

The corporate governance of MinebeaMitsumi Inc. (the "Company") is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

1. Basic Views Update

(1) Basic Position on and Basic Policy for Corporate Governance

Basic Position on Corporate Governance

MinebeaMitsumi has adopted 'The Five Principles' as our company credo. These 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, the Company's basic management policy is to maximize corporate value by fulfilling its social responsibilities to its various stakeholders, including shareholders, business partners, local communities, international society and employees.

In accordance with this basic management policy, the Company considers the enhancement and reinforcement of corporate governance as a key management issue. Also, to ensure the soundness of the Company's management and to strengthen corporate governance, the Company is promoting the establishment, maintenance and expansion of its internal control system.

Basic Policy for Corporate Governance

1) Securing the rights and equal treatment of shareholders

The Company shall secure the rights of shareholders, and improve a proper environment enabling the shareholders to exercise their rights, in order to substantially secure shareholder's right and equality.

2) Appropriate cooperation with stakeholders other than shareholders

The Company shall be aware of the presence of its stakeholders and build appropriate cooperation with them, following our company credo.

3) Ensuring appropriate information disclosure and transparency

The Company shall disclose information properly based on laws and regulations, and proactively offer any other information including non-financial matters.

4) Responsibilities of the Board

The Board of Directors shall understand and perform the roles and duties of itself, based on fiduciary duty and accountability to the shareholders.

5) Dialogue with shareholders

The Company shall develop policy and system that enable us to constructively communicate with the shareholders and give plain explanations to them.

(2) Basic Explanation of Company Organizations

The Company makes rapid and highly strategic management judgments by 11 Directors. At the same time, the Company makes significant transfer of the authority for business execution from Directors to Executive Officers by introducing an Executive Officer System to facilitate a clear distinction between management and supervisory functions and business executing functions. Moreover, aimed at obtaining advice on all aspects of our corporate management and strengthening the Board of Director's functions to supervise the organizations of execution, we include three Outside Directors out of the 11 Board members.

Furthermore, regarding the Audit & Supervisory Board Members, in order to strengthen and enhance its auditing functions, we have three Outside Audit & Supervisory Board Members (including one full-time Outside Audit & Supervisory Board Member) out of the four Audit & Supervisory Board members. In addition to holding the Audit & Supervisory Board and attending the Board of Directors' meetings and other important meetings, the Audit & Supervisory Board Members, in conjunction with the Independent Auditors, and the Internal Auditing Office, audit domestic offices and our Group Companies, to audit the Directors' execution of duties.

(3) Enhancement of Internal Control System

Based on the "Basic Policy for Internal Control System", the Company has comprehensively implemented such systems as the compliance system, information storage and management system, risk management system, efficiently performing duties system, group company control system, and auditing system, and is working to further strengthen them. (For details, please see the section entitled "Basic Views on Internal Control System and the Progress of System Development" of this report.)

[Reasons for Non-compliance with the Principles of the Corporate Governance Code] Update

The Company complies with each principle of the Corporate Governance Code.

Information appearing about each principle is based on the Corporate Governance Code prior to its revisions in June 2018. The Company plans to update this information by December 31, 2018, taking into account the revisions to these principles.

[Disclosure Based on the Principles of the Corporate Governance Code] Update

[Principle 1.4 Cross-Shareholdings]

<<Policies on Cross-Shareholdings >>

The cross-shareholdings are for those that are considered to contribute to the enhancement of our corporate value by maintaining and

improving stable business relationships through shareholdings. The Board of Directors meeting examines whether the continuation of the shareholding contributes to the improvement of our corporate value, based on the trend of shareholdings, the status of transactions with the Company, and the share price in the market and so on.

<<Standards for the Exercising Voting Rights>>

When we exercise voting rights relating to shareholdings, we will take appropriate measures after comprehensively determining whether or not we can contribute to the efficient and sound management of the company and expect an increase in corporate value.

[Principle 1.7 Related Party Transactions]

Transactions with a conflict of interest carried out by a Director, etc., require a resolution of the Board of Directors pursuant to the Regulations on the Board of Directors, Regulations on Executive Officers, and Regulations on Technical Officers. In addition, in the case of related party transactions with the Company, it is the Company's policy to authorize the transaction and determine transactional conditions based on negotiations while taking into account market prices. The Company also discloses this information in Securities Reports, etc., pursuant to laws and regulations, etc.

[Principle 3.1 Full Disclosure]

(1) Company Objectives (e.g., Business Principles), Business Strategies and Business Plans

Under "The Five Principles," the company credo, the Company's medium- to long-term direction is presented in the "Seven Spears" strategy. The Company aims to achieve one trillion yen in net sales and/or operating income of 100 billion yen in the fiscal year ending March 31, 2021. The Company discloses the status of management including this information through Japanese and English versions of its briefing reports, presentations to investors, convocation notices of General Meetings of Shareholders, reports for shareholders and annual reports, etc., as well as posts this information on its corporate website.

(2) Basic Views and Guidelines on Corporate Governance

See "1. Basic Views" under "I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information" of this report.

(3) Determination of Executive Management and Directors' Compensation

1) Policy

Directors' compensation consists of a performance-linked incentives compensation which was introduced in 2017, as well as stock options in addition to the basic compensation which is paid on a monthly basis, and performance-linked bonuses which are determined according to the performance of each business year.

Each Director's compensation package is determined by a resolution passed by the Board of Directors according to his functions, performance, the performance of the Company, and other factors.

Performance-linked bonuses are structured to reflect the Company's performance, job responsibilities, and performance. Payment standards are determined based on the bonus calculation table, which is based on the consolidated result and stock price levels for each fiscal year.

The amount of performance-linked incentive compensation is determined based on the degree of achievement of the medium-term plan aimed at "one trillion yen in net sales and/or 100 billion yen in operating income" in the fiscal year ending March 31, 2021.

In the case of Outside Directors, compensation packages are determined according to their professional backgrounds and other factors.

The performance-linked incentives compensation system and stock option are not offered to Outside Directors.

The compensation of executive management other than Directors (Executive Officers and Technical Officers) consists of monthly base pay and a performance-linked bonus.

The performance-linked bonus is determined using a comprehensive view of dividend, bonus level, industry and competitor trends, medium- to long-term business results projections and past payouts, etc., based on net sales and each profit indicator, etc., on a consolidated basis for each business year.

2) Procedures

Based on the above policy, the compensation of Directors is approved by resolution of the Board of Directors within the scope of 1,500 million yen, as authorized by the General Meeting of Shareholders, after discussions involving the President and Executive Officer, Head Outside Director and Head Audit & Supervisory Board Member. The compensation of Executive Officers and Technical Officers is determined based on discussions held between the President and Executive Officer and the Executive Officer in charge of Human Resources. The compensation of Audit & Supervisory Board Members is determined by discussions of the Audit & Supervisory Board within the scope of 100 million yen, as authorized by the General Meeting of Shareholders.

(4) Appointment of Executive Management and Nomination of Director and Audit & Supervisory Board Member Candidates

1) Policy

When nominating Director candidates, the appointment of Executive Officers and Technical Officers, we holistically conduct reviews from the perspective of assigning the right person to the right position, considering accurate and swift decision making, appropriate risk management, supervision of business execution and capabilities for managing each function and each business division of the Company. In addition, when nominating Audit & Supervisory Board Member candidates, we gain consent of the Audit & Supervisory Board upon electing a candidate after having holistically conducted reviews with consideration placed on financial and accounting expertise, knowledge of the Company's business fields and know-how in risk management and corporate management. .

2) Procedures

Based on the above policy, a resolution is passed by the Board of Directors after discussions held between the President and Executive Officer and the Executive Officer in charge of Human Resources and deliberations by the Senior Executive Officer Council.

(5) Explanation of Appointment and Nominations

Candidates for Director are nominated with a focus on human resources needed to achieve the sustainable enhancement of corporate value, taking into account status of business execution as executive management, such as business operation management and business guidance, etc. from a management perspective. As for the appointment of candidates for Audit & Supervisory Board Member, human resources with in-depth knowledge of each business operation based on wide-ranging experience internally are nominated as candidates for Inside Audit & Supervisory Board Member, while human resources with in-depth specialty knowledge and insight concerning corporate law and corporate accounting, etc. are nominated as candidates for Outside Audit & Supervisory Board Member.

A career summary and reason for appointment of candidates for Director and Audit & Supervisory Board Member can be found in the convocation notice of the General Meeting of Shareholders.

<http://www.minebeamitsumi.com/english/corp/investors/disclosure/index.html>

[Supplementary Principle 4.1.1 Scope and Content of the Matters Delegated to the Management.]

The Board of Directors prescribes matters to be resolved in the Regulations on the Board of Directors, while business execution authority not prescribed therein is delegated to Executive Officers. A system is in place to stimulate and speed up business execution and ensure

efforts are made to enhance it.

The Regulations on the Board of Directors prescribe that in addition to matters stipulated in laws, regulations and the Articles of Incorporation, material management matters must be resolved as well.

[Principle 4.8. Effective Use of Independent Directors]

The Company currently has three Outside Directors. The Company has notified the Tokyo Stock Exchange that each of these Outside Directors is an independent officer.

[Principle 4.9 Independence Standards and Qualification for Independent Directors]

The Company appoints Independent Outside Directors following the requirements of Outside Director prescribed in the Companies Act and the criteria for determining independence of the Tokyo Stock Exchange.

[Supplementary Principle 4.11.1 View on the Appropriate Balance between Knowledge, Experience and Skills of the Board as a whole, and also on Diversity and Appropriate Board Size.]

The Company's Board of Directors consists of no more than 12 Directors per the Articles of Incorporation in order to carry out management level decision making that is prompt and highly strategic. Currently, the Board of Directors consists of 11 members. Of these, eight Directors were appointed from among persons with a wealth of knowledge, sufficient experience and advanced skills from each division and Manufacturing Headquarters of the Company who can be expected to contribute to the Company. There are currently three Outside Directors following the basic policy to appoint more than one Outside Director. The Company's Outside Directors are appointed from human resources who contribute to the enhancement of corporate value with highly specialized knowledge across a broad range of fields, including in corporate governance, compliance, risk management, and corporate management as lawyer, economist and corporate executive. Each is appointed based on prudent discussions held by the Board of Directors.

Policy and procedures on the appointment of Directors

The same as indicated in Principle 3.1 (iv).

[Supplementary Principle 4.11.2 Information about Outside Directors, Outside Audit & Supervisory Board Members, and other Directors and Audit & Supervisory Board Members who also Serve as Directors, Audit & Supervisory Board Members or the Management at other Companies.]

The Company discloses the status of concurrent posts of Directors and Audit & Supervisory Board Members at other companies every year through the convocation notice of the General Meeting of Shareholders, Securities Report and Corporate Governance Report, etc.

The status of concurrent posts of the three Outside Directors is as follows:

Kohshi Murakami: Lawyer

Atsuko Matsumura: Economist, Outside Director of another company

Takashi Matsuoka: Executive Vice President, Director and Executive Officer of another company

Inside Directors do not have concurrent posts as officers, etc. of other companies outside the Company and the Company's Group; whereby, a system is in place that enables Directors to focus on their duties.

The status of concurrent posts of two part-time Outside Audit & Supervisory Board Members of the four Audit & Supervisory Board Members is as follows:

Hisayoshi Rikuna: Tax Accountant

Shinichiro Shibasaki: Lawyer

Full-time Audit & Supervisory Board Members and full-time Outside Audit & Supervisory Board Members do not have concurrent posts as officers, etc., of other companies outside the Company and the Company's Group; whereby, a system is in place that enables Audit & Supervisory Board Members to focus on their duties.

[Supplementary Principle 4.11.3 Disclosure of Summary of the Results on Analysis and Evaluation its Effectiveness as a whole.]

With regard to the evaluation of the effectiveness of the Board of Directors, the Company conducted a self-evaluation through a written questionnaire on the composition, agenda, and operational status of the Board of Directors for all Directors and Outside Audit & Supervisory Board Members. The Company also analyzed the results of the analysis by the Secretariat of the Board of Directors and discussed the results of the analysis by the Board of Directors. As a result, the Company has confirmed that the Board of Directors meeting is functioning sufficiently in general. By continuing to follow the PDCA cycle, the Company will continue to improve the effectiveness of the Board of Directors meeting.

[Supplementary Principle 4.14.2 Training Policy for Directors and Audit & Supervisory Board Members.]

- 1) The Company establishes opportunities for training inside and outside the Company for newly elected Directors and Audit & Supervisory Board Members in order to promote understanding of and acquire knowledge necessary for their roles and duties.
- 2) The Company establishes opportunities for visits to major business sites including overseas and explanations by members of these business sites for Outside Directors and Outside Audit & Supervisory Board Members in order for them to gather information about the Company's organization, business operations and business sites, etc.
- 3) The Company provides and pays for ongoing training for all Directors and Audit & Supervisory Board Members in order for them to fulfill their roles and duties.
- 4) The Company regularly holds theme-based training sessions at appropriate times for Audit & Supervisory Board Member and Executive Officers.

[Principle 5.1 Policy for Constructive Dialogue with Shareholders]

The Board of Directors has resolved the following as a policy for promoting constructive dialogue with shareholders. The Company has adopted "The Five Principles" as our company credo. These 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." Based on these company credos, the Company strives to realize sustainable growth and the medium- to long-term enhancement of corporate value. To accomplish this, the Company recognizes the understanding and support of stakeholders including shareholders and investors is essential.

As part of this measure, the Company actively carries out dialogue with shareholders and investors. At the same time, the Company strives to fulfill accountability as a corporation by explaining and disclosing information concerning management situation including progress of management plans, quantitative financial information, and non-financial information such as on corporate governance, the environment and CSR in a timely and appropriate manner.

The Company designates an officer for managing overall activities involved with shareholder dialogue and has established the IR Office as

a dedicated department for these activities that works with related departments. The views of shareholders obtained through these dialogue activities are shared and utilized, and provided as feedback to management and related divisions through the distribution of reports at meeting bodies when necessary. The Company hosts presentations of financial results and telephone conferences of financial results for institutional investors and securities analysts, and regularly organizes visits to investors outside of Japan. At the same time, the Company makes efforts to disclose information through its corporate website. In addition, the Company pays attention to the management of insider information in accordance with the "Minebea Mitsumi Group regulations on insider trading prevention," so that important facts that have not yet been disclosed are not communicated in our dialogue with shareholders.

2. Capital Structure

Foreign Shareholding Ratio	More than 30%
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[Status of Major Shareholders] Update

Name / Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	35,013,200	8.31
Japan Trustee Services Bank, Ltd. (Trust account)	22,732,000	5.39
Takahashi Industrial and Economic Research Foundation	15,447,330	3.67
Sumitomo Mitsui Trust Bank, Limited	15,413,900	3.66
Japan Trustee Services Bank, Ltd. (Trust account 4)	14,174,400	3.36
Sumitomo Mitsui Banking Corporation	10,223,597	2.43
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	10,181,739	2.42
KEIAISHA Co., Ltd.	10,100,000	2.40
THE CHASE MANHATTAN BANK 385036	8,682,148	2.06
Japan Trustee Services Bank, Ltd. (Trust account 5)	7,093,900	1.68

Controlling Shareholder (except for Parent Company)	—
Parent Company	None

Supplementary Explanation

3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange First Section Nagoya Stock Exchange First Section
Fiscal Year-End	March
Type of Business	Electric Appliances
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	More than 1000
Sales (consolidated) as of the End of the Previous Fiscal Year	From ¥100 billion to less than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 50 to less than 100

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

5. Other Special Circumstances which may have Material Impact on Corporate Governance

// Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

1. Organizational Composition and Operation

Organization Form	Company with Audit & Supervisory Board Members
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[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	12
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	President
Number of Directors Update	11
Appointment of Outside Directors	Appointed
Number of Outside Directors Update	3
Number of Independent Directors Update	3

Outside Directors' Relationship with the Company (1) Update

Name	Attribute	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k		
Kohshi Murakami	Lawyer													
Atsuko Matsumura	Academic													
Takashi Matsuoka	From another company								○					

* Categories for "Relationship with the Company"

* "○" when the Director presently falls or has recently fallen under the category;

"△" when the Director fell under the category in the past

* "●" when a close relative of the Director presently falls or has recently fallen under the category;

"▲" when a close relative of the Director fell under the category in the past

- Executive of the Company or its subsidiaries
- Non-executive Director or executive of a parent company of the Company
- Executive of a fellow subsidiary company of the Company
- A party whose major client or supplier is the Company or an executive thereof
- Major client or supplier of the listed company or an executive thereof
- Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a Director/Audit & Supervisory Board Member
- Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
- Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the Director himself/herself only)
- Executive of a company, between which and the Company Outside Directors/Audit & Supervisory Board Members are mutually appointed (the Director himself/herself only)
- Executive of a company or organization that receives a donation from the Company (the Director himself/herself only)
- Others

Outside Directors' Relationship with the Company (2) Update

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Kohshi Murakami	○	Mr. Kohshi Murakami is a Special Counsel at TMI Associates.	Mr. Murakami has a wealth of experience and keen insight as a judge and as an attorney-at-law. He serves in a supervisory role independent from management. The Company has reported him as independent director because there are no capital, personal or business relationships between him and the Company, demonstrating his independence is fully secured, and there is no concern of a conflict of interest with ordinary shareholders.

- * Categories for “Relationship with the Company”
- * “○” when the Audit & Supervisory Board Member presently falls or has recently fallen under the category;
- * “△” when the Audit & Supervisory Board Member fell under the category in the past
- * “●” when a close relative of the Audit & Supervisory Board Member presently falls or has recently fallen under the category;
- * “▲” when a close relative of the Audit & Supervisory Board Member fell under the category in the past
- a. Executive of the Company or its subsidiary
- b. Non-executive Director or accounting advisor of the Company or its subsidiaries
- c. Non-executive Director or executive of a parent company of the Company
- d. Audit & Supervisory Board Member of a parent company of the Company
- e. Executive of a fellow subsidiary company of the Company
- f. A party whose major client or supplier is the Company or an executive thereof
- g. Major client or supplier of the Company or an executive thereof
- h. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as an Audit & Supervisory Board Member
- i. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
- j. Executive of a client or supplier company of the Company (which does not correspond to any of f, g, or h) (the Audit & Supervisory Board Member himself/herself only)
- k. Executive of a company, between which and the Company Outside Directors/Audit & Supervisory Board Members are mutually appointed (the Audit & Supervisory Board Member himself/herself only)
- l. Executive of a company or organization that receives a donation from the Company (the Audit & Supervisory Board Member himself/herself only)
- m. Others

Outside Audit & Supervisory Board Member’s Relationship with the Company (2) Update

Name	Designation as Independent Audit & Supervisory Board Member	Supplementary Explanation of the Relationship	Reasons of Appointment
Kazuyoshi Tokimaru	○	Mr. Kazuyoshi Tokimaru has many years of finance, compliance and internal audit experience gained at the Sumitomo Mitsui Trust Bank, Limited, which is one of our major banks. He uses the expertise and insight he developed over the course of his career to fulfill his role as an auditor independent from management. Since he has retired from the bank in June 2015, he is not in a position to receive the influence of the bank. The Company has transactions with multiple financial institutions other than the bank, so there is no danger that the bank will have an impact on our decision-making.	The Company has reported him as independent Audit & Supervisory Board Members because there are no capital, personal or business relationships between him and the Company other than the matters appearing in “Supplementary Explanation of the Relationship,” demonstrating his independence is fully secured, and there is no concern of a conflict of interest with ordinary shareholders.
Hisayoshi Rikuna	○	Mr. Hisayoshi Rikuna is Representative of Hisayoshi Rikuna Tax Law Office.	As a tax accountant, Mr. Rikuna is well versed in accounting and tax matters. He serves in a supervisory role independent from management using the expertise and professional knowledge he has gained over the course of his career. The Company has reported him as independent Audit & Supervisory Board Members because there are no capital, personal or business relationships between him and the Company, demonstrating his independence is fully secured, and there is no concern of a conflict of interest with ordinary shareholders.
Shinichiro Shibasaki	○	Mr. Shinichiro Shibasaki is Partner at Law Office Juricom as well as Member of Dispute Resolution Committee of The General Insurance Association of Japan and Visiting Professor at Tokai University School of Medicine.	As a lawyer, Mr. Shibasaki is well versed in corporate law. He serves in a supervisory role independent from management. The Company has reported him as independent Audit & Supervisory Board Members because there are no capital, personal or business relationships between him and the Company, demonstrating his independence is fully secured, and there is no concern of a conflict of interest with ordinary shareholders.

[Independent Directors/Audit & Supervisory Board Members]

Number of Independent Directors/Audit & Supervisory Board Members Update	6
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Matters relating to Independent Directors/Audit & Supervisory Board Members

[Incentives]

Incentive Policies for Directors

Performance-linked Compensation / Stock Options

Supplementary Explanation

Update

The Company has introduced a performance-linked compensation system. The Company announced its Medium-term Business Plan that seeks to achieve net sales of one trillion yen and/or operating income of 100 billion yen in the fiscal year ending March 31, 2021, and in order to further raise incentives for Directors to improve business results, the Company established a new performance-linked incentive compensation system in 2017. The Company has adopted a stock compensation-type stock option system for Directors as an incentive to improve business results.

Recipients of Stock Options

Inside Directors

Supplementary Explanation

The compensation system for Directors was established to clarify links between the Company's business results and stock price along with raising Directors' appetites for contributing to the enhancement of business results over the medium- to long term and promote the sharing of value with shareholders.

[Director Compensation]

Disclosure of Individual Directors' Compensation

Selected Directors

Supplementary Explanation

The Company discloses in its Business Report the total amount of each type of compensation and total number of individuals receiving compensation broken down by Director and Audit & Supervisory Board Member (Outside Directors and Outside Audit & Supervisory Board Members are each included).

The Company discloses in its Securities Report the total amount of each type of compensation and total number of individuals receiving compensation for Directors (excluding Outside Directors), Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members), and Outside Directors and Outside Audit & Supervisory Board Members. Additionally, the Company discloses Directors who receive more than 100 million yen in total compensation individually.

Policy on Determining Compensation Amounts and Calculation Methods

Update

Established

Disclosure of Policy on Determining Compensation Amounts and Calculation Methods

Directors' compensation consists of the basic compensation which is paid on a monthly basis, and performance-linked bonuses which are determined according to the performance of each business year, in addition to a performance-linked incentives compensation which was introduced in 2017, as well as stock options. Each Director's compensation package is determined by a resolution passed by the Board of Directors according to his functions, performance, the performance of the Company, and other factors.

Performance-linked bonuses are structured to reflect the Company's performance, job responsibilities, and performance. Payment standards are determined based on the bonus calculation table, which is based on the consolidated result and stock price levels for each fiscal year. The amount of performance-linked incentive compensation is determined based on the degree of achievement of the medium-term plan aimed at "one trillion yen in net sales and/or 100 billion yen in operating income" in the fiscal year ending March 31, 2021.

In the case of Outside Directors, compensation packages are determined according to their professional backgrounds and other factors. The performance-linked incentives compensation system and stock option are not offered to Outside Directors.

[Supporting System for Outside Directors and/or Outside Audit & Supervisory Board Members]

Support for Outside Directors is basically handled by the Secretariat of the Board of Directors, but the relevant departments appropriately handle as necessary. With regard to Outside Audit & Supervisory Board Members, the Company strives to maintain close contact with full-time Audit & Supervisory Board Members and share information. In addition, the Company distributes materials for the Board of Directors meetings in advance to Outside Directors and Outside Audit & Supervisory Board Members in order to ensure that they understand the details of the agenda and reported items as soon as possible.

2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Compensation Decisions (Overview of Current Corporate Governance System)

Update

(1) Decision-making and Supervisory Role of Management

With regard to the Company's management level decision-making and supervisory role, the Company has a system in place for carrying out prompt and highly strategic decision making with the Board of Directors comprised of 11 Directors as the ultimate organization for resolutions in carrying out important strategic decision making. Three Outside Directors provide advice with regard to overall corporate management. The Company is making efforts to reinforce the supervisory role of the Board of Directors covering business execution organizations.

Additionally, the term of office of Directors is set at one year in order to clarify the management responsibilities of Directors and establish a management structure capable of addressing changes in the management environment promptly.

(2) Execution Role of Management

With regard to the execution role of the Company's management, the Company has adopted the Executive Officer System in which the authority of Directors to execute business operations is delegated to Executive Officers. As a result, this system is in place to stimulate, speed up and enrich business execution. In addition, the Company has adopted the Technical Officer System in order to further reinforce development of core technologies for the Company's manufacturing. Technical Officers also participate in management. Additionally, as with Directors, the term of office of Executive Officers and Technical Officers is set at one year.

(3) Monitoring Role of Management

As for the Company's monitoring role of management, a monitoring system is in place comprised of four Audit & Supervisory Board Members (three of which are Outside Audit & Supervisory Board Members). In addition, the Company seeks to reinforce this mutual monitoring system among Directors by not assigning titles to Directors other than the Representative Director.

(4) Summary of Each Organization

• Board of Directors Meeting

Meetings of the Company's eleven-member Board of Directors are held basically once every month and as needed to facilitate a swift and strategic decision-making process. Significant business matters related to our domestic and overseas Group Companies are reported to and resolved by the Board of Directors.

• Senior Executive Officer Council

This is the President and Chief Executive Officer's advisory panel. Matters related to business operations are discussed by the Senior Executive Officer Council in basically a monthly meeting or in extraordinary Senior Executive Officer Council meetings when necessary.

• Executive Officers Meeting

Business operations of domestic and overseas Group Companies are reported on at quarterly Executive Officers meetings as well as other Executive Officers meetings held on an as-needed basis in order to enhance interdivisional cooperation.

• Audit & Supervisory Board Meeting

The Ordinary Audit & Supervisory Board meetings are held basically once every month and extraordinary meetings are held accordingly, to discuss and adequately analyze specific issues. Also, meetings with the Representative Director, President and Chief Executive Officer are held every quarter to exchange opinions.

• Other Committees

Committees are established for specific matters necessary for adequate business operations, such as Compliance, Risk Management, Information Security, etc.

(5) Status of Accounting Audit

KPMG AZSA LLC carries out the Company's accounting audits pursuant to the audit agreement it has concluded with the Company for the implementation of audits under the Companies Act and audits under the Financial Instruments and Exchange Act. As of June 30, 2018, the certified public accountants who carried out the Company's account audit operations are Mr. Junichi Obi, Mr. Tetsuaki Nomura, and Mr. Takuju Kamiyama. Additionally, support staff for accounting audit operations includes 10 certified public accountants, one United States certified public accountant, and 12 others.

3. Reasons for Adoption of Current Corporate Governance System Update

MinebeaMitsumi is a company with Audit & Supervisory Board Members, having three Outside Audit & Supervisory Board Members (including one full-time Outside Audit & Supervisory Board Member) out of four Audit & Supervisory Board Members. They audit independently and objectively Directors' execution of duties. We also have three Outside Directors out of the 11 Board members, which is aimed at ensuring soundness of corporate management, promoting compliance management, and strengthening the supervisory role for the executive organizations. With this system, we believe our business supervisory role will ensure sufficient neutrality and objectivity.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Shareholder Meetings and Smooth Exercise of Voting Rights Update

	Supplementary Explanations
Early Notification of General Meeting of Shareholders	The 72nd Ordinary General Meeting of Shareholders was held on June 28, 2018, and the convocation notice was sent out on June 5, 2018.
Allowing Electronic Exercise of Voting Rights	The Company allows voting rights to be exercised over the Internet, etc.
Participation in Electronic Voting Platform	The Company participates in the digital platform for the exercising of voting rights for institutional investors operated by ICJ Inc.
Providing Convocation Notice in English	The Company prepares an English language version of the convocation notice and posts it on its website.
Other	The Company posts the convocation notice and attachments on its website. Three days prior to the date when the convocation notice is sent out, the Company disclosed it to Tokyo Stock Exchange, Inc. and posted it on the Company's website.

2. IR Activities

	Supplementary Explanations	Explanation by Representative
Preparation and Publication of Disclosure Policy	The Company posts its Disclosure Policy on the Investors section of its website: http://www.minebeamitsumi.com/english/corp/investors/management/dpolicy/	
Regular Investor Briefings for Analysts and Institutional Investors	The Company holds a briefing or telephone conference immediately after each quarterly and year-end presentation of financial results. Briefing materials and video streaming links are posted on the Company's website.	Yes
Regular Investor Briefings for Overseas Investors	English language versions of the above briefing materials are posted on the Company's website for overseas investors.	Yes
Posting of IR Materials on Website	The Company posts its management policy, stock and bond information, IR library, and business results/financial data, etc. on the Investors section of its website: http://www.minebeamitsumi.com/english/corp/investors/index.html .	
Establishment of Department and/or Manager in Charge of IR	IR Office, Business Administration and Accounting & Corporate Finance Division	

3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
<p>Stipulation of Internal Rules for Respecting the Position of Stakeholders</p>	<p>The Company has established the MinebeaMitsumi Group Code of Conduct. The Code states "a corporation has been required to be not only an organization that pursues profits through free and fair competitions but also an entity that broadly provides usefulness to the society. Under these circumstances, compliance (observance of laws and ethical principles) is regarded as an important element of business management. In addition, a corporation has been required to be fair and sincere to its stakeholders from the viewpoint of corporate governance. In other words, a company has duties to fulfill its social responsibility and improve its corporate value not only by complying with laws and regulations but also, as a corporate citizen, by conducting appropriate and fair business management based on corporate ethics."</p> <p>The Company has established the MinebeaMitsumi Group Officer and Employee Compliance Guidelines as a set of minor regulations within the Code of Conduct with the purpose of ensuring that all officers and employees of the Group share the values and ethics of the Code of Conduct and take specific actions, with the recognition that compliance in a corporation is sustained by each of its officers and employees and that this is an era when more and more consciousness and responsibilities are required of each member of a corporation in addition to actions by the corporation itself.</p> <p>The Company has established the Compliance Management Regulations to properly manage and address compliance issues as well as promptly implement various measures with the goal of reinforcing the Group's compliance system.</p>
<p>Implementation of Environmental Activities, CSR Activities etc.</p>	<p>With regard to corporate social responsibilities (CSR), the Company has established the MinebeaMitsumi Group Basic CSR Policy. Based on this policy and the MinebeaMitsumi Group's CSR Implementation Principles, the Company is carrying out initiatives aimed at the realization of a sustainable society.</p> <p>The Company established the CSR Promotion Office and Compliance Promotion Office to carry out these CSR activities. These organizations focus on the promotion of CSR activities across the entire MinebeaMitsumi Group and on advancing the ethics and legal compliance system, including the Compliance Committee.</p> <p>With regard to the environment, the Company has established the MinebeaMitsumi Group Environmental Policy, which is implemented in an organized manner through the Environmental Management Committee that reports directly to the president and the Group Environmental Management Department. The Company has actively worked to reduce energy usage. The Company has appointed an executive officer to be in charge of energy management and is reinforcing its organizational structure so that facilities departments work with Group environmental management organizations to seek further reductions in energy usage.</p> <p>The Company regularly publishes the MinebeaMitsumi Group CSR Report that contains information about the MinebeaMitsumi Group's CSR implementation activities and environmental initiatives. Through this report, the Company is deepening understanding among stakeholders as well as broadly in society.</p>
<p>Development of Policies on Information Provision to Stakeholders</p>	<p>The MinebeaMitsumi Group Code of Conduct and the MinebeaMitsumi Group Officer and Employee Compliance Guidelines stipulate that the Company will disclose information concerning its business activities, organizational management, financial condition and business results in a timely manner following relevant laws, regulations and precedents.</p>
<p>Other</p>	<p>The Company has announced its participation in the UN Global Compact.</p>

IV. Matters Related to the Internal Control System

1. Basic Views on Internal Control System and the Progress of System Development Update

By establishing an internal control system that disciplines business management, we will reinforce corporate governance and strongly fulfill the company's social responsibilities, as well as further increase corporate value.

Based on the Companies Act, the Company enacted its Basic Policy for the Formulation of an Internal Control System by a resolution of the Meeting of the Board of Directors in an effort to ensure the sound management of the Company. A summary of this resolution is provided below.

<Structure of Internal Control System, etc.>

1. Structure to assure that Directors', Executive Officers' & Technical Officers' and employees' execution of duties conform to laws and regulations and Articles of Incorporation
 - (1) The MinebeaMitsumi Group has set up a management structure regarding compliance and established the MinebeaMitsumi Group Code of Conduct (hereafter the "Code of Conduct"), the MinebeaMitsumi Group Officer and Employee Compliance Guidelines (hereafter the "Compliance Guidelines") and Compliance Management Rules (hereafter the "Rules") in order to have group company Directors, Executive Officers & Technical Officers and employees follow laws and regulations, the Company's Articles of Incorporation and the Company Credo.
 - (2) These Code of Conduct and Compliance Guidelines have set the specific guidelines and standards that have to be observed for labor, safety and health, environment protection, and ethical management. In order to enforce this, the Compliance Committee was established to control the Group's compliance efforts in a cross-sectional manner, as well as educating officers and staff members. In the Rules, the basic policy, such as a basic policy of the compliance in our group, organization, and management rules are defined, and the various measures regarding maintenance of organization and compliance are implemented appropriately.
 - (3) The MinebeaMitsumi Group will have nothing to do with anti-social forces and organizations that threaten social order or safety. It will not acquiesce to unreasonable demands, and it will work uncompromisingly in cooperation with external authorized institutions such as police and lawyers. Moreover, it is also written in the Code of Conduct and the Compliance Guidelines.
 - (4) Activities of the Compliance Committee are reported to the Board of Directors regularly, or whenever necessary.
 - (5) Outside Directors in the Board of Directors will be appointed in order to have the check-and-balance system that assures the legality of the Directors' execution of duties.
2. Storage and management of information related to execution of duties by Directors and Executive Officers & Technical Officers
 - (1) The MinebeaMitsumi Group has established the MinebeaMitsumi Group Document Management Rules for maintaining documents (including electronic records) and other relevant materials.
 - (2) If the documents should be kept for a certain period of time or at a certain location, the preservation period and location must follow these rules except in cases where there are specific provisions in any law. The documents are stored by a method as it can be viewed within two days, if there is an inspection request from a Director or Audit & Supervisory Board Member.
3. Rules for risk of loss management and other structures
 - (1) The MinebeaMitsumi Group established "MinebeaMitsumi Group Basic Rules for Risk Management" that systematically sets up risk management. The Chief Officer of the risk management of MinebeaMitsumi Group shall be the Representative Director, President and Chief Executive Officer, and the Risk Management Committee is under his direct control.
 - (2) Based on these Rules, the individual risks will be monitored continuously by each responsive organization, and we also assume and classify specific risks in advance, and develop a quick, adequate communication and emergency structure in case of an emergency.
 - (3) The Risk Management Committee will regularly review above structure, verify specific items and report the status of risk management including such verification results to the Board of Directors regularly, or whenever necessary.
4. Structure to assure that the execution of duties by the Directors and Executive Officers & Technical Officers are efficiently performed
 - (1) The Company makes rapid and highly strategic management judgments by limiting the number of Directors to 12 or less. At the same time, the Company makes significant transfer of the authority for business execution from Directors to Executive Officers by introducing an Executive Officer System to facilitate a clear distinction between management and supervisory functions and business executing functions and speed up the business execution.
 - (2) The MinebeaMitsumi Group sets group-wide goals that are shared by Directors, Executive Officers & Technical Officers and employees and spreads those goals across the group. In addition, to achieve the goals, chiefs of headquarters and officers in charge of divisions and chiefs of business units determine specific objectives to be implemented by each headquarters, division or business unit and efficient methods of achieving the objectives. Their performance results are converted into verifiable data via an IT system and are regularly reviewed by the Board of Directors after being analyzed by each relevant headquarters, division and business unit. Leveraging the inherent strength of this process, enables us to sweep away obstacles to efficiency, bring everyone closer to achieving their goals, and lay a solid foundation upon which we can build a more efficient organization.
5. Structures to ensure that the operations of the Company's and its subsidiaries are adequate
 - (1) The Company's headquarters, divisions and business units take all necessary steps to provide effective guidance on group company business operations.
 - (2) Our common commitment to legal and ethical standards is reflected in the "MinebeaMitsumi Group Code of Conduct" and the "Compliance Guidelines."
 - (3) "Rules for Management of Group Companies" that are common to our group are established in order to establish the management standards and management procedures for its Group Companies located domestically in Japan and overseas as well, and to facilitate business development of the corporate group consisting of the Company and the Group Companies, strengthen its corporate governance structure and enhance its corporate value.
 - (4) In order to increase the effects of the internal control system audits for Group Companies currently done by the Audit & Supervisory Board Members, we maintain a cooperative posture toward the Audit & Supervisory Board Members.
 - (5) We set numerical goals for each Group Company, review them regularly, and provide relevant organizations with feedback after performing a thorough performance review.
 - (6) The Internal Auditing Office regularly audits the Group Companies.
6. Issues concerning when an Audit & Supervisory Board Member requests for an employee to assist him/her and issues concerning such employee's independence from Directors
 - (1) When such employee is required, he/she is properly set, and we assist the audit.
 - (2) When an employee in charge of work to assist duties of an Audit & Supervisory Board Member receives directions on the work from the Audit & Supervisory Board Member, a system that allows such employee to concentrate on following commands and orders is

established.

- (3) The audit support by such employee is done under the Audit & Supervisory Board Member's directions and orders.
 - (4) The Audit & Supervisory Board's opinion is respected on the personnel changes and personnel evaluation regarding such employee.
7. Structure of Directors', Executive Officers' & Technical Officers' and employees' report to the Audit & Supervisory Board Member, and other reporting structure to the Audit & Supervisory Board Member
- (1) The Directors report the following to the Audit & Supervisory Board
 - (a) Matters discussed at the Senior Executive Officer Council
 - (b) Matters that might cause the Company a significant loss
 - (c) Monthly business conditions that are important
 - (d) Important matters regarding internal audit status and risk management
 - (e) Significant violations of law or Articles of Incorporation
 - (f) Status of calls to the compliance hotline and their contents
 - (g) Other important matters related to compliance
 - (h) Matters related to request for approval decided by Directors or Executive Officers & Technical Officers
 - (i) Agreements executed by Directors or Executive Officers & Technical Officers
 - (j) Matters related to litigations
 - (2) Executive Officers & Technical Officers directly report (b) or (e) in the previous paragraph (1) hereof to the Audit & Supervisory Board. Also, if the employee discovers a significant fact related to (b) and (e) in the previous paragraph (1) hereof, he/she may directly report it to the Audit & Supervisory Board.
 - (3) Group Companies' Directors, Audit & Supervisory Board Members or employees who execute business operations or any person who receives a report from them may report a matter concerning (b) or (e) of (1) above directly to the Audit & Supervisory Board.
 - (4) Executives and employees of the Company and Group Companies shall not to be treated disadvantageously by reason of their reporting on each item listed above.
8. Other matters in order to ensure the efficiency of the Audit & Supervisory Board Member's audit
- (1) The Audit & Supervisory Board Member has an opportunity to interview Directors, Executive Officers & Technical Officers and important employees, as well as hold informal meetings regularly with Representative Director, President and Chief Executive Officer and the Independent Auditor respectively.
 - (2) The Internal Auditing Office carries out the internal audit items requested by the Audit & Supervisory Board Members based on discussions with the Audit & Supervisory Board and reports those results to the Audit & Supervisory Board.
 - (3) As a general rule, costs arising from execution of duties by Audit & Supervisory Board Members are expensed based on the annual budget planned by the Audit & Supervisory Board. When an Audit & Supervisory Board Member asks for advance payment of costs, etc. required for execution of his or her duties by necessity, the costs or obligations are processed promptly.

2. Basic Views on Eliminating Anti-Social Forces

In recent years so-called "antisocial forces," i.e. criminal entities, have been taking ever more shadowy paths as they mask their illicit activities behind various business fronts and employ cunning means of appropriating funds. Any society that aims to maintain public order and safety must root out these dark forces wherever they exist. The same goes for companies that wish to fulfill their social responsibilities, ensure compliance with the law, and eliminate risks.

MinebeaMitsumi's Code of Conduct promises that the MinebeaMitsumi Group will have nothing to do with antisocial influences that threaten social order or safety. It guarantees that we will not acquiesce to unreasonable demands and will work uncompromisingly in cooperation with external authorized institutions such as police and lawyers. The MinebeaMitsumi Group Officer and Employee Compliance Guidelines maintains that "we shall take a resolute attitude toward antisocial forces and groups that pose a threat to the order and safety of civil society, and shall sever any relations with those forces and groups." At MinebeaMitsumi, we make sure that all employees across the Group are aware of these rules and guidelines. We have even set up an internal organization responsible for overseeing employees and departments with an eye to ensuring that they have absolutely no ties with any criminal entities, etc.

On top of that we do everything possible to make all employees of MinebeaMitsumi and its Group Companies informed of initiatives aimed at weeding out and preventing these corrupt entities from casting their dark shadow over our organization. We also incorporate provisions designed to root out these "antisocial forces" in basic business agreements signed by our Group's suppliers so they can join us in our efforts to stamp out corruption.

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures

Adopted

Supplementary Explanation

Update

A summary of the basic policy concerning approaches of persons who control decisions on the Company's financial and business policies is presented below.

1. Details of Basic Policy

The Company believes that the persons who control decisions on the Company's financial and business policies need to be persons who fully understand the details of the Company's financial and business affairs and the source of the Group's corporate value and who will make it possible to continually and persistently ensure and enhance the Group's corporate value and, in turn, the common interests of its shareholders.

The Company believes that ultimately its shareholders as a whole must make the decision on any proposed acquisition that would involve a transfer of corporate control of the Company. Also, the Company would not reject a large-scale acquisition of the shares in the Company if it would contribute to the corporate value of the Group and, in turn, the common interests of its shareholders.

Nonetheless, there are some forms of corporate acquisition that benefit neither the corporate value of the target company nor the common interests of its shareholders including without limitation, those with a purpose that would obviously harm the corporate value of the target company and the common interests of its shareholders, those with the potential to substantially coerce shareholders into selling their shares, those that do not provide sufficient time or information for the target company's Board of Directors and shareholders to consider the details of the large-scale acquisition or for the target company's Board of Directors to make an alternative proposal and those that require the target company to discuss or negotiate with the acquirer in order to procure more favorable terms for shareholders than those presented by the acquirer.

In order for the Group to ensure and enhance the corporate value and, in turn, the common interests of its shareholders, it is necessary for the Group to efficiently and continuously develop new products, cultivate new markets and revolutionize production technology in the mid- to long-term globally based on the Group's original vertically integrated manufacturing system, and to drive to be a company that leads the competition through manufacturing and technological excellence based on advanced ultra-precision machining technology and mass production techniques for mechatronic products that are the source of the Group's corporate value.

Unless the acquirer in a proposed large-scale acquisition of the shares in the Company understands the source of the corporate value and the characteristics that are indispensable to enhance the corporate value of the Group, as well as the details of the financial and business affairs of the Company, and will ensure and realize these elements over the medium-to-long-term, the corporate value of the Group and the common interests of its shareholders would be harmed.

Therefore, the Company believes that persons who would make a large-scale acquisition of the shares in the Company in a manner that does not contribute to the corporate value of the Group or the common interests of its shareholders would be inappropriate to become persons who control decisions on the Company's financial and business policies. The Company believes that it is necessary to ensure the corporate value of the Group and, in turn, the common interests of its shareholders by taking the necessary and reasonable countermeasures for the purpose of deterring acquisitions that are detrimental to the corporate value of the Group and, in turn, the common interests of its shareholders.

2. Special measures for realization of Basic Policy

The Group's basic management policy is to maximize corporate value by fulfilling its social responsibilities to its various stakeholders, including shareholders, business partners, local communities, international society and employees.

Based on the above mentioned basic managerial policy, we will thoroughly review productivity to boost the profitability of our existing lines. We will also expand our EMS (Electro Mechanics Solutions) business which is driven by MITSUMI ELECTRIC CO., LTD. and our Group's combined technological strengths in electronic devices and components as well as machined components. We will leverage the combined wealth of experience we have gained in manufacturing, sales, engineering and development to provide flexible prices and meet the needs of our customers. We will actively work on improving our profitability and increasing corporate value via M&As and alliances. At the same time, we will focus on establishing large-scale overseas mass production facilities as well as global R&D capabilities in light of regional risk assessment findings, while aiming to achieve either net sales of one trillion yen and/or operating income of 100 billion yen by the fiscal year ending March 2021. In order to achieve these goals, the Company will endeavor to bolster organizations that make decisions regarding corporate management and carry out business, and promote the establishment, development and expansion of the internal control system in order to strengthen its corporate governance.

3. Measures to prevent control over decisions on the Company's financial and business policies by persons deemed as inappropriate under the Basic Policy

The Company updated the "countermeasures to large-scale acquisition of Minebea shares (takeover defense measures)," of which the update is resolved at the 68th Ordinary General Meeting of Shareholders held on June 27, 2014, based on resolutions of the Board of Directors meeting held on May 31, 2017 and the Company's 71st Ordinary General Meeting of Shareholders held on June 29, 2017, with the content partially revised (takeover defense measures after the revision are hereinafter referred to as "the Plan").

Outline of the "Measures to prevent control over decisions on the Company's financial and business policies by persons deemed as inappropriate under the Basic Policy" are described below.

(1) Purpose of the Plan

As set out in the Basic Policy, the Company's Board of Directors believes that persons who would propose a large-scale acquisition in a manner that does not contribute to the corporate value of the Group or the common interests of its shareholders would be inappropriate as persons who control decisions on the Company's financial and business policies. The purpose of the Plan is to prevent decisions on the Company's financial and business policies from being controlled by persons deemed inappropriate, to deter large-scale acquisitions that are detrimental to the corporate value of the Group and, in turn, the common interests of its shareholders, and on the occasion that the Company receives a large-scale acquisition proposal regarding the shares in the Company from an acquirer, to enable the Company's Board of Directors to present an alternative proposal to the shareholders or ensure necessary time and information for the shareholders to decide whether or not to accept the large-scale acquisition proposal, and to enable the Board of Directors to negotiate for the benefit of the shareholders.

(2) Outline of the Plan

The Plan will be applied in cases where any purchase or other acquisition of share certificates, etc. of the Company that falls under (i) or (ii) below or any similar action (including a proposal for such action) (except for such action as the Company's Board of Directors separately determines not to be subject to the Plan; the "Acquisition") takes place.

- (i) A purchase or other acquisition that would result in the holding ratio of share certificates, etc. of a holder totaling at least 20% of the share certificates, etc. issued by the Company; or
- (ii) A tender offer that would result in the party conducting the tender offer's ownership ratio of share certificates, etc. and the ownership ratio of share certificates, etc. of a person having a special relationship totaling at least 20% of the share certificates, etc. issued by the Company.

The party intending to make the Acquisition (the "Acquirer") shall follow the procedures prescribed in the Plan, and the Acquirer must not affect the Acquisition until and unless the Company's Board of Directors resolves not to implement the gratis allotment of subscription rights to shares in accordance with the Plan.

The Company will require any Acquirer to submit to the Company, before commencement or implementation of the Acquisition, a legally binding letter of intent that contains an undertaking that the Acquirer will comply with the procedures established under the Plan and the Acquisition Statement including predetermined information necessary for examination of details of the Acquisition.

The Independent Committee may request that the Company's Board of Directors present an opinion on the Acquirer's Acquisition terms and an alternative proposal (if any), and any other information that the Independent Committee considers necessary.

Then, the Independent Committee will conduct its consideration of the Acquisition terms and may directly or indirectly discuss and negotiate with the Acquirer. If the Independent Committee determines that the Acquisition by the Acquirer is not in compliance with the procedures of the Plan, or that it threatens to cause obvious harm to the corporate value of the Group and, in turn, the common interests of its shareholders, and it is reasonable to implement the gratis allotment of subscription rights to shares, and it falls under one of the triggering events set in the Plan, the Independent Committee will recommend the implementation of the gratis allotment of subscription rights to shares with clauses prescribing that exercise of the rights by the Acquirer is, in principle, not allowed and that the Company may acquire subscription rights to shares from holders other than the Acquirer in exchange for shares of the Company, to the Company's Board of Directors. If the Independent Committee recommends implementation of the gratis allotment of Share Options, the Company's Board of Directors will, if it is practically possible, convene a meeting of shareholders (includes cases where advisory resolutions are made for matter, hereinafter, the "Shareholders Meeting") to confirm the intent of the Company's shareholders relating to whether or not that gratis allotment should be implemented. On the other hand, if the Independent Committee considers that an Acquisition by an Acquirer does not fall under any of the triggering events set in the Plan, it will not recommend the implementation of the gratis allotment of subscription rights to shares, to the Company's Board of Directors.

The Company's Board of Directors, in exercising their role as an organization under the Companies Act, will pass a resolution relating to the implementation or non-implementation of a gratis allotment of subscription rights to shares respecting to the maximum extent any recommendation of the Independent Committee. However, if a Shareholders Meeting is to be held the Company's Board of Directors shall make a necessary resolution as appropriate in accordance with the resolution of that Shareholders Meeting.

If a gratis allotment of subscription rights to shares were to take place in accordance with the Plan and all shareholders other than the Acquirer received one share per stock acquisition right in the Company as a result of those shareholders exercising or the Company acquiring those subscription rights to shares, the ratio of voting rights in the Company held by the Acquirer may be diluted by up to 50%.

The effective period of the Plan will be the period until the conclusion of the Ordinary General Meeting of Shareholders relating to the last fiscal year ending within three years after the conclusion of the 71st Ordinary General Meeting of Shareholders held on June 29, 2017.

4. Decisions and reasoning by the Company's Board of Directors regarding above measures

The Company has implemented such measures for enhancing the corporate value as establishing efforts that enhance its corporate value including the mid-term business plan and such policies as strengthening its practices as specific measures to continually and persistently enhance the Group's corporate value and, in turn, the common interests of the Company's shareholders. These measures will be completely in harmony with the Company's Basic Policy.

The Plan is a mechanism to maintain the corporate value of the Group and in turn, the common interests of its shareholders when an acquisition is proposed. Therefore, the Plan is in compliance with the Basic Policy. The Plan satisfies all of the three principles set out in the Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders' Common Interests released by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005, namely, the principles of: Ensuring and enhancing the corporate value and shareholders' common interests; Prior disclosure and respect for shareholder intent; and Ensuring necessity and reasonableness. The Plan is placing high value on the intent of shareholders because it was approved at the 71st Ordinary General Meeting of Shareholders, it is with the Effective Period of approximately three years, if the Ordinary General Meeting of Shareholders or Board of Directors of the Company resolves to abolish the Plan, the Plan will be abolished at that time and basically, upon invocation of the Plan, we decided to seek a shareholders' intention confirmation meeting. In addition, the plan has a mechanism to enhance the objectivity and fairness because substantive decisions on triggering of, amendment to or other operation of the Plan will be made by the Independent Committee, which is solely composed of Outside Directors or other outsiders who are independent from the Company, and the Independent Committee may obtain the advice of independent third parties (financial advisors, certified public accountants, lawyers, tax accountants, consultants and other experts) at the cost of the Company. Therefore, these measures comply with the Basic Policy and are consistent with the common interests of the Company's shareholders, and are not implemented for the purpose of maintaining the positions of the Directors and the Audit & Supervisory Board Members of the Company.

2. Other Matters Concerning the Corporate Governance System Update

The status of the Company's internal system on timely disclosure of corporate information is presented below.

1. Internal system

(1) Operation

The Company will strive to establish a system for carrying out disclosure in an active and fair manner as possible to accommodate demand from investors.

In addition, the Company publishes its Disclosure Policy, which contains the Company's basic stance on disclosure, on its website.

(2) Manager responsible for disclosure

The Company shall designate the following members as the manager responsible for disclosure so that the disclosure of corporate information is carried out by these managers responsible for disclosure:

The Officer in charge of Personnel & General Affairs Division and Executive Officers designated by the officer in charge;

The Officer in charge of Business Administration and Accounting & Corporate Finance Division and Executive Officers designated by the officer in charge; and

The Officer in charge of Business Planning & Coordination Division and Executive Officers designated by the officer in charge.

(3) Confirmation of details of timely disclosures

The Personnel & General Affairs Division, Business Administration and Accounting & Corporate Finance Division, Business Planning & Coordination Division, and each Manufacturing Headquarters (Machined Component Manufacturing Headquarters, Electronic Device & Component Manufacturing Headquarters, and MITSUMI Business Headquarters) will comprehensively review and confirm the details of timely disclosures.

The Personnel & General Affairs Division, Business Administration and Accounting & Corporate Finance Division, Business Planning & Coordination Division are responsible for the preparation of timely disclosure documents.

2. Disclosure policy

(1) Corporate information to announce

- (a) Information required for disclosure per the Financial Instruments and Exchange Act and the timely disclosure regulations of Financial Instruments Exchanges

Pursuant to timely disclosure regulations, timely disclosure is required when a decision, event or information concerning financial results that affects investment decisions occurs, when an inquiry is made by a Financial Instruments Exchange, and when a material change, suspension or discontinuation occurs on the contents of material corporate information which has already been disclosed. In addition, the Company has a policy to carry out disclosure in an active and fair manner as possible to accommodate demand from investors with regard to information not covered in timely disclosure regulations, such as the details of presentations of financial results.

- (b) Information other than (a) above that is considered to have a significant effect on the investment decisions of investors

(2) Fair disclosure of information

The Company will carry out fair disclosures to all capital markets participants, not just institutional investors, individual investors and the media, through the manager responsible for disclosure.

(3) Disclosure methods

- (a) Registration and disclosure of corporate information on the timely disclosure information conveyance system (TDnet) following the timely disclosure regulations prescribed by Financial Instruments Exchanges.
- (b) Announcement and submission of documents (note) within the Kabuto Club of the Tokyo Stock Exchange, Inc. Depending on the materiality, there are cases where document submission alone is acceptable.
- (c) Disclosure by publication on the Company's website or by briefing after publication by (a) and/or (b) above.

Since there are situations where the publication timing may be delayed due to information communication technology disruptions, disclosure on the Company's website is considered to be a purely auxiliary form of disclosure. In addition, there may be situations where all of the information the Company has announced is not published or information uses different expressions than the information disclosed.

(4) Post-disclosure inquiries

The manager responsible for disclosure will handle post-disclosure inquiries.

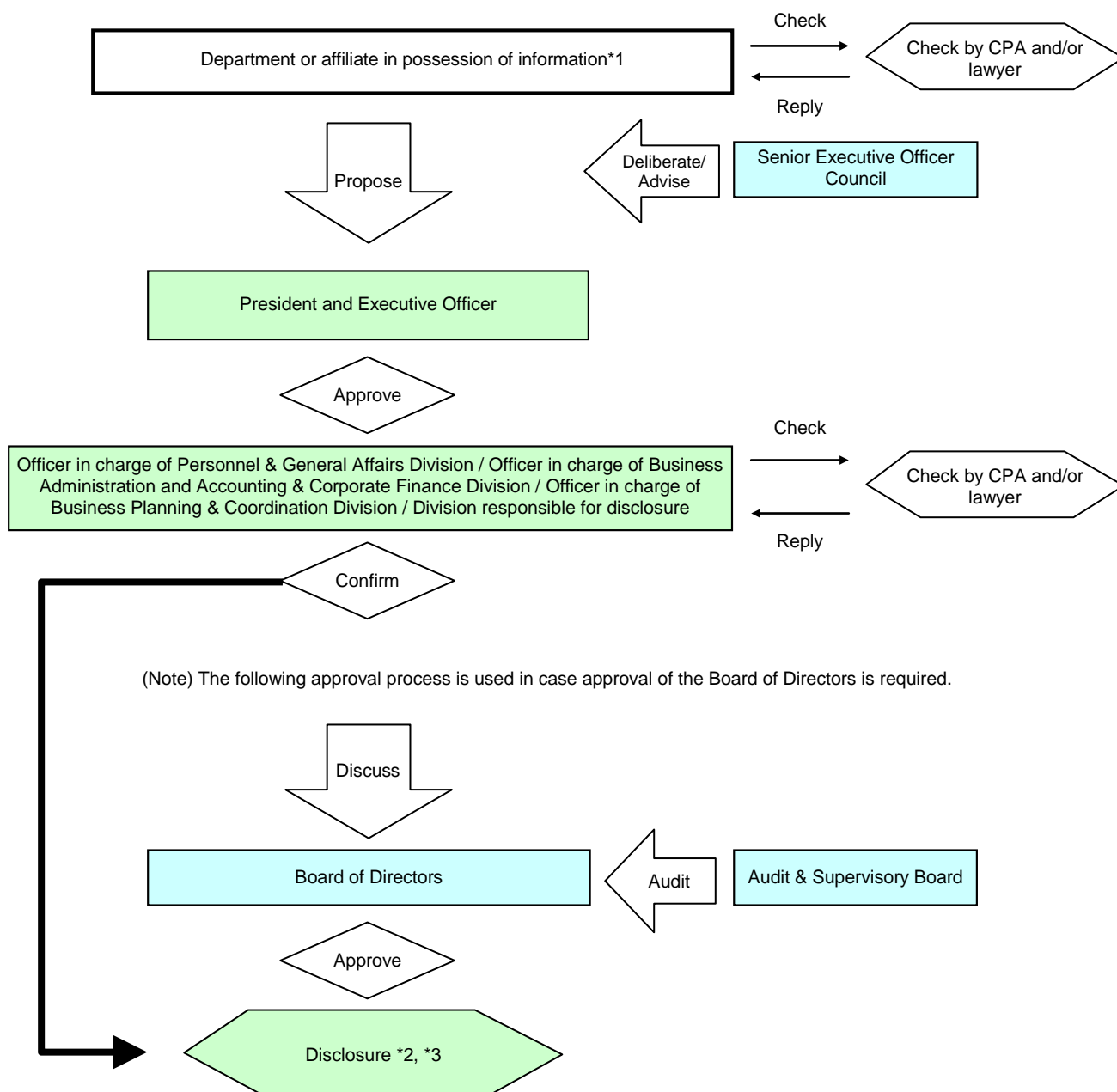
If an officer or employee other than the manager responsible for disclosure receives an inquiry from an investor, etc., the Company ensures that the person, without replying, will convey the inquiry to the manager responsible for disclosure. In addition, the manager responsible for disclosure will respond promptly once notified.

(5) Disclosures concerning future projections

The Company announces its consolidated business results forecast for the first half and full year submitted to Financial Instruments Exchanges. In addition, the Company may also provide guidance on projections so that investors, etc., can establish their own forecast of the Company's business results.

Presentations, question and answer sessions, documents published by the Company, and information appearing on the Company's website, etc., may contain current plans, outlooks and strategies, etc. In either case, any statements which are not a historical fact are future projections made based on certain assumptions and our management's judgment drawn from currently available information. In case future projections differ from forecasts already announced, or if information does not fall under material information per the timely disclosure regulations of Financial Instruments Exchanges, the Business Administration Department will announce revisions to business results projections promptly when it determines such revisions to be material information, following "(1) Corporate information to announce" above.

Workflow of Timely Disclosure of Corporate Information



- *1. Corporate information to announce
 1. Information required for disclosure per the Financial Instruments and Exchange Act and the timely disclosure regulations of Financial Instruments Exchanges
 2. Information other than 1. above that is considered to have a significant effect on the investment decisions of investors
- *2. Disclosure method
 1. Financial Instruments Exchange
 - (1) Publication via the corporate information timely disclosure system (TDnet)
 - (2) Announcement and submission of documents within the Kabuto Club of the Tokyo Stock Exchange, Inc.
 2. Publication on the Company's website
- *3 The manager responsible for disclosure addresses inquiries after disclosure.