

Commitment from the President

Looking Back on FY2011

The Minebea Group Basic CSR Policy states: "As a manufacturer of precision products supporting society, the Minebea Group is working toward stable supply and making reliable products with low energy consumption widely available, to contribute to the sustainable development of the global environment and of humanity." FY2011 was a year in which both our long-held commitment to "manufacturing with sincerity" and our Basic CSR Policy were put to the test.

The nuclear power plant accident precipitated by the Great East Japan Earthquake caused a paradigm shift in the nation's entire socio-economic structure regarding domestic demand and supply for energy. Debates are being held on a national level about how the required amount of energy can be supplied and how best to distribute this energy. The need to reduce energy consumption has become an urgent concern shared among all, from industry to individuals.

At Minebea, we recognize that the enhancement of the products we manufacture both directly and indirectly impacts the reduction in energy consumption. We are committed to continuing the development of safe, energy-efficient, and resource-efficient products.

The Great East Japan Earthquake severely disrupted industrial supply chains, including our own. In Thailand, meanwhile, flooding caused damage to two of our five manufacturing sites, and brought about serious consequences including long suspensions of operations at the local facilities of many companies including other Japanese corporations in the affected region. These unforeseen natural disasters challenged us to overcome a host of issues, including the loss of power and other core infrastructure, disruption and disorder to manufacturing and distribution, as well as the upheaval caused to the lives of our employees.

Our Thai manufacturing sites produce a number of products with high global market shares, which is not only a key source of the corporate value for the Minebea Group, but also brings with it a significant supplier responsibility. To fulfill our obligations in this regard, we responded to the Thai floods by implementing a Group-wide business continuity plan (BCP) which included emergency responses to the flooding of manufacturing facilities, securement of heavy machinery and manufacturing equipment, measures to quickly restore operations, and steps to ensure the safety and transportation means of employees. We implemented



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response measures in accordance with our Basic CSR Policy, restarting manufacturing only after conducting research and verifying that during the process of restoring operations, the massive flooding had not impacted the environment.

Furthermore, in January 2012, we announced our participation in the UN Global Compact as part of our CSR activities. The Minebea Group prides itself on being a global organization, boasting operations around the world and a diverse workforce of dedicated employees working hard together through close communication to raise the value of our manufacturing capabilities. As a global organization, it is natural for the Minebea Group to abide by the Global Compact's 10 principles as a way of fulfilling our social responsibility. We have always been progressive in fulfilling this obligation, and the participation in the Global Compact will only spur us to raise our sights higher.

FY2011 was also a year in which we embarked on new CSR challenges. We formulated the CSR Procurement Guidelines in order to strengthen our relations with suppliers and promote our CSR activities throughout the supply chain. Additionally, we are conducting supplier dialogues as a way to encourage

frank opinion exchanges with our suppliers. These new initiatives are promoting a better understanding of the Minebea Group's approach to manufacturing and creating new opportunities for exchanges of views. The holding of these dialogues with many suppliers is the first step in our initiative to mutually enhance our CSR programs and build a socially responsible global procurement scheme by FY2015.

In the area of the environment, we have revised our Environmental Philosophy as the Minebea Group Environmental Policy. We have enhanced the policy by disclosing our environmental protection technologies, as well as by making a commitment to contribute to international society through awareness of the potential impact of our business activities on biodiversity and through efforts to protect nature.

Last year, the establishment of our medium-term CSR goals was brought up by third-party experts, and based on an evaluation of the results of goals set in FY2011, we formulated new goals for FY2015. Moving forward, we will strive to accelerate progress on achieving our medium-term CSR goals.

Fulfilling Our Responsibility as a Supplier Based on "Manufacturing with Sincerity"

During the floods in Thailand, I joined the local response headquarters and took charge of the response team. At our manufacturing sites, I saw all our employees take part in efforts to confront the disaster with the conviction that they were protecting their own workplace. Each day, under the burning sun, more than 3,000 employees collaborated to build embankments against the floodwaters, and despite the hardship, they never lost their good spirit.

The first of the "Five Principles" which make up Minebea's basic management policy is, "Be a company where our employees are proud to work." It was during this flood response that I had the opportunity to see just how deeply ingrained this principle is. I was encouraged by how this strong sentiment had become the driving

force that enabled the employees to overcome the crisis.

We are still facing a severe business environment, but overcoming the crisis has united us and provided new momentum as we enter the first year of the new Medium-term Business Plan.

The core strength of the Minebea Group has always been our belief in "manufacturing with sincerity." People are what make this possible. We will leverage the superior know-how and capabilities developed over the years to continue to expand in global markets. At the same time, we will use this know-how to establish a Group-wide BCP and reinforce our operations to ensure that we can fulfill our responsibility as a supplier to customers throughout the world.

Aiming for Sustainable Growth in Step with Society

Since being appointed president, I have focused my energies on enhancing the comprehensive capabilities of the Minebea Group. More than ever, I feel that the key to promoting "manufacturing with sincerity" lies in the passion each employee has for manufacturing and their collective hard work. To commemorate the 60th anniversary of the company, we have created a new corporate message to embody this idea: "Passion to Exceed Precision." This message reflects our employees' passion towards raising precision levels and achieving ultra-precise manufacturing, as well as for realizing a new manufacturing model that surpasses standard components manufacturers. This message will be a new slogan for our commitment to sustainable growth as a global corporate citizen and the various activities we undertake with passion to realize our goal.

My hope is that the publication of the Minebea Group CSR Report enables all of our stakeholders to see the progress we are making in our business activities and our CSR initiatives. We look forward to comments from many stakeholders and will strive to reflect the comments in our future business activities.

Supporting the UN Global Compact

UN Global Compact

The UN Global Compact was launched in 2000 based upon a proposal by former Secretary-General Kofi Annan. Clearly supported by current UN Secretary-General Ban Ki-moon, the UN Global Compact is a United Nations initiative in which businesses demonstrate responsible and creative leadership and voluntarily participate in efforts to establish a worldwide framework that enables them to act as good corporate citizens and achieve sustainable growth.

The UN Global Compact is comprised of 10 principles promoting the protection of human rights, the elimination of unfair labor practices, the protection of the environment, and anti-corruption. More than 10,000 organizations (including approximately 7,000 companies) worldwide have adopted these principles and continue to take measures to achieve them.

