

# Risk Management



## Basic Approach

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

## Risk Management System

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

In FY2011, in response to the Thai floods, the Group established a Management Headquarters (Meguro) which carried out close information sharing with the Local Countermeasures Office in order to handle customer inquiries and other response activities (please see P. 5 for detailed information on the response to Thai floods).

## Information Security

### Information Security Structure

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

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

### Information Security Training

To improve employee awareness of information security, the Minebea Group conducts information

security training. Information security briefings are held annually, and tutorials are conducted by the Information Security Task Force in addition to training for new and experienced employees when they enter the company. Information security briefings were conducted from March through July 2012, and 10,326 employees participated, including temporary staff and subcontracted employees.

Going forward, our training will help employees to enhance their awareness of information security violations and share information on such matters as the kinds of things that can lead to security violations.

### Initiatives to Protect Personal Information

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

## BCP Initiatives

The Minebea Group will ensure the safety of its employees and their families in the event of a widespread disaster, influenza, terrorist acts or other emergencies. To deal with such eventualities, we have created the Minebea Group Basic Rules for Risk Management, to meet our responsibilities to our customers as the component manufacturer with the world's largest market share, and to keep disruption of our business to a minimum. Specifically, we have created an emergency manual, reinforced our plants against earthquakes, stored emergency food supplies, and adopted a system to confirm the safety of our personnel.

### BCP Formulation Seminar

In FY2011 and FY2012, the Minebea Group held seminars on BCP (Business Continuity Plan) formulation at the Karuizawa Plant and the Hamamatsu Plant. At each plant, 180 employees took part in the seminars to understand the fundamentals of BCP and for a practical lesson in formulating BCPs for their own work sites.

### Formulating a BCP for the Entire Group

The Minebea Group is strengthening its risk management system. Comments and ideas received from employees during the FY2011 and FY2012 BCP formulation seminars have been integrated into the Group's own BCP, and in FY2012 work on the establishment and operation of a BCP for the entire Group was started with the goal of having the plan thoroughly instilled throughout the Group.