Initiatives for the Environment

Aiming at our corporate philosophy "To contribute to realization of a sustainable, eco-friendly, and prosperous society by providing better products, at a faster speed, in larger numbers, at a lower cost and by smarter means," we will work diligently on decarbonization and the reduction of environmental burden.

The environmental policy can be viewed from here.

For acquisition of SBT certification

Material Issues 2

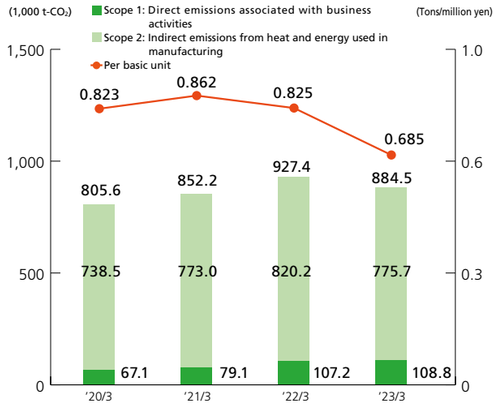
In July 2023, we submitted a commitment letter to the SBT Initiative (SBTi), an organization that certifies scientifically consistent greenhouse gas emission reduction targets as stipulated by the Paris Agreement. We announced that we aim to obtain SBT certification within two years.

The Group identifies "Minimizing the environmental impact of business activities" as one of its material issues and will aim at achieving a 30 percent reduction in greenhouse gas emissions by the fiscal year ending March 2031 (compared with the fiscal year ended March 2021) and at carbon neutrality in 2050 at the latest, in the whole Group.

Greenhouse gas emissions during the fiscal year ended March 2023

Material Issues 2

Scopes 1 and 2 emissions



Scope 3

(Indirect supply chain emissions related to business activities)

Purchased goods and services	Capital goods	Transportation and distribution
3,893,000 t-CO_2	480,000 t-CO_2	186,000 t-CO_2

Other

"Fuel and energy-related activities (not included in Scope 1 or Scope 2)," "waste generated in operations," "business travel," "employee commuting," "use of sold products," and "end of life treatment of sold products"

288,000 t-CO_2

* Out of the 15 categories in Scope 3, we use the nine categories above in our calculations.

The detailed environmental data can be viewed from here.

For Scopes 1 and 2, the Group has set a 10% reduction per unit sales compared with the fiscal year ended March 2020 by the fiscal year ending March 2026 as a medium-term target. In the fiscal year ended March 2023, we realized a 16.8% reduction per unit sales compared with the fiscal year ended March 2020 through more efficient productivity and introducing renewable energy, to achieve the target earlier than we had planned. Although PFC and SF6 emissions comprise a large percentage of the emissions in Scope 1, our emissions are expected to be reduced in the future as we installed new emissions removal equipment during the fiscal year ended March 2023. In this fiscal year, we are setting a new medium-term target toward 2050 carbon neutrality.

In Scope 3, emissions from Category 4 (transportation and distribution) increased in the fiscal year ended March 2022 because it was difficult to secure sea freight owing to the spread of COVID-19, but emissions were improved in the fiscal year ended March 2023 as sea freight became more available.

As our Group's Scope 3 emissions are five times higher than Scopes 1 and 2, we will set Scope 3 targets in the fiscal year ending March 2024, and will work to reduce them going forward. For that purpose, we are conducting surveys in cooperation with our suppliers of greenhouse gas emissions in Category 1 (purchased goods and services), which account for 80% of all Scope 3 emissions. These surveys will allow us to understand current emissions and set appropriate reduction targets.

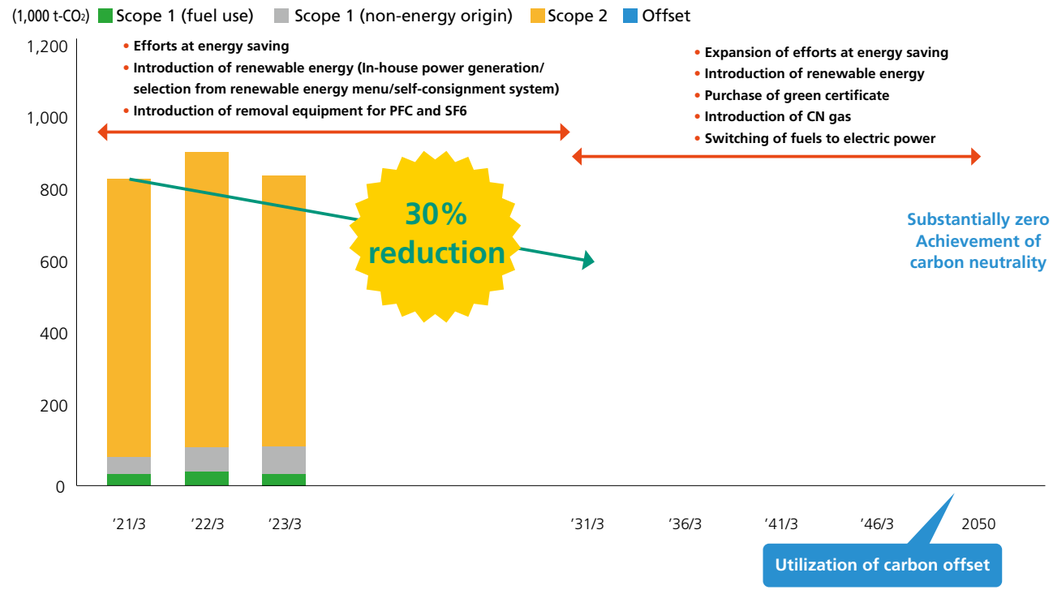
Initiative for carbon neutrality by 2050

Material Issues 2

The Group is promoting a 30 percent reduction in greenhouse gas emissions (Scopes 1 & 2) compared with the fiscal year ended March 2021 by the fiscal year ending March 2031, and to achieve carbon neutrality by 2050. We are promoting the procurement of renewable energy through the introduction of in-house solar power generation equipment, self-consignment systems, electric power procurement agreements and PPAs.

In Japan in June 2023, we started to send electricity from solar power generation (about 2.4 MW) to our five offices and plants in the Kanto area using the self-consignment system. In the future, we aim at increasing the output of power generation to about 10 MW by around September 2023 and to over 50 MW by June 2025.

Road map to carbon neutrality



Status of and plan for the installation of solar power generating equipment*

Country	Plant	Condition	Scale (MW)
Thailand	Bang Pa-in Plant	Existing	14.6
		Planned	6.0
	Lop Buri Plant	Existing	1.9
		Planned	14.1
Malaysia	Malaysia Plant	Planned	1.6
Philippines	Cebu Plant	Planned	7.9
Singapore	Jurong Plant	Planned	0.8
America	Chatsworth Plant	Planned	1.4
Slovakia	Kosice Plant	Planned	0.8
Hungary	Kisber Plant	Planned	0.7
Japan	Hiroshima Plant	Planned	1.5

*This represents the current installation plans, and is subject to change.

Power procurement agreements (planned)*

Country/region	Plant	Electric energy procured (GWh/ annum)
Thailand	Bang Pa-in Plant	129.2
	Lop Buri Plant	63.2
Philippines	Cebu Plant	179.1
Cambodia	Cambodia Plant	70.0
Europe	The whole Europe	42.0

Assessment from CDP

In the CDP Scores, **we were awarded "A-" in Climate Change 2022 and "A" in Water Security 2022**

The MMI Beyond Zero initiative

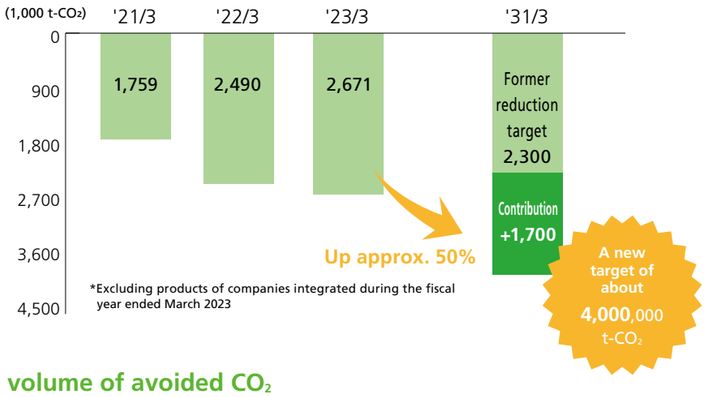
Material Issues 1

The Group's "MMI Beyond Zero" initiative aims to contribute to the reduction of global CO_2 emissions by enhancing the energy-saving features of our products. By using these products, our customers will in turn reduce the electricity consumed by their products, and their customers' products. As a part of this initiative, we have been tracking the amount of CO_2 emission reduction contribution by our products since the fiscal year ended March 2021.

Actual volume of avoided CO_2 emissions and new target

The result for the fiscal year ended March 2023 was about 2,671,000 t-CO_2 and increased by about 7.3% year on year.

We achieved in the previous fiscal year the target set in the fiscal year ended March 2021. This fiscal year, we set a new target of reducing "about 4,000,000 t-CO2, an increase of about 50% of the actual result for the fiscal year ended March 2023, by the fiscal year ending March 2031." We will continue to contribute to reducing global CO_2 emissions through the development and promotion of products with advanced energy-saving features.



Examples of products with a high volume of avoided CO_2

High-performance fan motor bearings

Bearings support rotating shafts and are the most important part of rotary components such as motors.

We specialize in miniature ball bearings, which are used in fan motors, which are used widely in IT-related electronic devices and components for cooling.

Fan motors

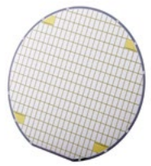
Miniature ball bearings

Volume of avoided CO_2 emissions Approx. **1,424,000** t-CO_2

IGBT: Insulated gate bipolar transistors

An IGBT is a transistor most suitable for control of high voltage and large current and is used to convert electricity sent from a power source into a form suitable for a motor or electrical equipment.

It is used for an electric car and a home electrical appliance, such as an air conditioner, and contributes to energy saving by controlling rotation speed of a motor efficiently.


Our IGBT wafer

Volume of avoided CO_2 emissions Approx. **252,000** t-CO_2

Progress of Green Bond Framework

Material Issues 1 2

Progress of Green Bonds issued in November 2022 is as shown in the right table. We will continue to contribute to realizing a sustainable, earth-friendly, and affluent society.

Reporting of state of fund allotment

(Millions of yen)

Business category	Eligible business	Required amount	Allocated	Unallocated	Expected allocation time
Production of ball bearings	Capital investment in production equipment for high-quality bearings to contribute to power conservation	25,000	13,607	10,497	By fiscal 2024
	Capital investment in production equipment for bearings with innovatively improved precision				
	Capital investment in production equipment for bearings for the chief motors of an EV				
Procurement of decarbonized power sources	Introduction, operation, and maintenance of solar power generation systems to our own equipment		896		
	Purchase of renewable energy electric power		0		

(Millions of yen)

New finance/ refinance	Sum	Proportion (%)
New finance	971	6.69
Refinance	13,532	93.31
Total	14,503	100.00

Impact reporting

*Regarding some of the plants in the Thailand area for which we allocated funds, annual reductions are expected, because they will start to work in the fiscal year

Business category	Eligible business	Final use	Avoided CO_2 emissions (t-CO_2/annum)	[Expected] avoided CO_2 emissions (t-CO_2/annum)*
Production of ball bearings	High-quality bearings to contribute to power conservation and bearings with innovatively improved precision	Fan motors and quality home electrical appliances (e.g. air conditioners) used at data centers	242,306	473,751

Business category	Eligible business	Final use	Avoided CO_2 emissions (t-CO_2/annum)	[Expected] avoided CO_2 emissions (t-CO_2/annum)*
Decarbonized power sources	Introduction, operation, and maintenance of solar power generation systems to our own equipment	Thailand	2,919	7,604

Initiative for TCFD recommendations

Material Issues 2

The Group recognizes the importance of disclosing climate-related financial information and in 2020 endorsed the recommendations of the Task Force on Climate-related Financial Information Disclosures (TCFD). As such, we disclose information on mitigating the risks and seizing the opportunities brought about by climate change.

The Group sees it as one of its missions to contribute to achieving global carbon neutrality in 2050. In addition to reducing its own greenhouse gas emissions to achieve carbon neutrality, the Group work to help its customers reduce their greenhouse gas emissions through its products. We have set a reduction target for our own greenhouse gas emissions in the fiscal year ending March 2031 at a 30 percent reduction compared with the fiscal year ended March 2021 and, after we achieve the target, will be making efforts to achieve carbon neutrality by 2050 at the latest.

We are engaged in initiatives under MMI Beyond Zero to help customers reduce their greenhouse gas emissions through our products, and we will also use these initiatives to control our own Scope 3 emissions. We will promote these initiatives as key business strategies, including the supply of components for products and equipment such as electric vehicles, solar power generators, and green data centers, as well as the development of energy-saving, resource-saving, long-lifespan products.

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

The detailed response to TCFD can be viewed from here.

Results of scenario analysis

Based on the scenario analysis, the graphs below were created to show the potential level of financial impact on the Company due to climate change (impact on operating income in fiscal 2030, assuming operating income achievement of 250 billion yen). The graphs show the degree of financial impacts from negative and positive factors, namely risks and opportunities. They also show the impact of response measures taken to minimize negative impacts by mitigating the increased flood risk associated with more severe weather events.

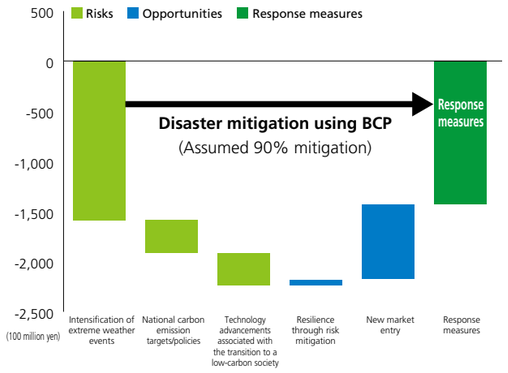
Under the 1.5°C Scenario, the opportunity to enter new markets yields a projected profit of around 140 billion yen. This is larger than the 80 billion yen profit predicted under the 4°C Scenario, indicating the importance of fully seizing business opportunities.

On the other hand, the analysis suggested a possibility that a terrible weather disaster caused by climate change may have a great impact on the Company's finances as the flood risk. The Group experienced a shutdown of two plants of the five that it owned at the time because of a flood occurred in the middle part of Thailand in 2011. Since then it has taken physical measures, including drawing up of a BCP and raising of waterproof banks and plant premises, against the flood risk.

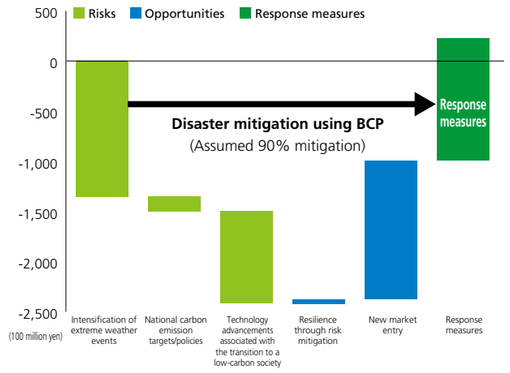
We are confident that we have now taken appropriate measures according to the degree of the flood risk at plants. We will follow up on the state of the measures and endeavor to improve the measures so that the flood risk will not be materialized.

Financial impact levels due to risks, opportunities, and risk mitigation measures

4°C scenario



1.5°C scenario



Financial impact evaluation by scenario analysis and response measures

Item	Impact on the business	Evaluation	Response measures to risks/opportunities	Applicable scenario
Intensification of extreme weather events (supply chain disruption, and suspension of internal operations)	<1.5°C/4°C> Due to the potential for river flooding near our sites in Thailand, Cambodia and China, repair costs and lost sales could occur. Moreover, sites of MITSUMI ELECTRIC (Philippines, etc.) located in coastal areas could be similarly affected by disasters such as storm surges and typhoons.	★★★	**Risks:** • We are reviewing our BCP and establishing a production system that is more resistant to disaster impacts. In addition to taking our own measures, such as establishing duplicate suppliers in our supply chain, that will allow us to adapt more quickly even in the event of a disaster, we will survey the mitigation efforts of our suppliers.	1.5°C/ 4°C
		★★★	**Risks:** • For logistics, we will consider further modal shifting globally and promote production that is closer to consumption markets. • We will promote engagements for ESG with parts manufacturers to deepen relations with them so that both can achieve sustainable development.	4°C
Introduction of carbon taxes and emissions trading, and national carbon emission targets and policies (cost increases for policy compliance)	<1.5°C> Energy and greenhouse gas emissions costs will increase with the adoption of carbon taxes, emissions trading, and green electricity purchase requirements. At the same time, electricity rates will trend downward along with the widespread adoption of renewable energy. <4°C> It is predicted that a certain level of increases in energy and greenhouse gas emission costs will be incurred due to the introduction of carbon taxes, emission trading, and green electricity purchasing requirements, etc., and indirect costs will increase.	★	**Risks:** • We will need to promote measures such as CO_2 emissions reduction by investing in energy-saving, as well as Scope 2 emissions reduction by increasing the ratio of renewable energy procurement.	1.5°C
		★	**Risks:** • We will need to promote measures such as CO_2 emissions reduction by investing in energy-saving, as well as Scope 2 emissions reduction by increasing the ratio of renewable energy procurement, to avoid being subject to regulations. • With renewable electricity procurement in mind, we will prepare for the increased energy costs under the financial plan, and make efforts to improve production efficiency. • We will promote the procurement of renewable electricity while increasing the amount of renewable energy we generate.	1.5°C/ 4°C
Technology advancements to associated with the transition to a low-carbon society	<1.5°C/4°C> There is a growing need for products with outstanding energy-saving performance and those that help reduce greenhouse gas emissions. Those products that cannot keep pace with technological innovation will get eliminated. Moreover, we will need to bear the costs of the necessary R&D and technological development.	★★ (1.5°C) ★ (4°C)	**Risks:** • We will need to promote advanced R&D and technological development to meet low-carbon needs, and to make proactive and systematic investment to remain competitive. **Opportunities:** • As the need for high-efficiency products to reduce energy costs will increase substantially, we will aim to expand the market using our energy-saving technology.	1.5°C/ 4°C
		★★	**Opportunities:** • We will create a system to calculate the CO_2 emissions reduction effect of our products along with their carbon footprints, and will provide this as part of the design and development output data.	1.5°C
Resilience through risk mitigation	<1.5°C> Climate change is expected to make major disasters more frequent, similar to past flooding in Thailand. By implementing the necessary BCP activities, we can enhance the appeal of our products to customers. <4°C> Climate change is expected to make major disasters even more frequent, similar to past flooding in Thailand. By implementing the necessary BCP activities, we can enhance the appeal of our products to customers.	★	**Opportunities:** • We will create and maintain an effective BCP, improve communication with customers to enhance our reputation for reliability with them, and disclose information about our BCP system.	1.5°C/ 4°C
Changes in product and service needs/ New market entry	<1.5°C/4°C> As concern about climate change promotes the widespread adoption of electric vehicles, sales volumes for bearings, motors, and other parts necessary for these vehicles could increase substantially. /As concern about climate change promotes the widespread adoption of electric vehicles, high-efficiency devices (drones and robots, etc.), and clean energy, sales volumes for bearings and other parts necessary for these products could increase substantially.	★★★ (1.5°C) ★★ (4°C)	**Opportunities:** • During the transition to a low-carbon society, we will work to expand sales by implementing a growth strategy for our energy-saving technology under our business plan. • Developing and combining next-generation technologies by implementing digital transformation (DX) • We will continue to promote M&A activities globally, and promote a cooperative growth strategy to dominate expanding markets. (Expanding mass production outside Japan)	1.5°C/ 4°C
		★★★	**Opportunities:** • We will increase investment and promote technological development to enhance the added-value appeal of our products. This includes assessment of product environmental performance, including energy-saving and low-carbon specifications, and labeling our products with relevant carbon footprint data. (GX promotion and target achievement)	1.5°C
		★★	**Opportunities:** • We will promote further technological development to create products with high energy-saving performance.	4°C

	Profit (100 million yen)	Costs (100 million yen)
★★★	2,500-1,250	2,500-1,250
★★	1,250-625	1,250-625
★	625-0	625-0

Chief Green Officer's (CGO's) Message

The power of INTEGRATION of 100 thousand employees with diverse backgrounds, resolutely tackle the problem of preservation of the global environment

Hitoshi Kometani

The world turned the rudder largely to Green Transformation (GX)

In 2020, the world was struck by the raging spread of COVID-19 and was forced to take countermeasures against the virus, resulting in a slowdown of the world economy. Under those circumstances, the EU worked out a new growth strategy called the European Green Deal. It declared that it would produce new employment through the efforts holding up a goal of 2050 Carbon Neutrality. Spurred by those movements of the EU and the U.K., Japan, the U.S. and other countries also declared 2050 Carbon Neutrality one after another.

Furthermore, carbon neutrality was set as a goal of companies, not only countries. IT major companies declared they would achieve carbon neutrality in their business by 2030 one after another, and requested their suppliers to use renewable energy to manufacture components.

Products to contribute to preserving the global environment, which are made by environmentally friendly methods

MinebeaMitsumi's original business was the production of bearings. A bearing is a part to minimize friction and resistance and to reduce energy loss in mechanical movement.Our ultra-precision machining technology used for motors, sensors, and analog semiconductors, not only bearings, contributes to reducing loads to the environment in such ways as miniaturizing our customers' products and prolonging product life, not only saving energy.

Now, MinebeaMitsumi is making every effort to produce products that contribute to preserving the global environment using environmentally friendly production methods. We have declared that we will achieve carbon neutrality by 2050.

In the future, we will focus even more on expanding the use of renewable energy and developing products that help EVs run safely and comfortably.

Even though we are from different countries, our desire to preserve the global environment is the same. Communication that unifies is important.

Since I joined the Environment Agency in 1986, I had been engaged in preparing a bill for the Basic Act on the Environment and in starting the Eco Mark system, and left to serve as the first secretary in charge of the environment in the Japanese Embassy in China in 1998. Moreover, after the Great East Japan Earthquake, I served as Director of Policy Planning and Coordination Division and Press Secretary at the newly set up Secretariat of the Nuclear Regulation Authority.

In Beijing, even with a person with whom I had engaged in difficult diplomatic negotiations and disagreed with over national interests, I felt that I could agree with them on the thought that, as a citizen, we should pass on the global environment, which remains a great blessing, to our children. At the Secretariat of the Nuclear Regulation Authority, I learned it is important to explain what we were thinking and what we were going to work on, in words everyone can understand, as we tossed matters back and forth with reporters twice a week, while movie cameras filmed the situation. I also wish to make efforts so that we make not only people in Japan but also those in foreign countries understand the Company's policy on and the actual results of environmental preservation, at MinebeaMitsumi, which globally develops its business.

Overcome common problems to humanity with the power of INTEGRATION of 100 thousand employees

MinebeaMitsumi has the strength of INTEGRATION, for which 100 thousand employees with diverse backgrounds gather to put their heads together. We will continue studying hard all together to protect the global environment of a great blessing and hand over it to the next generation.

Initiatives for Society

To ensure management sustainability, the MinebeaMitsumi Group is working on the material issues (Materiality), "3 Strengthening the system for mass and stable supply of ultra-precision components," "4 Practicing responsible procurement," and "5 Coexisting with local communities."
Here, as initiatives for society, we provide information on "Reinforcement of quality control systems," "4 Practicing responsible procurement," "Policies and initiatives related to human rights," and "5 Coexisting with local communities."

Material issues (Materiality) Pages 31 to 32

Reinforcement of quality control systems

Material Issues 3

Quality management framework

The Group has created "Group Quality Management Rules" covering the entire Group as part of our measures to ensure the safety of its products & services and to prevent accidents. We have also prepared "Group Product Safety Management Manual," "Group Conflict Material Management Manual," "Group Responsible Conflict Minerals Procurement Management Manual," and "Significant Quality Issue Handling Manual" to go with the "Group Quality Management Rules," and share them across the Group.

Final responsibility for the quality management framework lies with the President, and the "Quality Management Committee" has been established as an advisory body. As a subordinate organization, the "Quality Assurance Managers Council," comprised of managers responsible for quality in each business unit, holds meetings where managers regularly share information on specific quality issues and work to implement internal measures to ensure similar problems do not reoccur. In addition, the "Safety Regulation Council" ensures compliance with the Electrical Appliance and Material Safety Act (in Japan) and shares information on safety regulations in each region of the world to strengthen the Group's response.

Going forward, as we shift from simple parts to more complex ones that are closer to final products or even final products themselves, which will see higher demand, we will establish a "Product Safety Council," which will select members from each business unit, share information, and hold workshops.

Risk management

The Group takes steps to mitigate the risk involving end products in which the Group's parts are commonly used and which could have a serious impact on society in the event of a problem. Accordingly, headquarters and the respective business units perform collaborative risk assessments to such ends.

Promoting quality management system certification

We have obtained certification of the necessary quality management systems at each business unit. We are also gradually working on obtaining certification in relation to the standards required for new products. In addition, the Quality Assurance Headquarters provides training for internal auditors to train internal auditors continuously to maintain and improve the system.

Cooperating with suppliers

In order to meet the quality requirements of our customers throughout the supply chain, we clearly indicate MinebeaMitsumi's quality policy to our suppliers, and request their understanding and cooperation.

Disclosing information on products

Most of the products supplied by the Group are parts that are built into the final products that are used by consumers. For that reason, we provide safety information and information on the chemical substances contained in our products, based on customer request.

Material issue target	During the fiscal year ending March 2024, we will promote the acquisition of certification of new standards, including VDA6.3 and IATF16949, and expand education for auditing personnel. We will also strengthen our product safety management system so that it is capable of supporting products in new fields through business expansion to be achieved around March 2025.

Practicing responsible procurement

Material Issues 4

CSR procurement

Considering the global scope of our business activities, we believe it is important to promote CSR throughout our supply chain. In March 2012, we took steps to establish a framework for CSR procurement with the formulation of the "MinebeaMitsumi Group CSR Procurement Guidelines,*" which is based on the "MinebeaMitsumi Group Code of Conduct.*" The basic transaction contracts we sign with our suppliers require observance of these guidelines and make violations cause for termination.

In addition, to assess the status of CSR promotion by our suppliers, we established the "MinebeaMitsumi Group CSR Procurement Self-assessment Checklist*" and have asked our suppliers to complete it. Questions on the checklist are divided into the five categories of "general promotion of CSR," "human rights and labor," "health and safety," "environmental conservation," and "ethical management" to assess risks in the supply chain. We provide feedback to our suppliers and, when some problems are seen in their answers, check the state thereafter in detail by communicating individually with the suppliers.

We implemented the following measures in fiscal 2022:

1) Revision of "MinebeaMitsumi Group CSR Procurement Self-assessment Checklist"
   To grasp in detail the state of promoting CSR, we reviewed and revised questions about "general promotion of CSR."
2) Monitoring the status using the CSR Procurement Self-assessment Checklist
   We conducted a survey of U-Shin's 118 main suppliers in China (representing 87% of its purchase amount) and received responses to it from all of them.
3) In-house education in CSR procurement
   All the employees (271) of the procurement and logistics divisions of Group companies in Japan completed the course using an education tool, and all of them passed a comprehension test.
4) Obtained human rights pledges
   To promote our policy of "responsible procurement," regarding three suppliers integrated into us, a total of 584 companies (252 Minebea Connect companies, 213 HONDA TSUSHIN KOGYO companies, and 119 Minebea AccessSolutions companies), we had those companies submit written pledges for human rights.

These pledges contain the following promises:

1) A promise to comply with the requirements set forth under MinebeaMitsumi's "CSR Procurement Guidelines": (1) employment autonomy, (2) prohibition of child labor, (3) prohibition of discrimination, (4) prohibition of inhumane treatment, (5) minimum wage, (6) working hours, and (7) freedom of association.
2) A promise to request that others in the supplier's supply chain also comply with MinebeaMitsumi's "CSR Procurement Guidelines."
3) A promise that there are no current violations by the supplier or others in the supplier's supply chain; moreover, that if any violation is discovered, the supplier will immediately report it to the Company and correct it, or ensure that it is corrected.

Moreover, we make the submission of this pledge a condition of business with any new suppliers.

We also have audits conducted by third-party agencies as necessary when human rights violations are suspected.

Promoting "responsible mineral procurement"

In August 2012, the U.S. Securities and Exchange Commission adopted a disclosure rule mandated by "U.S. financial reform legislation" requiring companies to disclose the use of conflict minerals. We responded by formulating a "MinebeaMitsumi Group Policy on Conflict Minerals*" in October 2012, in which we summarized the Company's approach regarding "conflict minerals" from the Democratic Republic of the Congo and its neighboring countries.

We also added "conflict minerals" to the "CSR Procurement Guidelines." Later, we have asked our suppliers to promote initiatives to ensure that no tantalum, tin, tungsten, gold, cobalt, or other minerals that are related to conflicts or CSR risk are used as part of our efforts to ensure responsible mineral procurement. We will continue to respond to requests from customers using our database.

Material issue target	In the fiscal year ending March 2024, we will assess the status of CSR promotion in the three suppliers integrated into us based on the "CSR Procurement Guidelines," using the "CSR Procurement Self-assessment Checklist." Moreover, toward SBT certification, we will conduct a questionnaire survey of our suppliers regarding greenhouse gas emissions.

* These names were changed from "Minebea Group Code of Conduct," "Minebea Group CSR Procurement Guidelines," "Minebea Group CSR Procurement Self-assessment Checklist," and "Minebea Group Policy on Conflict Minerals" in January 2017.

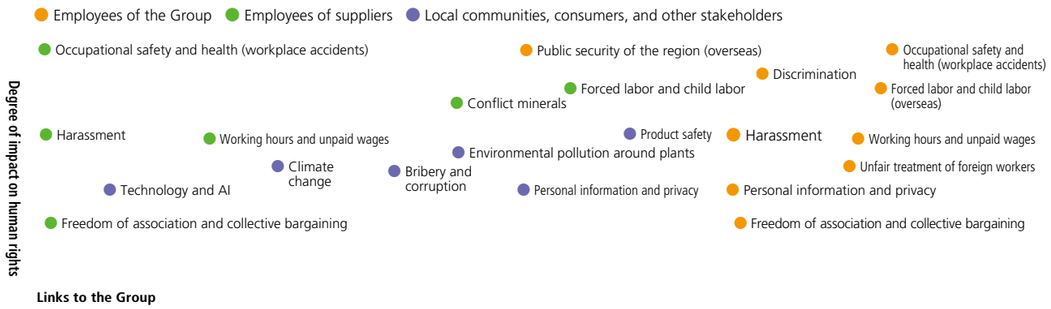
Policies and initiatives related to human rights

With the global expansion of business in recent years, we face an increasing need as a corporation to address human rights issues in our supply chain. In this context, the Group regards respect for human rights of all stakeholders concerned in our corporate activities as a key issue of the basic management policy. As a global corporation, the Group has built a human rights due diligence system and focuses on initiatives to prevent the violation of human rights of stakeholders based on the MinebeaMitsumi Group Human Rights Policy, shown below.

The human rights policy can be found here.

Human rights risk map

We have identified and mapped the human rights risks that could negatively impact the Group's business activities. Moreover, we have organized the human rights risk by value chain and analyzed important issues to address.



Human rights risk by value chain

Plant construction	Procurement	Production	Logistics	Sale
■ Infringement of local residents' rights ■ Environmental pollution around plants	■ Forced labor and child labor at suppliers' plants ■ Violation of human rights by procuring conflict minerals	■ Forced labor and child labor ■ Workplace accidents and long working hours ■ Infringement of foreign workers' rights ■ Environmental pollution and a drain on resources around plants	■ Workplace accidents and long working hours ■ Workplace accidents and long working hours at outsourcees	■ Influence of products' safety on consumers and others ■ Leakage of personal information and invasion of privacy (including technologies and AI)

Education and Training

We provide a full range of training programs for Group employees, to deepen our employee's understanding of our basic management policy including respect for human rights, including training for new recruits, training by employee rank, which uses the "MinebeaMitsumi Group Officer and Employee Compliance Guidelines," harassment prevention, and inter-cultural communication for overseas assignment. Since fiscal 2023 we have provided e-learning for the purpose of promoting an understanding of business and human rights, mainly for Group employees in Japan.

Initiatives related to the human rights of employees

Initiatives focused on occupational safety and health

The Group assures the health and safety of its employees. We provide safe and hygienic working environments, prevent overwork, and consider employee health and safety in all our business activities. We design the Group's human resources systems not only for compliance with local laws and regulations, but also to improve labor management and create a better workplace. These include systems that provide employees with benefits exceeding those mandated by law.

Initiatives at overseas sites

In view of the potential risk of forced labor and child labor at our largest site in Thailand, we have clearly stated the prohibition of forced labor and child labor and restrictions on the employment of young laborers in the Group's independently-established "Policy on Worker Protection and Social Accountability." In addition to preventative measures, such as checking workers' official identification documents to ensure that they are above the legal minimum age, we have implemented penalties for any violation of this policy. We have also obtained certification under Thailand's worker protection standard, TLS 8001.

Moreover, at our mass-production sites in Thailand, China, the Philippines, Cambodia and elsewhere, which are mass-production sites, we have obtained certification under ISO 45001, the international standard for occupational safety and health management systems.

Promotion of diversity & inclusion

We are engaged in initiatives such as organizational reform, promoting women's advancement, and team-building initiatives to advance the diversity of our talent.

Human Capital Pages 45 to 48

Relief measures

We take appropriate measures to provide relief wherever the Group's activities have caused or clearly exacerbated a negative impact on human rights. We have established a whistle-blowing system and consultation point to enable the Group's employees and former employees to report and consult on issues or trouble related to human rights. We have made this system and consultation point widely known through the Group.

Whistle-blowing Page 78

Initiatives related to human rights in our supply chain

At the Group, we implement risk assessments in our supply chain in accordance with the "MinebeaMitsumi Group CSR Procurement Guidelines," by actively communicating with our suppliers all over the world and requiring that they regularly submit the self-assessment checklist and a pledge concerning the observance of human rights. We continuously monitor compliance with the Guidelines, including respect for human rights.

Responsible procurement Page 64

Coexistence with local communities

Material Issues 5

For past activities, see "Social Contribution Activities" on our website.

You can view them from here.

Minebea AccessSolutions contributes Strawberries cultivated by it to *Kodomo shokudo* (children's cafeterias)

Minebea AccessSolutions contributed Strawberries cultivated by it to *Fureai Shokudo* and *Omiya Kodomo Shokudo*, children's cafeterias in Miyazaki City, Miyazaki Prefecture.

The company feels sympathy for children's cafeterias, which are a place of exchanges among several generations in communities all over Japan, and continues contribution activities in the hope that strawberries it provides as foodstuffs will help exchanges among local people.

Every year, during the harvest from December to May of the next year, Minebea AccessSolutions carries out the contribution activities every other week, and is conducting the ninth round of activities this season.

The company cultivates the strawberries by using part of the premises of the Miyazaki Plant. It started cultivating strawberries in a greenhouse with an area of 16 m² in 2018 and started their contribution to children's cafeterias, etc. in 2019. From 2021, the company cultivates about 1,000 strawberries with roots in a greenhouse with an area of about 100 m² for the purpose of expanding philanthropy for communities.

The crops in a season are 317 kg (equivalent to 1,174 general packs) and are contributed about 20 times to 15 facilities and groups.

Strawberries contributed

Contribution to *Fureai Shokudo*

Contribution to *Omiya Kodomo Shokudo*

The company continues the cultivation according to the standards for specially cultivated agricultural products* as specified by the Ministry of Agriculture, Forestry and Fisheries.

The MinebeaMitsumi Group continues efforts in the future too so that it will become a company welcomed by building close relations with communities through such philanthropy.

* Specially cultivated agricultural products: Agricultural products for which nitrogen constituents originating from chemical fertilizer and agrochemicals to be reduced (e.g. chemosynthetic agrochemicals) are reduced by 50% or more in light of customary cultivation standards in the cultivation area (Miyazaki Prefecture)

Material issue target	We will strengthen our relationships with our local communities by promoting open communications.

New President and Female Outside Directors in Roundtable Discussion

To chart a sustained growth trajectory, how should MinebeaMitsumi continue to evolve to "maximize the power of employees"?

While listening to the background and objectives of the new management structure from Director Katsuhiko Yoshida, who assumed the position of President, COO & CFO in April 2023 (hereinafter referred to as "President Yoshida"), an exchange of opinions was held at our new offices in the Tokyo X Tech Garden with female Outside Directors, Ms. Yuko Miyazaki, Ms. Atsuko Matsumura and Ms. Yuko Haga, on the theme of how the Company should continue to evolve to maximize the power of employees, a theme of "human capital."

Today, I am asking you about your opinions on our expectations for the new management structure and for further strengthening of our human capital.

— Please tell us about your enthusiasm for the new management system.

Yoshida: Our Company has changed over to a new management system in which former Representative Director, Chairman & President (CEO & COO) Yoshihisa Kainuma has assumed the post of Representative Director, Chairman CEO ("Chairman Kainuma" hereinafter) and I, former Senior Managing Executive Officer CFO, have assumed the post of President COO & CFO since April this year. Chairman Kainuma approached me at the beginning of the year about transitioning to a new management structure and I must admit that I was a bit surprised. However, I believe that things I need to do for our Company would not change although the duties of COO are added to my duties. So I prepared to assume the important tasks.

Director, President
COO & CFO
Katsuhiko Yoshida

In the new management structure, I will take over the duties of COO that Chairman Kainuma has worked on. As CFO for many years, I have had the great opportunity to observe and learn about Chairman Kainuma's corporate philosophy, management policy, and how he executes management strategy at close range. Fortunately, I believe that investors have understood this new management system which I observed at while meeting with the investors. I will work on executing my duties in cooperation with Chairman Kainuma in the future to accelerate our Company's growth.

One thing I am particularly conscious of in the new management structure is to make time for Chairman Kainuma. I wish to allot time to Chairman Kainuma for tasks that can be performed only by him, such as building relationships with government officials inside and outside Japan by using his personal connections, developing high level strategies, and training the next-generation of human resources, which is a key objective for our Company. Next generation human resources training cannot be achieved in a short time, though, so I wish to be deeply involved with this process.

Matsumura: Since Chairman Kainuma assumed the post of President in 2009, he had raised our technical prowess and management power by putting his innovative ideas into practice, by using both organic growth and M&A growth. As a result, our Company has seen dramatic growth in net sales and operating income as well as technological and management capabilities. I believe that with the new management structure established by Chairman Kainuma and President Yoshida, we are now well-positioned to move forward toward our high goals for the fiscal year ending March 2029. Until now, Chairman Kainuma has led the management structure under his strong leadership, but I can sense his intention to groom the next generation under a new structure. I expect that Chairman Kainuma will continue to formulate strategies based on firm management policies, and that President Yoshida will fulfill the roles of both COO and CFO, and demonstrate leadership by forming a unique team that incorporates talented professionals. The division of roles, made possible by the cleverness of these two individuals, will promote the further development of the Company.

Haga: I think the new management system has two broad meanings: a message to those outside the Company and a message to those inside the Company.

First, to institutional investors, who are outsiders, I am concerned that the message has been conveyed that nothing has changed. As President Yoshida explained earlier, the roles of Chairman and President will be divided and Chairman Kainuma himself plans to devote more time to human resource development and building the next generation for the organization, which are key issues that the Company has been focused on, may not as of yet, been properly conveyed to investors. I hope this roundtable discussion would constitute an important opportunity to disseminate the significance of the new management system to institutional investors. We also hope that you, inside the Company, will actively communicate the significance of this new management structure throughout the Company, including the various measures that will be taken to enable our employees to further demonstrate their abilities effectively, not only in Japan but also to our overseas staff working globally. I think that since President Yoshida will have additional COO duties in addition to his existing CFO duties, we believe it is necessary to systematically hand over the CFO duties to the next generation. I hope that President Yoshida will play an active role in spreading our corporate philosophy throughout the entire MinebeaMitsumi Group, including overseas.

Miyazaki: Regarding the new management structure, I understand that we have gained grace. I believe that the succession plan pertaining to Chairman Kainuma is a very great concern of people in both outside and inside the Company. This time, the management has formed a system in which former Senior Managing Executive Officer CFO Yoshida, who has been long engaged in management with and under Chairman Kainuma, has been appointed as President and has concurrently assumed a role of COO. However, to make a success of the succession, our quest is to find a capable person who can realize our future growth from the new generation of managers that are rising in our Company. In the short term, the new management structure may appear to the outside world as "nothing has changed on the surface of MinebeaMitsumi," but in the medium to long term, the challenge will be to make use of the grace period afforded by the new management structure to continue efforts to draw a new picture within the organization and to promote management reforms that will entrust management to the next generation.

Yoshida: Thank you for your valuable opinions. First of all, to Director Haga's point that "nothing has changed," I joined our Company as a new college graduate. Looking back, I believe that Chairman Kainuma has been the driving force behind our Company's continued success and sustained growth. Therefore, I think the view that our Company remains unchanged in the least should not be thought of as a negative point but rather as a sign that the Company will continue to grow as it has in the past, which is an important point. Moreover, I think Director Miyazaki's opinion that our Company has gained grace was very candid and to the point. Going forward, the Company will continue the challenge of growth, management reform, and human resource development at a faster pace than ever before.

Matsumura: I believe under the new management structure that President Yoshida has given investors a sense of reassurance and security by continuing the execution of duties in the style of Chairman Kainuma, which he has learned over the years. Thanks to the new system, I believe that a positive trend has been created in regards to our succession plan, which was a key issue for our Company. As President Yoshida explained, I expect that by taking the time to strengthen the management structure through various strategies by the two individuals working closely together, the Company will be able to achieve even stronger growth.

Outside Director
Yuko Miyazaki

— I would like to ask the President about what points he is considering to maximize the power of employees.

Yoshida: Our most important management goal is to exceed 2.5 trillion yen in net sales and 250 billion yen in operating income by the fiscal year ending March 2029. In a business environment where various innovations are progressing at a remarkable speed worldwide, future management candidates will be required to deliver higher quality work than current heads of business units. We cannot achieve our high management goals unless we increase the number and quality of management executives by handing over to the next generation the posts of the current "active management team" who have accumulated a variety of experience in implementing Chairman Kainuma's management strategies. I believe that our Company is faced with a phase that needs to focus on human resource development.

At present, I have some candidates for leaders (Class 1) assigned to important positions in business headquarters as on the job trainees "OJT," learning business execution. Our business headquarters are operated as a single company-like organization with technological development, production, and administration divisions, and each of those divisions is addressing tough issues on site as it operates to their particular areas. In addition to strengthening this type of first tier human resources, we select a second tier of talents who are expected to take on the role of heads of business units in the future (Class 2). These Class 2 talents are exposed to active managerial staff members who will teach and train them to their experience and management know-how. Moreover, since this fiscal year, we have introduced a three-class approach to the succession plan, and selected the next generation of capable persons who are the next group of talents expected to assume the post of heads of business units (Class 3). The Tokyo X Tech Garden has a large hall for training where candidates for executives have an opportunity to learn Chairman Kainuma's management philosophy.

Director Haga has provided her opinion about transfer of my duties of CFO. Regarding that opinion, I have established the COO & CFO Office, for which I have selected four staff members. Those members participate in outside technical training as well as share in all of my daily duties. This activity is aimed at training the next generation of CFO and the training will continue over several years in the future.

Matsumura: Through this explanation of human resource development, I understand that human resource pools have been and continue to be developed at three levels using various initiatives, such as on-the-job training. Until last year, the evaluation and selection of human resources were based on different criteria in each division, but this human resource development program presents a strategy to identify employees who are expected to make a high degree of

contribution to the Company, and to pool and develop business leaders who have the ability to organize the employees around them. I believe that this will yield a continuous enhancement of corporate value.

The new policy also clarifies the type of human resources we are looking for. The vision of the program calls for "leaders who can enhance and evolve the business with their ability to think big and execute with a strong sense of vision" and "engineers who can boldly take on the challenge of the resolution of social issues through the use of technological deepening and INTEGRATION*1." I believe that adding the "ability to look at the whole picture" applied to the conventional personnel evaluations is an important aspect of our growth as a company that is looked at by society favorably. It will lead to the effective INTEGRATION of technologies across the entire Company to solve social issues.

This time, a group of 61 future leaders has been formed by using such measures as a diagnostic test for logical thinking to find capable human capital. The results of the diagnostic test have concluded that each department includes a certain number of excellent high ranking employees; namely, these individuals can comprehensively examine management and business challenges. These high scorers are the Company's strength, and by combining these employees with external appointments we hope to develop a strong talent pool through effective HR programs.

On the other hand, one of the issues to be addressed is the "promotion and advancement of women is and continues to be one of the Company's D&I*2 initiatives. I have been involved in this issue since the launch of the Company's promotion of women's advancement project, but we still have a long way to go. In particular, one example is that the percentage of female managers is currently low at 3.2% (on the non-consolidated basis as of the end of June 2023). Using this example, the results of this diagnostic test also showed that many of our female employees are highly capable of being considered to be the next generation of managers in the future. Advice and support from their direct superiors are very effective in appointing female employees as managers. I wish those efforts will be supported in the whole Company. Again, using the example of female employees, regarding the percentage of career hires that are women, the fact that it exceeded 20% in the previous fiscal year is encouraging news. From this perspective, I believe that opportunities for the next generation, including for women to advance and play an active role are steadily expanding.

Haga: I think the following three points are given as concrete changes from the previous fiscal year in our human resource development.

The first step - to conduct an engagement survey. I asked whether MinebeaMitsumi is a place where its employees can be fulfilled, in the Integrated Report for the previous fiscal year. To become a place where employees can be fulfilled, the management needs to consider a talent system and foster its corporate culture after considering the thoughts of the present employees. It is important to continue to conduct surveys on a regular basis, analyze the changes in detail over time, and follow up closely.

Outside Director
Atsuko Matsumura

The second point is that a diagnostic test for logical thinking that has been introduced, as Director Matsumura pointed out. Our Company has planned a proper follow-up program according to the results of the test to connect the results to the human resource development thereafter.

And finally, I would like to discuss the selection of the next generation and the introduction of a training plan for them. I have received reports regarding the action plans for next generation human resource development from the Nomination and Compensation Committee. Please continue sharing the efforts and results thereof regularly in the future.

We also believe that D&I measures need to be taken not on an individual basis, but as a whole, including women, foreigners, people with disabilities, and other minorities. Many Japanese companies are not fully committed to hiring employees with disabilities. Our Company should actively consider what career paths are available for such employees from the perspective of human resource development. Furthermore, the most important matter in D&I is to understand that each person will provide a unique perspective. In designing a system, we need to consider that point.

Miyazaki: As a lawyer, I often look at legal journals, and since the publication of the "ITO Report for Human Capital Management," there have been an increasing number of articles and papers on "human capital" in legal journals. Since business is done by humans, it is certain that "human capital" is an essential element for a company. It perhaps goes without saying that it is impossible to succeed in business without leveraging "human capital." One thing that struck me about President Yoshida's explanation of creating and nurturing a pool of human resources at the leadership level, which is divided into three layers, is that in order for the human element to function properly in a company, it is necessary not only to show that "leaders are like this," but also to raise the awareness and quality of engagement of each and every employee, and create a framework for how to ignite the spirit of all employees, including young and mid-level employees. As Director Matsumura and Director Haga mentioned earlier regarding D&I, a company is not only a business entity, but also a group of individuals with different views on work-life balance and what creates a sense of happiness. Recently, I read an article by a CHRO (Chief Human Resources Manager)*3 of a certain company who wrote, "Human resource management or human resource strategy is like building a stone wall of a castle in the old days." Stones are piled as if they are regular on the surface of a stone wall, but in fact they are rough on the back of it. The firmness of a castle wall depends on how to combine the rough stones. It is said that building a castle wall is a process of piling up a large number of unique stones, and I thought it is likely important that every single stone, including those that cannot be seen from the surface of the stone wall, is necessary to build a solid stone wall. Considering this application to corporate control, individual stones are individual employees. I think, if the management can grasp the characteristics of individual employees and make them show their abilities while connecting them with each other successfully, like the stones that form a solid castle wall, a company can maximize its value by building a strong company with good human resource management and strategy.

During the many factory visits I have made since assuming office a year ago, I was particularly impressed by the team building*4 initiatives being promoted by the employees on the manufacturing floors. I thought they were very wonderful activities in that they produce results as a business while our Company systematically gives employees a sense of satisfaction by asking them to solve a problem through cooperation and team building which in turn provides employees with a proud feeling of team accomplishment. As for the establishment and implementation of a system that ignites the spirit of employees, I hope that President Yoshida's recent reform of the Company's human resource policies and systems will fuel the Company to continue to take on various challenges in the future, drawing from its past experience in team building activities and other factors. It may take time, but I believe that the Company will become much stronger if we can create various mechanisms to ignite people's excitement as the Company properly reviews the efforts of each and every individual, not only on the manufacturing floors, but also in other areas that in turn will further develop these efforts into new and exciting human resource activities.

Yoshida: Thank you for your valuable suggestion. Discussions about human resource development are also at the central focus of management and I believe it is important not only to create an organizational chart, but also to determine who should do what and how. This is Chairman Kainuma's personal theory and if we ask which is more important, the organization or human resources, I believe human resources come first, and the key is how to develop specific human resources that can be placed in that organization. The management has continuously discussed human resources, but I think there is always room for improvement in human resources. In the future, in order to share the status of our human resource development efforts with our Outside Directors, we will consider providing opportunities for the Outside Directors to interact with the next generation of management personnel on the factory floor when they visit the factory, so they can see that we are building the next generation of talents for the best interests of the Company. Moreover, to improve the effectiveness of efforts, I will also strengthen the responsiveness of the administrative staff while seeking to hire new employees.

The original strengths of our Company is the top-down management strategy of Chairman Kainuma, the speed of execution by the "active management team" led by Chairman Kainuma, and the ability to deploy the strategy in the organization. I think they are engraved in our corporate culture and DNA. We will add a "team building" initiative to this effort and respond firmly to make it a major strength of our Company, which can create value from both the top-down and bottom-up perspectives. Moreover, I will utilize this Tokyo X Tech Garden, to which headquarters functions have been transferred, as a place where communication will deepen among various human resources. Although that effort has been just started, I recognize it is important to systematically make efforts to train human resources in the whole Company, not only in leader groups. Our aim is to have a company in which all employees feel that their efforts are important and worthwhile by highlighting and sharing specific successful cases of their efforts.

— Please tell us what the Company's expectations are regarding the future of our Company.

Haga: Promoting human resource development and women's advancement are not purposes in themselves, but rather a means to increase economic value in the form of higher ROE and ROIC. The Ministry of Economy, Trade and Industry has provided the "Guidelines for Human Capital Visualization," for example, it is important to visualize ROIC by breaking it down into its elements and assuming a reverse tree, and to link each of the human capital investment measures and KPIs that MinebeaMitsumi is currently trying to implement to its business strategy. I hope that you will proceed with all of your human resource strategies, including new initiatives in the past year, in conjunction with the management strategy, considering comprehensively what ROIC improvement drivers you will use.

Outside Director
Yuko Haga

Matsumura: If we can maximize the power of our employees through strategies such as those discussed in this roundtable, we can use such power to create value in the Company's sustainable growth trajectory. In other words, robust human resource development is what enhances the Company's corporate value, and furthermore, it is what leads to our reputation for solving social issues and contributing to a sustainable society through the Company's business. For example, the Company has made steady progress in addressing environmental issues. It will become increasingly important to have a strategy to further enhance our contribution to such environmental protection and to communicate this contribution to the outside world. I believe that the key to the Company's future sustainable growth lies precisely in developing our future generations of employees who are facing a new era into the human resources that are needed by the Company.

Miyazaki: The team building is wonderful and I think our Company's INTEGRATION is also wonderful. Some aspects of the results of INTEGRATION are difficult to see, but we look forward to the embodiment of such. Moreover, I think how to execute the business plan that the management including Chairman Kainuma considers and how to enhance human capital are something like a pair of wheels. I believe that President Yoshida will take the lead in working on the execution of these two prongs as COO & CFO. I think it would be a good idea to consider the establishment of a full-time post like CHRO in the not-too-distant future, as well as a structure to enhance top management's ability to communicate about "human resources."

Yoshida: Thank you. I have had in-depth discussions with Chairman Kainuma regarding the establishment of a CHRO. Regardless of whether or not to use the title of CHRO, we are aware that it will be difficult to move forward without a full-time person, and we plan to hire a new person to assume this position. Regarding INTEGRATION, we use it as a qualitative expression. It is difficult to quantitatively visualize INTEGRATION as you pointed out. I would like to speed up concrete efforts to determine the extent to which we can develop the next generation of multifaceted management personnel who can meet targets such as operating income.

Thank you for your participation today.

*1 INTEGRATION means "combining" rather than "simple gathering" of the Company's proprietary technologies for the evolution of the "Eight Spears" of our core businesses and to create new products in various fields through the INTEGRATION of our advanced technology.

INTEGRATION Page 17

*2 D&I: Diversity & Inclusion

Diversity & Inclusion Page 48

*3 CHRO: Chief Human Resource Officer

*4 Team building: bottom-up initiatives to create and implement a variety of ideas

Team building Page 47

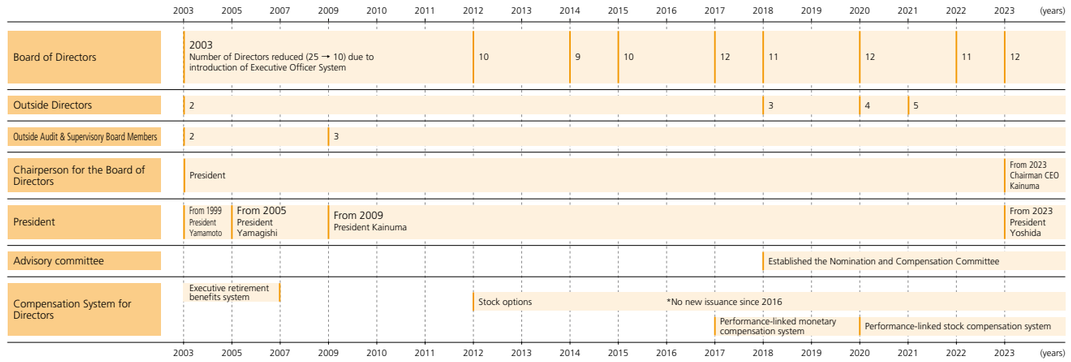
Corporate Governance

We are working to enhance and reinforce corporate governance, which is the basis of sustainable growth.

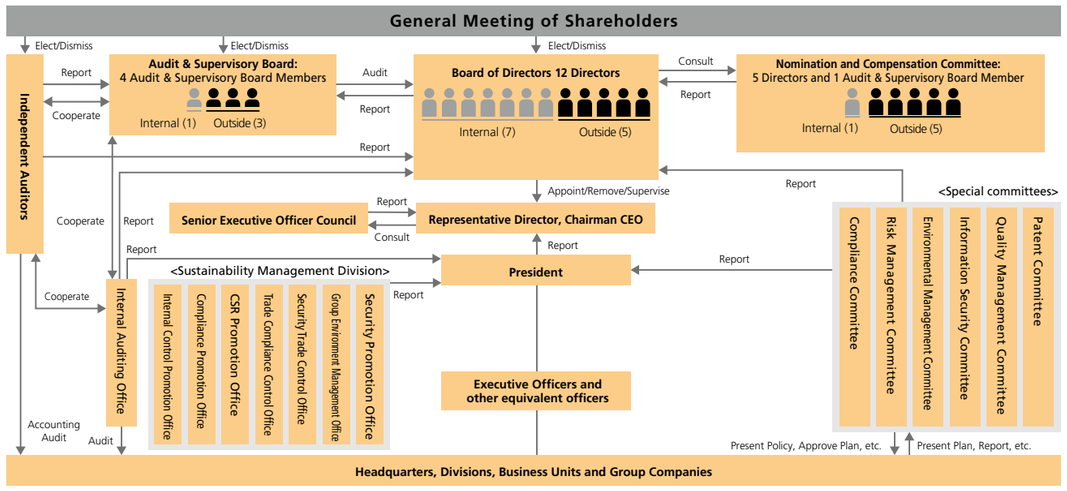
Basic approach to corporate governance

MinebeaMitsumi has adopted "The Five Principles" of the credo as its basic management policy. The Five Principles are; "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"; and "promote and contribute to global society." Consistent with this company credo, MinebeaMitsumi will aim to increase corporate value as well as fulfill its social responsibilities to its various stakeholders, including shareholders, business partners, local communities, international society, and employees. In order to achieve this, MinebeaMitsumi is making efforts to enhance our corporate governance system by maintaining transparency and objectivity of management as well as building management and supervisory function and business executing function.

History of corporate governance



Corporate governance system



Status of the Board of Directors (16 meetings held in fiscal 2022)

In order to place importance on the diversity of the Board of Directors and realize improved sustainable corporate value, the Nomination and Compensation Committee will recommend candidates who possess the required knowledge, experience, skill set, and international competence to the Board of Directors. The candidates will be approved by the Board of Directors and then submitted to the General Meeting of Shareholders for final approval. In order to boost the transparency and objectivity of management, supervise business execution, and make strategic decisions, five of the 12 Directors are independent Outside Directors. Furthermore, in order to speed up the business execution, the Company makes significant transfer of authority from Directors to Executive Officers, etc. by introducing an Executive Officer System, and makes a clear distinction between supervisory functions and executing functions of management.

Main agenda items at Board of Directors meetings

- **Management strategy**
- **M&A**
- **Midterm Business Plan**
- **Director compensation and nomination of officers**
- **Reorganization and personnel transfers**
- **Capital investment and financing**
- **Risk management**
- **Compliance**
- **Next generation human resource development**
- **Sustainability**
- **Issues based on effectiveness evaluation**

Status of the Nomination and Compensation Committee (six meetings held in fiscal 2022)

In terms of nomination of Directors, the committee considered proposals for candidates for Director (new election and reappointments). Following individual interviews with the candidates for Director, the committee deliberated their eligibility as Directors of the Company and recommended their conclusions to the Board of Directors. The committee, in regard to the succession plan for CEO, etc., is continuing to hold discussion on the ideal successor for driving the growth of the Company, the selection method for candidate successors, as well as their development plan.

In terms of remuneration to Directors, the committee conducted interviews with Directors, deliberated the appropriateness of remuneration to individual Directors, and recommended their conclusions to the Board of Directors. The committee has continued to discuss reviews of the performance-linked compensation system, as an incentive towards achieving the fiscal year ending March 2029 goal of net sales of 2.5 trillion yen and operating income of 250 billion yen.

Main issues of the Nomination and Compensation Committee

- **Ideal future management structure**
- **Diversity and skill sets**
- **Developing the next generation of management**
- **Succession plan**
- **Review of Director compensation system**

Status of the Audit & Supervisory Board (14 meetings held in fiscal 2022)

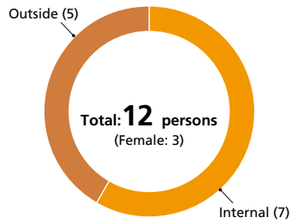
At the regular monthly meetings of the Audit & Supervisory Board and extraordinary meetings of the Audit & Supervisory Board held as necessary, four Audit & Supervisory Board Members (including three Outside Audit & Supervisory Board Members) analyze and discuss specific matters to be considered. In addition, one full-time staff person to assist Audit & Supervisory Board Members is assigned to ensure smooth execution of auditing duties. During fiscal 2022, due to the impact of COVID-19, the Board conducted interviews with managers of domestic and overseas offices using a web conference system in parallel with on-site inspections.

In addition, quarterly meetings are held with the Representative Director, Chairman CEO and Outside Directors to exchange respective views.

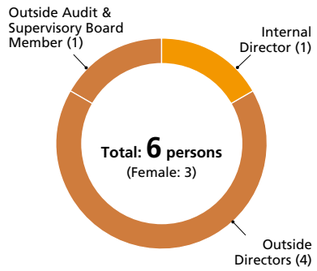
Monthly meetings are held with the Internal Auditing Office. In addition, Audit & Supervisory Board Members exchange opinions with the Independent Auditors on a quarterly and as-needed basis, and also observe the accounting audits, which are mainly conducted remotely.

Main agenda items at Audit & Supervisory Board meetings

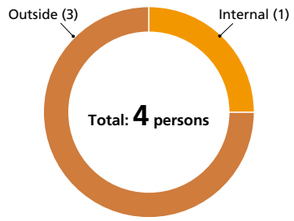
- **Determination of audit policy and audit plan for the fiscal year**
- **Selection of Standing Audit & Supervisory Board Member**
- **Consideration of Board of Directors meeting proposals**
- **Report on audit status by Standing Audit & Supervisory Board Member**
- **Evaluation of reports on audit results and quarterly review reports by Independent Auditors**
- **Resolutions on selection and dismissal of Independent Auditors and agreement on their compensation**
- **Consideration of independence of Independent Auditors through non-guarantee service outsourcing**
- **Preparation of audit report and verification of effectiveness of activities of the Audit & Supervisory Board**



- Chairperson of Board of Directors
  Yoshihisa Kainuma, Representative Director, Chairman CEO



- Chairperson of the Nomination and Compensation Committee
  Yuko Miyazaki, Outside Director

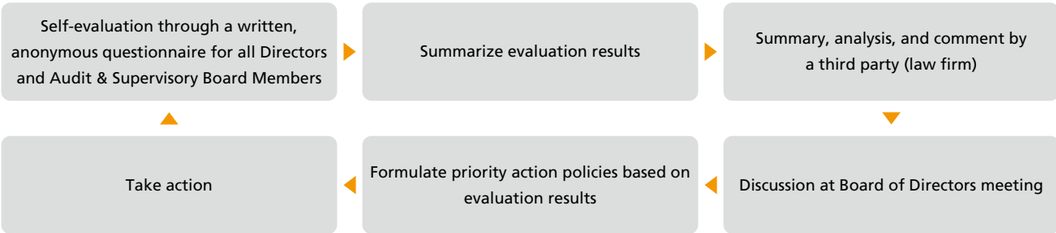


- Chairperson of Audit & Supervisory Board
  Masahiro Tsukagoshi, Standing Audit & Supervisory Board Member

Evaluation of the effectiveness of the Board of Directors

In order for the Board of Directors to discharge its duties, a periodic evaluation of the effectiveness of the Board of Directors is necessary. This evaluation considers the function of the Board of Directors as a whole, to verify that the composition of the members, the agenda items discussed, and the status of the operation of the Board of Directors are appropriate, and to identify issues and acknowledge problems and strengths. We conducted a questionnaire survey of a third party evaluation on the effectiveness of the Board of Directors for the purposes of reviewing the Company's activities for fiscal 2022, identifying issues to be addressed in fiscal 2023, and improving the effectiveness of the Board of Directors. A summary of the results is shown below.

Effectiveness evaluation process



Questionnaire items and implementation matters

A written, anonymous questionnaire was administered for all Directors and Audit & Supervisory Board Members. Questionnaire items consisted of 29 multiple-choice questions with five-level evaluation and four free-form questions for a total of 33 questions, and comment columns were also provided for multiple-choice questions.

Evaluation results for fiscal 2022

The results of the self-evaluation questionnaire were generally on par with the previous year, and although third-party involvement enabled to confirm that the overall situation remained good (effective situation), there were particular issues identified regarding information sharing with Outside Directors.

Initiatives to be carried out in fiscal 2023 (major issues)

- **Recognize risk management, compliance, DX, and sustainability as key issues and enhance discussions at Board of Directors meetings.**
- **To help Outside Directors deepen their understanding of the Company's diverse businesses, we will enhance the information provided to them as follows: increase opportunities for dialogue with the Representative Director, Chairman CEO and the officers and managers in charge of business execution divisions; have them participate as observers in important internal meetings and provide them with the agenda details for such meetings; and arrange tours to major domestic and overseas plants for them.**

Outside Directors inspecting the Hamamatsu Plant (August 2023)

Remuneration to Directors and Audit & Supervisory Board Members of MinebeaMitsumi

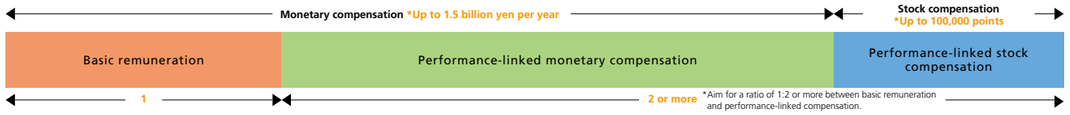
The policy on determining remuneration for individual Directors is deliberated upon in the Nomination and Compensation Committee and is decided by the Board of Directors, respecting the recommendations of the committee. The remuneration to individual Directors is determined by a resolution of the Board of Directors after careful deliberation by the Nomination and Compensation Committee, which is based on the following remuneration composition and calculation standards that fall within the maximum amount authorized at the General Meeting of the Shareholders.

Remuneration for Directors (excluding Outside Directors)

Remuneration for the Company's Directors consists of a fixed monthly basic remuneration, a performance-linked monetary compensation (performance-linked bonuses for Directors), and performance-linked stock compensation. The ratio of basic remuneration to performance-linked compensation varies depending on the degree of performance achieved each fiscal year, but as an incentive to improve performance, our compensation structure aims for a ratio of 1:2 or more between basic remuneration and performance compensation. In addition, performance-linked stock compensation is aimed at 10% or more of total remuneration, thereby aligning the interests of shareholders and those of Directors and motivating the latter to continuously improve performance. The maximum amount of remuneration for the Company's Directors (excluding Outside Directors) was resolved at the General Meeting of Shareholders as shown in the right table.

Relevant approvals made at the General

Payee	Approved date	Remuneration type	Approved contents
Directors	71st Ordinary General Meeting of Shareholders on June 29, 2017	Basic remuneration Performance-linked bonuses for Directors	Up to 1.5 billion yen per year
Directors (Excluding Outside Directors)	66th Ordinary General Meeting of Shareholders on June 28, 2012	Stock options	Up to 30 million yen per year within the above remuneration amount for Directors
Directors (Excluding Outside Directors)	74th Ordinary General Meeting of Shareholders on June 26, 2020	Performance-linked stock compensation (1 point = 1 share)	Up to 100,000 points per fiscal year separate from the above remuneration amount for Directors



Composition of officer compensation

Composition		Contents	Calculation standards and reference performance indicators
Basic remuneration (Basic fixed salary)	Position-based remuneration	The basic remuneration is a basic fixed salary that comprises position-based remuneration which takes into consideration the Directors' individual position(s) and performance-based remuneration which is revised each fiscal year taking into consideration the individual performance, the performance of the Company and other factors, and is determined in a reasonable amount. As for remuneration for Outside Directors, the basic remuneration is determined individually by taking into consideration expected roles played by each Outside Director, etc.	Director remuneration Remuneration for titles Executive officer remuneration
	Performance-based remuneration		Actual remuneration for the previous fiscal year x pay rise rate (qualitative evaluation)
Performance-linked monetary compensation (Short-term performance-linked compensation)	**Performance-linked bonuses for Directors (linked to performance indicators)** *The number of months to be paid for each reference performance indicator shall be calculated, and the total number of months shall be the standard number of months to be paid.	Performance-linked bonuses for Directors are short-term performance-linked compensation for enhancing incentives towards improving performance and corporate value through the achievement of the Midterm Business Plan, inclusive of corporate value as expressed by stock prices and other performance indicators along with focusing on profit for the year, which is the final financial results of each fiscal year. Outside Directors are not eligible for performance-linked bonuses for Directors.	Performance indicators / Results Consolidated profit for the year: ¥77.2 billion Consolidated net sales growth rate: 15.0% Ratio of stock price to performance of the Nikkei stock average: -0.06% Market capitalization at end of period: ¥1,072.3 Consolidated operating margin: 7.9%
Performance-linked stock compensation (Medium- to long-term performance-linked compensation)	**Stock delivery trust (Point system)**	Performance-linked stock compensation is a medium- to long-term performance-linked compensation. Its aim is to have the Company's Directors share with shareholders the same benefits and risks associated with share price fluctuations, and to enhance the awareness of contribution to the improvement of corporate earnings as well as the increase of corporate value over the medium and long term. Upon retirement, Directors will receive the number of shares of the Company's stock equivalent to the number of points awarded to them in accordance with their individual contribution levels, the evaluation of their efforts related to the Company's consolidated profit as well as their efforts related to non-financial Company indicators such as ESG (environment, social efforts, and corporate governance). Outside Directors are not eligible for performance-linked stock compensation.	Performance indicators / Results Consolidated profit for the year: ¥77.2 billion Individual contribution evaluation (including initiative performance concerning ESG, etc.)

Remuneration for Outside Directors and Audit & Supervisory Board Members

Remuneration for Outside Directors and Audit & Supervisory Board Members is limited to basic remuneration of a fixed monthly salary, taking into consideration the roles expected of each individual Director and Audit & Supervisory Board Member. The maximum amount of remuneration for Outside Directors and Audit & Supervisory Board Members was resolved at the General Meeting of Shareholders as shown in the right table.

Relevant approvals made at the General Meeting of Shareholders

Payee	Approved date	Remuneration type	Approved contents
Outside Directors	75th Ordinary General Meeting of Shareholders on June 29, 2021	Basic remuneration	Up to 70 million yen per year within the total remuneration amount for Directors
Audit & Supervisory Board Members	61st Ordinary General Meeting of Shareholders on June 28, 2007	Basic remuneration	Up to 100 million yen per year

Categories	Number of payees	Amount of remuneration (millions of yen)			
		Basic remuneration	Performance-linked bonuses for Directors	Performance-linked stock compensation	Total
Directors (Outside Directors)	13 (6)	274 (54)	567 (Not applicable)	60 (Not applicable)	901 (54)
Audit & Supervisory Board Members (Outside Audit & Supervisory Board Members)	4 (3)	49 (34)	Not applicable (Not applicable)	Not applicable (Not applicable)	49 (34)
Total	17	324	567	60	951

The left table includes amounts paid to Mr. Hiroshi Aso and Mr. Kohshi Murakami, who retired from their positions as Director at the conclusion of the 76th Ordinary General Meeting of Shareholders held on June 29, 2022.

Representative Director, Chairman CEO
Yoshihisa Kainuma

Attendance at the Board of Directors Meetings
100% (16/16)

1983 Apr. Registered as attorney-at-law, member of Daini Tokyo Bar Association
1988 Dec. Joined the Company, Director, General Manager of Legal Department of the Company
1989 Sep. Member of New York State Bar Association
1992 Dec. Managing Director and Deputy General Manager of Operations Headquarters
1994 Dec. Senior Managing Director, General Manager of European and American Regional Sales Headquarters, Deputy General Manager of Operations Headquarters
2003 Jun. Director, Senior Managing Executive Officer
2009 Apr. Representative Director, President and Chief Executive Officer
2017 Jun. Representative Director, Chairman & President (CEO & COO)
2018 Dec. Member of the Nomination and Compensation Committee (Present)
2023 Apr. Representative Director, Chairman CEO (Present)

Representative Director, Vice Chairman
Shigeru Moribe

Attendance at the Board of Directors Meetings
100% (16/16)

1980 Mar. Joined MITSUMI ELECTRIC CO., LTD.
1990 May General Manager of Development Headquarters, MITSUMI ELECTRIC CO., LTD.
1991 Apr. Director, Head of Singapore branch, MITSUMI ELECTRIC CO., LTD.
1994 Apr. Managing Director, MITSUMI ELECTRIC CO., LTD.
1999 Oct. Senior Managing Director, General Manager of Sales Headquarters, MITSUMI ELECTRIC CO., LTD.
2002 Apr. Representative Director, President, MITSUMI ELECTRIC CO., LTD.
2017 Jan. Adviser of the Company
2017 Apr. Director, Chairman of the Board of Directors, MITSUMI ELECTRIC CO., LTD. (Present)
2017 Jun. Representative Director, Vice Chairman (Present)

Director, President COO & CFO
Katsuhiko Yoshida

Attendance at the Board of Directors Meetings
100% (16/16)

1984 Apr. Joined the Company
2013 Dec. Head of Operation Department at Electronic Device & Component Manufacturing Headquarters, General Manager of Vertical Integration Improvement Office, General Manager of Business Support Office
2014 Jun. Executive Officer
2016 Jun. Deputy Chief of Business Administration Headquarters, General Manager of Business Administration Department
2017 Jun. Managing Executive Officer
2019 Apr. Officer in charge of Business Administration and Corporate Planning Division, Deputy Officer in charge of Accounting & Corporate Finance Division, Deputy Officer in charge of Sustainability Management Division
2019 Oct. Senior Managing Executive Officer
2020 Apr. Director, ABLIC Inc. (Present)
2020 Jun. Director, Chief of Tokyo Head Office (Present), Officer in charge of Sustainability Management Division, Director, U-Shin Ltd. (Present), Director, Vice President Executive Officer, MITSUMI ELECTRIC CO., LTD.
2021 Apr. Head of Business Administration and Corporate Planning Division, Head of Sustainability Management Division (Present)
2023 Jan. Director, Minebea AccessSolutions Inc. (Present)
2023 Apr. Director, President COO & CFO of the Company (Present)

Director, Vice President Executive Officer
Ryozo Iwaya

Attendance at the Board of Directors Meetings
100% (16/16)

1981 Apr. Joined the Company
1989 Dec. Head of Tokyo Sales Division at Tokyo Branch
2009 Jun. Executive Officer, Head of Lighting Device Business Unit at Electronic Device & Component Business Headquarters
2013 Jun. Managing Executive Officer
2015 Jun. Director (Present), Senior Managing Executive Officer
2017 Jan. Chief of MITSUMI Business Headquarters of the Company, Representative Director, Vice President and Chief Executive Officer, MITSUMI ELECTRIC CO., LTD.
2017 Apr. Representative Director, President and Chief Executive Officer, MITSUMI ELECTRIC CO., LTD.
2017 Jun. Chief of Electronic Device & Component Manufacturing Headquarters
2019 Aug. Director, U-Shin Ltd. (Present)
2019 Oct. Vice President Executive Officer (Present), Officer in charge of Electronic Device & Component related Business
2021 Apr. Chief of Electronic Device & Component Business Headquarters
2023 Jan. Chief of U-Shin Business Headquarters (currently Access Solutions Headquarters), Director, Minebea AccessSolutions Inc. (Present)

Director, Senior Managing Executive Officer
Shigeru None

Attendance at the Board of Directors Meetings
100% (16/16)

1982 Apr. Joined the Company
1999 Sep. Manager of Osaka Branch
2007 Jun. Executive Officer
2011 Apr. Deputy Officer in charge of Sales Division
2012 Jun. Managing Executive Officer
2015 Jun. Director (Present)
2016 Jun. Senior Managing Executive Officer (Present)
2017 Jun. Officer in charge of Sales Division
2018 May Chief of Sales Headquarters (Present)

Director, Senior Managing Executive Officer
Satoshi Mizuma

Assumed office on June 29, 2023

1986 Apr. Joined the Company
2011 Apr. General Manager of Quality Control Department, Ball Bearing Business Unit
2015 Apr. Deputy Head of Ball Bearing Business Unit
2016 Jun. Executive Officer
2017 Oct. Executive Officer, Head of Ball Bearing Business Unit
2018 May Managing Executive Officer, Chief of Machined Component Manufacturing Headquarters
2021 Apr. Chief of Machined Component Business Headquarters (currently Precision Technologies Headquarters) (Present)
2022 Jun. Senior Managing Executive Officer (Present)
2023 Jun. Director (Present)

Director, Managing Executive Officer
Katsutoshi Suzuki

Assumed office on June 29, 2023

1986 May Joined the Company
2015 Apr. Deputy Officer in charge of Engineering Development Division, Electronic Device & Component Manufacturing Headquarters
2018 May Technical Officer
2020 Apr. Deputy Officer in charge of Engineering Development Division, Deputy Officer in charge of Motor Division, Officer in charge of Motor Engineering
2021 May Technical Officer
2022 Oct. Chief of Engineering Headquarters, Chief of INTEGRATION Promotion Headquarters, Head of Electronic Device & Component Engineering Development Division at Engineering Headquarters, Head of Engineering Development Division at Electronic Device & Component Business Headquarters, Deputy Head of Motor Division
2023 Mar. Chief of Engineering Headquarters, Head of Electronic Device & Component Engineering Development Division at Engineering Headquarters, Head of Engineering Development Division at Electronic Device & Component Business Headquarters (currently Motor, Lighting & Sensing Headquarters), Deputy Head of Motor Division (Present)
2023 Jun. Director, Managing Executive Officer (Present)

Outside Director
Yuko Miyazaki

Attendance at the Board of Directors Meetings
100% (13/13)

1979 Apr. Registered as attorney-at-law, member of Dai-Ichi Tokyo Bar AssociationJoined Nagashima & Ohno (currently Nagashima Ohno & Tsunematsu)
1984 Aug. Legal Counsel, Legal Department, The World Bank
1988 Jan. Partner, Nagashima & Ohno (currently Nagashima Ohno & Tsunematsu)
2012 Jun. Outside Director, Seven Bank, Ltd.
2015 Jun. Outside Audit & Supervisory Board Member, Oji Holdings Corporation
2018 Jan. Justice, The Supreme Court of Japan
2021 Jul. Re-registered as attorney-at-law, member of Dai-Ichi Tokyo Bar Association
2021 Sep. Special Advisor, Nagashima Ohno & Tsunematsu (Present)
2022 Jan. International Judge, Singapore International Commercial Court (Present)
2022 Jun. Outside Director of the Company (Present)
Chairperson of the Nomination and Compensation Committee (Present)

Outside Director
Atsuko Matsumura

Attendance at the Board of Directors Meetings
100% (16/16)

1978 Apr. Joined Japan Center for Economic Research
1981 Apr. Visiting research fellow, Economic Research Institute, Economic Planning Agency (currently Economic and Social Research Institute)
1987 Apr. Part-time Lecturer, Jissen Women's Junior College
1988 Apr. Full-time Lecturer, OTSUMA WOMEN'S UNIVERSITY
1991 Apr. Full-time Lecturer, Faculty of Economics, Tokyo International University
1999 Apr. Associate Professor, Faculty of Economics, Tokyo International University
2006 Apr. Professor, Faculty of Economics, Tokyo International University (Present)
2010 Apr. Part-time Lecturer, Department of Social and Family Economy, Faculty of Human Sciences and Design, Japan Women's University (Present)
2014 Apr. Visiting Professor, Faculty of Economics, Keio University
2015 Apr. Part-time Lecturer, Department of Politics, Faculty of Law, Keio University
2016 Jun. Outside Director, RENESAS EASTON Co., Ltd. (currently Glosel Co., Ltd.) (Present)
2018 Jun. Outside Director of the Company (Present)
2018 Dec. Member of the Nomination and Compensation Committee (Present)
2023 Mar. Member of the Working Group on Oil Market Trend Study, Advisory Committee for Natural Resources and Energy, the Ministry of Economy, Trade and Industry (Present)

Outside Director
Yuko Haga

Attendance at the Board of Directors Meetings
100% (16/16)

1989 Apr. Senior Consultant, Tokyo Office, Price Waterhouse Consultants
1991 Apr. Representative, Haga Management Consulting Office (Present)
2008 Apr. Executive Officer, Sompo Japan Healthcare Services Inc. (currently Sompo Health Support Inc.)
2010 Feb. Director, Social Welfare Corporation Fujikenikukai (Present)
2010 Apr. Visiting Professor, Department of Policy Management, Faculty of Policy Management, Shobi University
2017 Apr. Associate Professor, Graduate School of Management, NUCB Business School
2019 Mar. Outside Director of the Board, Kyowa Hakko Kirin Co., Ltd. (currently Kyowa Kirin Co., Ltd.) (Present)
2020 Apr. Professor, Graduate School of Management, NUCB Business School (Present)
2020 Jun. Outside Director of the Company (Present)
Member of the Nomination and Compensation Committee (Present)

Outside Director
Hirofumi Katase

Attendance at the Board of Directors Meetings
100% (16/16)

1982 Apr. Joined Ministry of International Trade and Industry
2000 Oct. Director, Economic Policy Unit, Minister's Secretariat, Ministry of International Trade and Industry
2002 Jul. Director, Petroleum and Natural Gas Division, Agency for Natural Resources and Energy
2006 Jul. Director, Aerospace and Defense Industry Division, Manufacturing Industries Bureau, Ministry of Economy, Trade and Industry
2008 Aug. Director for International Industry Research, Minister's Secretariat, Trade Policy Bureau, Ministry of Economy, Trade and Industry
2009 Jul. Deputy Director-General for Trade and Economic Cooperation Bureau and International Exhibitions, Minister's Secretariat, Ministry of Economy, Trade and Industry
2010 Jul. Deputy Director-General, Secretariat of the Space Development Strategy Headquarters, Councillor, Cabinet Secretariat
2012 Jul. Deputy Director-General for International Trade Policy, Minister's Secretariat, Ministry of Economy, Trade and Industry
2013 Jun. Director-General, Industrial Science and Technology Policy and Environment Bureau, Ministry of Economy, Trade and Industry
2015 Jul. Director-General, Trade Policy Bureau, Ministry of Economy, Trade and Industry
2016 Jun. Vice-Minister for International Affairs
2017 Jul. Special Advisor to the Ministry of Economy, Trade and Industry
2017 Dec. Executive Vice Chairman & Director, I-Pulse Inc. (Present)
President and Chief Executive Officer, I-Pulse Japan Inc. (Present)
2021 Jun. Outside Director of the Company (Present)
2022 Jun. Member of the Nomination and Compensation Committee (Present)

Outside Director
Takashi Matsuoka

Attendance at the Board of Directors Meetings
100% (16/16)

2003 Apr. General Manager of Planning Division, KEIAISHA Co., Ltd.
2003 Jun. Director, KEIAISHA Co., Ltd.
2004 Jun. Managing Director, KEIAISHA Co., Ltd.
2005 Jun. Outside Director of the Company (Present)
2007 Jun. Senior Managing Director, KEIAISHA Co., Ltd.
2011 Jun. Director and Senior Managing Executive Officer, KEIAISHA Co., Ltd.
2014 Jun. Director, Vice President Executive Officer, KEIAISHA Co., Ltd. (Present)

Standing Audit & Supervisory Board Member
Masahiro Tsukagoshi

Assumed office on June 29, 2023

1984 Apr. Joined the Company
2004 May Vice President, NMB (USA) Inc.
2011 Jul. General Manager of Business Administration Department of the Company
2015 Apr. General Manager of Corporate Planning Department
2018 May Executive Officer
2020 Jun. Advisory Manager
2020 Aug. Deputy Officer in charge of Personnel & General Affairs Division
2021 Apr. Deputy Head of Personnel & General Affairs Division
2023 Jun. Standing Audit & Supervisory Board Member (Present)

Standing Outside Audit & Supervisory Board Member
Hiroshi Yamamoto

Assumed office on June 29, 2023

1987 Apr. Joined Japan Tobacco Inc.
2007 Apr. Vice President, Tobacco Business Planning, Tobacco Business, Japan Tobacco Inc.
2008 Jul. Vice President, Non-Tobacco Material Procurement, Tobacco Business, Japan Tobacco Inc.
2012 Jun. Vice President, Operational Review and Business Assurance, Japan Tobacco Inc.
2019 Mar. Standing Audit & Supervisory Board Member, Japan Tobacco Inc.
2023 Jun. Standing Outside Audit & Supervisory Board Member of the Company (Present)

Outside Audit & Supervisory Board Member
Shinichiro Shibasaki

Attendance at the Board of Directors Meetings
100% (16/16)

Attendance at the Audit & Supervisory Board Meetings
100% (14/14)

1989 Apr. Registered as attorney-at-law, joined Inami and Ota (currently Law Office Juricom)
1993 Apr. Partner, Inami, Ota and Shibasaki (currently Law Office Juricom) (Present)
2010 Oct. Member of Dispute Resolution Committee of The General Insurance Association of Japan (Present)
2012 Apr. Part-time Professor, Tokai University School of Medicine
2014 Jun. Outside Audit & Supervisory Board Member of the Company (Present)
2015 Apr. Visiting Professor, Tokai University School of Medicine (Present)
2018 Dec. Member of the Nomination and Compensation Committee of the Company (Present)

Outside Audit & Supervisory Board Member
Makoto Hoshino

Attendance at the Board of Directors Meetings
100% (16/16)

Attendance at the Audit & Supervisory Board Meetings
100% (14/14)

1980 Apr. Joined Kantoshinetsu Regional Taxation Bureau
2009 Jul. District Director, Fukagawa Tax Office
2010 Jul. Senior Internal Inspector, Kantoshinetsu Regional Taxation Bureau, Commissioner's Secretariat of the National Tax Agency
2012 Jul. District Director, Ota Tax Office
2013 Jul. Director, Planning Division, Management and Co-ordination Department, Kantoshinetsu Regional Taxation Bureau
2014 Jul. Chief Internal Inspector, Kantoshinetsu Regional Taxation Bureau, Commissioner's Secretariat of the National Tax Agency
2016 Jul. Chief Internal Inspector, Osaka Regional Taxation Bureau, Commissioner's Secretariat of the National Tax Agency
2017 Jul. Deputy Commissioner, Large Enterprise Examination and Criminal Investigation Department, Kantoshinetsu Regional Taxation Bureau
2018 Jul. Retired from Kantoshinetsu Regional Taxation Bureau
2018 Aug. Registered as a certified tax accountant, Director, Makoto Hoshino Certified Tax Accountant Office (Present)
2019 Jun. Outside Audit & Supervisory Board Member of the Company (Present)

Skills matrix of Directors and Audit & Supervisory Board Members

	Name	Position	Expertise and background especially expected										
			Corporate management	M&A	Global	Manufacturing	Sales	Technological development	Environment and society	Personnel and human resource development	Legal affairs	Finance, accounting, and tax affairs	Government agencies
Directors	Yoshihisa Kainuma	Representative Director, Chairman CEO	○	○	○	○	○		○	○	○	○	
	Shigeru Moribe	Representative Director, Vice Chairman	○		○		○						
	Katsuhiko Yoshida	Director, President COO & CFO	○	○	○				○	○		○	
	Ryozo Iwaya	Director, Vice President Executive Officer	○		○	○	○						
	Shigeru None	Director, Senior Managing Executive Officer	○		○		○						
	Satoshi Mizuma	Director, Senior Managing Executive Officer	○		○	○		○					
	Katsutoshi Suzuki	Director, Managing Executive Officer	○		○	○		○					
	Yuko Miyazaki	Outside Director			○						○	○	
	Atsuko Matsumura	Outside Director			○				○	○			
	Yuko Haga	Outside Director	○	○	○					○			
	Hirofumi Katase	Outside Director	○		○				○				○
	Takashi Matsuoka	Outside Director	○						○				
Audit & Supervisory Board Members	Masahiro Tsukagoshi	Standing Audit & Supervisory Board Member	○		○				○	○		○	
	Hiroshi Yamamoto	Standing Outside Audit & Supervisory Board Member		○	○							○	
	Shinichiro Shibasaki	Outside Audit & Supervisory Board Member									○		
	Makoto Hoshino	Outside Audit & Supervisory Board Member										○	○

Compliance

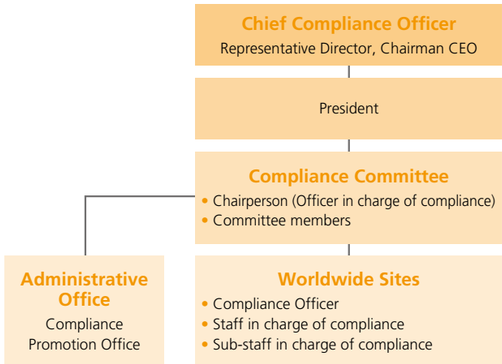
Basic approach

To continue to act appropriately as a corporate citizen, the Company has established the "MinebeaMitsumi Group Code of Conduct" and "MinebeaMitsumi Group Officer and Employee Compliance Guidelines," and on the basis of these policies, we strive to achieve fair, appropriate, and highly transparent management.

Compliance promotion structure

The Representative Director, Chairman CEO of the MinebeaMitsumi Group has ultimate responsibility for compliance. The Compliance Committee, which reports directly to the President, meets on a regular and timely basis to ensure implementation of the Code of Conduct and make prompt decisions on emergency response measures in the event of significant violations of the code. The Compliance Promotion Office, the administrative body for the Compliance Committee, implements various measures to promote compliance. For example, compliance training was provided for all employees (including fixed term contract employees and dispatched employees) at all Group companies in Japan in fiscal 2022. Additionally, we appoint a compliance officer at each of the Group's bases, including those overseas, to strengthen management of the Group overall. In the fiscal year ended March 2023, we have appointed compliance officers at HONDA TSUSHIN KOGYO, Minebea Connect, and Minebea AccessSolutions, which were newly added to the Group as a result of the business integration, to strengthen the groupwide compliance system.

Compliance framework



The details on initiatives for compliance promotion can be viewed from here.

Internal reporting system

In order to prevent and detect at an early stage any compliance violations, whistleblowing contact points have been established both internally and externally within our Group. These can be used by any officer and employee (including fixed term contract employees and dispatched employees) to report any of their or other officers' and employees' decisions or actions that could potentially violate laws and regulations or internal rules, including the MinebeaMitsumi Group Code of Conduct, or that lacks corporate ethics, or related suspicions. Reports can be filed either by using one's real name or anonymously. To ensure the independence of the whistleblowing contact point, all whistleblowing reports are received by Standing Audit & Supervisory Board Members, and the operation and maintenance of the system are monitored.

The "MinebeaMitsumi Group Code of Conduct" prohibits disadvantageous treatment on the grounds of whistleblowing, and requires maintaining confidentiality and anonymity of information providers. If after a thorough investigation any violations are found to be true, appropriate measures are taken. In Japan we have established and operate Internal Reporting Rules based on the Whistleblower Protection Act.

To assure use of the whistleblowing system, we provide awareness raising activities, such as through internal databases, internal reports, internal training sessions, and the distribution of business card-sized guidance.

Anti-corruption initiatives

In order to strengthen its response to the prevention of corruption at a global scale, the Group has supplemented the "MinebeaMitsumi Group Anti-Corruption Policy," which applies to the entire Group, with the "Anti-Corruption/Anti-Bribery Rules," which prohibit acts of bribery (including the acceptance of small sum facilitation payments) in all countries and regions where it is engaged in business. The Group has established and implemented the "Internal Standards and Procedures Relating to Entertainment and Gifts, Etc., for Public Officials" for the Asia region, where business practices are particularly complicated. We give utmost attention to risk management to ensure that there is no involvement in corruption, and we do not engage in any entertainment or gift-giving, perceived to carry risk. Furthermore, we have established the "CSR Procurement Guidelines," and require our business partners to prohibit bribery.

In addition, the Internal Auditing Office conducts regular checks on these initiatives from the perspective of the prevention of corruption.

It should be noted that in fiscal 2022 there were no officers or employees who committed corruption prevention violations, and there were no fines, surcharges, or settlements paid in relation to corruption.

Risk management

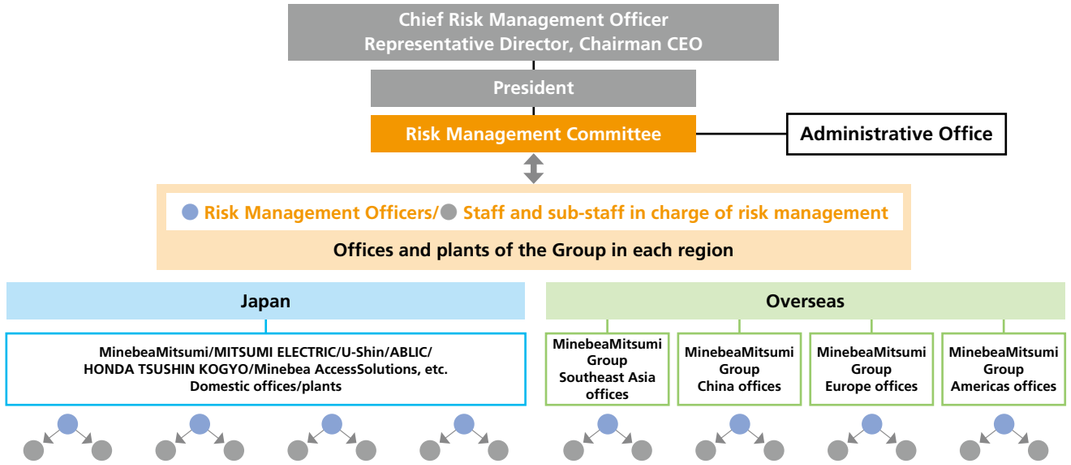
Basic approach

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

Risk management system

The Representative Director, Chairman CEO of the MinebeaMitsumi Group, is the Chief Risk Management Officer. The Risk Management Committee, which reports directly to the President, makes important decisions on risk management. As a precautionary measure, MinebeaMitsumi attempts to predict and classify tangible risks in advance, and remains vigilant against such risks. In the unlikely event that an incident occurs, a management headquarters and local countermeasures office will be established in accordance with the severity category stipulated in the Rules to respond rapidly and effectively to the situation. MinebeaMitsumi has established a system under which, depending on the nature of the risk, a supervisory division can be appointed to handle a situation and to draft and implement risk prevention measures.

Risk management system diagram



Method of Identification of and response to risks

Search and evaluation of risks:
Each department searches for risks, evaluates the types of risk, envisioned scenarios, frequency of occurrence, and extent of damage, and reports these to the Risk Management Committee.

Identification of risks and determination of a response policy:
The Risk Management Committee analyzes the report on the search and evaluation of risks submitted by each department in charge, clarifies the risks in terms of the overall group, and establishes response policies for these.

Prevention and preparation to respond to the occurrence of risks:
- The Risk Management Manager analyzes the assumed damage and impact on business in the case of a defined risk materializing, and prepares response guidelines in advance.
- The Risk Management Manager collects information on the risks, and gains insight into signs of the occurrence of risk.

Responding to emergency situations:
When an emergency occurs, or is imminent, the Risk Management Manager and the staff and sub-staff in charge of risk management immediately report this to the President and the Risk Management Committee. Their role is to contain and rapidly resolve the emergency through prompt and accurate initial action as a group.

Risk audits, etc.:
- The general managers of each department shall constantly conduct self-inspections for risk management.
- The Risk Management Committee conducts audits in cooperation with the Internal Auditing Office as necessary.

Announcement of major risks:
Major risks and the status of initiatives are communicated each year via business reports, securities reports, and other IR materials.

Risk management example 1 BCP

In the event of a major disaster, infectious diseases, act of terrorism or other emergency, we believe that our social responsibility includes confirming the safety of our employees and their families with top priority, as well as ensuring that, as a components manufacturer of products with world-leading market shares, we continue to supply our customers and minimize the impact to our business. For that reason, we have formulated business continuity plans (BCP) for major business sites in and outside Japan and are implementing training drills, etc.

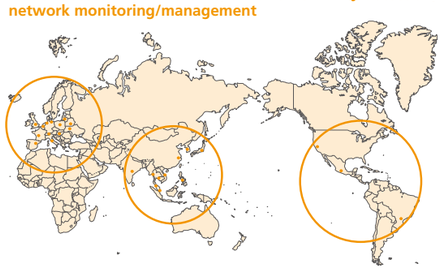
In order to reduce risks relating to climate change, the "Aqueduct Water Risk Atlas," published by the World Resources Institute (WRI), and other sources are used to identify sites with high levels of water-related risk such as floods and droughts, and efforts are made to expand BCP. In Thailand, which has the MinebeaMitsumi Group's core plants, we acquired certification to the international standard ISO 22301 for our business continuity management system (BCMS) at the Bang Pa-in Plant, Lop Buri Plant, Rojana Plant and Navanakorn Plant, followed by the Ayutthaya Plant and Ban Wa Plant.

In the future, we will strengthen our measures against water-related risks in Southeast Asian bases other than China and Thailand, and will work to further reduce and minimize risks.

Risk management example 2 Information security

The utilization of information has become a management issue for survival and sustainable growth of the company. The Company is working on the use of information to achieve growth with the promotion of DX as its focal point, and not only it collects and analyzes data, but also it promptly responds to market changes by utilizing the results of such analysis. On the other hand, cyberattacks against companies have continued to increase both in terms of quantity and technical sophistication, and the development of a system to prevent such attacks is an urgent issue. In addition to the protection of business resources, manufacturers need to be prepared for cyber-attacks on production sites. In order to strengthen the information security promotion system, the Company uses a specialist in ICT as the CISO (Chief Information Security Officer), and has established the Security Promotion Office. Furthermore, a system for identifying and assessing security measures has been put in place at the Information Security Committee, which is chaired by the CISO, and includes a company-wide security task force. In addition, annual information security training is provided for all employees who use information devices. Our security system for responding to cyberattacks constantly monitors terminals and networks, and can respond rapidly to accidents. We will continue to reinforce our system in anticipation of increasing threats.

Global security monitoring and crisis response system
Attack detection and defense, crisis vulnerability detection, network monitoring/management



Risk management example 3 Security trade control

Due to international tension and military actions, economic sanctions and export control regulations are being changed and strengthened on a daily basis globally. In these circumstances, the Group, which has a global production system, will need to engage in strategic business development, and remain focused on the economic and political situation in each country. This will allow us to fulfill our social responsibilities as a company, and maintain an international competitive advantage. Our Group, which has expanded globally, engages in thorough security trade control at each base in accordance with the laws and regulations of the respective country. In order to further enhance the security trade control system, and to manage risks relating to economic security for the Group as a whole, we have formulated the "Group Company Policy on Economic Security" and the "Economic Security Risk Management Manual." Based on this policy, in order to engage in strategic and steady business development, we established the "Transaction Validity Judgment Subcommittee" as a subordinate body to the Risk Management Committee (refer to page 79), and have established a system for appropriately and promptly determining the validity of transactions based on economic security risks.