

NOTICE OF MEETING OF BONDHOLDERS

MITSUMI ELECTRIC CO., LTD. ¥20,000,000,000 Zero Coupon Convertible Bonds due 2022 (ISIN: XS1255457696)

MITSUMI ELECTRIC CO., LTD. ("**Mitsumi**") hereby gives notice to the holders (the "**Bondholders**") of its ¥20,000,000,000 Zero Coupon Convertible Bonds due 2022 (the "**Bonds**") that, pursuant to Condition 15 of the Bonds and the provisions of Schedule 2 of the trust deed relating to the Bonds dated 3 August 2015 (the "**Trust Deed**") made between Mitsumi and BNY Mellon Corporate Trustee Services Limited (the "**Trustee**"), a meeting of the Bondholders (the "**Meeting**") will be held at the offices of Clifford Chance LLP, 10 Upper Bank Street, London E14 5JJ on 21 September 2016 at 10:30 a.m. (London time) for the purposes of considering and, if thought fit, passing the following resolution, which will be proposed as an Extraordinary Resolution in accordance with the provisions of the Trust Deed. Unless otherwise defined herein, terms defined in the Trust Deed shall have the same meanings when used herein.

EXTRAORDINARY RESOLUTION

The following is the text of the Extraordinary Resolutions to be proposed at the Meeting:

"THAT this Meeting of the holders of the ¥20,000,000,000 Zero Coupon Convertible Bonds due 2022 issued by MITSUMI ELECTRIC CO., LTD. ("**Mitsumi**") constituted by the trust deed (the "**Trust Deed**") dated 3 August 2015 made between Mitsumi and BNY Mellon Corporate Trustee Services Limited (the "**Trustee**") hereby passes the following as an Extraordinary Resolution THAT:

- A. the Trustee, on behalf of Bondholders, consent to (and instruct all other relevant persons to consent to and/or to take any other action that is necessary or advisable in order to effect) the following amendments to be made to the terms and conditions of the Bonds on or around 17 March 2017 (being the Corporate Event Effective Date referred to below):

Condition 5.1.6 shall be replaced with the following:

"5.1.6 *Condition to Conversion*: Prior to (but not including) 3rd August, 2020, a Bondholder may exercise its Stock Acquisition Rights only if:

- (i) in the case of the calendar quarter ended 31st December, 2016, as of the last Trading Day (as defined in the terms and conditions of the Original Bonds) of such calendar quarter, the Closing Price (as defined in the terms and conditions of the Original Bonds) of the Shares (as defined in the terms and conditions of the Original Bonds) for 20 consecutive Trading Days (as defined in the terms and conditions of the Original Bonds) ending on such date (such 20 consecutive Trading Day period being the "**First Relevant Period**") is more than 130 per cent. (rounded down to the nearest yen) of the Conversion Price (as defined in the terms and conditions of the Original Bonds) in effect on the last Trading Day (as defined in the terms and conditions of the

Original Bonds) of such calendar quarter, as determined by the Principal Agent and notified to the Bondholders in accordance with Condition 19, subject to adjustment in the manner provided in Condition 5.2 of the Original Bonds;

- (ii) in the case of the calendar quarter ending 31st March, 2017:
 - (a) as of the last Trading Day (for the avoidance of doubt, as defined in these Conditions) of such calendar quarter, the Closing Price (for the avoidance of doubt, as defined in these Conditions) of the Shares (for the avoidance of doubt, as defined in these Conditions) for each of the Trading Days (for the avoidance of doubt, as defined in these Conditions) from and including 17th March, 2017 to and including 31st March, 2017 (the "**Transition Period**") is more than 130 per cent. (rounded down to the nearest yen) of the Conversion Price (for the avoidance of doubt, as defined in these Conditions) in effect on the last Trading Day (for the avoidance of doubt, as defined in these Conditions) of such calendar quarter, as determined by the Principal Agent and notified to the Bondholders in accordance with Condition 19, subject to adjustment in the manner provided in Condition 5.2 hereof; and
 - (b) as of the last Trading Day (as defined in the terms and conditions of the Original Bonds) on or before 16th March, 2017, the Closing Price (as defined in the terms and conditions of the Original Bonds) of the Shares (as defined in the terms and conditions of the Original Bonds) for such number of consecutive Trading Days (as defined in the terms and conditions of the Original Bonds) (such consecutive Trading Day period being the "**Second Relevant Period**") as would, when added to the number of Trading Days (as defined herein) in the Transition Period, amount to 20 consecutive Trading Days (as defined in the terms and conditions of the Original Bonds in respect of the period prior to 17th March, 2017 and as defined herein in respect of the period on and after 17th March, 2017), is more than 130 per cent. (rounded down to the nearest yen) of the Conversion Price (as defined in the terms and conditions of the Original Bonds) in effect on the last Trading Day (as defined in the terms and conditions of the Original Bonds) on or before 16th March, 2017, as determined by the Principal Agent and notified to the Bondholders in accordance with Condition 19, subject to adjustment in the manner provided in Condition 5.2 of the Original Bonds; or
- (iii) in the case of any calendar quarter commencing on or after 1st April, 2017, as of the last Trading Day (for the avoidance of doubt, as defined in these Conditions) of any calendar quarter, the Closing Price (for the avoidance of doubt, as defined in these Conditions) of the Shares (for the avoidance of doubt, as defined in these Conditions) for 20 consecutive Trading Days (for the avoidance of doubt, as defined in

these Conditions) ending on such date (such 20 consecutive Trading Day period being the "**Third Relevant Period**") is more than 130 per cent. (rounded down to the nearest yen) of the Conversion Price (for the avoidance of doubt, as defined in these Conditions) in effect on the last Trading Day (for the avoidance of doubt, as defined in these Conditions) of such calendar quarter, as determined by the Principal Agent and notified to the Bondholders in accordance with Condition 19, subject to adjustment in the manner provided in Condition 5.2 hereof.

If the relevant condition as set out above is satisfied, then a Bondholder may (subject to these Conditions) exercise the Stock Acquisition Rights on and after the first day of the following calendar quarter (or, in the case of the calendar quarter commencing on 1st January, 2017, on and after 17th March, 2017) until the end of such quarter (or, in the case of the calendar quarter commencing on 1st July, 2020 until 2nd August, 2020), provided the relevant Deposit Date falls during the Exercise Period.

For the avoidance of doubt, even where a condition to the exercise of the Stock Acquisition Rights set forth in this Condition 5.1.6 is not applicable by virtue of Condition 5.1.7, 5.1.8 or 5.1.9, the Stock Acquisition Rights shall not be exercisable after the expiration of the Exercise Period."

Terms defined in this proposed Condition 5.1.6 has the following meaning:

"**Original Bonds**" means the ¥20,000,000,000 Zero Coupon Convertible Bonds due 2022 issued by the Predecessor;

"**Predecessor**" means MITSUMI ELECTRIC CO., LTD.; and

- B. the Trustee shall not be responsible to any person for any liability in relation thereto including any consequences to any person resulting therefrom."

Background and reasons for meeting

On 21 December 2015, a proposal for a Corporate Event was announced whereby Minebea Co., Ltd. (to be renamed MINEBEA MITSUMI Inc.) (the "**New Issuer**") is expected to be substituted as the principal obligor under the Bonds and the Trust Deed in accordance with and subject to Conditions 6.4.1 and 12.2 on or around 17 March 2017 (being the Corporate Event Effective Date). Such Bonds issued by the New Issuer following such substitution are referred to herein as the "**New Bonds**".

Although substitution under a Corporate Event has been provided for in Condition 12.2, the proposed changes to the Conditions constitute a modification of the Stock Acquisition Rights to ensure the following with respect to conditions to conversion:

- For conversion (being an exercise of Stock Acquisition Rights, hereinafter the same) between 1 January 2017 and 31 March 2017: to compare the share price of Predecessor to the Conversion Price of the Bonds issued by it (the "**Original Bonds**") as of 31 December 2016. The New Bonds will not exist as at 31 December 2016.

- For conversion between 1 April 2017 and 30 June 2017: to compare the share price of the New Issuer for each Trading Day between 17 March 2017 (proposed issue date of New Bonds) and 31 March 2017 to the Conversion Price of the New Bonds, and for such number of additional Trading Days on or prior to 16 March 2017 as would add up to 20 consecutive Trading Days, compare the Predecessor's share price and the Conversion Price of the Original Bonds as of the last trading day before 16 March 2017 (the last day that the Original Bonds exist).
- For conversion after 1 July 2017: normal provisions apply as regards the New Issuer.

The proposed amendment ensures that the economic effect of the conditions to conversion contained in the Original Bonds is maintained without change during the transition period of substitution under a Corporate Event and the correct share prices of the relevant company are compared against the relevant Conversion Price.

MITSUMI ELECTRIC CO., LTD. has accordingly convened the Meeting of Bondholders by the above Notice to request their agreement by Extraordinary Resolution to the matters contained in the Extraordinary Resolution.

Copies of the Trust Deed (including the Conditions) and the Agency Agreement, and the supplementary Trust Deed (which attaches the form of the amended and restated Trust Deed which reflects the substitution mentioned above (including the Terms and Conditions of the New Bonds) and the supplementary Agency Agreement, each in substantially the same form as it is proposed it shall be executed (if the Extraordinary Resolution set out above is passed), are available on request in writing to Sumitomo Mitsui Finance Dublin Limited (the "**Principal Agent**"), at the address set out at the end of this Notice.

The attention of Bondholders is particularly drawn to the quorum required for the Meeting and for an adjourned Meeting which is set out in paragraph 3 of "VOTING AND QUORUM" below.

In accordance with normal practice the Trustee expresses no opinion on the merits of the proposed Extraordinary Resolution but has authorised it to be stated that it has no objection to the Extraordinary Resolution being submitted to Bondholders for their consideration. The Trustee recommends the Bondholders who are in any doubt as to the impact of the proposed Extraordinary Resolution to seek independent professional advice.

VOTING AND QUORUM

1. **Who is entitled to vote on the proposed Extraordinary Resolution?**

The Bonds are currently held in the form of a Global Certificate which is held by a custodian for, and registered in the name of, a nominee of the common depositary for the accounts of Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream**", and each of Euroclear and Clearstream, a "**clearing system**").

Each person (a "**Beneficial Owner**") who is the owner of a particular nominal amount of the Bonds, as shown in the records of Euroclear, Clearstream or their respective accountholders ("**Accountholders**"), should note that they are not the registered

holders of the Bonds for the purposes of the Meeting and will only be entitled to attend and vote at the Meeting in accordance with the procedures set out below in "2. Procedures for Voting". On this basis, the only Bondholder currently able to vote at the Meeting with respect to the Bonds represented by the Global Certificate will be the registered holder of the Global Certificate, which is Bank of New York Depository (Nominees) Limited, as nominee for the common depository of Euroclear and Clearstream. However Bank of New York Depository (Nominees) Limited may grant proxies to the Beneficial Owners to attend and vote at the Meeting. Alternatively, Beneficial Owners who hold their interests through a clearing system and who do not wish to attend and vote in person may convey their voting instructions (each, a "**Voting Instruction**") by contacting the relevant clearing system (or through the relevant Accountholder, if applicable) and arrange for votes to be cast on their behalf. See "2. Procedures for Voting".

2. **Procedures for Voting**

You may vote on the proposed Extraordinary Resolution by either attending and voting at the Meeting as a proxy or delivering a Voting Instruction through the clearing systems with respect to your Bonds.

Attending and Voting at the Meeting:

Those Beneficial Owners who hold their interests in the Bonds through the clearing systems and who wish to attend and vote at the Meeting should contact the relevant clearing system (through the relevant Accountholder, if applicable) to make arrangements to be appointed as proxy in respect of the Bonds in which they have an interest for the purpose of attending and voting at the Meeting in person. Such Beneficial Owners must have made arrangements to vote with the relevant clearing system (through the relevant Accountholder, if applicable) in time for the relevant clearing system to arrange for them to be appointed as a proxy no later than 48 hours before the time fixed for the Meeting (the "**Expiration Deadline**").

Delivering instructions to vote:

Those Beneficial Owners who hold their interests in the Bonds through a clearing system and who wish to vote at but who do not wish to attend the Meeting should contact the relevant clearing system (through the relevant Accountholder, if applicable) to arrange for another person nominated by them to be appointed as a proxy in respect of such Bonds in which they have an interest to attend and vote at the Meeting on their behalf or to make arrangements for the votes relating to such Bonds in which they have an interest to be cast on their behalf by or on behalf of the Principal Agent acting as a proxy. A Beneficial Owner must have made arrangements to vote with the relevant clearing system (through the relevant Accountholder, if applicable) in time for the relevant clearing system to arrange for the Beneficial Owner's nominee, or a representative of the Principal Agent to be appointed as a proxy not later than 48 hours before the time fixed for the Meeting. If your Voting Instructions are not received by the relevant clearing system by the Expiration Deadline, (i) you will be deemed to have abstained from voting and (ii) the Bonds held in your name will not count towards the quorum requirements of the Meeting or adjourned meeting.

3. **Quorum**

The quorum required at the Meeting is two or more persons present in person holding Bonds, form of proxy or being proxies and holding or representing in the aggregate not less than 75 per cent. of the aggregate principal amount of the Bonds for the time being outstanding.

4. **Adjourned Meeting**

If within 30 minutes from the time fixed for the Meeting a quorum is not present the Meeting shall stand adjourned for such period, not being less than 21 days nor more than 42 days, and to such time and place, as may be appointed by the Chairman of the Meeting. The quorum required at such adjourned Meeting is two or more persons present in person holding Bonds, form of proxy or being proxies and holding or representing in the aggregate not less than 50 per cent. of the aggregate principal amount of the Bonds for the time being outstanding.

5. **Procedures at the Meeting**

- (a) Every question submitted to the Meeting will be decided on a show of hands unless a poll is duly demanded by the Chairman of the Meeting, or by one or more persons holding one or more Bonds or form of proxy or being proxies and holding or representing in the aggregate not less than one fiftieth (2.0 per cent.) in principal amount of the Bonds for the time being outstanding. On a show of hands every person who is present in person and produces a Bond or form of proxy or is a proxy shall have one vote. On a poll every person who is so present shall have one vote in respect of each ¥10,000,000 principal amount of Bonds so produced or represented by the form of proxy so produced or in respect of which he is a proxy.
- (b) In case of equality of votes, the Chairman of the Meeting shall, both on a show of hands and on a poll, have a casting vote in addition to the vote or votes (if any) which he may have as a Bondholder or as a holder of a form of proxy or as a proxy.
- (c) To be passed, the Extraordinary Resolution requires not less than three-quarters of the votes cast.
- (d) **If passed, the Extraordinary Resolution will be binding on all the Bondholders, whether or not present at such Meeting and whether or not voting, and upon all the holders of the coupons relating to the Bonds.**

TRUSTEE

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PRINCIPAL AGENT AND CUSTODIAN

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