Minebea

Minebea Group CSR Report 2011

Contents

Editorial Policy

To further promote the CSR initiatives of the Minebea Group, new CSR goals were established during this fiscal year, which marks the second year of publication of this CSR report. These CSR goals are set forth in the Management Report, along with the Minebea Group's views regarding CSR and information on concrete initiatives to maintain integrity and transparency in our management.

It also contains an "Environmental Report" and a "Social Report," both of which communicate the Minebea Group's views and activities regarding stakeholders that include customers, employees, local communities, global society, suppliers, shareholders, and the environment, all of these being an integral part of our business activities.

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

In addition, to further the evolution of the Minebea Group's CSR activities, we have received third-party expert opinions which we are actively working to incorporate in the Minebea Group's CSR activities. These opinions are listed on page 48, and are also being promulgated internally by means of this CSR report.

■Scope of report

Minebea and its 44 group companies

■Period covered by this report

FY2010 (April 1, 2010–March 31, 2011)
However, this includes some activities before this period, and from FY2011.

■Publishing information

Published September 2011 (next edition: planned for September 2012)

■Reference guidelines

GRI "Sustainability Reporting Guidelines" (3rd edition)
Japanese Ministry of the Environment "Environmental Reporting Guidelines" (2007 edition)

■Enquiries regarding this report

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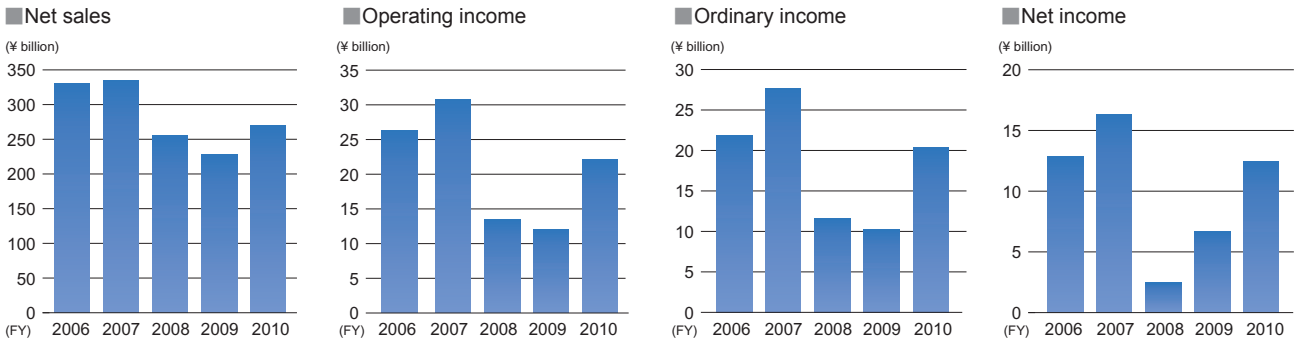
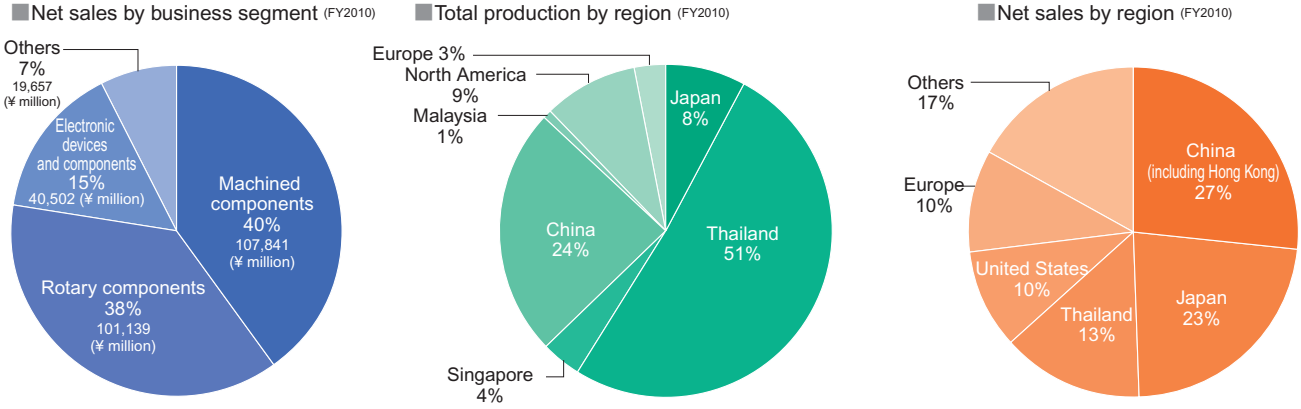
TEL: +81-3-5434-8653

Corporate Profile (As of March 31, 2011)

Corporate name	Minebea Co., Ltd.
Headquarters	4106-73 Oaza Miyota, Miyota-machi, Kitasaku-gun, Nagano 389-0293, Japan TEL: +81-267-32-2200
Tokyo head office	19F Arco Tower, 1-8-1 Shimo-Meguro, Meguro-ku, Tokyo 153-8662, Japan TEL: +81-3-5434-8611
Established	July 16, 1951
Capital	68,258 million yen
Representative	Yoshihisa Kainuma, Representative Director, President and Chief Executive Officer
Outline of business	Machined components business, rotary components business, electronic devices and components business, and others
Net sales	Consolidated: 269,139 million yen
Operating income	Consolidated: 22,163 million yen
Ordinary income	Consolidated: 20,364 million yen
Net income	Consolidated: 12,465 million yen
Number of employees	Consolidated: 53,827 persons
Number of consolidated subsidiaries and affiliates	40





Top Commitment

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

We would like to offer our sincere condolences to all victims of the Great East Japan Earthquake, and our prayers for the soonest possible recovery of the affected areas.

Looking Back on FY2010

In FY2010, building on its previous environmental reports, the Minebea Group published its first CSR report. FY2010 was a year in which the Minebea Group adopted a CSR standpoint to organize and systematize its ongoing social responsibility initiatives, which are based on the Five Principles. For example, we established separate FY2011 goals for CSR management, society, and the environment. In addition, in line with promotion of the Basic CSR Policy within the company, we produced a condensed version of the CSR report and are distributing it to employees.

"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." This is the Minebea Group Basic CSR Policy. In FY2010, a problem emerged that had a significant influence on our commitment to "stable supply" of Minebea Group products, which are essential for society.

The latter half of the fiscal year saw such problems as difficulty obtaining rare earths (rare earth elements), which greatly influenced our supply chain management, as well as tightened regulations relating to conflict minerals. In response, the Minebea Group established a Rare Earth Issues Working Group within the Risk Management Committee to begin ensuring stable material procurement, and to promote an exacting procurement process in response to the problem of conflict minerals. In these and other ways, the Minebea Group is working to fulfill its social responsibility.

The Great East Japan Earthquake was an occasion for us to carefully reflect from the standpoint of business continuity. When the earthquake occurred, the Minebea Group quickly convened the Risk Management Committee and worked to manage information on a unified basis. We also carried out a wide range of measures, including support for the recovery of customers and the securing of distribution channels, to fulfill our responsibility to supply products globally in a stable manner supported by stable procurement of raw materials and other inputs. Going forward, we will apply the lessons of this disaster to build an even more stable supply structure.

Renewed Appreciation of the Importance of Pursuing "Manufacturing with Sincerity"

The first of Five Principles which form the basic management policy of the Minebea Group is "Be a company where our employees are proud to work." As I watched our employees take the lead in responding to the Great East Japan Earthquake, I felt a renewed appreciation that what supports the Minebea Group is, without a doubt, its individual employees, and I was convinced anew of the meaning embodied in the Five Principles and the need to build an enterprise that employees are proud of.

To cooperate as a corporate citizen in the recovery of the Japanese economy, which sustained major damage in the disaster, we will redouble our commitment to "manufacturing with sincerity," the origin of the company. Whatever the business environment, we will not forget our passion for and commitment to manufacturing. Reliably supplying high-quality value-added products is the Minebea Group's social mission. I believe that to achieve that mission, it is important to continue our efforts toward efficient production, devote our strength to research and development to give birth to new technologies, continue our eco-friendly business management, and engage in sustained, active dialogue with our shareholders, customers, local communities and other stakeholders. I believe that these activities embody the Five Principles, which have been passed down to us by successive management and are the origin of the Minebea Group's management philosophy as well as the driving force behind our CSR.

The Minebea Group is proud to be a global enterprise having employees around the world with diverse backgrounds who recognize their mutual diversity and who, through positive communication, can come together to demonstrate their unified strength. For the Minebea Group to fulfill its social responsibility, we believe it is important for us to deepen this uniqueness to overcome the current difficult situation. And by pursuing "manufacturing with sincerity," we will actualize the Minebea Group's sustainable growth, enhance our corporate value, and further deepen our contributions to society.

Initiatives for FY2011 and Future Prospects

The importance of our Business Continuity Plan (BCP) was brought home to us once again by the disaster. We are accelerating our efforts to develop the disaster recovery and damage prevention plans established by our individual plants and business departments into a groupwide BCP, and we will formulate a plan as soon as possible using the Karuizawa Plant's plan as a model. Moreover, our goal is to deploy the plan to all manufacturing plants, and establish and implement a Group BCP in FY2012.

The construction of our Cambodia Plant, announced in FY2010, is the Minebea Group's first new large-scale production facility in 17 years. We believe that this project is one of the keys to the Minebea Group's growth. We are already producing motors in a leased plant and have begun construction of our own plant. After the completion of our plant, scheduled for December 2011, we plan to enhance it into a production facility for small motors. The deployment of our business into Cambodia, a new territory, makes us once again aware of our belief in "manufacturing with sincerity," and it is a challenge that will test the determination of each employee. The dispersion of our production facilities also has great significance for the continuity of our business.

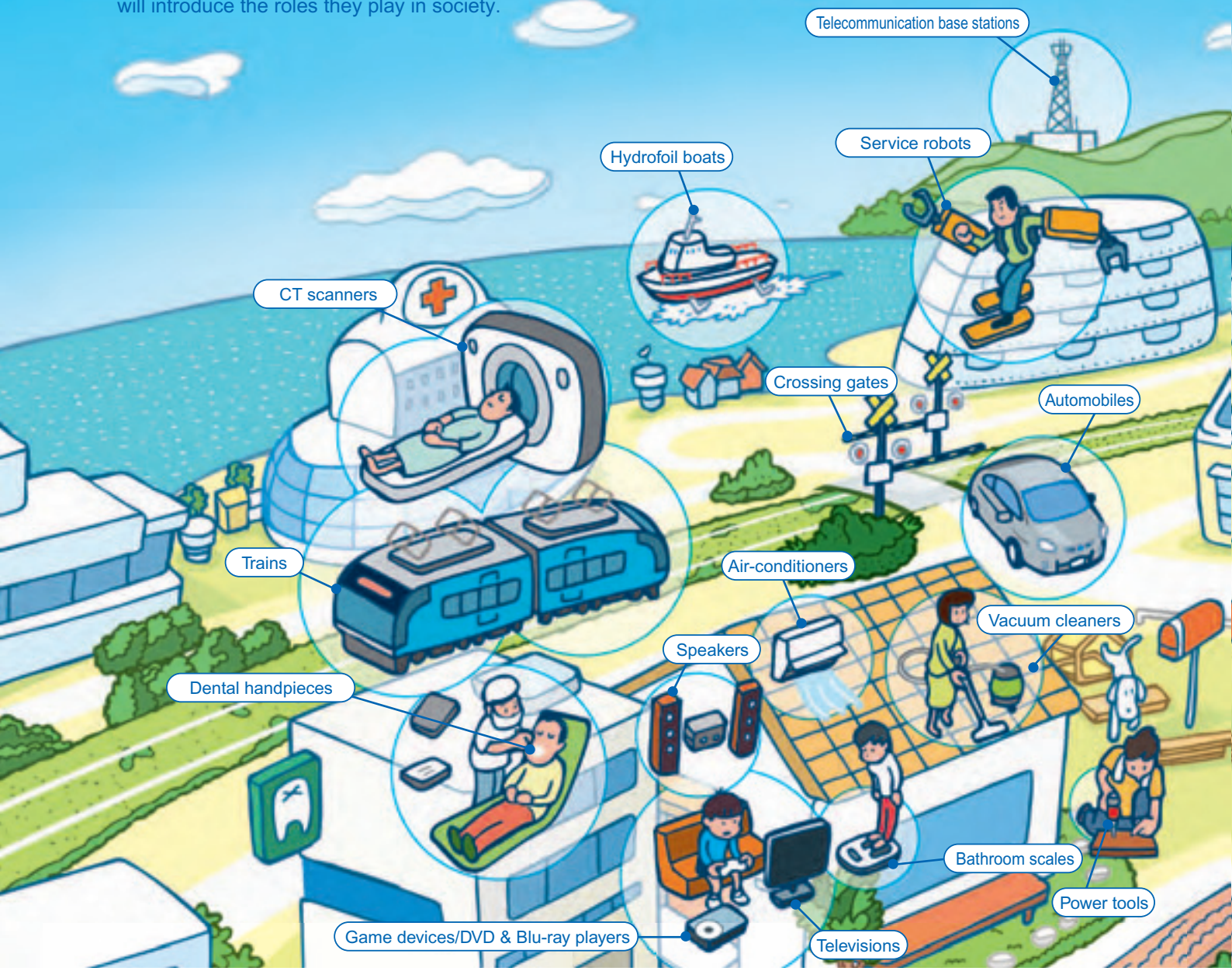
The Cambodia Plant will function as part of a network production system, procuring components from Minebea's Thai and Malaysia production facilities. In particular, we believe that the experience and achievements we have accumulated in Thailand, where for many years we have promoted CSR activities rooted in the local community, will be applicable not only in the business sense of plant operation but also in terms of promoting CSR activities and creating positive relationships with the local community. We will promote CSR efforts that match the special characteristics of the local community, using our efforts in Thailand as a precedent. In addition, by promoting interchange between both countries through economic activity, the Minebea Group will become a bridge between Thailand and Cambodia, and we hope that in turn we can contribute to the development of the Asian region as a whole.

With respect to the establishment of medium- and long-term CSR goals recommended by third-party opinion in FY2010, we will build on the CSR goals established in FY2010, and are working to be able to announce them in the next fiscal year's report. These goals will be important in reviewing the Minebea Group's relationship with its stakeholders and in further deepening those relationships.

This marks the publication of our second CSR report. Through the issuance of this report, we hope our readers will gain a better understanding of the Minebea Group's business activities and the evolution of our CSR initiatives, and the opinions we receive will be taken into account in our future activities as an enterprise. We look forward to your honest opinions.

Minebea Products in Society

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



Machined components

Products

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

Product applications

Personal computers, hard disc drives, information and telecommunications equipment, OA equipment, consumer electronics, audio-visual equipment, ATMs, automobiles, aircrafts

Rotary components

Products

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

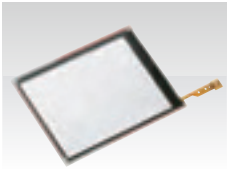
Product applications

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

Electronic devices and components

Products

Lighting devices for liquid crystal displays, color wheels, backlight inverters, various measuring components, HMSM (heat management system module), next-generation input devices



Product applications

Personal computers, digital cameras, mobile phones, smart phones, portable music players, projectors, measuring equipment, automobiles, space rockets, service robots

Others

Products

Personal computer keyboards, speakers, special components

Product applications

Personal computers, speakers, audio-visual equipment, industrial equipment, defense equipment

Contributing to Society with Energy-efficient Motors

Engineers with a Passion for Manufacturing

The Minebea Group offers a wide range of products. Behind those products are the developers striving on a daily basis. Here, we focus on development of energy-efficient motors that was promoted on a unified basis by industry, academia and government.

Becoming champions in the energy-efficient motor field

As global environmental and energy problems intensify, energy conservation has become an urgent challenge for society as a whole. In what would become the company's first NEDO-designated project (see column), Minebea began developing magnets for small, energy-efficient motors in May 2009.

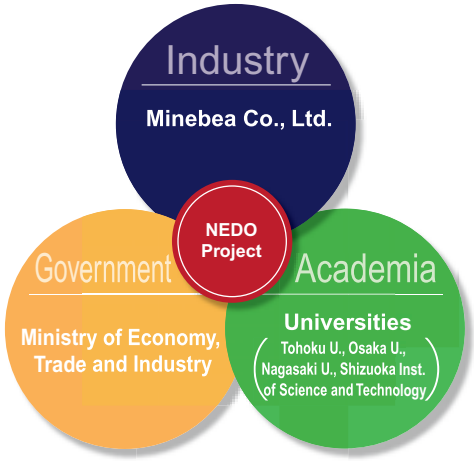
Motors of all types and sizes are used in a wide range of everyday equipment, including automobiles and electrical appliances for the home. Today, over nine billion motors are in annual use around the world in many different locations and applications, and approximately 57% of the electric power consumed in Japan is used to power motors. If the efficiency of domestically powered motors could be increased by 1%, the energy efficiency impact would equal that of a reactor in a nuclear power plant, and this field is attracting attention as having great importance in solving the problems of global warming and energy. The component that determines the motor's efficiency—the magnet—is the key. Increasing the magnetic force is directly related to boosting the efficiency of the motor.

The originator of the project, Fumitoshi Yamashita, explains the motive behind the project: "Motors utilizing magnets have been in use since around the 1960s, but while the prevailing demand at that time was for horsepower, recent years have seen an increasing need for products that are small and efficient, and have long operating lives and low environmental impact.

Column

What is NEDO?

New **E**nergy and Industrial Technology **D**evelopment **O**rganization



NEDO's mission as an incorporated administrative agency under the control of the Ministry of Economy, Trade and Industry is "addressing energy and global environmental problems" and "enhancement of Japan's industrial competitiveness."

The core of its activities consists of coordination between industry, government and academia to promote research relating to the development and dissemination of new energy sources and energy-efficient technologies. NEDO delegates research and development administration to public research institutes, and provides funding and other support for research and development projects selected through publically invited applications.

In advanced technology development fields that are risky and difficult for private-sector enterprises to enter on their own, NEDO project designation makes possible funding support and more efficient research and development through collaboration with universities. The goal is rapid practical implementation and dissemination of innovative technologies through this sort of collaboration between industry, government, and academia.

Amid this trend, when we considered what it was that we in our position could and must do, the resulting idea was the development of magnets for small, energy-efficient motors. Since we must work in any case, we wanted to do something that would benefit the world."

Of course, simply increasing the magnetic force of the magnet does not make for an energy-efficient motor. This is because the stronger the magnet used, the more difficult it becomes to use the motor. When the magnetic force of a more powerful magnet is transmitted as torque (the power to rotate the shaft), the additional force manifests as vibration that can cause excessive noise, and on the contrary makes for a motor with poor energy efficiency. To efficiently transmit powerful magnetic force to the shaft as torque, the magnetic flux from the magnet's surface (the flow of magnetism from the magnet) must be regulated and its power controlled in complex ways. Magnetic flux control stood as a major obstacle to the practical implementation of energy-efficient motors.

According to Yamashita, "Regardless of how high the efficiency is, if the motor is extremely noisy, one cannot say it is an excellent product. Those of us in corporate research and development must grasp the needs of customers who will ultimately use the product. However, that is why our company has an advantage in this area: we are not a specialized magnet manufacturer, but rather are engaged in magnet development based on a comprehensive understanding of motors. We are confident that we have, without a doubt, the industry's number one technical strength in this field, and we were convinced we could do it."

"With the industry's number one technical strength, we were convinced we could do it," says Yamashita.

This is how the magnet development project started. For three years after originating it, Yamashita alone was responsible for all aspects of the project and furthering the research. In January 2009, when it finally appeared that the probability of success had risen to approximately 50%, Yamashita applied for NEDO designation as a Subsidized Innovation Implementation Project. Competition for such designation is keen, and above all, it was Minebea's first application.

"NEDO designation would mean funding, and assistance from universities, which would allow us to enhance our development effectiveness. We were convinced that this research was necessary for future society, and early release of a product to the market was important commercially as well as for contributing to society. Our intention was to become a champion in this area,"says Yamashita.

In March 2009, NEDO recognized the research for its originality and significance, and announced its decision to designate the research as a NEDO project. It was the instant when Yamashita's idea as a researcher had created a huge opportunity.

Nishimura recalls:
"We ran into obstacles constantly."

The team's strength and each member's trial and error opened the path to success

Four new members were assigned to the development team to further the now NEDO-designated project. One of them, Shinsaku Nishimura, recalls that "It felt extremely fulfilling to be involved with the development of such advanced technology."

Meetings involving the entire team were held approximately once a week. The rest of each member's time was spent in single-minded, repeated experimentation related to the research problem for which he or she was responsible, and day after day, research results accumulated. "To control the magnetic flux, we had to repeatedly experiment with variations in the shape and angle of the magnet, as well as minute variations in the location of the N- and S-poles and the angle of the magnetic flux. But since the magnetic flux we are controlling is invisible, it was very difficult to achieve the results we anticipated. We also ran into obstacles constantly," says Nishimura.

Furthermore, as a NEDO-designated project, the deadline and goals were clearly defined in advance. In addition to the heavy burden of responsibility involved in using taxpayer money, there was also the possibility that support could be terminated before the deadline if the development progress or prospects were poor. Unlike in conventional development projects, the pressure of time and responsibility weighed heavily on the shoulders of each member.

The team members' abundant creativity overcame these challenging circumstances and pushed the project forward. "Even at night when I was at home in bed, when some sort of idea occurred to me, I wanted to go to work and test it. I couldn't wait till morning," says Yamashita with a laugh. Every member was constantly looking for new ideas and turning them into action. Recalls Yamashita, "If we tried something and it didn't work, we came up with the next idea. If that didn't work, then the next. The important thing was to come up with second and third approaches and keep up the fight."

Osamu Kobayashi, a member who handled overall administration for the group, adds that "even with one goal, there may be an unlimited number of ways to reach it. Yamashita has always been a tremendous idea man, and the other members, with much more limited career experience, had a strong determination to reach the goal, and they joined with Yamashita in coming up with ideas."

Moreover, researchers in the collaborating academic institutions —Tohoku, Osaka, and Nagasaki Universities and the Shizuoka Institute of Science and Technology— acted as strong partners in supporting the team's efforts. Prior to NEDO designation, at a stage before the project's direction was finalized, the academic researchers participated in meetings and had numerous discussions with the research team members. After the project was under way, they

The advanced bond magnets developed by the team (*foreground*) and motors planned for future development (*rear*).

handled basic technological verification and development tasks, including verification of the mechanism of magnetic force reduction and characterization of physical properties of raw magnetic powder, and provided valuable information.

"Sometimes when our opinions differed, they came and stayed overnight in our research lab so we could discuss. At any rate, we worked hard to absorb all of their knowledge, and the two sides greatly stimulated each other. I think we built a relationship where we can work together to promote research and development whenever needed, not just on this project," notes Yamashita.

Contributing to society through technology

The period of support as a NEDO-designated project ended on schedule in March 2011. The team succeeded in reaching the original goals of the project by creating a smoothly rotating small motor that consumes 30% less resources and 5% less energy. Yamashita laughs, "I'm confident that we created something we can be proud of to the world. Frankly, we were working under a lot of pressure, so it feels like a weight has fallen from our shoulders."

Nishimura adds with a serious look, "Of course, we were able to achieve a certain degree of results, but we haven't reached the stage where we can celebrate the 'completion' of something. We developed the magnet, but commercialization of a motor using it lies in the future. The happiest thing for us engineers is when technology we developed makes its appearance as a product and reaches the customer. Only when commercialization takes place can we claim success. As of today, we've only taken a single step forward."

Numerous hurdles still lie in wait on the road to commercialization. Joint research with automotive manufacturers and other enterprises must be promoted to create a product that not only has advanced functioning, but embodies attributes needed for it to sell well. Nishimura and his team will keep working to achieve that goal.

Nevertheless, this project is exerting a significant influence on the company as a whole, points out Kobayashi. "Minebea has always had a strong 'manufacturing company' orientation. One can't say that it was highly aggressive with respect to technological development, but I feel that through this project, the opportunity is starting to arise to develop technology that no other company has. In addition, we learned through this NEDO project that research carried out in collaboration with universities is extremely meaningful. I feel that going forward, we definitely must increase the amount of development where enterprises and universities can demonstrate synergy by pooling their strengths."

This project also had great significance in terms of the cultivation of young engineers, with team members from different generations cooperating to promote development. "Young engineers have a tremendous shortage of experience when it comes to seeing something they have developed go out into the world to contribute to society. In that aspect as well, this project became an extremely good opportunity. I wanted to make this experience an opportunity for the young team members themselves to enhance their skills as engineers, and I believe the result was to motivate the young members."

Reducing the size of the motor and raising its efficiency through magnet development will not only reduce the impact on the environment, as in this case, but should be an important technology for applications in a wide range of fields, including medicine and social welfare. The possibilities for Minebea to contribute to society through technology are likely to grow more and more. Yamashita is spurring his younger-generation staff to "aim to become world-class specialists," and for his part, Nishimura is keen for them to become "engineers who can introduce the new technology first to the world." The seeds planted through this project are slowly but surely starting to send forth shoots for the future.

"We definitely must increase development where enterprises and universities can demonstrate synergy." (Kobayashi)

The development team (*from right*):
Osamu Kobayashi (Manager, Motor Core Technologies Department, Engineering Development Division, Rotary Component Business HQ)
Dr. Fumitoshi Yamashita (Chief Engineer, Motor Core Technologies Department, Engineering Development Division, Rotary Component Business HQ)
Osamu Yamada (Senior Engineer, Motor Core Technologies Department, Engineering Development Division, Rotary Component Business HQ)
Shiho Ohya (Motor Core Technologies Department, Engineering Development Division, Rotary Component Business HQ)
Shinsaku Nishimura (Assistant Manager, Motor Core Technologies Department, Engineering Development Division, Rotary Component Business HQ)

Vutichai Udomkarnjananan
Minebea Group Executive Officer and Director, NMB-Minebea Thai Ltd.

NMB-Minebea Thai's Commitment to Manufacturing

The Fundamentals of CSR

Thailand is the Minebea Group's largest production facility. It has been approximately 30 years since Minebea built its first plant in Thailand. NMB-Minebea Thai Ltd. was built upon, and its manufacturing is supported by, the fundamentals of CSR.

NMB-Minebea Thai Ltd., largest production facility of the Minebea Group

Minebea was established in 1951 as Japan's first miniature ball bearing manufacturer. Buoyed by the era of high economic growth, the company steadily expanded its business. But as Minebea entered the 1960s, demand expanded and domestic plants faced a shortage of workers. The creation of a production base with ample supplies of labor became a pressing task, and the company looked to Thailand, a country that was attracting foreign enterprises as a second Asian production facility.

Travel by car one or two hours north of the Thai capital of Bangkok, and you can visit Minebea's five Thai manufacturing plants. Since 1982, when the Minebea Group built the Ayutthaya Plant in Ayutthaya Province and began producing miniature ball bearings, it has steadily expanded its production facilities with the Bang Pa-in, Lop Buri, Rojana, and Navanakorn Plants, expanding the scale of its business. Today, with five plants employing a total of 31,011 people (as of March 2011), this is the Minebea Group's largest production facility.

From the beginning, Minebea aimed to plant in Thailand its passion for, and commitment to, manufacturing. This was because to manufacture more high-quality products more efficiently than anyone else, and pursue "manufacturing with sincerity" that can be offered to the world, Minebea believed that the company itself had to put down roots, and that growing along with the local community was a social responsibility. This belief made environmental measures and consideration for employees, the local community and its residents natural for NMB-Minebea Thai (hereafter Minebea Thailand).

Minebea Thailand Director and Group Executive Officer Vutichai Udomkarnjananan (Vutichai) says, "We could not have grown by focusing on profits alone. It was important for us to build good relationships with everyone connected to Minebea Thailand." Below, we introduce the environmental measures and

improvements to the employee working environment promoted by Minebea Thailand as part of its corporate responsibility, as well as activities, based on original employee ideas, to contribute to the local community and its residents.

Stringent environmental measures

The Minebea Group believes that harmonizing with the environment as a manufacturing enterprise is a prerequisite for carrying out activities as an enterprise and achieving sustained growth for the Group, and has carried out plant construction and management that does not harm the area around the plant or the natural environment. Minebea Thailand has also progressed its environmental measures in a manner appropriate to Thailand's climate, water supplies, and status as an energy-importing nation.

For example, Thailand's water supplies are not as abundant as Japan's, and factories do not have unlimited access to municipal water supplies. In response, we have introduced a "Plant Wastewater Zero System" that purifies plant effluents to the same level of quality as municipal water, so it can be reused. An idea that was possible precisely because Thailand has heavy rainfall was to collect rainwater in a reservoir for use, and we succeeded in limiting the amount of water we need to procure. In FY2010, Minebea Thailand's total water usage amounted to 3.123 million m^3, only 2.035 million m^3 of which was municipal water—about 65% of the total. Approximately 299,000 m^3 of plant effluents were reused, and rain and ground water use amounted to 789,000 m^3. We also aggressively introduced such advanced environmental technologies as a biogas-generation plant that turns raw waste from the plant cafeteria into biogas that is used in the cafeteria in place of LP gas, and recycling of cutting oil through the introduction of a swarf compressor machine.

In addition, the construction concept for the new production facility within our Bang Pa-in Plant was "Minebea's most energy-efficient plant." The approach included heat-reflecting paint on exterior walls and roof, high-efficiency centrifugal chillers, high-efficiency fans, and electronic ballast for fluorescent lighting, and these measures have reduced our energy cost by approximately 45% compared to our original plant. To encourage understanding of our activities on the part of the local residents, these environmental measures are communicated to the local community through our in-house newsletter, which is distributed monthly, as well as via the local government notice board.

Environmental measures are often required by law or such standards as ISO, but target values far exceeding required levels have been established for most of Minebea's efforts, and these values are being met. Because of our commitment to manufacturing, we devised and have been implementing ways to operate that do not harm the local natural environment.

Fostering employee pride in Minebea

Many of our activities to contribute to the local society are based on ideas from the employees themselves. Our employees are well-versed in the local situation and needs, and we actively utilize employee proposals to carry out activities as Minebea Thailand. "Suggestion Boxes" have been placed in each plant, enabling employees to contribute their ideas. A national

The Minebea Group in Thailand and Cambodia

* distance from Bangkok

character based on a culture of mutual assistance and a strong religious orientation is the driving force behind Minebea Thailand's activities to contribute to society.

Minebea Thailand is devoting effort to the education of young people who will support the Thailand of the future, providing wide-ranging support to schools in the vicinity of the plants by applying knowhow acquired as part of plant management. For example, we are teaching children how to sort refuse based on experience in such activities gained at the plant. The sorted refuse can be sold and the proceeds applied to school management. We also teach children to raise organic vegetables, and the harvest is used in school lunches. Fixtures from the plant were used to build a new school library, to which we also contributed books, and we helped rebuild the school building, which had deteriorated. The unique aspect of our activities is our focus on local conditions and the challenges facing the school, and our imaginative initiatives to address those challenges. In the library of the elementary school that Minebea Thailand helped to build, the senior-class female students who are in charge of checking out books happily noted, "We love to study. For exercise, we play sepak takraw.* Between study and exercise, we often visit the library."

Much of our other support to the local community involves initiatives toward regional self-sufficiency. These include bamboo planting activities to enable continuous harvesting of bamboo shoots as food for the local temple. To help local residents generate income, our employees also provide guidance in the manufacture and sale of artificial flowers for use in funerals, as well as bookkeeping techniques.

Since its founding, Minebea Thailand has emphasized employee development. Employees are responsible for manufacturing, and imaginative employees improve manufacturing. With this in mind, we actively support employee participation in activities that contribute to society.

We are also making improvements to our working environment. Employees have a variety of work patterns, with four teams in three shifts for 24-hour operations, and we provide extensive employee support. We adhere strictly to occupational safety and health laws, protect our employees' safety, and offer extensive educational opportunities, a shuttle bus and other amenities. We also offer an environment that emphasizes employee autonomy. In addition to the suggestion boxes mentioned previously, we established the Joint Consultation Committee (JCC) with participation by Japanese and local employees to maintain and enhance positive communication. Vutichai comments: "If, through a safe working environment and extensive educational opportunities, employees can gain a solid sense that they are needed by society and that they can be useful in the world by contributing to society with their own ideas, how will they feel? They'll be proud of their company, proud of being a member of the Minebea Group, and feel solidarity with the company. I don't think you can overestimate the influence that has."

*Sepak takraw: a traditional Southeast Asian sport said to have originated in the ninth century. Players use their feet, thighs, chest, and head to hit a rattan ball (today, synthetic materials are used) over a net to the other player's court.

❶Processing facility for Plant Wastewater Zero System ❷Biogas-generation plant ❸Water reservoir ❹Energy-efficient production facility within the Bang Pa-in Plant ❺Rice-cooking equipment powered by biogas ❻Information on Minebea Thailand's efforts is posted at the town hall ❼High-efficiency centrifugal chiller








8 Children doing farming 9 Local community members make artificial flowers 10 Minebea Thailand contributed these bins for sorting refuse 11 Female student members of the library committee 12 Members of the Minebea Thailand CSR Management Committee 13 Children attending elementary school 14 Minebea Thailand helped build this new library and contributed books 15 Children eating school lunches

Participation in the Thai government's CSR-DIW social responsibility promotion project

Minebea Thailand's commitment to "manufacturing with sincerity" and its efforts to date are today known by the term CSR. To organize our efforts to date under a CSR management structure, we participate in CSR-DIW, the social responsibility project sponsored by Thailand's Ministry of Industry (see column). The Bang Pa-in Plant participated in CSR-DIW in FY2009, followed by the Lop Buri Plant in FY2010. FY2011 participation is planned for the Ayutthaya and Rojana Plants.

Regarding participation in CSR-DIW, Vutichai notes, "Through international standards certification in such fields as the environment, safety, and labor practices, we have demonstrated that we are conducting our business with integrity, and we have strengthened our efforts in line with those standards. In conjunction with our participation in CSR-DIW, we established a CSR Committee and a Plan-Do-Check-Action approach to CSR management, and with the establishment of this structure I think we will be able to do more than before." In 2009, Minebea Thailand was recognized by Thailand's Ministry of Industry for its efforts to date.

In Japan as well, we have reorganized our accumulated social responsibility initiatives carried out on the basis of the Five Principles from a CSR perspective, and are promoting further systematization. An overall Group CSR management structure is gradually developing.

According to Vutichai, "To further promote CSR in Thailand going forward, I hope to deepen our collaboration in the field of CSR with the Japan headquarters and other facilities in the Group. I also hope to extend our CSR approach in Thailand to the Cambodia Plant, scheduled for completion in December 2011." Further systematizing CSR in the Group as a whole, and promoting CSR activities, will support "manufacturing with sincerity."

Column

CSR-DIW

A project to promote social responsibility on the part of manufacturing enterprises. To improve international competitiveness, Thailand's Ministry of Industry began promoting CSR initiatives on the part of domestic enterprises from FY2008. Founded on the view that "companies should repay the local communities and regions in which they operate by sharing the benefits of the opportunities and good will they have received," the project calls for CSR initiatives in line with the seven core themes set forth in the ISO26000* standard: organizational governance, human rights, labor practices, the environment, fair operating practices, consumer issues, and community involvement and development. Qualification and/or continued participation in CSR-DIW is determined based on annual auditing.

*ISO26000: a comprehensive, detailed set of social responsibility guidelines for all types of organizations, developed by the International Standards Organization to realize sustainable development

Minebea Group CSR

Basic Approach

The Minebea Group believes that enterprises have a mission 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 management of our business in accordance with business ethics. To fulfill this mission, The Minebea Group established the Five Principles as its management policy beginning in FY1997, and have been promoting these principles in all of the Minebea Group companies.

In FY2010, based on the Five Principles, we established the Minebea Group Basic CSR Policy and Minebea Group's CSR Implementation Principles to further develop the Minebea Group's CSR, and as with the Five Principles, we are sharing these policies throughout the Minebea Group companies.

Minebea Group Stakeholders

To promote the sustainable development of the global environment and of humanity, the Minebea Group believes that communication with its various stakeholders is essential in meeting their expectations to that end.

The Minebea Group's principal stakeholders are set forth in the Five Principles of its management policy: employees, customers, shareholders, local communities, global society, suppliers, and the environment that supports our society. Through communication with our stakeholders, we are promoting Minebea's CSR initiatives.

The Five Principles

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

Minebea Group Basic CSR Policy

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

The Minebea Group's CSR Implementation Principles

1 The Five Principles and our Code of Conduct

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

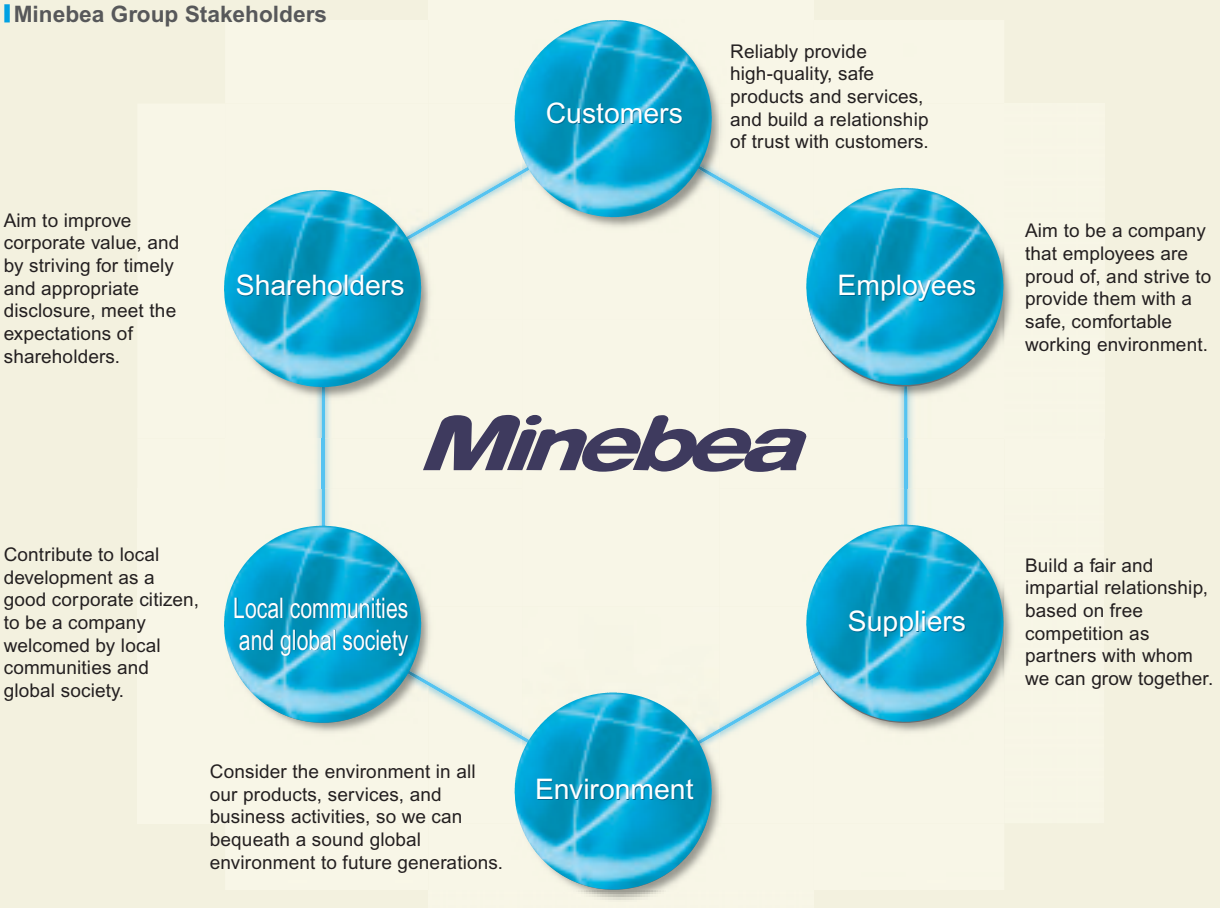
2 Continuous improvement and raising of awareness

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

3 Dialogue with stakeholders

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

Minebea Group Stakeholders



Minebea Group CSR

CSR Goals

The Minebea Group believes that proper utilization of a regular PDCA (Plan, Do, Check, Action) cycle is important for promoting its CSR initiatives. Until FY2009, we engaged in environmental initiatives based on annual goals established for our Environmental Protection Plan. However, beginning in FY2010 we have been practicing goal-setting for all of our CSR initiatives. This approach will allow us to properly manage the progress of our CSR initiatives and link them to CSR initiatives for the upcoming fiscal year.

CSR Goals for FY2011

Management	CSR management	●Build a structure for promoting a PDCA system for CSR management CSR ●Promote stakeholder engagement CSR ●Promote internal CSR dissemination initiatives CSR
	Corporate governance Compliance Risk management	●Strengthen compliance system on a global basis Compliance ●Continuously implement compliance training and introduction of e-learning Compliance ●Promote BCP formulation Personnel & GA ●Strengthen disaster mitigation system at domestic plants Personnel & GA
Society	Relationships with customers	●Strengthen significant quality issue response and review system Quality Management ●Formulate recall handbook in accordance with Product Safety Guidelines Quality Management ●Promote acquisition of international Quality Management System (QMS) certification to strengthen Quality Assurance System Quality Management ●Promote acquisition of Authorized Economic Operator (AEO) (advanced qualification) status in South Korea and Singapore Logistics ●Promote bar code-based product management to prevent such issues as incorrect shipments Logistics
	Relationships with employees	●Strengthen human rights education Personnel & GA ●Strengthen development and utilization of personnel suited for global development Personnel & GA ●Promote initiatives relating to work-life balance Personnel & GA ●Meet legally required employment percentages for the handicapped and support for their employment Personnel & GA
	Relationships with local communities and global society	●Initiate formulation of a Social Initiative Policy for the Minebea Group CSR

Society	Relationships with suppliers	●Conduct training relating to the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors, and implement self-auditing relating to the Act Procurement ●Establish CSR procurement framework Procurement
	Relationships with shareholders	●Promote active information disclosure relating to progress and implementation of Medium-term Business Plan IR ●Promote active communication with domestic and international investors IR
Environment	Environmental management	●Acquire ISO14001certification (Yonago Plant, etc.) Environment ●Review of Environmental Philosophy Environment
	Product-related initiatives for the environment	●Standard-setting for Minebea Green Products Environment ●Development of products and technologies contributing to energy and resource conservation as well as waste reduction Environment
	Initiatives for preventing global warming	●Establish Minebea Group medium-, long-term targets for reducing CO_2 emission volume Environment ●Reduce CO_2 emission volume for Minebea Group plants worldwide (establish base year, specify overall volume and reference unit) Environment ●Ascertain CO_2 emission volume for overall Minebea Group distribution Logistics ●Promote use of proper transport measures to reduce energy consumption Logistics
	Initiatives for effective use of resources	●Reduce volume of waste ultimately disposed of as landfill by Minebea Group plants worldwide to less than 4,000 tons per year Environment ●Define Minebea zero emissions, investigate current status Environment ●Reduce plant effluent volume Environment ●Investigate/implement returnable package system for international shipping Logistics
	Initiatives for reducing impacts on the environment	●Zero violation of environmental laws and self-imposed regulations Environment ●Complete cleanup measures at plants where soil and groundwater pollution has been confirmed (Ichinoseki Plant) Environment ●Manage volumes of chemical substances used at Minebea Group plants Environment ●100% implementation of Pollution Patrol Programs Environment ●Implement regular local audits of waste disposal companies Environment

CSR	CSR Promotion Office	Logistics	Logistics Department	IR	Investors Relations Office
Compliance	Compliance Office	Personnel & GA	Personnel & General Affairs Department	Environment	Group Environment Management Department
Quality Management	Quality Management Support Office	Procurement	Procurement Department		

Corporate Governance

Basic Approach

Under its basic management policy of the Five Principles, the Minebea Group's management objective is to fulfill its social responsibilities to its diverse stakeholders, including shareholders, suppliers, the local community, global society, and employees, and to maximize its corporate value. To achieve this management objective, Minebea regards the enhancement and reinforcement of corporate governance as a key management theme.

Furthermore, to ensure healthy management of the company and strengthen corporate governance, the Minebea Group is promoting the establishment, development and expansion of an internal control system.

Corporate Governance System

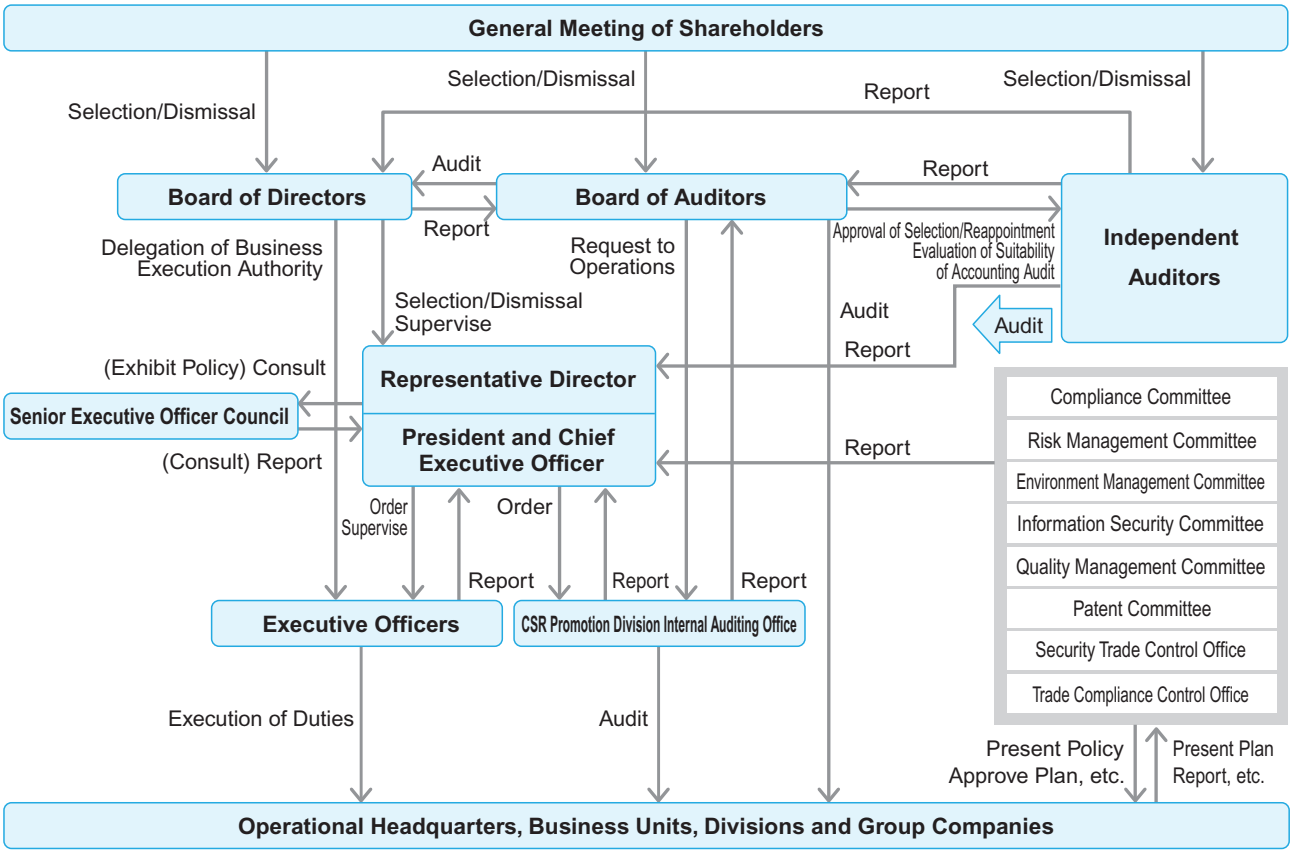
Minebea maintains a ten-member Board of Directors to meet our need for high-level strategic business judgments and prompt action. At the same time, our executive officer system enables the Board of Directors to delegate significant responsibility, and clearly divides management and supervision functions from executive functions.

Moreover, our ten-member Board of Directors includes two external members who provide advice on all aspects of our corporate management. These external members also strengthen the Board's oversight function relating to the conduct of our business.

Furthermore, for a stronger, comprehensive auditing function, three of our four corporate auditors are external auditors (one of whom is a standing auditor).

In addition to conducting Board of Auditors meetings and attending Board of Directors and other important meetings, the corporate auditors, in conjunction with independent auditors and the Internal Auditing Office, conduct audits of domestic offices, subsidiaries, and overseas subsidiaries as well as auditing the activities of directors.

Minebea Group's Corporate Governance System



Supervision of Management

The Minebea Group's supervision of management is performed by our ten-member Board of Directors, whose responsibility it is to make critical strategic business judgments in a timely manner. The Board of Directors includes two external members who provide advice on all aspects of our corporate management. These external members also strengthen the Board's oversight function relating to the conduct of our business.

Management Execution Function

The Minebea Group employs an Executive Officer system to delegate the management authority of the Board of Directors to Executive Officers, and promote responsive, timely, enhanced management.

Management Monitoring System

The Minebea Group has adopted a management monitoring system consisting of four corporate auditors, of whom three are external auditors.

In addition, members of the Minebea Group Board of Directors do not have titles. This is intended to enhance overall monitoring of board members.

Enhancement of Internal Control System

The Minebea Group has established an internal control system to maintain disciplined business management. This approach enhances corporate governance, bolsters fulfillment of the company's social responsibilities, and undertakes to further enhance corporate value.

To ensure healthy management, the Minebea Group Board of Directors has adopted Basic Policies for the Internal Control System. Based on this policy, we are working to comprehensively develop and reinforce a range of systems and structures including our Compliance System, Information Storage System, Risk Management System, System for an Efficient Execution of Duties, Management of Group Companies, and Audit System Matters.

In addition, the Minebea Group established the CSR Promotion Division in FY2009, bringing together the Internal Auditing Office, the Internal Control Promotion Office, and the Compliance Office. This step was taken to strengthen the functioning of these offices as well as to seamlessly and efficiently link the smooth adoption and use of internal financial reporting control systems with internal control systems based on Japan's Company Law. In FY2010, a fourth office, the CSR Promotion Office, was added to the CSR Promotion Division.

Internal Control System Structure

① Structure to assure that the execution of duties by board members, executive officers and employees are in conformance with the law and Minebea's articles of incorporation (Compliance System)

② Storage and management of information related to execution of duties by board members and executive officers (Information Storage System)

③ Rules for managing loss risk and other rule structures (Risk Management System)

④ Structure to assure efficient execution of duties by board members and executive officers (System for an Efficient Execution of Duties)

⑤ Structures to ensure that the operations of the company and its affiliates are appropriate (Management of Group Companies)

⑥ Structures to ensure that audits by the Corporate Auditors are effective (Audit System Matters)

Internal Financial Reporting Controls

To ensure the reliability of its financial reporting, the Minebea Group has established internal control structures and systems that it also endeavors to continually improve and upgrade. The Company has also established and is developing and managing a basic framework for internal financial reporting controls that complies with the basic framework of Japan's Financial Instruments and Exchange Law.

Management is also evaluating the effectiveness of these internal controls, and as of the end of FY2010, determined that the Minebea Group's internal financial reporting controls were effective. In addition, Minebea adheres to the Financial Instruments and Exchange Law, as set forth in management's Report on Internal Control Systems. Minebea's auditor, KPMG AZSA LLC, audited this report and concluded that the contents demonstrate that Minebea is operating in conformity with the aforementioned law.

Compliance

Basic Approach and System for Promoting Compliance

The Minebea Group regards compliance as an indispensable factor in our business activities, and we believe compliance not only involves adherence to laws and regulations but also involves activities in accordance with corporate ethics as a good corporate citizen, based on an awareness that putting compliance into practice is one element of CSR implementation. To this end, we have formulated the Minebea Group Code of Conduct as a set of standards for group executives and employees in selecting appropriate actions and striving to conduct our business in a fair, proper, and transparent manner. In FY2010, a more specific version of the Minebea Group Officer and Employee Compliance Guidelines was established so that every employee can conduct business with high ethical standards.

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

Compliance Education

To help employees understand compliance, the Minebea Group conducts compliance education as part of its training programs for employees at each rank. In FY2010, a total of 368 employees ranging from new employees to newly appointed managers underwent compliance training. We provide easily understood training for new employees using case studies to help employees understand what kinds of action can be problematic in compliance terms.

New employee training

In addition, 151 employees acting as sales representatives attended training programs focusing on Japan's Antimonopoly Law.

Internal Reporting System

To prevent actions in violation of the Minebea Group Code of Conduct or legal infractions, we have established internal as well as external consultation centers that employees can access when they are unsure as to whether or not an action or decision on their part may be in violation of the Code of Conduct, or if they encounter actions on the part of others that may be in violation of the Code. The privacy of individuals reporting information is protected, and appropriate measures are taken to ensure that they do not experience unfair treatment.

Import/Export Control Initiatives

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

Future Compliance Promotion

The Minebea Group believes that employee awareness and knowledge of compliance should be deepened to establish a corporate culture in which each employee maintains an awareness of compliance in conducting business activities. Going forward, we will strengthen the Minebea Group's overall structure for compliance promotion, and will continue working to implement such measures as training utilizing e-learning and enhancement of our intranet-based compliance database, to achieve more efficient and effective compliance-related educational activities.

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

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 response to the export suspension of rare earth elements from China in FY2010, the Minebea Group formed an internal working group to conduct a review of long-term strategy, including procurement stabilization and significant reductions in our consumption of such materials.

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 an 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 February through April 2011, and 3,592 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.

Formulating a BCP for the Entire Group

The Minebea Group is strengthening its risk management system and working toward a goal of implementing company-wide BCP development and operation by FY2012.

In FY2010, a risk assessment survey was conducted, and defined initiatives were implemented using the Karuizawa Plant as a model facility.

Response to the Great East Japan Earthquake

The Minebea Group held an Emergency Earthquake Response Conference led by the President and Chief Executive Officer immediately after the Great East Japan Earthquake occurred. This meeting continued for approximately a month after the earthquake, with senior executive officers and the head of each department as members.

Conference members mounted a smooth response to the disaster, reporting on and discussing a wide range of issues. The members confirmed the safety of employees and their families; gathered information on the status of and conditions at our places of business as well as those of our suppliers; confirmed the status of our logistics; determined a response to planned electrical power shutdowns; formulated measures to support the affected areas; and created a special leave policy to enable employees to carry out volunteer work in the affected areas. In addition, the conference conducted risk management and BCP, for example working to share information throughout the company by utilizing internal databases.

Relationships with Customers

Basic Approach

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

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

Quality Management

Quality Management Framework

In conjunction with the enactment of its Product Safety Charter in FY1995, the Minebea Group established a Product Safety Committee. Since then, each production facility has worked to ensure the safety of products and services and prevent accidents. As we enter new business areas where the market demands ever-higher levels of quality and reliability, exemplified by the field of aircraft parts, the entire Minebea Group is working to continuously enhance quality. To this end, overall Minebea Group Quality Management Manual were adopted in FY2007 to improve our quality management framework.

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

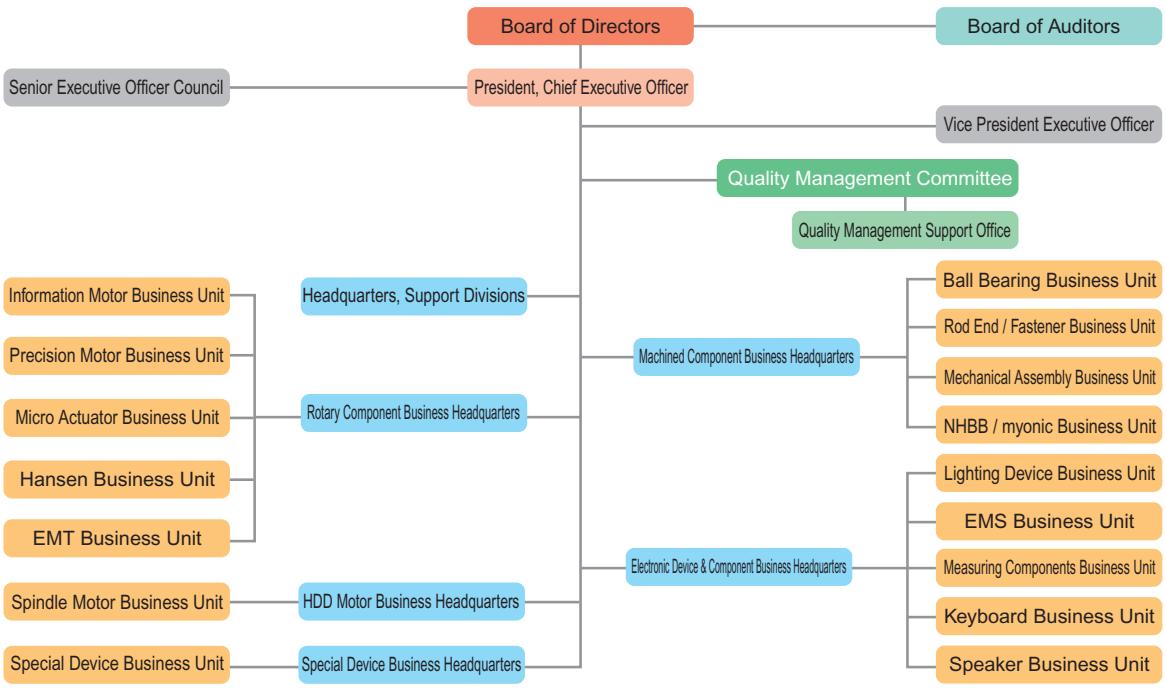
The Minebea Group has also established a Quality Management Support Office to act as the secretariat for the Quality Management Committee, to give advice and propose improvements concerning quality management at each business unit or business headquarters, and to provide support for quality assurance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

Quality Improvement Measures

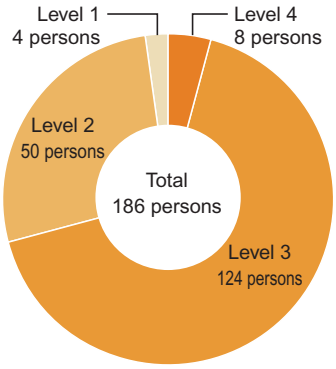
Responding to the Quality Control Examination

The Minebea Group believes that improving the quality control and quality enhancement ability of individual employees ultimately leads to improving the quality of the Minebea Group. Since September 2008, we have been encouraging employees to sit for the quality control examination (QC examination) conducted by the Japanese Standards Association (JSA) and Union of Japanese Scientists and Engineers (JUSE). In addition to covering employees' course fees, we distribute textbooks to improve their knowledge of quality management. There were 68 employees who sat for the examination in FY2010, 56 of whom passed. A total of 186 Minebea Group employees have passed the examination so far.

Quality Management Framework



Successful QC Exam Candidates



Promoting Quality Management System Certification

The Minebea Group promotes ISO9001 certification in each business unit as an international standard for quality management systems. We are also promoting the AS9100 standard for the aviation industry, and the ISO/TS16949 certification standard for the automotive industry.

In FY2010, the Lighting Device Business Unit obtained ISO/TS16949 certification. The EMS Business Unit has also begun efforts to obtain QMS (ISO13485) medical device certification and plans to continue its efforts to strengthen its medical device quality assurance structure.

Soldering Workshop

Many business units in the Minebea Group carry out soldering during the manufacturing process. While each business unit is different, sharing soldering-related knowledge and expertise is very important. Consequently, soldering workshops are held on a regular basis to share information about soldering and commit to quality improvement across business unit boundaries.

Soldering workshop

Disclosure of Product-related Information

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

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

Communication with Customers

Customer Satisfaction Surveys

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

Responding to Quality-related Problems

If a serious problem concerning the quality of Minebea Group products or services were to occur, the Quality Management Support Office would notify the Quality Management Committee, which would then determine the best response.

Future Issues and Goals

Common product quality risk management is being strengthened throughout the Minebea Group. Specifically, there are three types of initiatives: hardware-related practice improvement initiatives, exemplified by our soldering workshops; software-related initiatives such as acquisition of quality management system standard certifications, and initiatives to strengthen our management structure and standards formulation. The goal of this approach is to organize our quality assurance efforts, reduce defects, and build a structure that will earn the trust of our customers.

Relationships with Employees

Basic Approach

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

Minebea Group Workforce

(as of March 2011)

	Employees			Japanese staff on overseas assignment	Total
	Male	Female	Total		
Japan	2,744	575	3,319	0	3,319
North America	1,060	793	1,853	24	1,877
Europe	667	375	1,042	26	1,068
Asia	11,179	35,976	47,155	408	47,563
Total	15,650	37,719	53,369	458	53,827

Human Resources Development

The Minebea Group seeks employees who can work on the global stage, have the independence to develop their own ideas, and welcome challenges, and we work to provide education that encourages those qualities. We have specially tailored programs for every employee rank, including new and intermediate-level employees and newly-appointed managers, and we conduct training programs and on-the-job education to enable employees to acquire specialized knowledge and strengthen their skills.

Principal Domestic Training Programs by Rank (FY2010)

Program	Participants	Aim of Training
New Employee Training	New employees	◎Learn the proper manners expected of working members of society, attitudes toward work, and how to carry out work duties. ◎Understand the company's management philosophy and code of conduct, and company rules, systems, and organization.
Junior Employee Training	Employees in their second year of employment	◎Learn goal setting and ensure ongoing personal development. ◎Learn fundamentals for improving performance and the basics and importance of communication.
Intermediate Level Training I	Employees in their fifth year of employment	◎Review personal abilities and future goals, and consider how to proceed going forward. ◎Understand the role expected of intermediate-level employees and learn how to proactively motivate co-workers.
Intermediate Level Training II	Employees in their 10th year of employment	◎Reflect on the meaning and value of one's own and the company's work from an external perspective (customers, the market).
New Assistant Manager Training	Newly promoted assistant managers	◎Learn the role expected of assistant managers as managerial and supervisory executives, leadership, and how to guide and mentor subordinates.
New Manager Training	Newly promoted managers	◎Learn the fundamentals of management innovation, identify problems in one's own section, and evaluate and formulate responses to important issues. ◎Learn leadership and how to guide and mentor subordinates.

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

Brother-Sister System

A Brother-Sister System was introduced on an experimental basis for employees of the Minebea Group's domestic sales division in April 2010. Under this system, a young employee takes on the role of mentor for a new employee. In addition to teaching business skills, the program supports relationship building so new employees can feel free to consult their mentors concerning non-work issues, and develop their independence. The program will be initiated on a full-scale basis from FY2011.

Using the Brother-Sister System

Erika Kadowaki
First Sales Group, Tokyo Branch
Domestic Sales Division

When I first started life as a working adult, I felt anxious and lonely. At that time, the Brother-Sister System provided me with moral support. I was mentored by a senior co-worker close to my age who answered even trivial questions without hesitation. The responsible senior co-workers accompanied us when visiting customers, and eventually I was allowed to take over as a representative. I hope to follow the example of my senior co-workers and be as kind as they were. Thanks to this system, even when I stumbled I was able to get back on my feet again.

Global Human Resources Development

To promote its global human resources, the Minebea Group is committed to broadening the playing field for employees.

We want more employees to have an opportunity to engage in global activities, so if stationed overseas they can stay for a maximum of five years according to established guidelines. In addition, employees of overseas subsidiaries participated in ILO training* available in Japan. Thirteen employees participated in FY2010, and an accumulated total of 589 employees have taken the training in Japan.

*Planning and implementation of international business development skills were conducted by the ILO Association of Japan, Inc. The program was terminated in April 2011.

Experiencing Overseas Assignments

Kazumasa Shitara
Mechanical Assembly Business Unit

I have worked at the Bang Pa-in Plant in Thailand for almost 3 years. I have experienced many different things. Since my assignment, the area where I feel I have grown is that I can make judgments on my own and bear the responsibility for those judgments. For two years before my assignment I worked at the Karuizawa Plant, but there I worked under the direction of more senior co-workers as a newcomer. Now as I work, I have the feeling that I am the one who has to show leadership in the workplace.

Fair and Balanced Evaluation

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

Respect for Human Rights

In light of the importance of corporate compliance (corporate ethics and legal compliance), the Minebea Group prohibits unfair discrimination due to race, age, gender, nationality and religion. Employees undergo training before assignment to regions with different cultures, and the Minebea Group Officer and Employee Compliance Guidelines are used for human rights education at every level of training for employees. Moreover, we are working to prevent human rights abuses by providing consultation center and an internal reporting system (see page 21).

Workforce Diversity

As the Minebea Group expands its global operations, we believe it is important to strengthen its human resources with diversity as a given. We are committed to creating an environment that maximizes the capabilities of diverse human resources regardless of such attributes as gender, age, nationality, or disability.

Promoting Female Employment

Approximately 38,000 female employees are working for the Minebea Group worldwide, accounting for about 70% of our total workforce. For this reason, we will continue to actively work toward the promotion of female employees to management positions, and strive to create a workplace where they can continue to demonstrate their abilities and play an active role.

As an HR professional, I want to continue supporting Minebea employees

Adakorn Sritan
Head (Deputy Manager)
Human Resource & Administration
NMB-Minebea Thai Ltd.

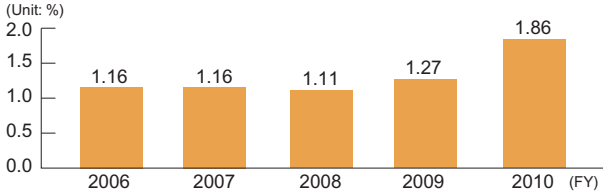
I have been involved in the Human Resources Department since joining the company in 1984. The Thailand operations have 8 personnel groups, and I have been responsible for one of them for 22 years. My boss entrusted me with leadership of the group, which has made me very proud and has been very encouraging. In addition to managing employees engaged in manufacturing, we also provide support for employees visiting or assigned to our plant from Japan, Germany, Singapore, and elsewhere. I am actively participating in activities that contribute to the region, and I will continue to do my best to meet the company's expectations.

Relationships with Employees

Initiatives Regarding Employees with Disabilities

The Minebea Group actively promotes the employment of people with disabilities, and in FY2010 achieved an employment ratio of 1.86%, surpassing the statutory requirement of 1.8%. We strive to consider the workplace environment to make work more rewarding for these employees.

Ratio of Employees with Disabilities in the Minebea Group Workforce



Initiatives Regarding Reemployment of Seasoned Employees

So that highly skilled and motivated employees may continue working longer, and to enable them to pass on their skills and expertise to younger employees, the retirement age for Minebea Group employees in Japan is 62. Furthermore, in response to the enactment of the Act of Stabilization on Employment of Elderly Persons, the Minebea Group also provides all employees who so desire with an opportunity to be rehired after compulsory retirement.

Initiatives for Creating Environments Conducive to Working

Support for Diversity in Work Patterns

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

The number of users has been increasing year by year, a sign that the system is functioning well. We will continue to improve the workplace environment so our employees may work with peace of mind.

Principal Special Leave Benefits for Employees in Japan (FY2010)

Benefit	Description	No. of employees taking leave
Child care leave	Paid leave or shorter working hours for employees caring for children	65 persons
Family care leave	Paid leave or shorter working hours for employees with family members requiring care	0 person
Overseas vacation for veteran employees	Trip to Thailand, China (Shanghai), or Singapore for employees with 30 years of service, and their families	18 persons

Shorter Working Hours for Childcare

Machiko Takahashi
Keyboard Business Unit

It's been 3 years since I returned to work, and I'm amazed at how quickly every day passes. Being able to leave work one hour early is a tremendous help in balancing work and raising a child. However, there are many who haven't yet heard about this benefit, and because of this they accept work during the evenings. The number of men who actively participate in parenting is increasing, so I hope this benefit will become better known, and that the working environment will make it easy for men to use it.

Labor Relations

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

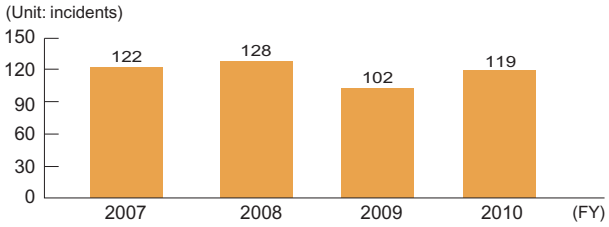
Health and Occupational Safety Management

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

Each of our plants has a Health and Safety Committee comprised of numerous working groups with responsibility for workplace safety, health issues, and so on. These committees meet regularly to review working group progress toward individual targets. In addition, the Minebea Group's principal plants in Thailand, China, and Singapore 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 appropriately and ensure that information about such incidents is shared with other production sites in each country to prevent similar incidents in the future.

Workplace Injuries and Other Accidents in the Minebea Group



Note: There was an error in the number of occupational accidents in the "Minebea Group CSR Report 2010" (p 34). We have corrected the error in this year's report and offer our deepest apologies. Also, beginning with this year's report, aggregated figures from Europe and the United States are included.

Conducting Regular Patrols at Production Facilities

Regular safety patrols are conducted monthly at every group plant, including the Karuizawa Plant. These patrols monitor progress against the previous month's findings, identify further areas needing improvement, and ensure that areas near production equipment are neat and tidy, that potentially dangerous tools are stored properly, and that safety glasses and earplugs are used.

A patrol at the Karuizawa Plant

Promoting Health Management

The Minebea Group offers regular health examinations and health counseling, and works to ensure and enhance the health of its employees in accordance with the laws of each country and conditions at each place of business; for example, an industrial physician makes regular visits to the Karuizawa Plant. In addition, we are strengthening our initiatives in the mental health field, which in recent years has become an object of heightened social awareness. For example, we offer opportunities for consultation with industrial physicians and industrial counselors, and hold mental health lectures.

Health and Occupational Safety Initiatives in Shanghai

At the Shanghai Plant, safety patrols are conducted monthly based on the annual schedule of each group of the Health and Safety Committee.

Training is also carried out in accordance with laws and regulations, and evacuation drills are hosted semiannually by the Disaster Management Committee. Since many new employees are hired every year, these drills have become very important training for the Shanghai Plant.

At the Shanghai, Xicen, and Suzhou Plants, new employees are required to undergo health and occupational safety education, to equip them with needed knowledge before they receive their workplace assignments. Moreover, education continues after assignment, and daily efforts are made to maintain a workplace free of accidents.

Firefighting training during evacuation drill at the Shanghai Plant

Pre-assignment training

Initiatives for the Great East Japan Earthquake

Immediately after the Great East Japan Earthquake, the Minebea Group established a leave system to allow volunteer relief activity. To support employees who want to assist people in the disaster areas, up to five days of relief work leave is allowed apart from regular paid holidays. As of May 20, 23 employees had applied for such leave.

In response to the need to conserve power after the earthquake, air conditioning has been stopped at our offices in the Meguro area from March 24th, and the dress code for employees has been relaxed to allow them to adjust to the temperature more easily and to wear clothing that is loose and comfortable. We also made other efforts to protect the safety of employees, such as supplying bottled water to employees with infants during a period of concern over water supply safety.

Future Issues and Goals

We recognize that the training of human resources is an essential element for furthering our global expansion of a stable supply of high-quality precision products generated through manufacturing and technological innovation. Accordingly, we will continue working to convey education and expertise to our employees that can be applied anywhere in the world, and to implement personnel policies to support employees.

Relationships with Local Communities and Global Society

Basic Approach

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

Contributing to Global Society

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

In recognition of the fact that the Minebea Group has continued to actively invest in the country since establishing its Ayutthaya Plant in 1982, the Board of Investment of Thailand* appointed Yoshihisa Kainuma, President and Chief Executive Officer of Minebea, as an honorary investment advisor in June 2010.

*Government agency responsible for promoting domestic investment in Thailand

Initiatives in North America

Food Drive Participation

The Chatsworth Plant in the United States participates in a regional relief food drive each year for families needing welfare assistance. At the Chatsworth Plant, employees donated 3,912 pounds (approximately 1,780 kg) of nonperishable food.

Coordinators who led the food drive expressed their gratitude at the size of the donation, which was enough to fill the available food storage space.

Donated food

Initiatives in China

Employees Visit Welfare Facilities

Employee volunteers from the Zhuhai Plant perform a variety of community activities, such as donating relief supplies to elderly nursing facilities or to children in welfare facilities.

Visiting employees present moon cakes (Chinese sweets) and household goods to senior citizens and foster good relations through conversation. They also donate moon cakes, school supplies, and household goods to child welfare facilities, and engage in recreational activities like singing with the children.

Employees who visited welfare facilities

Initiatives in Europe

Supporting Work Experience Programs for Students

The U.K.'s Lincoln Plant is engaged in a work experience program for students aged 16 to 18 as a local community-based activity and to help the younger generation understand our business and technology. The program lasts for two to six weeks, and after students complete training in health and safety issues, they study certain business processes in the plant as well as responsibilities in such areas as product quality, the environment, and the local community.

Through the program, students not only become interested in manufacturing, but learn about the importance of IT skills in manufacturing through extensive hands-on use of advanced machinery.

Work experience

Supporting Work Experience for Local Students

To support work experience for local students, we don't just provide educational opportunities, but welcome the students to be future friends of Minebea and possibly future employees, which makes the initiative meaningful for both parties. It is also a valuable opportunity for parents of students and other local residents to deepen their understanding of Minebea, and we hope to continue supporting this work experience.

Pam Howes
Head of HR
NMB-Minebea UK Ltd.

Initiatives in Thailand

Improvement of Elementary School Facilities

The Bang Pa-in Plant in Thailand has been working to help improve the facilities of elementary schools in the surrounding community. It rains frequently in Thailand, and schoolyards are often muddy and unusable, inconveniencing teachers and children. In response to an

employee suggestion, we provided support to line part of the playground with concrete and bricks and install benches and other equipment. Now the children can use the schoolyard as soon as the rain stops, and it can be used for a variety of other purposes, such as parents' meetings.

Schoolyard after being lined with concrete and brick

Contributing to Local Communities

Support Activities for Hokkaido University's Formula-SAE HOKKAIDO Team

The Hokkaido University Formula-SAE HOKKAIDO Team is an official organization of the university's engineering department, mainly run by students. As they aim to become world-class talent, the students learn manufacturing processes and such management team skills as schedule management and cost control through the design and manufacture of formula cars.

The Hamamatsu Plant recognizes the significance of these activities, and has donated funds and Minebea products to students participating in the Student Formula SAE Competition of Japan. In FY2010, the plant contributed rod end bearings.

Formula car test drive

Promoting Amateur Sports: Support for Asama Highland Sports

The Karuizawa Plant promotes amateur sports by supporting curling. In pursuit of their desire to produce Olympic athletes from Nagano Prefecture, residents of the town of Miyota built a curling rink. Their dream was realized, and curling has become known nationwide. Today their NPO, Asama Highland Sports, acts as a European-style club through membership dues as well as donations from the Karuizawa Plant.

Curling is rooted in the local community and is a global sport, and the Karuizawa Plant will continue providing support.

Curling

Tree Planting in the Planned Umi-no-Mori (Sea Forest)

Omori Plant employees participated in social contribution activities sponsored by JAM (the Japanese Association of Metal, Machinery, and Manufacturing Workers), an umbrella organization of labor unions. The activities involved tree planting in Omori Ward, at the Umi-no-Mori (Sea Forest) site on landfill inside a central breakwater located in the middle of Tokyo Bay, and planned to be the largest park in the Ward. Twenty-five people from Minebea and elsewhere participated in the tree-planting activities, which were held in November 2010.

Tree planting

Participating in the Sea Forest project

I've participated from the planning stages in the Sea Forest project, where trees are planted on landfill composed of rubbish and surplus soil. There is increasing interest in the environment, and volunteers are planting trees all over Japan, but if the trees are not continually cared for after planting they will not grow. By starting with planting and continuing to look after the trees, I feel the significance of participating in this activity, which will change a landfill to a beautiful forest floating on the sea. I hope to continue working on this initiative.

Takanori Suzuki
Assistant Supervisor
Special Device Business Unit
Sales Promotion Department

Support for Victims of the Great East Japan Earthquake

The Minebea Group contributed 50 million yen in earthquake relief funds five days after the Great East Japan Earthquake occurred. In addition, Minebea Group employees around the world collected 11,960,000 yen in donations.

Since recovery in the affected areas will require considerable time and continuing support, the Minebea Group will provide funds originally allocated for commemoration of the 60th anniversary of our founding for reconstruction assistance. As of June 2011, we are planning the content of that support.

Future Issues and Goals

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

Relationships with Suppliers

Basic Approach

The Minebea Group's business is supported by relationships with numerous suppliers. The Minebea Group has adopted a Basic Purchasing Policy on which healthy partnerships are built. We also ask our suppliers to comply with the Minebea Group Code of Conduct, which includes provisions regarding respect for human rights, and we aim to encourage environmentally friendly business practices by promoting cooperation for green procurement.*

*The Basic Purchasing Policy and the Minebea Group Code of Conduct are published on our web page.

■**Basic Purchasing Policy**
http://www.minebea.co.jp/english/procurements/policy/index.html

■**Minebea Group Code of Conduct**
http://www.minebea.co.jp/english/company/aboutus/conduct/declaration/index.html

Supplier Selection Policy

Whenever the Minebea Group initiates a relationship with a new supplier, we ask the supplier to confirm its agreement with our approach to materials procurement and to proceed in accordance with our New Supplier Certification Standards to ensure strict compliance with our Basic Purchasing Policy. In particular, we assess suppliers on the basis of ten attributes, including whether or not the company in question will be able to conduct business in a stable, continuous manner, satisfies the Minebea Group Green Procurement Standard, and agrees to abide by the Minebea Group Code of Conduct. Where necessary, we conduct inspections of the supplier's production facilities. In FY2010, we certified a total of 83 suppliers in this manner.

Green Procurement

In July 2004, we established the Minebea Group Green Procurement Standard in response to international laws and directives, to satisfy our customers, and to reduce the use of substances having an environmental impact. Under these guidelines, we require our suppliers to provide products (raw materials, parts, components, and packaging materials) that are free of hazardous substances, and also to submit safety certifications, analysis reports, and other similar documentation. In FY2010, 1,724 suppliers to the overall Minebea Group were cooperating with our Green Procurement policies.

Response to Conflict Minerals from the Democratic Republic of the Congo

Such raw materials as gold, tantalum, tin and tungsten are contained in Minebea Group products, and in some cases such materials may have been extracted in a conflict zone and sold to perpetuate that conflict. The Minebea Group is monitoring U.S. regulatory developments. We have already established a research database and are taking action to respond to this issue, but any formal action, including action by our suppliers, is pending the issuance of guidelines by the U.S. government.

Communication with Suppliers

● Briefings Related to Revised the Minebea Group Green Procurement Standard

In promoting Minebea Group Green Procurement, healthy partnerships with our suppliers are considered essential. When changes are made to our procurement requirements, we give our suppliers an opportunity to hear the reasons for such changes in detail. When the revised 4th Edition of the Minebea Group Green Procurement Standard was released in FY2010, a briefing was conducted in Thailand for our suppliers. The briefing was attended by 264 people from 222 companies.

Supplier briefing, Thailand

● CSR Report Distribution

The Minebea Group distributes this CSR report to domestic suppliers to communicate our CSR views. In FY2010, we sent questionnaires to 1,640 suppliers and received responses from 121 companies. Questionnaire responses are utilized for the next fiscal year's CSR activities.

Future Issues and Goals

For the Minebea Group to maintain good relations with its suppliers, we plan to carry out training and self-audits related to Japan's Subcontracting Act. We are also working to build a framework for CSR procurement, and we will further strengthen our consideration for human rights and the environment.

Relationships with Shareholders

Timely Disclosure/Disclosure Policy

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

Communication with Shareholders

General Meeting of Shareholders

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

Communication with Institutional Investors

Minebea holds investor meetings (twice a year) and conference calls (also twice a year) on financial results for institutional investors and securities analysts. This information is also published on our web site 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.

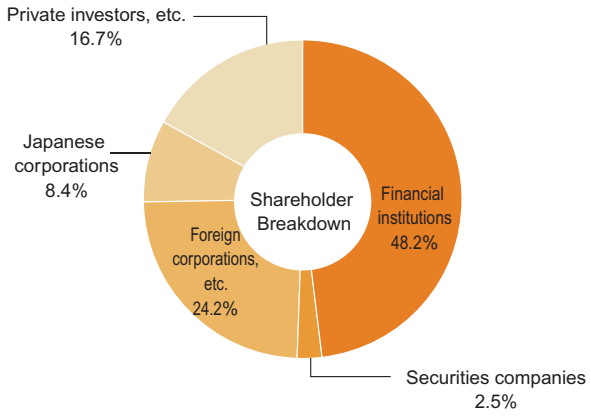
We also participate in brokerage-sponsored investor seminars, conduct numerous one-on-one meetings, and proactively engage in many other investor-related activities.

Shareholder Returns

Starting with the appointment of the current president and chief executive officer in FY2009, Minebea has worked toward two goals: maximizing earnings per share and enhancing corporate value, and solidifying the corporate foundation for our centennial. Furthermore, we announced our medium-term business plan in FY2010, and are working to fulfill the plan through aggressive capital investment and boosting Minebea's vertical and horizontal strengths. Despite the adverse effects of the strong yen in FY2010, we increased our sales in a business environment where the world economy was recovering from the global financial crisis. In addition, various cost-cutting measures contributed to boosting our bottom line, making possible a 7 yen per-share dividend for the term.

In addition, in November 2008, February 2010, and May to June 2011, we repurchased our shares to enable us to pursue flexible capital policies in response to changing business conditions.

Shareholder Breakdown (as of March 31, 2011)



IR Website

Minebea's IR website received Daiwa Investor Relations' "Best Internet IR Company 2010," as well as the "Gomez IR Site Overall Ranking 2011 Gold Award" from Morningstar's Gomez Consulting Division.

In addition, Nikko Investor Relations recognized our website with its Top Website Award in the "FY2010 Comprehensiveness Rankings for All Listed Companies."

Future Issues and Goals

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

Environmental Management

Minebea's Environmental Philosophy

In recent years, environmental problems are occurring on a global scale. These include the destruction of ecosystems due to ocean pollution; natural disasters that may be the result of global warming; and damage brought on by human use of hazardous chemical substances. In response, the Minebea Group has established Minebea's Environmental Philosophy and long been actively addressing environmental issues, and we are engaged in environmental conservation activities at locations around the globe.

Specifically, we promote the use of highly energy-efficient equipment and processes to reduce emissions of greenhouse gases, principally CO_2. We conserve materials, water, and other resources, and are strengthening our initiatives to reduce plant waste and effluents. At the same time, we are actively working to develop high-efficiency motors, lighting systems, and energy conversion devices; the control technologies and sensors that are the key to energy management for those motors, lighting systems, and devices; and new materials, and are supplying the infrastructure required to build a new society.

The Minebea Group will celebrate the centenary of its establishment in 2051. In the preceding year of 2050, the results of efforts to prevent global warming through the unified efforts of governments, enterprises, and households will become clear. We will promote environmental measures with Minebea's Environmental Philosophy as the basis for all aspects of our manufacturing activities, so that in 2050 humanity can coexist with an abundant global environment, and continued world prosperity will be possible.

Minebea's Environmental Philosophy

Established August 26, 1993
Revised April 1, 2009

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

Environmental Policy

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

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

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

❹Cooperation with Authorities and Local Public Entities
Minebea shall observe environment-related rules and regulations imposed by the country and local authorities and support environmental conservation and prevention of pollution.

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

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

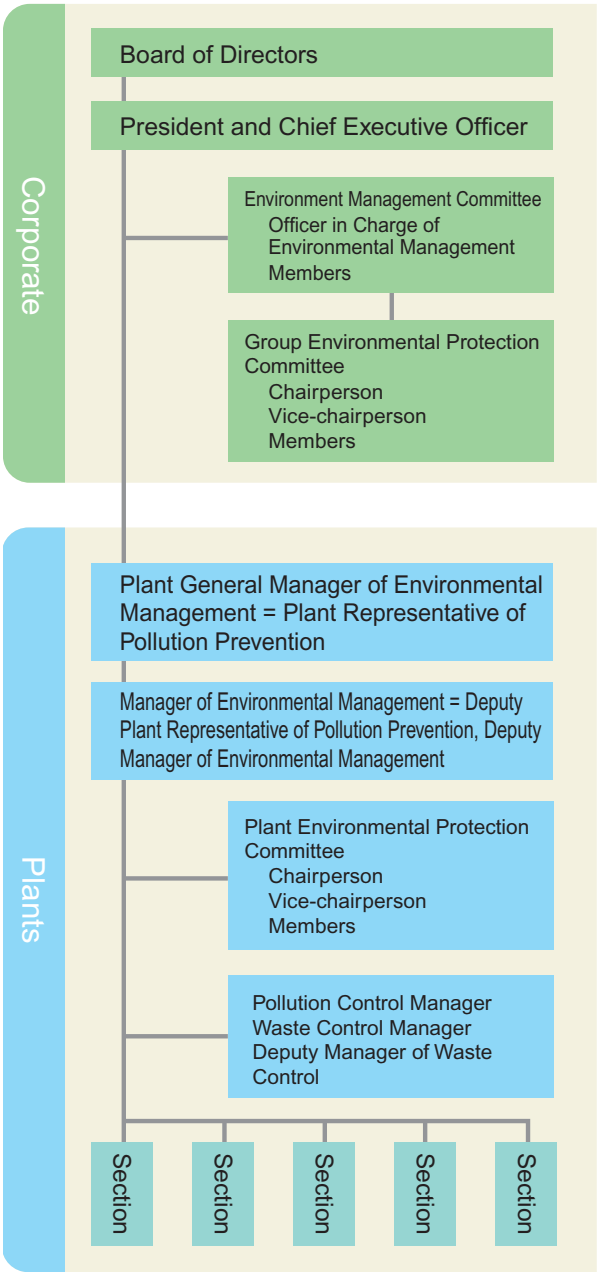
❼Employee Education
Minebea shall require employees to attend courses to encourage their involvement in environmental protection activities in the workplace and at home.

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

Environmental Management System

Environmental Management Structure

A sense of crisis with respect to global warming has brought with it the expectation that enterprises will make efforts to achieve substantive greenhouse gas reduction. In addition, such trends as restrictions on harmful chemical substances incorporated in products are making environmentally related initiatives an increasingly important aspect of enterprise risk management.



In response to these social changes and expectations, the Minebea Group has established an Environment Management Committee, staffed by company officers, at a higher level than the former Group Environmental Protection Committee. This strengthening of our system was carried out to enable prompt deliberation by the Senior Executive Officer Council and the Board of Directors with respect to environmental measures requiring large-scale investment as well as major decisions affecting company management.

Environmental Audits

The Minebea Group has acquired ISO 14001 certification for all of its major production facilities worldwide. To maintain this certification, these venues undergo annual external audits by a third-party agency as well as internal audits by company auditors.

To implement internal auditing, the Minebea Group holds annual training seminars for internal auditors taught by employees qualified as external auditors, as well as by veteran internal auditors.

In addition, due to the Great East Japan Earthquake and the confusion in its aftermath, training courses scheduled for March 2011 were rescheduled for the summer of 2011 or later.

April 2011 audit, Matsuida Plant

Strict Adherence to Laws and Regulations

To enforce compliance with environmental laws, every place of business in the Minebea Group sets and manages its own standard reference values. These values exceed the legal requirements of the relevant country or region. Third-party agencies are periodically asked to assess monitored areas of importance, and where required the results of these assessments are reported to relevant authorities.

Environmental Management

Environmental Education

Basic Approach and FY2010 Initiatives

The Minebea Group believes that raising the environmental awareness of each of us will help protect and nurture our future environment. In addition to activities within the company, we want employees to be proactive in environmental conservation at home and in their local communities. To this end, we offer easily understood education materials and a variety of environmental education initiatives based on them. Following are representative examples of environmental education initiatives conducted in Japan in FY2010.

❶Environmental management basics training
- Education for new employees of the Minebea Group (67 persons, 100%)
- Education for new employees at company facilities (60 persons, 100%)
- Environmental training for mid-career hires (109 persons, 100%)

❷General environmental education
- Education for environmental policies, objectives/indices, implementation plans, etc. (all employees)
- In-house environmental newspaper *Hello Environment!* and in-house magazine *Shiho* (all employees)

❸ISO14001 internal auditor training
- Internal auditor training courses
  *Delayed due to Great East Japan Earthquake
- Internal auditor refresher courses (60 persons, 45%)
  *For all staff qualified as internal auditors

❹Waste management education
- Education on appropriate methods for waste disposal (all employees)

❺Emergency response training
- Training for evacuation and response to possible disasters (all employees)
- Training with facilities and equipment used in possible emergency circumstances (203 persons, 100%)

Note:
Education initiatives listed above were planned and carried out by the Group Environment Management Department and/or Environmental Management Office at each plant, and do not include initiatives implemented independently within specific work places. Additionally, participant totals are those reported as attending education initiatives at plants.

Environmental Education for New Employees

The Minebea Group conducts a collective education program for new employees upon their intake each year. Environmental education is an important part of this program, with a curriculum covering such topics as environmental issues and countermeasures, the environmental impact of the Minebea Group's business activities, our environment management system and its activities and initiatives.

We also provide our employees with guidance to maintain their responsibility toward and awareness of the environment, not only as members of the Minebea Group, but also as individual members of society. We use the content of reports collected from employees upon conclusion of their training to confirm that they have deepened their understanding of environmental issues and preservation activities.


Environmental education for new employees carried out in April 2010

Publication of the Minebea Group's In-house Environmental Newspaper *Hello Environment!*

Each month, the Minebea Group publishes its in-house environmental newspaper, *Hello Environment!* Each issue focuses on a particular educational theme with easily understood, instructive articles.

In addition, articles cover not only Minebea Group environmental initiatives, but also everyday life and the natural environment, to encourage employees to take a broad interest in the environment of society as well. The first issue was published independently at the Group's Hamamatsu Plant in January 2000 as an environmental newspaper, and as of March 2011 was in its 130th issue in its current form as the environmental newspaper of the Minebea Group.


The Group's in-house environmental newspaper *Hello Environment!*

Environmental Communications

Basic Approach

So that as many people as possible may become aware of the Minebea Group's initiatives to preserve the environment, we publicize those initiatives and their results on the Internet and through a variety of means including CSR reports, company brochures, and annual reports. We also participate actively in the activities of local communities, creating opportunities to introduce the Minebea Group's environmental initiatives.

Environment One-click Fund-raising (Fujisawa Plant)

The Minebea Group's Fujisawa Plant, located in Fujisawa City, Kanagawa Prefecture, collaborates with local government, enterprises, and residents to carry out Fujisawa City Environment One-click Fund-raising, an initiative in response to current environmental problems, exemplified by global warming.

The goal of this initiative is to raise local residents' environmental awareness, publicize the social contributions of participating enterprises, and enhance the education of children, who will become the next generation of adults. The Minebea Group has participated in this initiative since July 2009. Fund-raising takes place simply by clicking the icon on the participating enterprise's environmental activity-related web page. For each click received, the participating enterprise contributes five yen on behalf of that person. The funds collected go to provide Fujisawa City schools with teaching materials relating to the environment.

During FY2010, a total of 41,230 yen for 8,246 clicks was contributed on behalf of visitors clicking the fund-raising icon on the Fujisawa Plant's environment-related web page.

Fujisawa City Environment One-click Fund-raising at the Fujisawa Plant
http://fj4.city.fujisawa.kanagawa.jp/oneclick/index.php

Minebea's web page promotes Fujisawa City Environment One-click Fund-raising

Initiatives for Preserving Biodiversity

Basic Approach

The Minebea Group is prioritizing the evaluation of biodiversity in the natural environments surrounding its places of business and manufacturing facilities, in response to the rise in importance of biodiversity preservation in recent years.

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

Hamamatsu Plant Recognized as Outstanding Greening Plant

The Hamamatsu Plant is located in an abundant natural area, surrounded by forests, mountains and farmland. Consequently, since its construction the plant has undertaken to coexist with the surrounding environment, and greening efforts have been promoted on the plant premises. For example, tea plants dating to before the plant's construction remain on the premises, and the plants are still maintained to preserve their beauty.

In addition, large trees have been planted around the plant, and shrubs such as rhododendron and azalea have been planted on the premises to preserve the scenery visible from nearby roads.

In recognition of its years of effort in this regard, the Hamamatsu Plant received the Japan Greenery Research and Development Center's Chairman Prize at the 29th All-Japan Factory Greening Promotion Competition.

Overall view of Hamamatsu Plant today

Tea plants within the Hamamatsu Plant

Environmental Management

Minebea's Impacts on the Environment

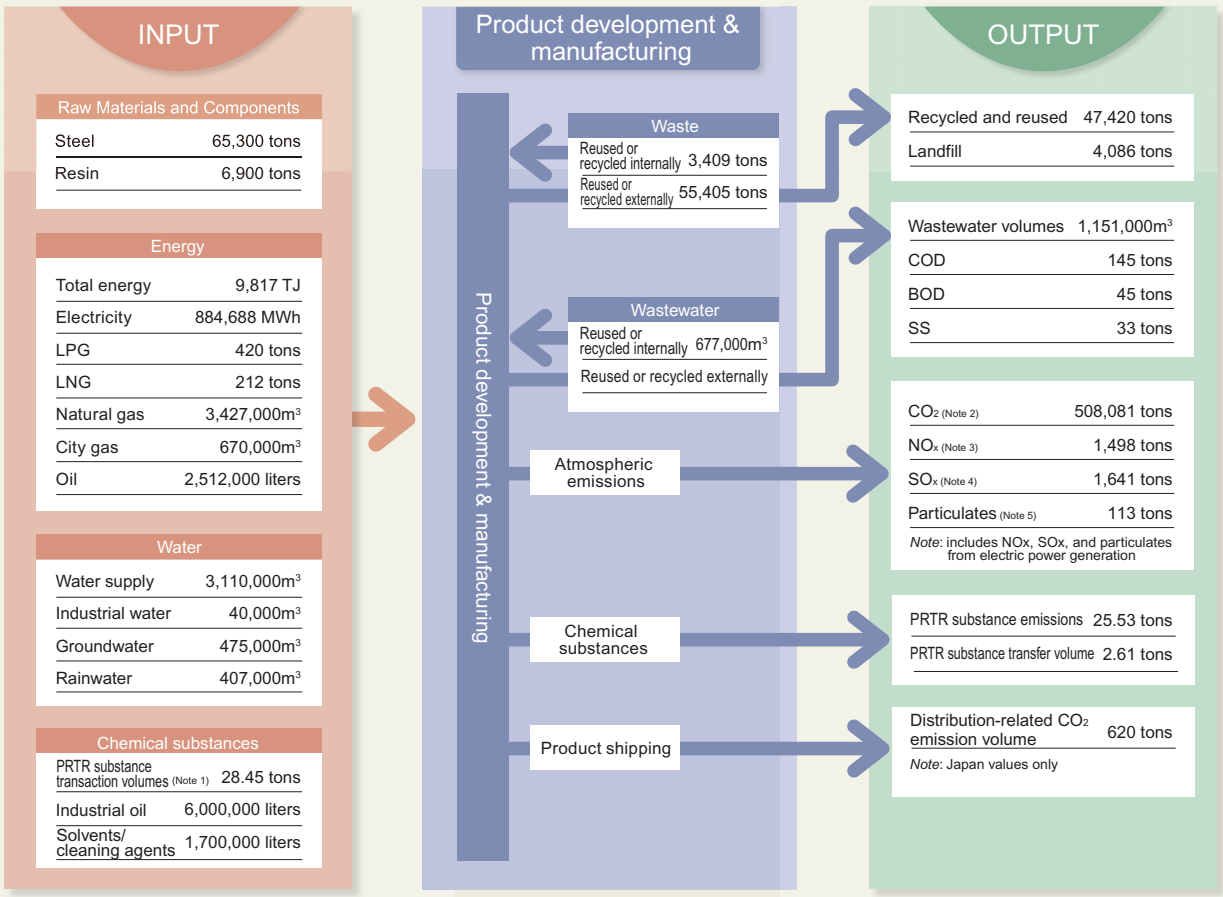
The Minebea Group has 32 plants and 39 sales offices in 17 countries around the world, manufacturing and selling a range of products including bearings, our main product, as well as such products as machined components, rotary components, and electronic devices.

In FY2010, the environmental impact of the inputs and outputs from the Group's major facilities was as follows.

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

The Lincoln Plant is located in Lincoln, a city in Lincolnshire County in eastern England. The plant manufactures rod ends and spherical bearings. Lincoln is home to numerous historical structures and greenery-filled parks, and is a major agricultural center. The Lincoln Plant promotes business initiatives to reduce the environmental impact of its operations in the region.

The Lincoln Plant, U.K.

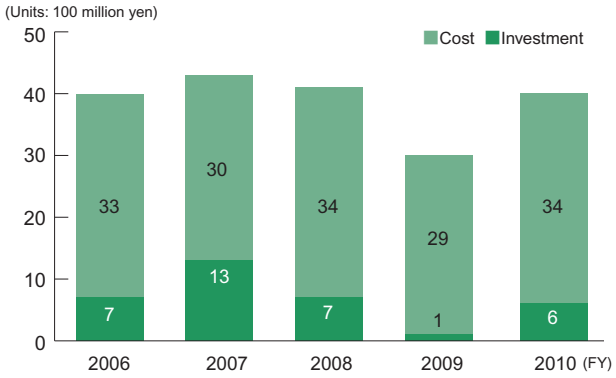


Note 1. **PRTR chemicals**: Substances included in the PRTR law (The Chemical Substance Control Enhancement Law/Domestic Japanese Law), for which companies must register and report volumes released and transferred.
Note 2. **CO_2**: Carbon dioxide
Note 3. **NO_x**: Nitrogen oxides
Note 4. **SO_x**: Sulfur oxides
Note 5. **Particulates**: microscopic solid matter contained in exhaust gas generated through combustion, heating, or chemical reaction.

Environmental Accounting

As enterprises promote initiatives to preserve the environment, it is important for them to track the costs incurred for such preservation as well as their results, and to make this information available to society. The Minebea Group carries out environmental accounting with reference to "Environmental Accounting Guidelines 2005" issued by Japan's Ministry of the Environment. Total costs expended by the Minebea Group to preserve the environment in FY2010 amounted to 3,991 million yen.

Environmental Protection Costs



(Units: million yen)

Environmental Protection Activity Costs				Total	
Category			Activity	Investment	Expenses
1	Business area costs (costs to minimize the environmental impact from manufacturing and service activities within the business area)		As set forth in breakdown for ①, ②, and ③	629	2,884
	Breakdown	① Pollution prevention costs	Costs related to installation, disposal, maintenance, management, etc. of facilities to prevent water and air pollution	49	557
		② Environmental protection costs	Costs for installation of ozone-depleting substance (ODS)-free water-based cleaning facilities, high-efficiency refrigerators, depreciation, operating and maintenance costs, etc.	454	1,846
		③ Resource recycling costs	Equipment and costs for waste disposal and recycling. etc.	126	481
2	Upstream/downstream costs (costs to minimize the impact of key upstream and downstream operations)		Costs related to analyzer installation and materials analysis as part of the Green Procurement Program; printing and revenue stamp costs for contracts with suppliers, etc.	0	29
3	Administrative costs		Personnel, maintenance and management costs for environmental management system, etc.	3	272
4	R&D costs		Costs related to the research and development of ODS-free water-based cleaning facilities, etc.	0	22
5	Community activity costs		Costs related to greening programs, landscape preservation, etc.	0	17
6	Environmental remediation costs		Costs related to soil replacement and operation, maintenance and depreciation of water-based cleaning facilities, etc.	0	135
Total				632	3,359

Yen exchange rates: 1USD=¥86.0 1EUR=¥113.2 1THB=¥2.7 1CHY=¥12.8 1SGD=¥64.1 1GBP=¥133.0 1MYR=¥27.3

Environmental Protection Plan

Overview of FY2010

The Minebea Group has established an Environmental Protection Plan to realize Minebea's Environmental Philosophy, and is working to achieve the goals of this plan.

In FY2010, the Minebea Group's business results and manufacturing activities recovered from their decline caused by the world economic slump in the wake of the global financial crisis. Compared to the previous term, energy and raw materials usage increased. Nevertheless, we continued to adhere strictly to local laws at our plants and places of business worldwide, and there were no violations of environmental statutes. Our product development, which holds the key to our future as an enterprise, is developing highly energy-efficient motors, AC-DC converters and other new eco-friendly products.

In striving to preserve the environment, considering the environment at the product distribution stage is just as important for enterprises as doing so at the production stage, and the Minebea Group is working steadily to realize such measures as recyclable product packaging.

For FY2011, we have decided to establish and work toward goal fulfillment in all of our CSR activities. Consequently, our ongoing Environmental Protection Plan has been designated as one of our CSR goals (see page 17), and going forward we will apply a PDCA cycle to our environmental protection initiatives in an appropriate manner.

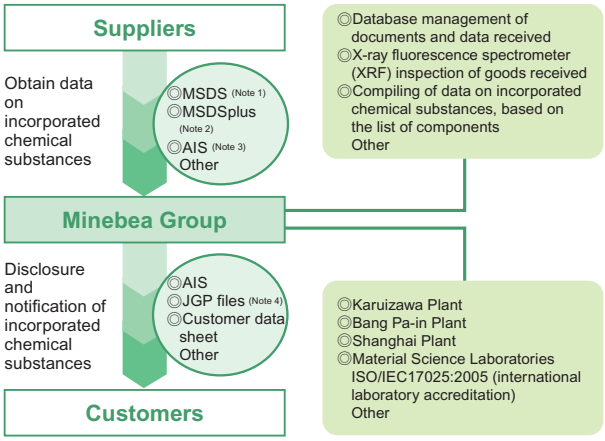
Product-related Initiatives for the Environment

Basic Approach

A majority of the products manufactured by the Minebea Group, such as bearings and motors, are components in products sold by our customers, and are not immediately visible. But precisely because our components are incorporated into such a wide variety of products, the Minebea Group believes it is important to offer products that are safe and free from harmful substances that might damage the environment, products that contribute to overall lifestyles by being energy- and resource-efficient as well as long-lasting.

Management of Environment-affecting Substances Incorporated in Products

The Minebea Group publishes the Minebea Group Green Procurement Standard and requests that suppliers provide products (raw materials and components) that are free from harmful substances, as well as data and documentation verifying their adherence to the standard. Furthermore, XRF (X-ray fluorescence spectrometers) are used in the Minebea Group's inspections of goods received to confirm that they do not contain any substances subject to the RoHS directive.



Note 1. **MSDS (Material Safety Data Sheet)**: A data sheet covering information required for safe handling of chemical substances (ingredients, characteristics, handling methods, emergency coping methods).
Note 2. **MSDSplus**: A data sheet recommended by the Joint Article Management Promotion Consortium (JAMP) to communicate basic information regarding chemical substances and compounds. Contains information not included in the MSDS that is required for management of toxic substances incorporated in products.
Note 3. **AIS (Article Information Sheet)**: A basic sheet recommended by JAMP for communicating information on toxic substances incorporated in product molds. Compiled based on MSDS, MSDS Plus, etc.
Note 4. **JGP File**: A standard format file stipulated for Green Procurement inspection by the Japan Green Procurement Survey Standardization Initiative (JGPSSI).

Fundamental Environmental Products

High-precision, High-quality Bearings

Bearings are a fundamental industrial product that is indispensible for humanity. Bearings enable parts to move easily and rotate smoothly. They improve functioning, conserve energy, and enable devices to be made smaller and last longer.

The Minebea Group boasts the top share in two opposing segments of the market: that for miniature ball bearings with a outer diameter of 22mm or less, and that for rod ends and spherical bearings for the aviation industry.

However, for both types of bearings, users demand extremely high levels of precision and product quality. To enhance these attributes of our bearings even further, we must push the limits of technology for such product attributes as outer and inner race groove roundness, ball sphericity, and the material quality of constituent parts.

Using our proprietary production equipment, maintenance technology, production line architecture and other expertise embodying 60 years of accumulated knowhow, the Minebea Group produces all of its bearing components in-house, and has never stopped pursuing ever-higher precision and product quality.

These highly precise, quality bearings are incorporated in home appliances, telecommunications equipment, automobiles and other products that play an integral role in our daily lives, and their high precision, extended service life, resource- and energy-efficiency and other characteristics are contributing to the environment in all kinds of ways.

Ball bearings

Products Contributing to Energy Conservation

AC-DC Converter Raises Current Conversion Efficiency to 94%

A wide range of home appliances and office products, including televisions, air conditioners, PCs, and printers, operate by converting alternating (AC) mains current to direct current (DC) with an internal AC-DC converter. However, it is difficult to achieve 100% AC-DC conversion, and all of the current that cannot be converted to DC is radiated as heat.

Conventional AC-DC converters operating with an input voltage of 100 volts require two or three heat sinks affixed to the circuit board to dissipate heat into the air, because conversion efficiency is in the 87–90% range.

However, the new dual-boost LLC-type AC-DC converter developed by the Minebea Group achieves 93% efficiency with 100-volt input and 94% efficiency with 200-volt input without the need for heat sinks. Consequently, it was possible to reduce the height of the new converter board to 10 millimeters and reduce the number of parts required.

This newly developed AC-DC converter is expected to become a core energy-efficiency product for such applications as large flat-panel televisions and data center servers.

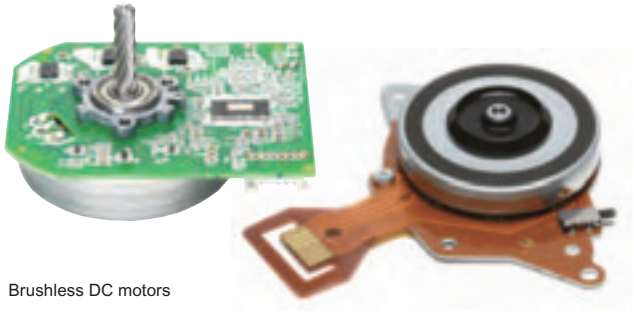
The new AC-DC converter that does not require heat sinks

Brushless DC Motor: High-efficiency, Low Power Consumption, Long Service Life

In FY2010, the Minebea Group began mass production of a brushless DC motor incorporating internal drive and control circuits.

Compared to DC motors that employ brushes to control the direction of current, the new DC motor consumes less power, is more efficient, and has a longer service life. The use of neodymium magnets and ball bearings developed by Minebea enhanced the motor's output characteristics. These motors are already being used in heliostat drive mechanisms for concentrated solar power systems, a potentially important next-generation source of electric power.

Furthermore, while DC motors using brushes have a power efficiency of 40–50%, brushless DC motors boast an efficiency of approximately 70%. Since it is estimated that more than half of all electricity consumed in machine operation is used to drive motors, demand for DC brushless motors is expected to increase in part due to their energy efficiency.



Brushless DC motors

Products Contributing to Resource Conservation

Weather-resistant, Long-life, High-performance AC Fan Motors

The Minebea Group has commercialized a series of weather-resistant, oil- and dust-proof AC fan motors with long service lives for products used in harsh environments, such as machine tools, and for such outdoor products as solar light generation systems and electric vehicle rechargers.

Enhancing weather resistance in all kinds of environments, this series saves user time and trouble required for maintenance while contributing to lower life cycle costs.

AC fan motors

Future Issues and Goals

Going forward, the Minebea Group will continue to monitor the concrete needs of society, and work to develop products that are safe and contribute to energy- and resource-efficiency.

In addition, the Minebea Group will continue working to formulate standards for eco-friendly products (tentative name: Minebea Green Products).

Initiatives for Effective Use of Resources

Basic Approach

All of the resources that are indispensible for Minebea Group Products are limited, including such raw materials as steel, resin, and ceramics, energy sources like oil, coal, and natural gas, and even water. Moreover, rare earth elements essential for the production of mobile handsets, PCs, and electric appliances are not only limited in terms of reserves, but are produced in only a few countries, making them likely candidates for export-related and other restrictions.

In addition, the mining of gold, tantalum, tin, and tungsten in the Democratic Republic of Congo and surrounding countries serves as a source of funding for organizations outside the control of government, and large-scale damage to the environment and local ecosystems caused by unrestricted development has become a major problem for international society.

Given the fact that rare earth elements are used in such a wide range of products worldwide, the Minebea Group considers the proper and efficient use of these resources to be an important management objective.

Results of FY2010 Initiatives

In FY2010, principal raw materials used by Minebea Group as a whole included approximately 65,300 tons of steel and 6,900 tons of resin, up approximately 20% over the preceding term due in part to our business recovery.

At the same time, the volume of waste emitted by the Minebea Group outside its facilities and ultimately sent to landfill totaled 4,086 tons, a reduction of approximately 17% compared to FY2009.

Initiatives at Offices

Effective Use of Water Resources (Karuizawa Plant)

The Karuizawa Plant, which manufactures such products as bearings for the aviation industry, formerly obtained water for its manufacturing processes from the municipal water supply. Now, however, the plant relies exclusively on water sourced from a spring on the plant's premises. Previously the spring water was simply discharged outside the factory, but switching it to industrial use means more effective water resource use and reduced manufacturing costs. The plant now uses approximately 200 tons of spring water daily.

Filtration system for effective use of spring water

Conversion of Raw Kitchen Waste into Biogas (Thailand)

Our Bang Pa-in and Lop Buri Plants have constructed biogas generation plants as part of the Thai Ministry of Energy's renewable energy plan. The biogas generated is being used in place of LP gas in the plant cafeteria.

Use of biogas helps reduce the use of fossil fuels, and since only CO_2 absorbed during plant and animal growth is released during biogas combustion, the energy released was generated via the life cycle and thus has an extremely low environmental impact.

Biogas generation plant at Lop Buri Plant, Thailand

Recycling of Swarf and Cutting Oil (Bang Pa-in Plant)

To further promote recycling of swarf and cutting oil in our Bang Pa-in Plant in FY2010, we placed additional compression devices in the swarf collection area.

Compressing swarf into briquettes reduces swarf volume and simplifies storage and transport. In addition, the compression process separates residual cutting oil from the swarf, allowing it to be recovered. As a result, less space is needed for swarf storage, and the swarf does not need to be collected for recycling as frequently, which contributes to reduction of transport-generated CO_2 emissions.

Compressed swarf briquettes

Swarf Recovery, FY2010

GM Division (six devices)	Pelmec Division (six devices)
◎Swarf recovered: 377 tons/month	◎Swarf recovered: 220 tons/month

Utilization of Packaging Waste Products Such as Wood Boxes (Thailand)

The Bang Pa-in and Ayutthaya Plants recycle the wood from wood packing boxes and other forms of packing waste to create signs, tables, shelves, desks, chairs and other useful objects that are used on the plant premises.

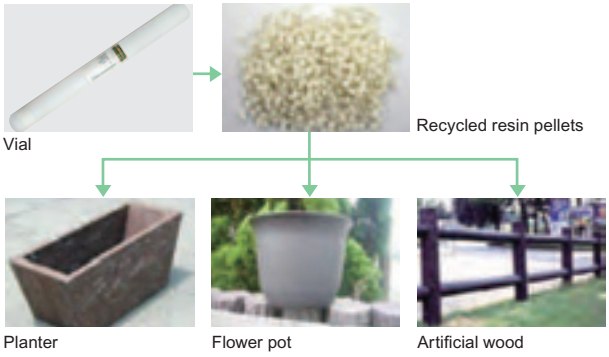

A sign, tables and chairs made from packaging waste products

Vial Material Recycling (Domestic Distribution Warehouses)

Vials are tubular polyethylene containers used to store anywhere from tens to around a hundred miniature bearings manufactured by Minebea, and are used as packaging to deliver bearings to customers. When delivering ball bearings manufactured in overseas facilities to customers in Japan, empty vials are not returned to their country of original manufacture, but are returned to domestic distribution warehouses where previously they were discarded.

Since the material of the container itself is pure resin, recycling had been under consideration for some time. However, since it was difficult to separate such material as the paper labels affixed to the vials, until now they had been processed as industrial waste (solid fuel combustion). However, advances in technology have made it possible to apply material recycling treatment to these vials, even with paper and other foreign substances adhering, and this allows Minebea Group used vials to also be recovered as a valuable resource.

In FY2010, approximately nine tons of vials were processed into resin pellets, after which they were used to produce such products as planters and flower pots as well as artificial wood with a very similar appearance to natural wood. When other products besides vials that can be recycled are included, such as container cases and trays, the total amount of material recycled from our domestic distribution warehouses totaled approximately 12 tons.

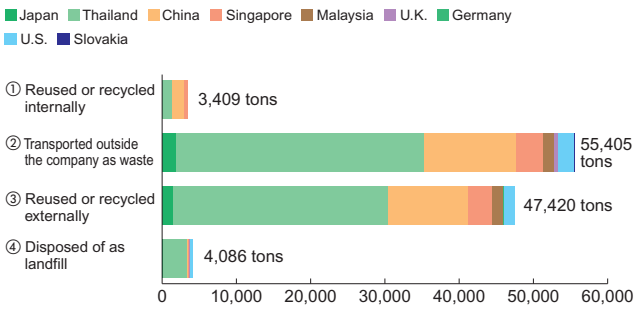


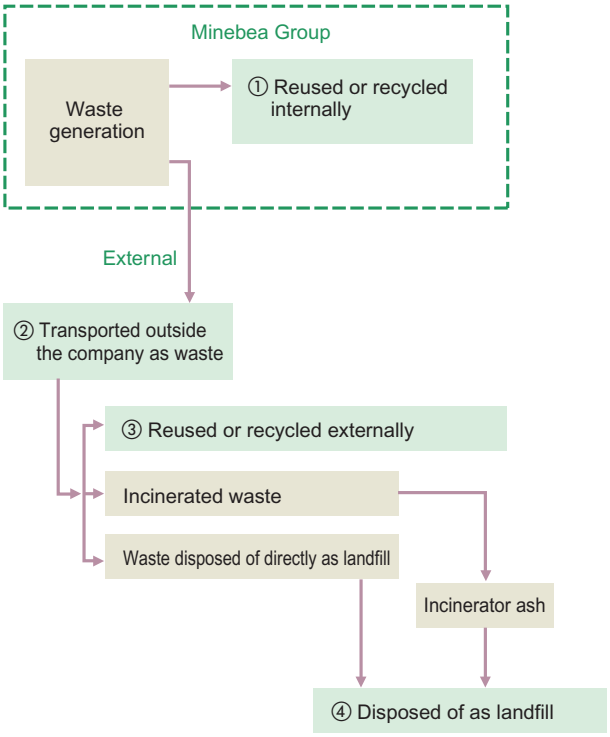
Reducing Waste

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

However, treatment methods vary due to conditions in different countries, although the waste itself is the same. In FY2010, the entire Minebea Group emitted approximately 55,405 tons of waste outside its facilities, of which an estimated 4,086 tons (7.4%) were sent to landfill.

Waste Processed in FY2010





Initiatives for Reducing Impacts on the Environment

Basic Approach

Factory effluents and emissions can be a source of water, air, and soil pollution that poses a threat to local communities. The Minebea Group seeks to coexist with the regions in which it operates, and believes that striving to reduce the emission of substances with an impact on the environment is an ongoing responsibility.

To comply with environmental laws in each country and region, each Minebea Group plant sets its own standards that exceed legal requirements, and monitors them on a daily basis. Additionally, employees conduct environmental patrols to ensure that there are no anomalous conditions, including leakage, unusual odors, high noise levels, or vibration in the vicinity of the plant.

Results of FY2010 Initiatives

As exemplified by its mass-production plants in Thailand and China, the Minebea Group's goal is to recycle effluents generated within the plant to the maximum degree possible, without discharging them outside the plant (Plant Zero-effluent System).

However, at the present time not all Minebea Group plants have introduced this system, and at some plants wastewater is discharged into rivers and streams after being cleaned to required levels in wastewater treatment facilities on the plant premises. 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 (Note 1), COD (Note 2), BOD (Note 3), SS (Note 4), and n-hexane extractions (Note 5) (oil content).

In FY2010, no anomalous monitored values were reported by any plant. In addition, no complaints relating to these metrics were received.

Note 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.

Note 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.

Note 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.

Note 4. **SS (suspended solids)**: The volume of substances suspended in water. The high the number, the greater the degree of water pollution.

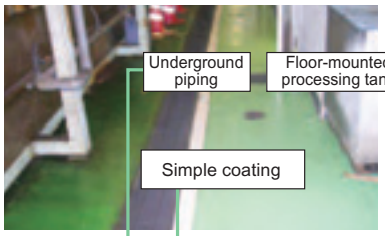
Note 5. **n-hexane extractions**: A substance called n-hexane, extracted from oils and detergents that are difficult to volatilize in water. In this report they signify mineral oils.

Plant Initiatives

Mitigating Risk to Soil and Groundwater (Fujisawa Plant)

Surface processing during the manufacturing process is carried out with water as well as a variety of chemical substances. Since nearly all of these chemical substances are liquids, such events as natural disasters, accidents, or mistaken use may result in spattering or leakage of fluids to the floor of the facility. In addition, buried piping and underground drainage pits for waste fluids can degrade and release effluents to the environment in such events as an earthquake.

Consequently, in view of the possibility of an emergency we have moved all facilities for surface treatment fluids, including piping and storage structures, from below ground to floor-mounted locations, and processing tanks and fluid piping are in plain view. In addition to moving the facilities to floor-mounted locations, the underlying floor surface was coated with a strengthened, chemical-resistant coating, and the area enclosed by an anti-leak dike.



Before improvement


Strengthened chemical-resistant floor coating and anti-leak dike (prevents ground infiltration and dispersion)


Above-ground transfer of process waste fluid (underground piping and pits eliminated)


Elevation of all processing tanks (in plain view)

Damage Control Training for Chemical Substance Leaks (Shanghai Plant)

Accidental leakage of chemical substances is a major risk in conducting machining operations. The Chemical Substances Group of the Environmental Safety Committee at Minebea's Shanghai Plant prepares for the possibility of such accidents by carrying out periodic damage control training for chemical substance leaks.

Regular training maintains plant employee skills in such areas as the appropriate and prompt emergency use of liquid chemical absorbent, which is always available on site for the prevention of chemical substance leakage, as well as measures to clean up absorbent afterward.

Damage control training for chemical substance leaks under way at the Shanghai Plant

Management of PRTR-controlled Substances (Japan)

In accordance with the Pollutant Release and Transfer Register (PRTR) Law, all of our places of business in Japan manage the amounts of PRTR-controlled substances used and transported.

Reported Results for FY2010

(Unit: tons)

Control number	Substance name	Volume handled	Emission Volumes			Transfer volumes
			Air	Water	Landfill	Waste
31	Antimony trioxide	1.8	—	—	—	0.0903
185	HCFC-225	1.05	0.99	—	—	0.06
232	Nickel compounds	0.8	—	0.01	—	0.34
384	1-bromopropane	26.65	24.53	—	—	2.12

Initiatives against Soil and Groundwater Contamination

In the past, the Minebea Group has caused soil and groundwater pollution at some of its places of business with chlorinated organic solvents containing volatile organic compounds (VOC). Cleanup work of contaminated plants and plant sites is proceeding under the Minebea Group's auspices. Cleanup for one such location, the Kanegasaki Plant in Iwate Prefecture, was completed in March 2011.

Cleanup was completed at the Kanegasaki Plant

Future Issues and Goals

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

Initiatives for Preventing Global Warming

Basic Approach

All of the Minebea Group's economic activities and dealings with society, including its business activities, are possible only with the stability and prosperity of the planet on which we live. In recent years, with respect to what is acknowledged to be a planetary-scale problem, global warming, the Minebea Group assumes that such consequences as increased energy costs and anomalous climatic phenomena will be the cause of a major impact on the conduct of its business activities.

Since the establishment of the Minebea Environmental Charter in 1993, the Minebea Group believes that it must deal with global warming, and has actively promoted energy conservation measures, and these measures are showing results. However, our production facilities and places of business have already implemented representative measures, and to promote further improvements going forward, we believe that more knowledge, specific successful examples, and plans must be shared across business unit boundaries.

In January 2010, the Minebea Group established its Energy Conservation Promotion Committee to take its company-wide activities relating to energy conservation and global warming-related measures to the next level. The Committee is staffed by members selected from all business divisions, and is undertaking to strengthen its initiatives to prevent global warming by sharing useful knowledge, technology and energy-conservation measures across divisional boundaries.

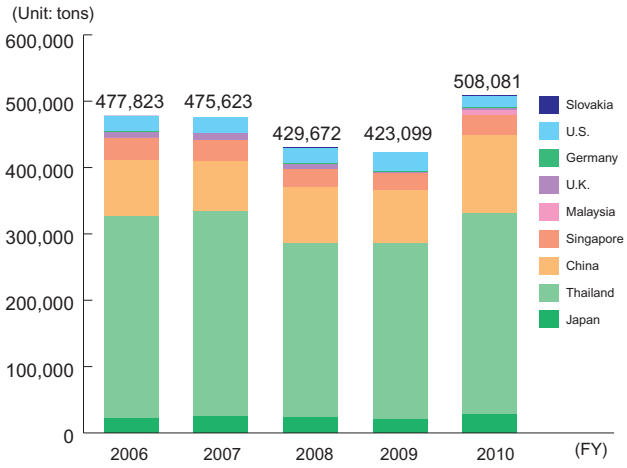
Results of FY2010 Initiatives

The Minebea Group's emissions of CO_2 in FY2010 totaled 508,081 tons, approximately 20% more than in FY2009. The increase reflects the Minebea Group's business recovery and increased utilization rates at its plants and production facilities worldwide, as well as the addition of new plants to our CO_2 emissions record-keeping.

In addition, the Great East Japan Earthquake, which occurred on March 11, 2011 resulted in continuing major electric power shortages, principally in areas served by Tokyo Electric Power Company and Tohoku Electric Power Company, and in the area centered on Tokyo and adjacent prefectures, planned electric power outages were carried out. The Minebea Group responded to these measures in a variety of ways, such as switching production from day to night at its Fujisawa and Matsuida Plants.

We will continue to cooperate with efforts to reduce electric power consumption within Japan.

CO_2 Emissions



Production Facility Initiatives

● Localized Air Conditioning for Foundry (Rojana Plant)

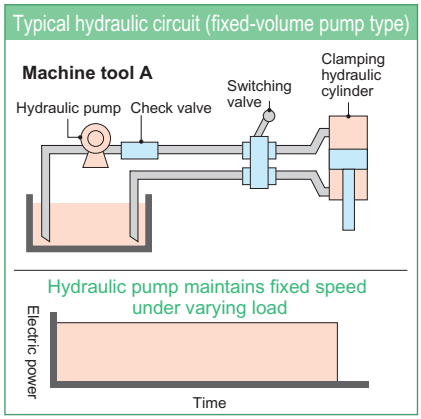
Many large-scale, high-temperature facilities are located in foundries, such as aluminum smelters and casting furnaces, and the operation of these facilities results in very high overall plant temperatures. As a result, situating air conditioners throughout the plant and running them at full capacity still did not result in sufficient cooling within the plant.

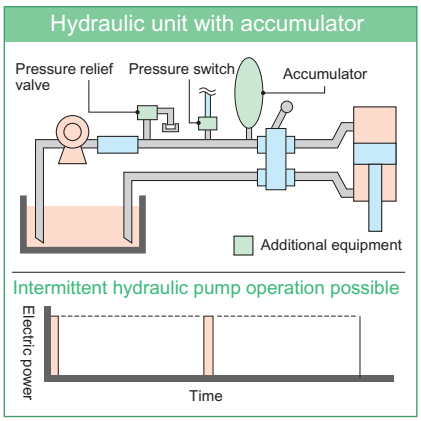
In March 2010, the Rojana Plant, which is the Minebea Group's principal smelting facility in Thailand, installed panels within the plant to partition employee work areas and passageways off from high-temperature areas of the plant. Air conditioning is concentrated in the partitioned areas. This approach resulted in a more comfortable working environment and contributed to energy conservation by dramatically reducing the volume of space to be cooled.

Working areas and passageways in the Rojana Plant are more effectively cooled by partitioning them off from the rest of the plant with panels

Promoting Energy Conservation with Intermittent Hydraulic Pump Operation (Machine Maintenance Dept., Energy Conservation Promotion Committee)

Oil pressure provides motive power for much of the machinery used by the Minebea Group. This pressure is typically maintained by constant operation of hydraulic pumps. When driving a particular machine, a switching or magnetic valve is opened, and hydraulic fluid is sent to a cylinder to power the machine's drive shaft.





As part of the activities of the Minebea Group's Energy Conservation Promotion Committee, the Machine Maintenance Dept. attached an accumulator to a hydraulic unit, allowing the pump to be operated intermittently. The results indicated that this approach could deliver a 30% reduction in the amount of electricity required to operate the equipment.

Going forward, the Energy Conservation Promotion Committee will recommend that business units adopt this approach and introduce intermittent hydraulic pump operation.

Preventing Global Warming through Accumulated Energy-efficiency Promotion (Chatsworth Plant)

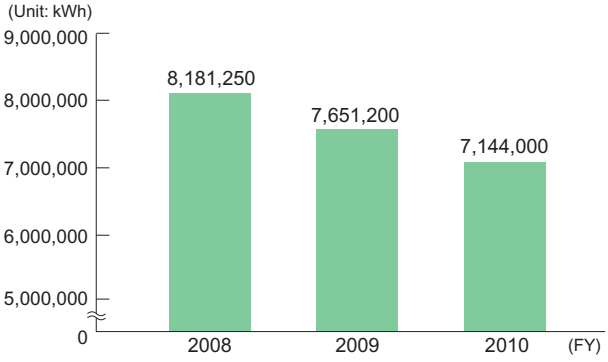
New Hampshire Ball Bearings, Inc. (NHBB) manufactures ball bearings for the U.S. market, from component processing to assembly. The accumulated impact of energy-efficiency promotion at NHBB's Chatsworth Plant is helping to prevent global warming.

Compared to FY2008, when the Chatsworth Plant consumed 8,181,250kWh of electric power, in FY2010 consumption amounted to 7,144,000kWh, a reduction of approximately 13%. Following are just a few of the energy-conservation promotion measures adopted by the plant.

- Improvement of lighting equipment for offices and manufacturing areas
- Sensor-controlled lighting in restrooms and corridors
- Enhanced efficiency through installation of inverters for mist collectors and exhaust fans
- Reduced lighting in corridors and other sunlit indoor areas
- Upgraded control system for building air conditioning system
- Installation of control device enabling intermittent control of air conditioning compressor (Aircosaver*)

*Aircosaver: a device to control unnecessary cooling of air conditioner evaporator coils by syncing the device with the air conditioner compressor and switching it off when the evaporator coil is thoroughly cooled.

Electric Power Consumption, Chatsworth Plant



Initiatives for Preventing Global Warming

Initiatives at Offices

Making Room Temperature Visible with Temperature Readouts (Hamamatsu Plant)

The Minebea Group believes that efforts to avoid overcooling its offices in summer and overheating them in winter are an important initiative to conserve energy in offices and help prevent global warming. To eliminate individual differences in perceived temperature and ensure that everyone manages room temperature to the same standard, everyone must be able to see what the temperature is. Large temperature readouts have been placed in all offices at the Hamamatsu Plant to make the temperature visible. Even in offices having older air conditioners without precise temperature control, the room temperature is clear, which also makes clear the standard for operating such air conditioners manually.

Temperature readouts were placed in each office of the Hamamatsu Plant

Establishing One Day Each Month with Fixed Quitting Time (Japan)

In support of the Japanese Ministry of the Environment's recommended policy, the Minebea Group had already been requiring employees at all domestic plants and places of business to leave work at a fixed time on "CO_2 Reduction/Lights Down Campaign" days in June and July, and has undertaken to raise employee awareness concerning the problem of global warming.

However, from the perspective that initiatives with respect to the problem of global warming should fundamentally be regular and continuous rather than temporary, beginning in August 2010, the third Wednesday of each month has been designated as a fixed quitting time day. At the outset of this initiative, the general manager of the Personnel & General Affairs Department and the Officer in Charge of Environmental Management jointly issued the notification below to employees.

> As a new company-wide initiative, the third Wednesday of each month will be designated as a fixed quitting-time day. On this day, not only lights but all electric office appliances should be turned off to the extent possible after the designated time.

Since then, on the third Wednesday of every month, employees at all domestic plants and places of business have been promptly turning off office lighting and air conditioning and leaving the premises at the designated time.

Initiatives Related to Logistics and Transport

Modal Shift Initiatives

Minebea uses high-speed ferries between Shanghai and Hakata to export and import products, machinery and equipment, materials and other goods between China and Japan, and uses Japan Railway freight trains and domestic vessels between Hakata and Tokyo. This transportation strategy greatly reduces lead times compared to using conventional freight vessels between Shanghai and Tokyo. It also substantially reduces energy consumption (CO_2 emissions) relative to air transportation.

High-speed RORO* ferries can load and unload containers using trucks instead of large harbor cranes. This contributes substantially to lead time reduction while saving energy.


Shipping containers are directly loaded and unloaded in Shanghai

***Roll-on & roll-off (RORO) vessel**; High-speed ferry capable of rapidly loading and unloading truck containers without using large harbor cranes.

Future Issues and Goals

In its fourth assessment report, the Intergovernmental Panel on Climate Change (IPCC) posits a best-case stabilization scenario of CO_2 emissions in 2050 at levels ranging from 50% to 85% lower than those in 2000.

In response, the Minebea Group will take into account trends and other factors in each country and enterprise in establishing its Medium-term CO_2 Reduction Target Value within this fiscal year.

Third-party Opinion

Reading the Minebea Group's CSR Report

Keisuke Takegahara
General Manager, Environmental Initiative & Corporate Social Responsibility-Support Department
Development Bank of Japan Inc.

In this section last year, I stated that the lack of a strong scenario depicting how the Minebea Group will make its vision and policies a reality was almost inevitable, given the major shift in content from the Minebea Group Environmental Report to your CSR Report last year. At the same time, I predicted that in the next report, for 2011, this temporary issue would be solved, and that a new CSR management direction for the Minebea Group would likely be clearly laid out. This new report betrays that prediction in a positive way. Throughout this report, the Minebea Group's CSR management is depicted as extremely systematic, and in a far more convincing manner than I had anticipated.

The foremost example of this is the two special features that appear early in the report. The first special feature, covering the development of energy-efficient motors, dealt with a timely topic and demonstrated your enthusiasm for contributing to society through technology as well as your attention to developing younger engineers. The second special feature detailed the many diligent efforts carried out by the Minebea Group's largest production facility, NMB-Minebea Thai, with respect to the environment and society and in close association with the local community. Both of these excellent cases spoke eloquently of the Minebea Group's CSR. I thought both special features were wonderful and showed the essence of "manufacturing with sincerity" in a concrete way.

In addition, a great step forward for the current report was the organic manner in which your newly-established CSR goals connected the Minebea Group's Five Principles, which support the basis of your management; your basic CSR policies and initiative policies; and the individual reports that followed. This organic connection will clarify the key performance indicators (KPI) that the Minebea Group is considering in each area, and it made your CSR management easy to understand throughout the report.

In addition, the charts and figures are generally simpler, making the content easy to understand at a glance. I believe this is also consistent with the aforementioned change. By putting forth your CSR goals, you have enlarged the number of stakeholders, your intended readers, that you can expect to reach.

Going forward, I plan to pay close attention to how your medium- and long-term CSR goals are laid out by President Kainuma in his Top Commitment section at the beginning of future reports. I believe this will lead you to delve deeply into the Minebea Group's social mission of "reliably supplying high-quality, high value-added products," which has taken on new importance in view of the recent great earthquake. Examples of initiatives I would hope to see include 1) conforming the definition of "high-quality, high value-added" to your standards for green products and making visible the social benefit (that is, the impact of environmental functionality) of Minebea Group products, and 2) in terms of "reliable supply," dealing with resource risk—exemplified by the "conflict resources" President Kainuma touched on in his message—as a supply chain CSR issue.

The Minebea Group has declared its commitment to growing with local communities. This is precisely why I have even greater expectations, given the major step forward that this year's CSR report represents, that you will take an even wider circle of stakeholders into account in your future CSR management.

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 Representative Office in Germany, within the Bank's Research Department and Policy Planning Department, and as section head of the Office for Corporate Social Responsibility of the Department for Public Sector Solutions. Mr. Takegahara is also a member of several councils, including the Central Environment Council's Expert Committee for a Virtuous Circle for Environment and Economy (General Policy Subcommittee), and the Japanese Ministry of the Environment's Survey on Environment Business Market Size and Employment Size (Deliberative Committee on Target Industries and Services).

On Receiving a Third-party Opinion

Masayuki Imanaka
Managing Executive Officer and Chief of CSR Promotion Division

Thank you very much for your valuable comments on this CSR report for FY2011.

This fiscal year's CSR report, the second which we have issued annually, includes two special features. I am pleased to see that you regard these sections of the report as communicating the Minebea Group's view of CSR.

At the same time, the lack of a strong overall scenario depicting how we will make our vision and policies a reality over the medium to long term, which you pointed out, is something we recognize must be addressed going forward. Although we have established single-year goals, we will have to defer medium- and long-term goals to our FY2012 report, and in this respect we cannot help but acknowledge our limitations.

We recognize that creating a PDCA promotion structure for CSR management will be an important element in setting medium- and long-term CSR goals and starting to manage them in FY2012. This is one of our FY2011 goals. Keeping in mind our mission of "reliably supplying high-quality, high value-added products," we will strive to achieve our FY2011 goals, and using those achievements as a platform, we will work toward the establishment of medium- and long-term CSR goals.

We will continue striving to make our CSR reports easy to read and understand. Moreover, based on your advice, we will undertake to improve our CSR initiatives and work to take them to the next level.

Minebea

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