees to serve as on-site workers and foreigners to fill management positions. The sensibility among employees that "we will improve our own plant" has strengthened every year. It is against this backdrop that productivity has steadily increased.

## CAMBODIA

Phnom Penh Special Economic Zone



In 2018, a new dorm was established to provide an environment where anyone can live in comfort and with a sense of security. The Cambodia plant seeks to "be a company where our employees are proud to work" in accordance with one of the Five Principles of the MinebeaMitsumi company credo.



Members of the Cambodia Plant Personnel and General Affairs Division

## VOICE



### I Am Proud to Work as a MinebeaMitsumi Employee

#### Hackley Am

Labor Control Team  
Micro Actuator Section  
Minebea (Cambodia) Co., Ltd.

I have been working at the Cambodia Plant since 2011. Immediately after being hired, I spent three months undergoing training in Thailand, and when I returned to Cambodia, I was involved in manufacturing in the Micro Actuator Section. I continued studying so that I could pass on what I had learned in Thailand to employees at the Cambodia Plant. This effort and my work experience were recognized, and I was given the opportunity to take the test for promotion from operator to staff. I currently work as a staff member and have received an "excellent employee" commendation.

Many of the employees at the Cambodia Plant work with a sense of purpose. I too love my job. I am proud to work as a MinebeaMitsumi employee.



**HOT TOPICS**

# New Smart Lighting Goes beyond Your Imagination of Illumination

This feature provides an introduction to SALIOT, a new type of LED lighting that expands the world of smart lighting.

## New LED Lighting SALIOT

SALIOT (Smart Adjustable Light for the Internet Of Things) is a new type of LED lighting that combines various MinebeaMitsumi technologies. A proprietary app developed by MinebeaMitsumi enables users to freely control the direction of lighting up/down/left/right, dimming, light distribution angle, color temperature, and other properties using a smartphone or tablet.

When developing SALIOT, we used MinebeaMitsumi's ultra-precision machining technologies and optical technologies to develop an ultra-thin lens for LED lighting that freely controls the light. The scope of use can be greatly expanded by adding wireless technology and other features.



New LED lighting SALIOT

## Use in Various Situations

SALIOT makes it possible to achieve optimal lighting for every type of situation and can be used under many different circumstances. The possibilities are highly varied including large shopping centers with high ceilings, showrooms of car dealers and other businesses, art and other museums, educational facilities, event spaces, hotels, and more.

MinebeaMitsumi established the SALIOT Gallery near its Tokyo Head Office in September 2017 so that numerous customers can experience the possibilities of SALIOT. More than 200 SALIOT units are installed and visitors can operate them directly.



SALIOT Gallery

## Changing Working Styles with Lighting

Adjusting conventional lighting installed in large areas with high ceilings requires manual work using a ladder or adjusting pole for example, necessitating considerable work effort and time. Lights cannot be adjusted during exhibits, and as a result, performing work late at night is a burden on workers.

Various controls of SALIOT unit can be performed from a single smart phone, and when scene settings are used, a different space can be created in an instant. This means that by using SALIOT, lighting adjustment work that in the past took a long time and had to be performed at night can easily be implemented simply, safely, at low cost, and quickly.

MinebeaMitsumi continues to conduct research and development regarding lighting instruments and will continue its efforts to provide products that customers find useful in their day-to-day lives.



Difficult, high-ceiling work



SALIOT assures simplicity and safety along with reduced cost, labor and time through the elimination of high-cost and long-hours of work on high-ceiling.



Safe and simple operation from the ground

# CSR Promotion Activity Goals and Results

## ► Results for FY2017 and Goals for FY2018 and the Medium Term

		FY2017 Goals	FY2017 Results	
Management	CSR Management	Promote construction of a CSR management system for the MinebeaMitsumi Group <b>CSR</b>	Appointed CSR officers at Mitsumi Electric sites in Japan and carried out measures to promote CSR	
	Corporate Governance Compliance Risk Management	Construct systems in China and the Philippines and provide training to promote the permeation of compliance <b>Compliance</b>	<ul style="list-style-type: none"> <li>Built structures and conducted training in China</li> <li>Conducted compliance seminars in Thailand</li> </ul>	
		Conduct employee compliance awareness surveys <b>Compliance</b>	Conducted a compliance awareness survey of 7,600 Japanese employees working for the MinebeaMitsumi Group in Japan and overseas	
		Formulate basic BCP and BCP action plans for Lopburi Plant in Thailand <b>GA</b>	Formulated a basic BCP at the Lopburi Plant in Thailand. BCP action plans are currently being developed (scheduled for adoption in FY2018).	
	Promote BCP drills at Japanese facilities, Thailand, and other sites <b>GA</b>	<ul style="list-style-type: none"> <li>Conducted thrice yearly BCP drills at the Karuizawa Plant</li> <li>Conducted flooding countermeasure simulation training in Thailand</li> </ul>		
Society	Relationships with Customers	Revise, execute, and ensure awareness of Group Quality Management Rules <b>Quality</b>	Revised, enacted, and ensured awareness of quality management regulations	
		Support transition to ISO 9001:2015 certification <b>Quality</b>	Ten of 15 business units transitioned to ISO 9001:2015	
		Promote introduction of unified bar codes for all products <b>Logistics</b>	Introduced unified bar code labels for machined and electronic device products	
		Promote continual acquisition of AEO certification <b>Logistics</b>	Conducted activities for acquisition of AEO certification in Malaysia and Europe	
		Promote visualization to further enhance logistics quality <b>Logistics</b>	Took measures to make delivery dates, logistics, and inventory information visible	
	Relationships with Employees	Continue to strengthen human rights education <b>Human Resources Development</b>	Conducted education on harassment and respect for human rights in rank-based training	
		Strengthen training to nurture next-generation leaders for the MinebeaMitsumi Group <b>Human Resources Development</b>	Conducted next-generation leader training at the Mitsumi Business Headquarters	
		Continue to promote active roles for female employees <b>Human Resources Development</b>	<ul style="list-style-type: none"> <li>Provided opportunities for interaction to boost awareness among managers</li> <li>Conducted training for assistant supervisors to raise their awareness and reconfirm their roles</li> </ul>	
		Meet legally required employment percentages for the handicapped and support their continued employment <b>Personnel</b>	Rate of employees with disabilities was 1.67% (as of June 2017)	
		Promote reform of work environment based on results of stress checks <b>Personnel</b>	Conducted stress checks at domestic business sites and implemented responses at each workplace based on the results	
		Continue to reduce overtime <b>Personnel</b>	Introduced an attendance management system to remind employees in each department about their overtime hours and took other measures	
	Relationships with Suppliers	Promote unified CSR procurement activities for the MinebeaMitsumi Group <b>Procurement</b> <ul style="list-style-type: none"> <li>Establish unified CSR Procurement Guidelines, distribute them to suppliers, and request that they undertake CSR initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Unified CSR procurement guidelines for the MinebeaMitsumi Group</li> <li>Distributed unified CSR Procurement Guidelines to 1,337 domestic and overseas suppliers and requested their cooperation with CSR initiatives</li> </ul>	
	Relationships with Local Communities and Global Society	Promote dialogues with communities at all sites in and outside Japan <b>CSR</b>	<ul style="list-style-type: none"> <li>Conducted ongoing dialogues with communities of the Karuizawa Plant</li> <li>Invited local residents to the Ayutthaya Plant in Thailand to explain CSR activities and engaged in a dialogue with them</li> </ul>	
Relationships with Shareholders	Continue to promote active information disclosure relating to progress and implementation of business plan <b>IR</b>	Promoted information disclosure on Medium-term Business Plan and policies through general shareholders' meeting, semiannual business report, and website information		
	Continue to promote active communication with domestic and international investors <b>IR</b>	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		
Environment	Reduce CO <sub>2</sub> emissions by 6% per basic unit of output compared with FY2015 <b>Environment</b>	Reduced CO <sub>2</sub> emissions per basic unit of output by 1% compared with FY2015 as the baseline year (the reduction excluding currency exchange effects was 6.3%; total emissions were 771,594 tons)		
	Reduce amount of generated waste by 6% per basic unit of output compared with FY2015 <b>Environment</b>	Reduced waste generated per basic unit of output by 2.9% compared with FY2015 as the baseline year (the reduction excluding currency exchange effects was 8.4%; total waste was 87,663 tons)		
	Recycling of 97.2% of generated waste <b>Environment</b>	The generated waste recycling rate was 98.1%		
	Reduce use of service water by 6% per basic unit of output compared with FY2015 <b>Environment</b>	Reduced service water consumption per basic unit of output by 2.7% compared with FY2015 as the baseline year (the reduction excluding currency exchange effects was 7.9%; total service water consumption was 6,570,269 tons)		
	Promote the protection of biodiversity <b>Environment</b>	Promoted 3R, zero emissions, and so on to prevent harmful effects to ecosystems		
	Further promote palletization of product packaging <b>Logistics</b>	Generally completed palletizing for machined and electronic device products		
	Drive improvement of packaging to increase loading efficiency for marine shipping containers <b>Logistics</b>	Developed an overall approach to improving packaging to raise the loading efficiency of marine shipping containers and implemented the road map basic concept		

## CSR Promotion Activity Goals and Results

The MinebeaMitsumi Group believes it is important to manage CSR promotion activities and results appropriately

using the PDCA\* cycle, and sets CSR goals accordingly.

\* A technique for continuously improving management and operations through repeatedly performing Plan, Do, Check, and Act.

Evaluation	FY2018 Goals	Medium-term Goals (target year of FY2020)
○	<ul style="list-style-type: none"> <li>Appoint CSR officers at Mitsumi Electric overseas sites and take measures to promote CSR <b>CSR</b></li> <li>Set priority CSR topics for the MinebeaMitsumi Group <b>CSR</b></li> </ul>	<ul style="list-style-type: none"> <li>Promote CSR management based on key CSR issues developed through an understanding of stakeholders' expectations and requests <b>CSR</b></li> </ul>
△	<ul style="list-style-type: none"> <li>Construct systems in the Philippines and provide training to promote the permeation of compliance <b>Compliance</b></li> </ul>	<ul style="list-style-type: none"> <li>Establish and strengthen a global compliance system for the MinebeaMitsumi Group <b>Compliance</b></li> <li>Ensure adherence to BCP at major bases worldwide <b>GA</b></li> </ul>
○	<ul style="list-style-type: none"> <li>Conduct compliance training through e-learning programs <b>Compliance</b></li> <li>Encourage the establishment of BCP at Mitsumi Electric's main production sites <b>GA</b></li> </ul>	
△	<ul style="list-style-type: none"> <li>Formulate BCP action plans for Lopburi Plant in Thailand <b>GA</b></li> <li>Promote BCP drills at Japanese facilities, Thailand, and other sites <b>GA</b></li> </ul>	
△		
○	<ul style="list-style-type: none"> <li>Promote the elimination of phthalates <b>Quality</b></li> <li>Distribute the Supplier Manual for quality management in supply chains <b>Quality</b></li> <li>Continue to support transition to ISO 9001:2015 certification <b>Quality</b></li> <li>Introduce unified bar codes for Mitsumi products <b>Logistics</b></li> <li>Start RFID tag testing <b>Logistics</b></li> <li>Encourage AEO certification acquisition and continuation <b>Logistics</b></li> </ul>	<ul style="list-style-type: none"> <li>Promote construction of a quality management system for the new organization of the MinebeaMitsumi Group <b>Quality</b></li> <li>Start operation of a labor-saving pilot model warehouse that uses robots <b>Logistics</b></li> </ul>
○		
○	<ul style="list-style-type: none"> <li>Continue to strengthen human rights education <b>Human Resources Development</b></li> <li>Strengthen training to nurture next-generation leaders for the MinebeaMitsumi Group <b>Human Resources Development</b></li> <li>Continue to promote active roles for female employees <b>Human Resources Development</b></li> </ul>	<ul style="list-style-type: none"> <li>Strengthen the development of human resources in order to support the active expansion and development of global business <b>Human Resources Development</b></li> <li>Raise the ratio of female managers (aim to double the ratio in 2021 compared with 2016) <b>Personnel</b></li> <li>Proactively incorporate demands of society and promote measures to support employee motivation <b>Personnel</b></li> </ul>
○	<ul style="list-style-type: none"> <li>Meet legally required employment percentages for the handicapped and support their continued employment <b>Personnel</b></li> <li>Continue to reduce overtime <b>Personnel</b></li> </ul>	
×		
○		
○	<ul style="list-style-type: none"> <li>Confirm status of CSR promotion by Mitsumi Electric's main domestic suppliers using the CSR Procurement Self-assessment Checklist <b>Procurement</b></li> </ul>	<ul style="list-style-type: none"> <li>Confirm status of CSR promotion by Mitsumi Electric suppliers in Asia using the CSR Procurement Self-assessment Checklist <b>Procurement</b></li> </ul>
○	<ul style="list-style-type: none"> <li>Continue to promote CSR dialogues with communities at all sites in and outside Japan <b>CSR</b></li> </ul>	<ul style="list-style-type: none"> <li>Continually conduct CSR penetration activities in and outside Japan <b>CSR</b></li> </ul>
○	<ul style="list-style-type: none"> <li>Continue to promote active information disclosure relating to progress and implementation of business plan <b>IR</b></li> <li>Continue to promote active communication with domestic and international investors <b>IR</b></li> <li>Issue an integrated report <b>IR</b></li> </ul>	<ul style="list-style-type: none"> <li>Continue to actively disclose information and promote communication among a wider group of shareholders and investors to deepen their understanding of MinebeaMitsumi <b>IR</b></li> </ul>
○		
△	<ul style="list-style-type: none"> <li>Reduce CO<sub>2</sub> emissions by 9% per basic unit of output compared with FY2015 <b>Environment</b></li> <li>Reduce amount of generated waste by 9% per basic unit of output compared with FY2015 <b>Environment</b></li> <li>Recycle of 97.3% of generated waste <b>Environment</b></li> <li>Reduce use of service water by 9% per basic unit of output compared with FY2015 <b>Environment</b></li> <li>Promote the protection of biodiversity <b>Environment</b></li> <li>Drive improvement of packaging to increase loading efficiency for marine shipping containers <b>Logistics</b></li> </ul>	<ul style="list-style-type: none"> <li>Reduce CO<sub>2</sub> emissions by 15% per basic unit of output compared with FY2015 by FY2020 <b>Environment</b></li> <li>Reduce amount of generated waste by 15% per basic unit of output compared with FY2015 by FY2020 <b>Environment</b></li> <li>Recycling of 97.5% of generated waste by FY2020 <b>Environment</b></li> <li>Reduce use of service water by 15% per basic unit of output compared with FY2015 by FY2020 <b>Environment</b></li> <li>Promote the protection of biodiversity <b>Environment</b></li> </ul>
○		
○		
○		

**CSR** CSR Promotion Office **Compliance** Compliance Promotion 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

# MinebeaMitsumi Group CSR

## Basic Approach

The MinebeaMitsumi 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 MinebeaMitsumi Group Basic CSR Policy and the MinebeaMitsumi Group’s CSR

Implementation Principles to guide our CSR activities.

In April 2015, we revised the 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 of and strive to fulfill the Ten Principles of the UN Global Compact, in which we announced our participation in 2012, and the Sustainable Development Goals (SDGs) adopted at the UN Sustainable Development Summit 2015.

### 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

### MinebeaMitsumi Group Basic CSR Policy

As a manufacturer of precision products supporting society, the MinebeaMitsumi 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 MinebeaMitsumi Group’s CSR Implementation Principles

### 1. The Five Principles and Our Code of Conduct

In promoting CSR activities, the MinebeaMitsumi 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 MinebeaMitsumi 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 MinebeaMitsumi 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.

### ▶ MinebeaMitsumi Group Stakeholders



### ▶ Supporting the UN Global Compact



### ▶ Support for SDGs





### MinebeaMitsumi Group 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 MinebeaMitsumi Group has established a CSR promotion structure, overseen by the President and Chief Executive Officer who is assisted by the Managing Executive Officer, Officer in charge of Personnel & General Affairs Division. Its purpose is to better promote CSR activities on the basis of the MinebeaMitsumi Group’s Basic CSR Policy and CSR Implementation Principles.

We have also established the CSR Promotion Office which operates as an office for further strengthening of CSR structure and to develop activities for internal CSR promotion. 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. The officers collaborate with CSR sub-staff to promote PDCA management globally.

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

### Analyzing the Status of CSR Activities

The MinebeaMitsumi Group 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 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.

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.

Going forward, we will make preparations to define priority CSR issues taking into consideration the results of analysis of the current status based on ISO 26000 and on contribution to SDGs.

### Internal CSR Diffusion Activities

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

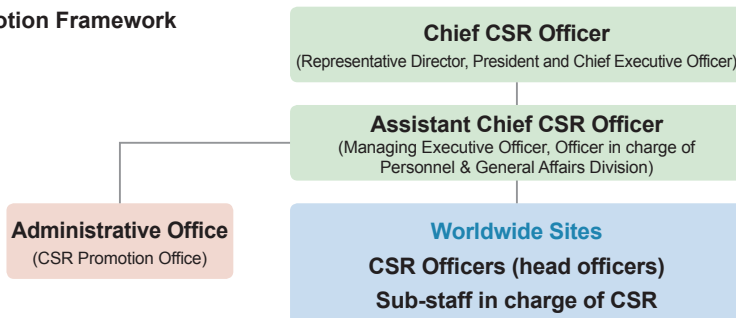
Information on CSR was also disseminated through an internal newsletter published twice in FY2017, and Mitsumi Electric’s domestic sites conduct internal CSR promotional activities through their CSR Officers (head officers).

### Future Issues and Goals

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

Furthermore, we will boost the promotion of CSR understanding and CSR management internally.

#### ► CSR Promotion Framework



# Compliance

## Basic Approach

The MinebeaMitsumi Group believes that implementing compliance is an essential part of promoting CSR. Accordingly, we have established the MinebeaMitsumi Group Code of Conduct and MinebeaMitsumi 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 website below for detailed information regarding the MinebeaMitsumi Group Code of Conduct and MinebeaMitsumi Group Officer and Employee Compliance Guidelines.

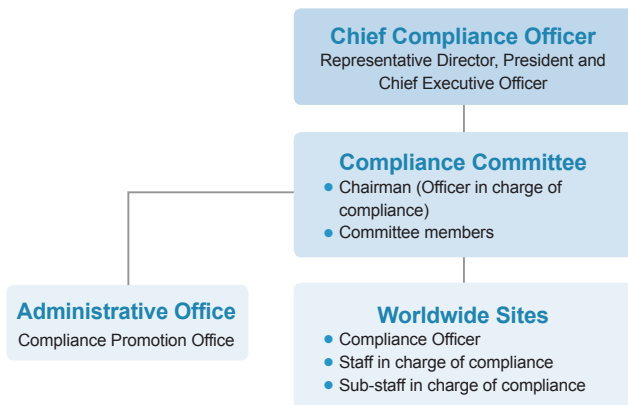
<http://www.minebeamitsumi.com/english/corp/company/aboutus/conduct/declaration/index.html>

## Compliance Promotion Structure

The President and Chief Executive Officer of the MinebeaMitsumi 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. In FY2017, we investigated responses taking into consideration the most recent versions of laws and regulations and other factors as well as reinforcement of Group structures.

The Compliance Promotion Office acts as the administrative body for the Compliance Committee, creating various policies for the promotion of compliance. In Thailand, a Compliance Committee was established in FY2016, and efforts are being made to gather information on issues and respond to them.

### ► Compliance Framework



## Compliance Awareness Survey

MinebeaMitsumi conducts compliance awareness surveys biennially to gauge Group employees' understanding of compliance.

Based on the results of the survey, which was conducted in October and November 2017, we confirmed that there are no problems regarding awareness and interest regarding compliance. Feedback on the survey results was provided to individual divisions, and we continue to broadly disseminate information on how to use consultations services, which was identified as an issue.

## Compliance Education

The MinebeaMitsumi Group also provides training to deepen employees' understanding of compliance. Compliance training is provided along with rank-based training programs. In FY2017, 159 employees received training. We also provide lectures in and outside Japan as part of regular training on compliance with Japan's Antimonopoly Act (competition law). Lectures were given to 541 employees in Japan and overseas.

Overseas, we conducted compliance training for Japanese employees in Thailand, our largest production site. The training was attended by 178 employees.

## Internal Reporting System

The MinebeaMitsumi Group provides internal and external consultation services for employees to contact when they have questions about whether their own conduct violates the MinebeaMitsumi 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 MinebeaMitsumi 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, to strengthen collaboration among countries to improve our compliance structure covering the entire MinebeaMitsumi Group.

# Risk Management



## Basic Approach

Because our response to risk could profoundly affect the MinebeaMitsumi Group's business fundamentals, we believe that risk management is vital to the management of the company. We established the MinebeaMitsumi 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 MinebeaMitsumi Group has final responsibility for risk management, with major decisions regarding risk management being made by the Risk Management Committee. As a precautionary measure, MinebeaMitsumi attempts to predict and classify tangible risks in advance, and remains vigilant against such risks. In the unlikely event that an incident occurs, a management headquarters and local countermeasures office will be established according to the severity category of the circumstances as defined in the Basic Rules for Risk Management to respond rapidly and effectively to the situation. Further, MinebeaMitsumi has established a system under which, depending on the nature of the risk, a supervisory division can be appointed to handle a situation to draft and implement risk prevention measures.

## Information Security

### Information Security Structure

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

We have also established an Information Security Committee, while organizing a promotion structure to implement measures in each country.

### Information Security Training

To improve employee awareness of information security, the MinebeaMitsumi Group conducts information security training. Information security briefings are held annually, and tutorials are conducted in addition to training for new and experienced employees when they enter the company. In FY2017, a total of 13,565 employees attended information security briefings, including temporary employees and subcontracted employees.

Moving forward, we will continue to use our education systems to confirm prohibited actions and required actions regarding information security, share points that often lead to security incidents, and take other initiatives to raise employee awareness.

## Initiatives to Protect Personal Information

Personal information retained by the MinebeaMitsumi 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, influenza, act of terrorism or other emergency, we believe that our 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 response manuals, earthquake strengthening of facilities, storage of food and drinking water, establishment of an internal fire brigade, disaster drills, and introduction of a personnel safety confirmation system, among other measures. BCP drills are conducted at the Karuizawa Plant three times annually in anticipation of an earthquake.

Further, in FY2017, the Lopburi Plant completed the formulation of a basic BCP plan.

In addition, several divisions in Thailand acquired ISO 22301, an international standard for business continuity management. They also formulated plans for BCP drills and conducted training drills in anticipation of flooding while implementing the PDCA cycle to conduct ongoing measures and make improvements.

## Future Issues and Goals

Moving forward, we will establish risk management structures responsive to the various risks at key bases worldwide and take measures to ensure that those structures become firmly rooted.

Commitment from the CEO

MinebeaMitsumi Products in Society

Special Feature 1

Special Feature 2

Special Feature 3

Hot Topics

Management Report

Social Report

Environmental Report

# Relationships with Customers

## Basic Approach

The MinebeaMitsumi 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 MinebeaMitsumi 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 the Group Quality Management Rules covering the entire MinebeaMitsumi Group as part of our measures to ensure the safety of our products and services and prevent accidents. In FY2017, in conjunction with the changes in our organizational structure and operations with business integration, we revised the Group Quality Management Rules as well as the associated Group Product Safety Management Manual, Group Hazardous Substance Management Manual, Significant Quality Issue Handling Manual, Group Conflict Material Management Manual, Supplier Quality Assurance Agreement (Standard Version), and other standards and translated them into English and Chinese for distribution throughout the Group.

The chief officer of the quality management framework is the President and Chief Executive Officer, who is supported by the Quality Management Committee. Its subordinate

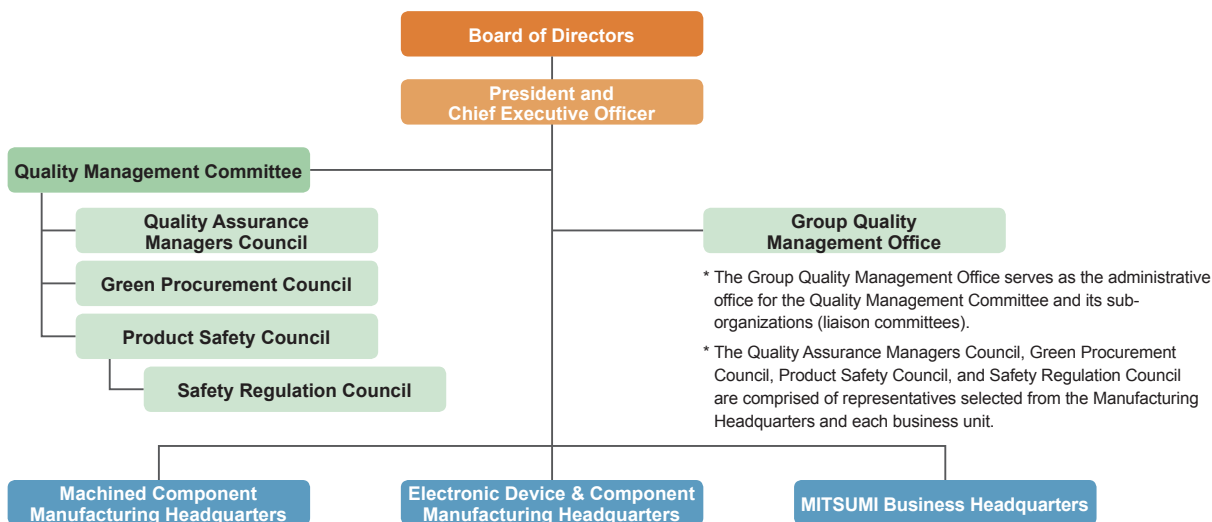
organization, the Quality Assurance Managers Council, comprises managers responsible for quality in each business unit. At these meetings, managers regularly share information on specific quality issues and work to implement internal measures to ensure similar problems do not reoccur. The Group Quality Management Office acts as the administrative office for the Quality Management Committee and the Quality Assurance Managers Council, and provides quality management support and guidance to each business unit. Furthermore, the Safety Regulation Council ensures compliance with the Electrical Appliance and Material Safety Act (in Japan), shares and promotes information on safety standards in each area of the world, and works to strengthen the Group’s safety response.

In FY2017, we established the Product Safety Council, selected members from each business unit, exchanged information, and held study sessions an anticipation of an increasing shift from shipment of individual components to components with integrated assemblies that are close to final products or final products themselves.

### Risk Assessment

Based on its internal standards, the MinebeaMitsumi Group conducts risk assessments on medical, automotive, and aircraft products—three types of end-products in which the MinebeaMitsumi 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 Office 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



\* As of April 1, 2018





## Quality Improvement Measures

### Quality Assurance Agreement for Suppliers

The MinebeaMitsumi Group seeks the cooperation of suppliers to ensure that their products and services conform to the quality requirements of the Group. In addition to basic contracts, we conclude quality assurance agreements with suppliers and offer instruction through the Supplier Manual. In this way we ensure that the entire supply chain can meet customers' quality requirements.

### Promoting Quality Management System Certification

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

In FY2017, each unit continued efforts to shift certification to ISO 9001:2015 or IATF 16949:2016.

### Quality Management and Quality Control Examination

The MinebeaMitsumi Group promotes employees' acquisition of quality certification through quality control examinations (QC certification) recognized by the Japanese Society for Quality Control and administered by the Japanese Standards Association 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 MinebeaMitsumi Group. Moreover, we bore the cost of examination fees, and provided a database available to all employees whereby they can access teaching materials for study to enhance their knowledge of quality management. We also provide seminars twice a year prior to examinations.

In FY2017, many employees received certification, bringing the cumulative certification total for the entire MinebeaMitsumi Group to around 750 employees.

### Unified Manufacturing Labels and Bar Codes

We began implementing logistics management activities in 2013, such as unifying manufacturing labels and bar codes throughout the Group to prevent mistaken product shipments and raise the productivity of verification processes. We completed the standardization of all former Minebea products in FY2017. We will continue our efforts to extend this initiative to Mitsumi Electric products.

### Visualization to Further Enhance Logistics Quality

The MinebeaMitsumi Group is promoting visualization in order to improve the quality of its logistics. We organized and analyzed delivery date information, logistics and inventory data, and warehouse receiving and shipping information and optimized storage locations and logistical methods.

### Disclosure of Product-related Information

Most products from the MinebeaMitsumi 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 MinebeaMitsumi 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 significant quality issue concerning MinebeaMitsumi Group products or services, we refer to the Group 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 are continuing our responses to new laws, regulations, and standards and reinforcing quality management systems throughout the Group supply chain.

In logistics operations, we are standardizing bar code labels and packaging boxes and introducing automation based on this standardization while working to enhance logistics quality.

# Relationships with Employees

## Basic Approach

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

### ▶ Number of Employees (Group) (As of March 2018)

	Employees	Japanese staff on overseas assignment	Total
Japan	6,202 persons	n/a	6,202 persons
North America	2,624 persons	42 persons	2,666 persons
Europe	2,295 persons	35 persons	2,330 persons
Asia	66,598 persons	555 persons	67,153 persons
Total	77,719 persons	632 persons	78,351 persons

### ▶ Work Status (Non-consolidated) (FY2017)

Average length of employment	Average age	Retirement/Resignation	Turnover rate
17 years, 6 months	43 years, 11 months	134 persons	3.41%

### ▶ Overtime Work Data (Non-consolidated) (Averages for April 2017–March 2018)

Average number of overtime hours/month	6.94 hours/month
Average overtime wages/month	15,413 yen/month

## Workforce Diversity

The MinebeaMitsumi Group conducts global business activities and has a diverse workforce, but we are working to strengthen human resource capabilities even further. In addition, 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

The MinebeaMitsumi Group positions workforce diversity as a priority management strategy to generate new values and competitiveness and be a company that achieves sustainable growth.

We have made the promotion of active roles for female employees a priority. 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 (actual rate in March 2018 in MinebeaMitsumi Inc.: 1.45%).

In FY2017, we continued training on leadership basics and execution and held networking events for female employees in order to improve the skills needed for management positions with a focus on leadership skills.



Please visit the website below for detailed information regarding the action plan.

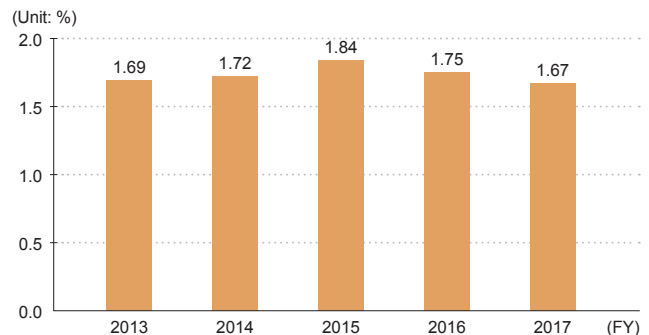
[http://www.minebeamitsumi.com/english/corp/environment/sociality/employees/2018/minebeamitsumi\\_action\\_plan.pdf](http://www.minebeamitsumi.com/english/corp/environment/sociality/employees/2018/minebeamitsumi_action_plan.pdf)

### Initiatives Regarding Employees with Disabilities

MinebeaMitsumi actively hires persons with disabilities. As of June 2017, the rate of employees with disabilities was 1.67%. We plan to bolster our efforts to raise employment of persons with disabilities to the legally mandated rate (2.2%).

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.

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



\* Data for FY2013 to FY2016 are aggregate results for Minebea (non-consolidated) prior to business integration.

### Mandatory Retirement at Age 65 Introduced

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

## Human Resources Development

As the scale of its business expands and globalization accelerates, the MinebeaMitsumi Group strives to develop human resources with a willingness to take on new challenges, the ability to think for oneself and work



independently with enthusiasm and inquisitiveness, a passion for manufacturing, and a global mindset.

### Developing Human Resources Willing to Take on Challenges

The MinebeaMitsumi Group engages in active overseas business development and provides as many employees as possible with opportunities to work in the global arena in accordance with personnel guidelines that stipulate three to five year terms for overseas assignments.

In FY2017, we conducted 21 training sessions for employees starting new positions overseas or engaging in long-term, overseas business travel prior to their overseas assignments, which were attended by a total of 99 employees. We have also established support programs for local-language and English-language training to enhance communication skills after employees take up there overseas posts.

Companywide undertakings include conducting TOEIC testing every other year and conducting various programs to assess and improve employees' English skills. In FY2015, we introduced an open rotation system that allows employees to volunteer for transfer to a different department, and to date, more than 15 employees have made use of this program to undertake new work.

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

### Training in Japan

VOICE



I am currently in training in the Accounting Department at the Tokyo Head Office. I was quite pleased when the decision was made for me to undergo training for one year in Japan. This is the first time that I have worked overseas, but my work colleagues here have provided thoughtful support.

In Thailand, my main work was data input, but in Japan, I verify the data. Through this experience, I have come to understand an overall image of operations. I am certain that when I return to Thailand, my experience in Japan will be useful in my work.

**Chonticha Intagosum**  
Accounting Division  
NMB-Minebea Thai Ltd.

Outside of work, it has been difficult to become accustomed to Japanese culture and customs. I feel that I need to practice my Japanese communication skills much more. Nonetheless, this training has been an extremely valuable experience for me. I am very grateful to have been provided this opportunity and for the many friends I have made here.

### Assigned to Japan

VOICE



I came to the Hamamatsu Plant from the Lopburi Plant in Thailand and have been working in the Rotary Component Procurement Section since October 2014. My main duty is to connect business divisions in Hamamatsu with procurement departments in Thailand and with suppliers. Prior to being assigned to Japan, I visited Japan once for training. At that time, I did not understand any Japanese and felt apprehensive, but when I was asked if I would be interested in working in Japan, I looked forward to this new challenge.

By working in Japan, not only have I learned Japanese, I have also gained a better understanding of the character and ways of thinking of the Japanese people and have acquired information gathering skills that are useful in my work. In Thailand, I was not aware of the detailed information and background during the prototype stage, but here in Japan, members of the technical teams are present and I can coordinate the details with them. I hope to make use of this experience to perform work that connects Thailand and Japan in the future.

**Hataikarn Kanram**  
Hamamatsu Rotary Component Procurement Section

### Developing Future Leaders

The MinebeaMitsumi Group conducts training and implements skill enhancement programs to develop, from a medium to long-term perspective, the leaders of the future generations who are expected to drive the Group's sustainable growth. As one part of these efforts, employees are sent to Columbia University Business School in the United States as visiting researchers where they can interact with students and researchers from diverse backgrounds, acquire wide-ranging knowledge, build personal networks, enhance language skills, and hone their leadership skills.

Fair and Balanced Evaluation

At the MinebeaMitsumi Group, impartiality and objectivity are our prime concerns in evaluating the abilities and performance of our employees. In FY2017, we reviewed personnel evaluation standards and promotion standards, held seminars to explain the new system, and took other measures to increase the system's transparency.

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

Respect for Human Rights

The MinebeaMitsumi Group prohibits discrimination based on such factors as race, age, gender, nationality, and religion. We provide various types of education to ensure this policy is followed, including new employee training using the MinebeaMitsumi Group Officer and Employee Compliance Guidelines, sensitivity training to employees before their

assignments to overseas sites, and anti-harassment training as part of our rank-based training program. Moreover, we are working to prevent human rights abuses by providing a consultation center and an internal reporting system.

In Thailand, which is our largest site, our labor policy prohibits human rights violations such as compulsory labor and child labor and disciplinary measures were established. We also acquired certification under the TLS 8001-2010 Thai labor protection standards.

### Initiatives for Creating Environments Conducive to Working

#### Labor Relations

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

#### Support for Diversity in Work Patterns

We believe that the MinebeaMitsumi Group's attention to the work-life balance of its employees will be rewarding them and lead to a sense of fulfillment. To this end, we have established a flexible system that enables employees to take time off for childbirth, childrearing, caring for family members, and other important events in their private lives.

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

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

(FY2017)

Benefit	Description	Total users
Childcare leave	Paid leave or shorter working hours for employees caring for children	114 persons
Spousal childbirth leave system	System providing leave when a spouse gives birth (up to 2 days)	49 persons
Family care leave	Paid leave or shorter working hours for employees with family members requiring care	5 persons
Vacation for veteran employees	Travel coupons for employees with 30 years of service, and their families	136 persons

### Health and Occupational Safety Management

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

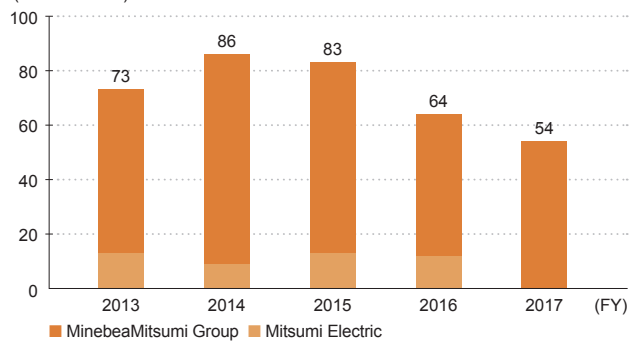
Each plant holds regular meetings of their Health and Safety Committee, comprised of working groups involved in health and

safety operations and so on. At the meetings, each working group shares its progress toward its targets. In addition, the MinebeaMitsumi Group's principal plants in its mass production bases of Thailand, China, Singapore, Philippines, and Malaysia have obtained OHSAS 18001 certification.

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

#### ▶ Workplace Injuries and Other Accidents in the MinebeaMitsumi Group

(Unit: incidents)



■ MinebeaMitsumi Group ■ Mitsumi Electric

\* Data for FY2013 to FY2016 are aggregate results for the Minebea Group and Mitsumi Electric prior to business integration

\* Mitsumi Electric only refers to production sites in Japan

#### Promoting Health Management

The MinebeaMitsumi 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 conducted stress checks since 2016. We also have a consultation structure in place to ensure that employees can discuss issues with industrial physicians and counselors. The health advisors working at each plant meet quarterly to discuss issues.

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

# Relationships with Suppliers



## Basic Approach

The MinebeaMitsumi Group's business is supported by relationships with numerous suppliers. The MinebeaMitsumi 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 MinebeaMitsumi 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 MinebeaMitsumi Group CSR Procurement Guidelines.

<http://www.minebeamitsumi.com/english/corp/company/procurements/index.html>

## CSR Procurement

Considering the global scope of the MinebeaMitsumi 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 MinebeaMitsumi Group CSR Procurement Guidelines, which is based on the MinebeaMitsumi Group Code of Conduct.

In conjunction with the business integration by Minebea and Mitsumi Electric, in FY2017 we standardized CSR procurement guidelines. The unified CSR procurement guidelines were distributed to 1,337 Mitsumi Electric domestic and overseas suppliers, and we requested their understanding or and cooperation with the MinebeaMitsumi approach to CSR.

## Supplier Selection Policy

Whenever the MinebeaMitsumi Group initiates a relationship with a new supplier, we ask the supplier to confirm its agreement with our Group's approach to materials procurement and to proceed in accordance with our New Supplier Certification Standards to ensure strict compliance with our Basic Procurement Policies. Specifically, we confirm whether suppliers are able to conduct business in a stable and continuous manner, can satisfy the Group's guidelines and standards on chemical substances in products, and agree to abide by the MinebeaMitsumi Group CSR Procurement Guidelines. When necessary, we conduct inspections of supplier production facilities.

## Compliance with the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors

To ensure the establishment of fair and equitable trading relations with suppliers, in FY2017 the MinebeaMitsumi Group's domestic sites implemented self-auditing of compliance with the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors. We confirm compliance status through these audits and take measures for improvement.

We also conduct training on the Act at business sites to raise understanding of its requirements. In FY2017, a total of

565 persons including personnel from Mitsumi Electric participated in the training.



A training session on the Subcontracting Act at Mitsumi Electric

## Green Procurement

We have established and revised the guidelines and standards on chemical substances in products 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, reports of analysis results, and other similar documentation.

In conjunction with the business integration with Mitsumi Electric, in FY2017 we integrated management standards on chemical substances in products into the MinebeaMitsumi Group Green Procurement Standard and its supplementary documents. When the new guidelines came into effect, we notified relevant parties about the changes and requested their cooperation.

## Response to Conflict Minerals

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 from Democratic Republic of the Congo and its neighbor nations. We responded by formulating a MinebeaMitsumi Group policy\* on conflict minerals in October 2012 and adding a section on our response to conflict minerals to the MinebeaMitsumi 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.

\* In conjunction with the FY2017 business integration, the name was changed by including "MinebeaMitsumi Group."

## Future Issues and Goals

We are creating a framework for global CSR procurement in order to promote CSR throughout our global supply chain.

In FY2018, we will distribute MinebeaMitsumi Group CSR Procurement Self-assessment Checklist to Mitsumi Electric's main domestic suppliers and collect them to confirm current conditions based on the responses.

# Relationships with Local Communities and Global Society

## Basic Approach

As an enterprise operating on a global scale, the MinebeaMitsumi 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 Europe

#### Donations to Local Healthcare Facilities

The Lincoln Plant in England participated in a donation campaign called “It’s a Knockout” in June 2017.

A team of employees competed in an obstacle course race and came in first place out of 12 teams. The collected funds were donated to a healthcare facility that provides hospice care.

### Initiatives in China

#### Supporting Community Development

Plants in China contribute and donate supplies to the elderly in local welfare facilities and children in impoverished households. Employees also meet with seniors and children to strengthen ties with local communities.

In areas that have been affected by natural disasters such as typhoons, flooding, and earthquakes, employees participate in a variety of support programs for the benefit of local development such as making donations to support rapid recovery and participating in cleanup activities.



Employees participate in cleanup following a typhoon

### Initiatives in the Philippines

#### Support for Local Healthcare

The Cebu Mitsumi Plant in the Philippines conducts a variety of local healthcare support programs.

In October 2017, the plant, with the cooperation of employees, conducted free dental and eye examinations and diagnoses and provided medicines. On the day of the event,

263 persons from mountainous areas who have difficulty traveling to clinics attended.

### Initiatives in Thailand

#### Support to Improve Livelihoods

NMB-Minebea Thai cooperated with a local community center to support improvement of the livelihoods of local residents. In FY2017, the company conducted a two-day course on the production and sale of craftwork such as artificial flowers as a means of enhancing livelihoods that can be conducted from the home. Many local residents attended the course.



Community members and MinebeaMitsumi employees

## VOICE

### Receiving Support from MinebeaMitsumi



**Mrs. Bang-On**  
Center Leader  
Baannongtam Community

Thanks to this program, the livelihoods of many local residents have been improved, and we are extremely grateful. Residents are able to make artificial flowers during their free time and supplement household finances, and the program has been quite well received. I look forward to cooperation from MinebeaMitsumi in the future for the further development of the community.

## Contributing to Local Communities

### Support for Earthquake Recovery

MinebeaMitsumi established the “Charitable Trust-MinebeaMitsumi 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, and 300,000 yen upon graduation of junior high school. Every March, third-year junior high school children receiving support from the trust are invited to Tokyo to celebrate their graduation alongside employee supporters.



## Participating as an Employee Supporter

VOICE



**Rie Miura**

General Affairs Department  
MITSUMI ELECTRIC CO., LTD.

I was deeply impressed by the Company undertaking major programs that can be carried out only by a company, but I also wanted to contribute to local communities as an individual employee. I participated as an employee supporter in graduation events held for children on March 23 and 24, 2018.

I took care to avoid bringing up any painful experiences, and I felt relieved that the children enjoyed spending time with the friends they met at the event and that they showed smiling faces to the supporters.

The children told me about club activities that they want to try and what they are studying for the future. I was most pleased to see them looking forward to high school life. I will continue participating in social contribution programs that support the children who will become the leaders of tomorrow.

## Beautification of the Sagami River

The Mitsumi Electric Atsugi Business Division cooperates with local environmental beautification activities.

Each year, plant personnel participate in the Central Kanagawa Sagami River Summit, Six Municipality Joint Cleanup Campaign, with 31 employees participating in the campaign conducted in May 2017. They gathered garbage including empty cans, plastic bottles, and glass starting early in the morning at 7:30. After the cleanup, they released 5,000 juvenile sweetfish into the river.



Employees participating in the cleanup campaign

## Support for Certified 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, a certified incorporated nonprofit organization. The monetary donations assist the club in holding curling competitions and support junior and wheelchair teams.

Each year, the plant sponsors the MinebeaMitsumi Cup, an Asia-Pacific curling tour competition conducted at the site.



The MinebeaMitsumi Cup curling tournament

## Workplace Visit by Elementary School Students

The Fujisawa Plant conducted a plant tour for nine third-grade students from the local Fujisawa City Shinbayashi Elementary School.

The tour was conducted in cooperation with a “school district exploration” class. The students investigate companies and public facilities located within the school district and then visit them to talk with the employees working there and deepen their understanding of the local community.

The students were excited by the many things they were seeing for the very first time, and asked many questions typical of elementary school-age children as well.



An employee provides an explanation to the children

## 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 ninth and tenth regular meetings held in May and November 2017, plant employees and community members exchanged ideas on a broad range of topics including disaster preparedness planning, accident response drills, local production for local consumption, and expectations for new products.



Meetings with the community at the Karuizawa Plant

## Future Issues and Goals

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

# 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, MinebeaMitsumi has also established its own disclosure policy to ensure a proactive and fair approach in this regard.

## Communication with Shareholders

### General Meeting of Shareholders

MinebeaMitsumi'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

MinebeaMitsumi 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.

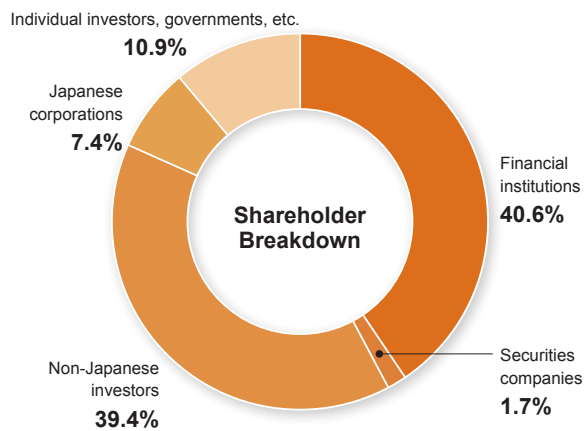
## Shareholder Returns

Starting with the appointment of the current president and chief executive officer in FY2009, MinebeaMitsumi has worked toward two goals: maximizing earnings per share and enhancing corporate value, and solidifying the corporate foundation for our centennial.

In FY2017, net sales, operating income, ordinary income, and net income all reached record highs. Mitsumi's business, which was integrated in January 2017, made significant contributions to income, and sales of our main products including ball bearings, motors, and LED backlights were firm. As a result, we paid an annual dividend of 26 yen per share.

In addition, we repurchased our shares to enable implementation of flexible capital policies in response to the changing business environment. Share repurchases were executed in November 2008, February 2010, May to June 2011, and February to September 2017.

## Shareholder Breakdown (As of March 31, 2018)



## IR Website

MinebeaMitsumi's IR website won the 2017 Internet IR Excellence Award from Daiwa Investor Relations Co., Ltd., as well as the 2017 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 2017 Silver Award from Morningstar's Gomez Consulting Division. We have won all three of these awards for 10 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 MinebeaMitsumi Group among all types of investors.

In response to rising interest in ESG in recent years, we will enhance communications further including disclosure of non-financial information such as publishing an integrated report in 2018.



# Environmental Management

## Basic Approach

The MinebeaMitsumi Group has established an environmental management system based on the MinebeaMitsumi 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 plan to reduce total Group CO<sub>2</sub> emissions per basic unit of output by 15% by FY2020 compared with the baseline year of FY2015.

In FY2017, we set a target of reducing CO<sub>2</sub> emissions per basic unit of production by 6% compared with the baseline year of FY2015, but unfortunately, the reduction was only 1%. We believe that the decrease was limited because CO<sub>2</sub> emissions rose in conjunction with the business integration and the scope of effects on production from exchange rates was greater than the results of measures to reduce emissions.

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 MinebeaMitsumi Group Environmental Policy, the MinebeaMitsumi 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.

### ISO 14001 Certification

The MinebeaMitsumi Group is promoting the acquisition of ISO 14001 certification at each of its major sites worldwide. For newly constructed and recently acquired plants, we have begun environmental management activities based on the certification acquisition plans. Mitsumi Electric, which was added to the Group in January 2017, also acquired ISO 14001 certification at all of its plants in Japan and overseas.

Furthermore, in response to the September 2015 edition of the ISO 14001 standard, all plants and offices plan to complete the transition to certification under the 2015 standards by September 2018.



On-site ISO 14001 audit (Cambodia Plant)

## Environmental Education

### Basic Approach and FY2017 Initiatives (Japan)

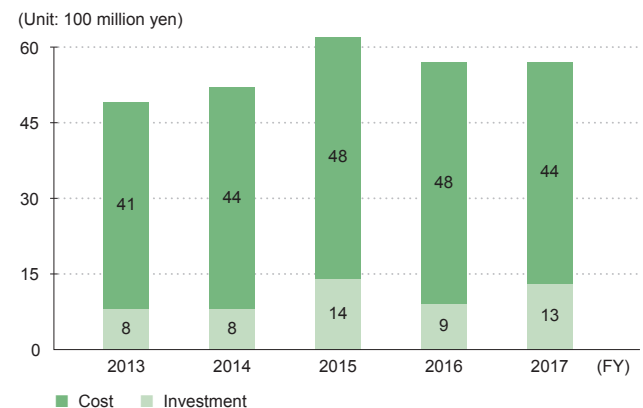
The MinebeaMitsumi Group provides fundamental environmental management education to all new employees, midcareer hires, trainees, returnees from overseas assignments, and other employees in order to raise the environmental consciousness of each employee.

Additionally, all employees received environmental management education covering the MinebeaMitsumi Group Environmental Policy, along with each site's environmental targets and action plans. Educational programs also covered waste separation and training drills for responding to emergencies.

## MinebeaMitsumi's Environmental Accounting

The MinebeaMitsumi Group conducts environmental accounting to confirm its costs for environmental protection activities. The Japanese Ministry of the Environment's Environmental Accounting Guidelines 2005 is used as a reference. The MinebeaMitsumi Group's environmental conservation costs totaled 5,694 million yen in FY2017, approximately the same amount as in FY2016.

### Environmental Protection Costs, FY2013–FY2017



Commitment from the CEO

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Initiatives to Protect Biodiversity

Basic Approach

In the MinebeaMitsumi Group Environmental Policy, the item “contribution to the international community” states that we recognize that our business activities may have an effect on biodiversity and ecosystems, and that we will work to conserve nature.

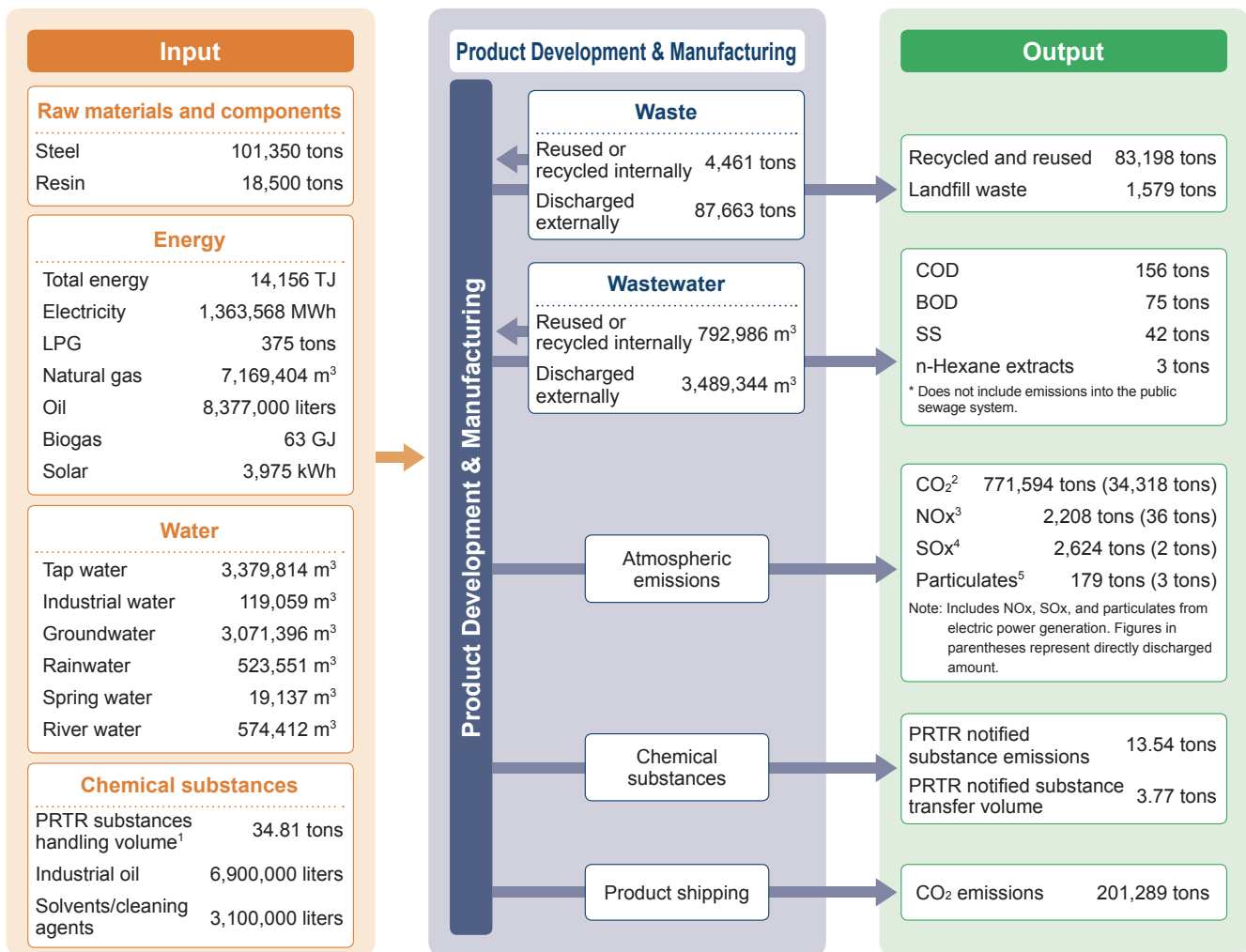
MinebeaMitsumi’s Environmental Impact

The MinebeaMitsumi Group has plants in 17 countries around the world, manufacturing and selling a range of products including bearings—our main product—as well as machined components, electronic devices, and rotary components. 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 MinebeaMitsumi Group’s consumption and output.

In FY2017, total energy increased by approximately 5%, and industrial oil consumption increased by approximately 1%, while consumption of solvents and cleaning agents decreased by approximately 22%.

The Group’s environmental impact for FY2017 is summarized below.

Input and Output (FY2017 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. CO<sub>2</sub>: 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

# Initiatives for Preventing Global Warming

## Basic Approach

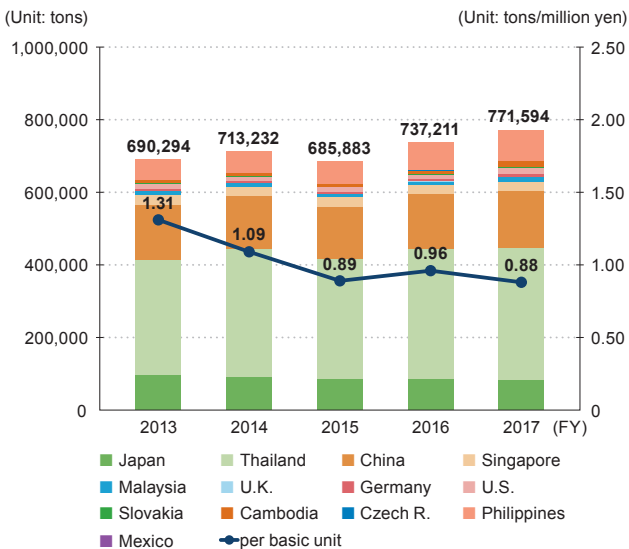
The MinebeaMitsumi Group recognizes that the international issue of global warming, along with the related issues of soaring energy prices and abnormal climatic conditions, pose a significant threat to the sustainability of its business activities.

In response, each office and plant in the MinebeaMitsumi Group is proactively promoting energy efficiency initiatives in order to combat global warming.

## Results of FY2017 Initiatives

The MinebeaMitsumi Group's emissions of CO<sub>2</sub> in FY2017 totaled 771,594 tons, 5% more than in FY2016. In terms of basic units of production, CO<sub>2</sub> emissions decreased 8% over FY2016 to 0.88 tons per million yen of production.

### CO<sub>2</sub> Emissions (Total and Per Basic Unit)



## Initiatives at our Offices and Plants

### Reducing Power Consumption of Raw Water Pumps by Increasing Pure Water and Raw Water Heat Exchangers (Chitose Business Division)

The Chitose Business Division uses groundwater for semiconductor production. Pure water for production processes is made from groundwater (well water), but the temperature of the well water is low year round, so it is necessary to heat it. In FY2017, idle heat exchangers were put back into service. The result was a 950,000 yen reduction in electric power consumption.

In addition to this measure, well water heat exchangers have been used for some time, and made a large contribution to the reduction in natural gas consumption.

### Energy-saving Measures at Plants

We are actively introducing high-efficiency turbo chillers for air conditioning, inverter air compressors, LED lighting, and

other energy-saving devices at MinebeaMitsumi plants in Japan and overseas. We are also applying thermal insulating paint to plant roofs and walls, implementing measures to control intake of outside air using waste heat recovery and CO<sub>2</sub> sensors, and taking other measures to comprehensively increase energy savings at plants.



Turbo chillers installed at the Xicen Plant in China

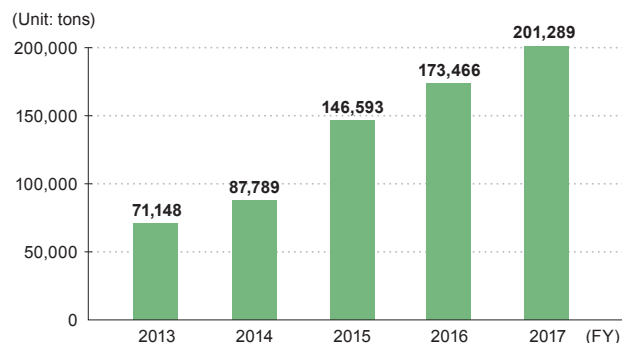
## Initiatives at Logistics Divisions

### Reducing CO<sub>2</sub> Emissions from Logistics

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

In FY2017, MinebeaMitsumi Group's emissions of CO<sub>2</sub> related to product shipments totaled 201,289 tons, an increase of 16% compared with FY2016. The increase was primarily the result of higher shipment volumes in conjunction with increased product shipments and greater use of air freight to distant customers.

### CO<sub>2</sub> Emissions from Logistics Activities



## Future Issues and Goals

The MinebeaMitsumi 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, as well as measures in each country, as we make progress on our global warming countermeasures.

# Initiatives for Effective Use of Resources

## Basic Approach

The MinebeaMitsumi 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 measures.

## Results of FY2017 Initiatives

In FY2017, principal raw materials used by the MinebeaMitsumi Group included approximately 101,350 tons of steel and 18,500 tons of resin, and the total amount of materials used increased about 7% compared with FY2016.

The amount of landfill waste generated by the Group's operations in FY2017 totaled 1,579 tons, decreasing 554 tons compared to FY2016.

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 FY2017 totaled 3,489,344 m<sup>3</sup>, an increase of 64,344 m<sup>3</sup> compared with FY2016.

## Initiatives for Effective Use of Resources

### Initiatives at Business Sites (Japan, Thailand, Malaysia, China, and other countries)

The MinebeaMitsumi Group actively takes measures to increase yields in manufacturing and reduce the occurrence of defective products, but when producing electrical and electronic products, generation of leftover electric wire and steel materials, and the occurrence of reject products during manufacturing processes cannot be avoided.

We outsource this type of electrical and electronic waste to processing companies with advanced recycling technologies to break down and sort the waste to the raw material level to the extent possible and recycle it as resources.

Electric wire, for example, comprises copper wire covered by plastic, and resource recycling is not possible with the copper and plastic together. Consequently, discarded electrical wire is finely shredded to a degree that the copper and plastic are separated and the materials are sorted for resource recycling.

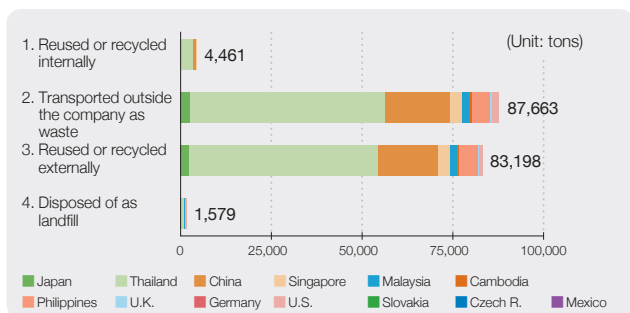


Shredded electric wire



Copper pieces recovered from electric wire

### Waste Processed (FY2017 Actual)

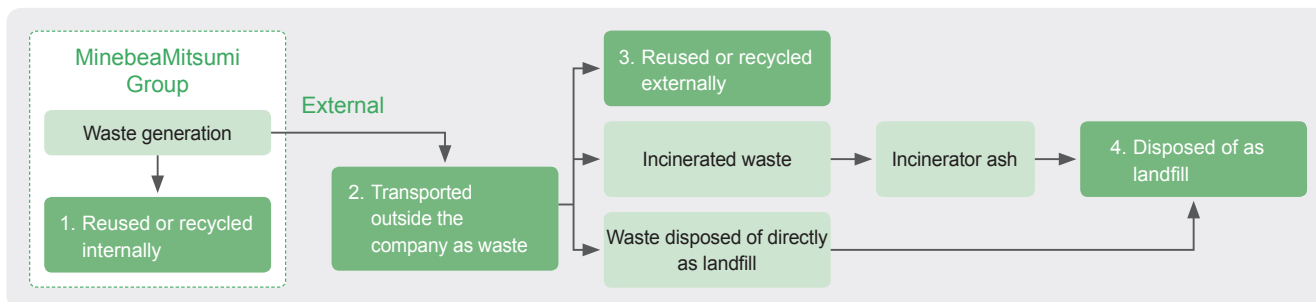


## Future Issues and Goals

For FY2018, the Group's goal is to reduce the amount of waste sent to landfill by 9% per basic unit of production compared with FY2015.

In addition, we are presently conducting a survey of the current situation, and market analysis, of waste products disposed of as landfill with the aim of achieving still further reductions in the future.

### Flow of Waste Generated by MinebeaMitsumi and Confirmation Methods



# Initiatives for Reducing Impacts on the Environment



## Basic Approach

Atmospheric emissions and wastewater from plants can be a source of water, air, and soil pollution that poses a threat to local communities. At the MinebeaMitsumi 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 FY2017 Initiatives

The MinebeaMitsumi Group ensures compliance with the environmental laws and regulations of each country and locality. For plant wastewater and other types of waste, we have established in-house environmental standards exceeding the national and local regulations and monitor waste management on a daily basis. In FY2017, 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, MinebeaMitsumi Group plants use their own processing equipment to purify it 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 pH<sup>1</sup>, COD<sup>2</sup>, BOD<sup>3</sup>, SS<sup>4</sup>, and n-hexane extracts<sup>5</sup>.

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. Measurement takes several days. BOD is generally used to observe effluent water in rivers.
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.

### Implementation of Environmental Patrols at Overseas Plants (Thailand, China, Malaysia, Cambodia)

Members of the Japanese Group Environment Management Department of the MinebeaMitsumi Group regularly visit

overseas plants to implement environmental patrols together with members of the local environment management departments.

In FY2017, we conducted joint patrols at all plants in Thailand, China, Malaysia, and Cambodia.

Minor management deficiencies were confirmed at some waste storage locations, but they were immediately improved following the patrols.



Hazardous Waste Warehouse at the Lopburi Plant (Thailand)

### Observation of Waste Disposal Sites (Japan, Thailand, China, and other countries)

Some waste material generated at plants and offices can be difficult to reuse or recycle at the plant or office. This type of waste material is outsourced to waste treatment companies for processing.

The MinebeaMitsumi Group selects reliable treatment companies for outsourcing processing and periodically visits the processing sites to observe the status of processing and management. We will continue to cooperate with treatment companies and take measures to prevent environmental contamination including soil, water, and air pollution during waste processing.

In August 2017, plants in Thailand inspected GENCO's Ratchaburi Plant where sludge and other waste is disposed of in a landfill.

## Future Issues and Goals

The MinebeaMitsumi Group will continue to conduct business operations in compliance with environmental laws in Japan and around the world and is implementing countermeasures in areas where it has caused environmental contamination in the past.

As we announced in a press release on July 20, 2018, the Group completed soil purification measures at the site of the former Ichinoseki Plant in Iwate Prefecture in 2011, but recent testing conducted in preparation for demolition of the factory building determined that environmental pollutants are present in part of the site. The Group immediately decided to implement countermeasures to address this issue.

Commitment from the CEO

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# Product-related Initiatives for the Environment

## Basic Approach

The MinebeaMitsumi Group declares in its Basic CSR Policy that it will contribute to global environmental sustainability and sustainable human development through stable supply and making reliable products with low energy consumption widely available.

Since its products are utilized in many different kinds of end-products, the Group believes that it is important to consider environmental contributions throughout the product life cycle. This responsibility extends from ensuring that its products (parts) are free of materials hazardous to the environment, to energy-efficiency, resource-efficiency, and long-life.

## MinebeaMitsumi Group Environmentally Friendly Products

Approximately 40% of global electric power is used by motors, while another 25% is accounted for by lighting. The MinebeaMitsumi Group believes that increasing the performance and energy efficiency of these products can have a substantial impact on reducing energy consumption, so we strive to enhance performance and quality.

The products that the 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.

### High-precision, High-quality Bearings

Bearings enable things to move freely and rotate smoothly, enhance performance, save power, contribute to making products with bearings smaller and extend their lives, and offer various other benefits. Bearings are fundamental products that have become essential for humankind.

The MinebeaMitsumi Group boasts world-leading market shares across the entire market from miniature and small diameter ball bearings with diameters of 22 mm and less to rod end and spherical bearings and roller bearings used in aircraft.

These high-precision and high-quality bearings are used in many common products essential for our lives such as consumer electronics, information and communications equipment, automobiles, and aircraft. They contribute to all environmental aspects of these products including high precision, energy savings, reduced resource use, and longer lives.



Ball bearings

## Power Brushless Motors

Power brushless motors are used in the drive mechanisms of office equipment such as multi-function copiers and printers as well as consumer electronics and other products. In office equipment, higher efficiency and reduced power consumption are achieved through a high degree of control by using custom integrated circuits. For consumer electronic applications, we are developing models with microcomputers and contributing to the enhanced performance of consumer electronics by improving functionality and reducing noise through the use of low-noise algorithms. By replacing the AC motors previously used in fans and other products with our DC motors, energy consumption is reduced by 50% when operating at high speed and by 90% at low speed.



Power brushless motors

## LED Backlight Units for LCD Displays

The MinebeaMitsumi Group develops, manufactures, and sells LED (light-emitting diode) backlight units which illuminate smartphone and tablet computer LCD displays from the rear.

The optical guide plate is critical to spreading LED light evenly over the display, as the LED backlight units are positioned on the edge of the device. We leveraged our superior plastic injection molding processes using our proprietary design development and our precision molds to successfully develop optical guide plates measuring 0.3 mm thick or less. The thinner optical guide plates not only help to make the end products thinner, but help to reduce power consumption, weight, and size compared with previous models.



LED backlight unit for LCD displays

## Future Issues and Goals

The MinebeaMitsumi Group will continue to develop products that reflect the needs of society and contribute to the realization of a sustainable society.

# Comments on the MinebeaMitsumi Group CSR Report



**Mr. Keisuke Takegahara**

Executive Officer  
Deputy Chief Research Officer  
Development Bank of Japan Inc.

The MinebeaMitsumi Group CSR Report 2018 presents a multifaceted introduction to steady reinforcement of the Group's CSR management following business integration. Coverage has been expanded through the business integration and further global business development, and the Group's position on efforts to address the difficult problem of simultaneously spreading the CSR concept built on the foundation of the "Five Principles" corporate credo throughout the Group is clearly conveyed. The essence of this can be seen in the consistent stance of valuing people as management resources and the deep understanding of and consideration for regional and business site characteristics. Feature 1 on communications with local stakeholders at domestic business sites that were recently added to the Group and Features 2 and 3, which depict the practice of CSR at overseas sites, are specific examples of this. The dissemination of CSR principles to overseas employees in particular created a strong impression. In addition to the example in Thailand, which makes it seem that level near perfection has been attained, the example of the Cambodia plant, which is undergoing dynamic growth, conveys how the deep commitment to local communities leads to increased competitiveness through human resource development. This is an excellent example of an episode regarding the creation of value to be expected from a global company.

One other point that I noticed in this issue is the emphasis on the connection between responding to social needs and growth strategies as a business enterprise. The commitment from the

CEO at the beginning of the report expresses an awareness that the record high profits achieved in the 2017 fiscal year were due to accurate responses to societal needs, and the descriptions of undertakings to address environmental issues through products as a part of environmental management go into considerable detail. In place of the term "environmentally-conscious products" that was used until last year, this year's report refers to "environment-friendly products." In light of the current situation where approximately 40% of global electric power is consumed by motors and another 25% is consumed by lighting, the impact of the Group's products is extremely large, and there is a powerful message to be delivered by emphasizing their contribution. In my commentary to last year's report, I requested that greater emphasis be placed on scenarios that can link solutions to social problems and growth strategies, and I am gratified to see that this was done.

As I have indicated before, the emphasis on human capital and other related capital and the detailed disclosure of mechanisms for the creation of value seen in the MinebeaMitsumi Group CSR report is a characteristic not seen in other reports. In the future, I hope that the connections to information provided to investors will be reinforced so that even more stakeholders can understand the uniqueness of this report. For example, I believe that it would be worthwhile to consider including the message that "generating synergies through integration of core businesses, niche products, and technologies will lead to sustainable growth" in the opening portion of this report and clarifying the positioning of this report as a means for providing more detailed information regarding the investment of capital to support these types of growth scenarios.

## 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 groups, including the Japanese Ministry of the Environment's "Working Group on Incorporating Issues Regarding Sustainability into Investment," "Environment Growth Engine Study Council," the Cabinet Office's "Working Group for Eco-Model City Project," and NEDO's Technical Committee.

## On Receiving a Third-party Opinion



**Mr. Tatsuo Matsuda**

Managing Executive Officer  
Responsible for the Personnel & General  
Affairs Division

Mr. Takegahara has again provided us with valuable feedback on the Group's CSR promotion.

The MinebeaMitsumi Group CSR Report 2018 contains special features that present information on the Group's activities in Japan and overseas including communications with the local community at the Mitsumi Electric Chitose Business Division, which was added to the Group as a result of the business integration with Mitsumi Electric,

and our undertakings with strong local ties in Thailand and Cambodia. I am grateful for the high assessments of the practice of CSR and the spread of CSR principles among employees, particularly at overseas sites.

In the Hot Topics section, the report also discusses products that can contribute to solving social issues such as the new SALIOT LED lighting devices. I am quite pleased that the connection between solving social issues and growth strategies was positively assessed. We will continue our efforts to solve social issues through products including environment-friendly products.

We will reinforce the links between information disclosed to investors and our responses to social needs, as was indicated, but I think this remains an issue for us.

Going forward, we will endeavor to issue clear reports so that we can gain the understanding of all stakeholders regarding our CSR activities.

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Printed on paper made with wood from forest thinning. "Morino Chonai-kai" (Forest Neighborhood Association) supports sound forest management



The MinebeaMitsumi Group supports efforts by Japan's Forestry Agency to reduce CO<sub>2</sub> emissions through the use of domestic forestry products. This report was produced using paper made from Japanese wood products. Active use of such products helps promote the maintenance of Japan's forests and contributes to raising the amount of CO<sub>2</sub> that these forests can absorb.

