

Business Results

Fiscal Year Ended March 31, 2021

MinebeaMitsumi Inc.

May 7, 2021

1. Financial Results

2. Management Policy & Business Strategy

Financial Results

Katsuhiko Yoshida

Director, Senior Managing Executive Officer

Summary of Consolidated Business Results

Net sales hit record highs

(Millions of yen)	FY3/20	FY3/21	Change	FY3/21 Forecast (February 2021 Forecast)	
	Full Year	Full Year	YoY	Full Year	VS. Forecast
Net sales	978,445	988,424	+1.0%	980,000	100.9%
Operating income	58,647	51,166	-12.8%	58,000	88.2%
Profit before taxes	58,089	49,527	-14.7%	57,000	86.9%
Profit for the period attributable to owners of the parent	45,975	38,759	-15.7%	45,000	86.1%
Earnings per share, basic (yen)	111.11	94.95	-14.5%	110.19	86.2%

Foreign Exchange Rates	FY3/20 Full Year	FY3/21 Full Year
US\$	¥109.12	¥105.79
Euro	¥121.27	¥123.22
Thai Baht	¥3.52	¥3.40
Chinese RMB	¥15.68	¥15.52

One time costs in Q4 (Operating income)	
<Mitsumi business>	
ABLIC PPA	-¥2.1bn
Optical Device	-¥1.9bn
<U-Shin business>	
Restructuring costs in Europe etc.	-¥4.3bn
<Total>	-¥8.3bn

Summary of Consolidated Business Results for 4Q

Net sales hit 4Q record highs

(Millions of yen)	FY3/20	FY3/21		Change	
	4Q	3Q	4Q	YoY	QoQ
Net sales	226,897	275,709	250,985	+10.6%	-9.0%
Operating income	12,401	19,595	8,650	-30.2%	-55.9%
Profit before taxes	11,870	19,392	7,886	-33.6%	-59.3%
Profit for the period attributable to owners of the parent	10,428	16,172	5,775	-44.6%	-64.3%
Earnings per share, basic (yen)	25.44	39.60	14.17	-44.3%	-64.2%

Foreign Exchange Rates	FY3/20 4Q	FY3/21 3Q	FY3/21 4Q
US\$	¥109.35	¥104.76	¥104.74
Euro	¥121.05	¥123.56	¥127.53
Thai Baht	¥3.54	¥3.38	¥3.47
Chinese RMB	¥15.63	¥15.62	¥16.17

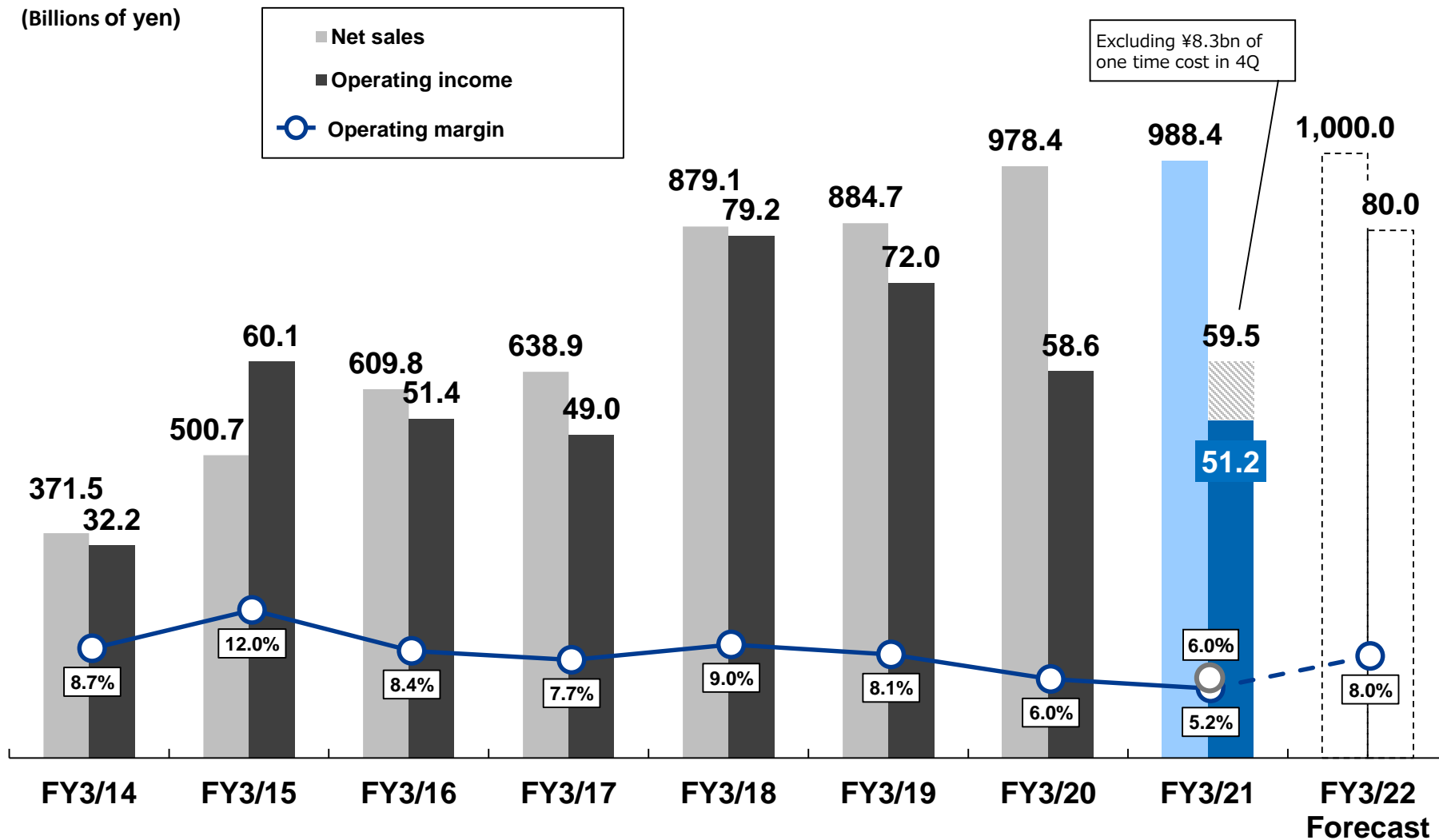
One time costs in Q4 (Operating income)	
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<U-Shin business>	
Restructuring costs in Europe etc.	-¥4.3bn
<Total>	-¥8.3bn

Net Sales, Operating Income/margin

*JGAAP until FY3/18

(Billions of yen)

- Net sales
- Operating income
- Operating margin

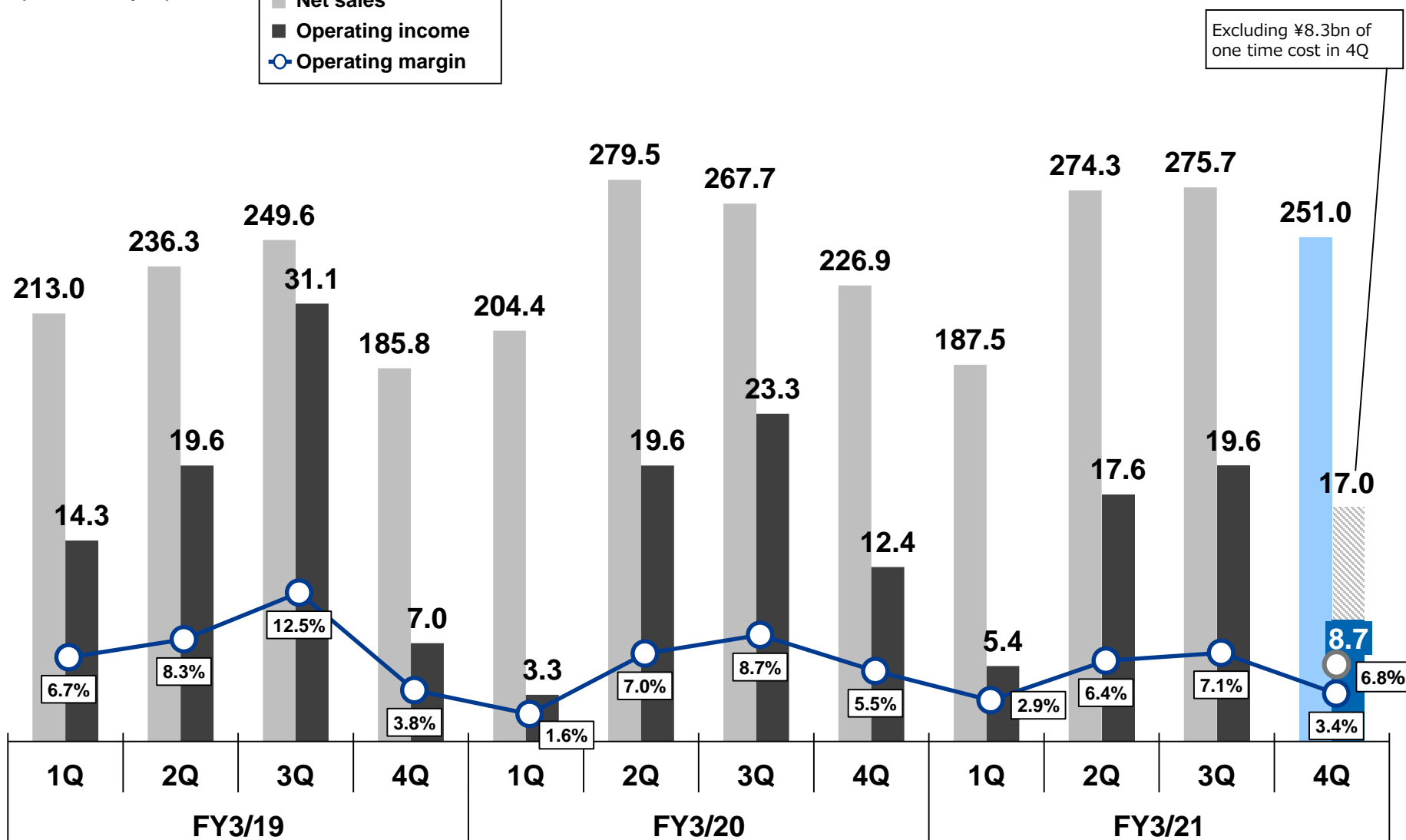
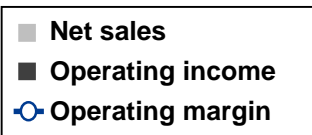


[JGAAP]

[IFRS]

Net Sales, Operating Income/margin

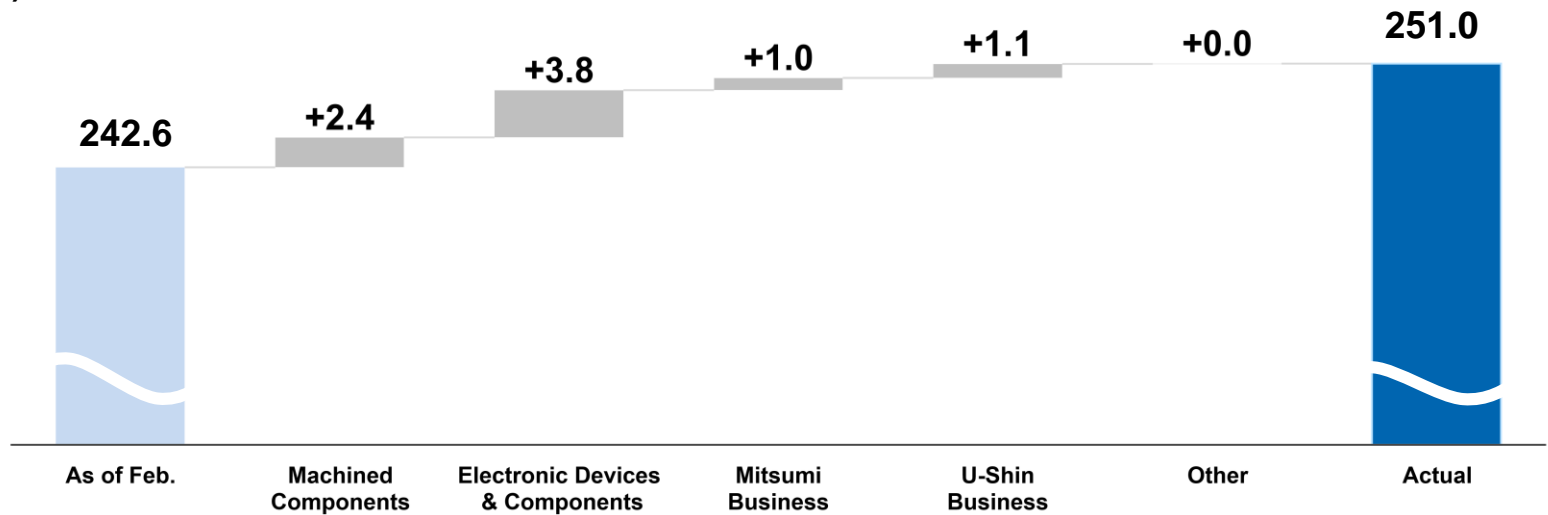
(Billions of yen)



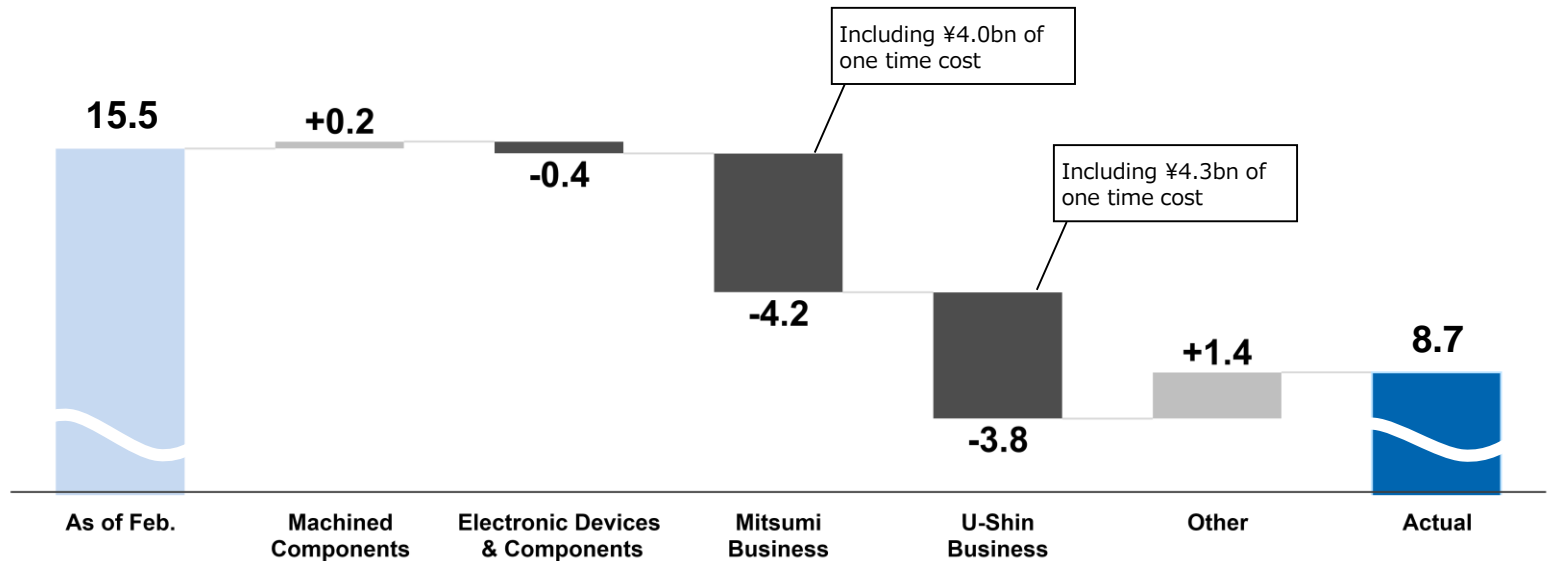
4Q Actual: Differences from the Forecast as of February

(Billions of yen)

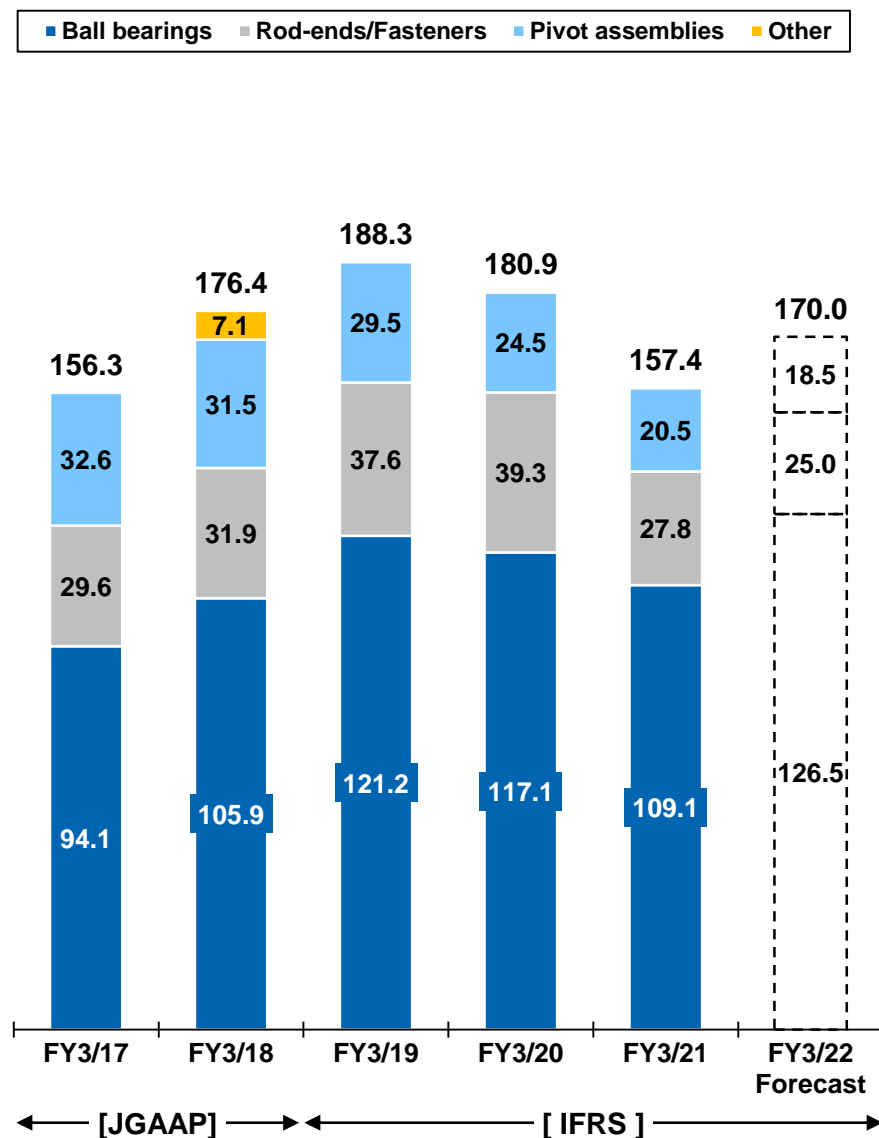
Net Sales



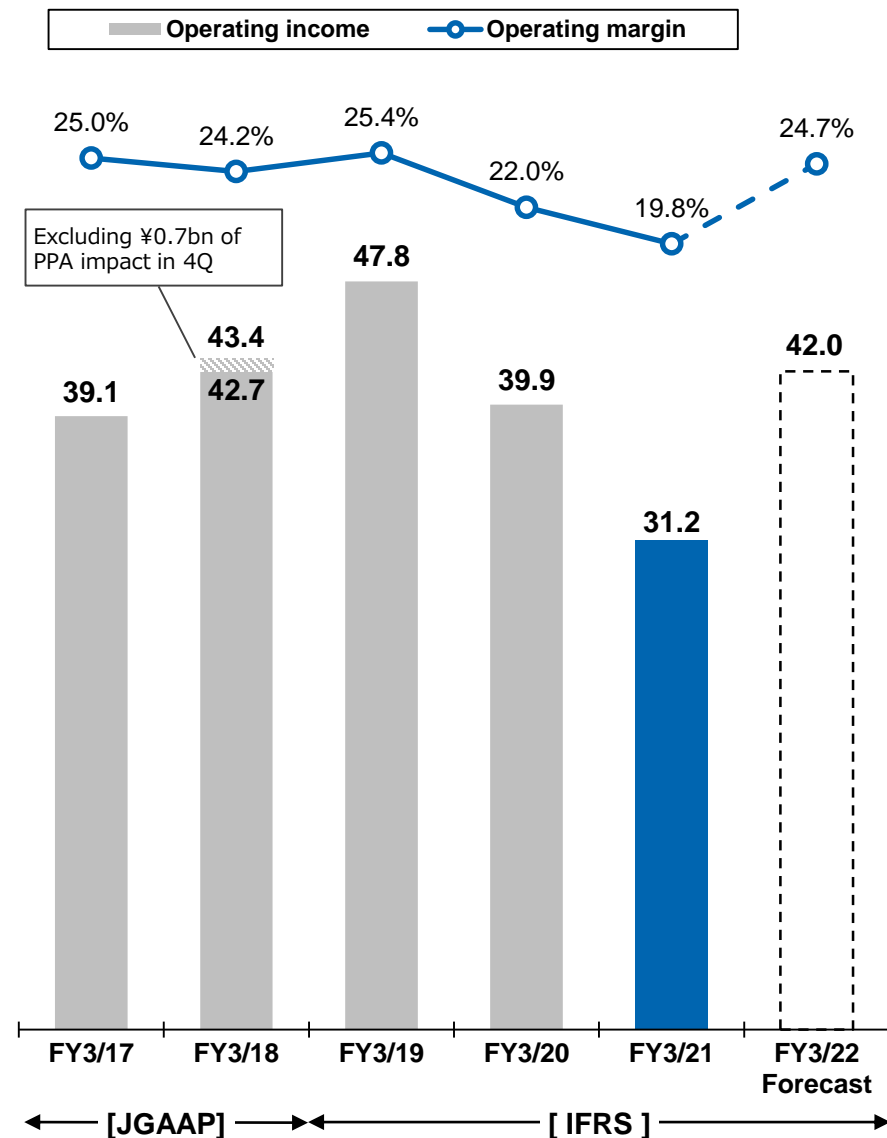
Operating Income



Net sales (Billions of yen)

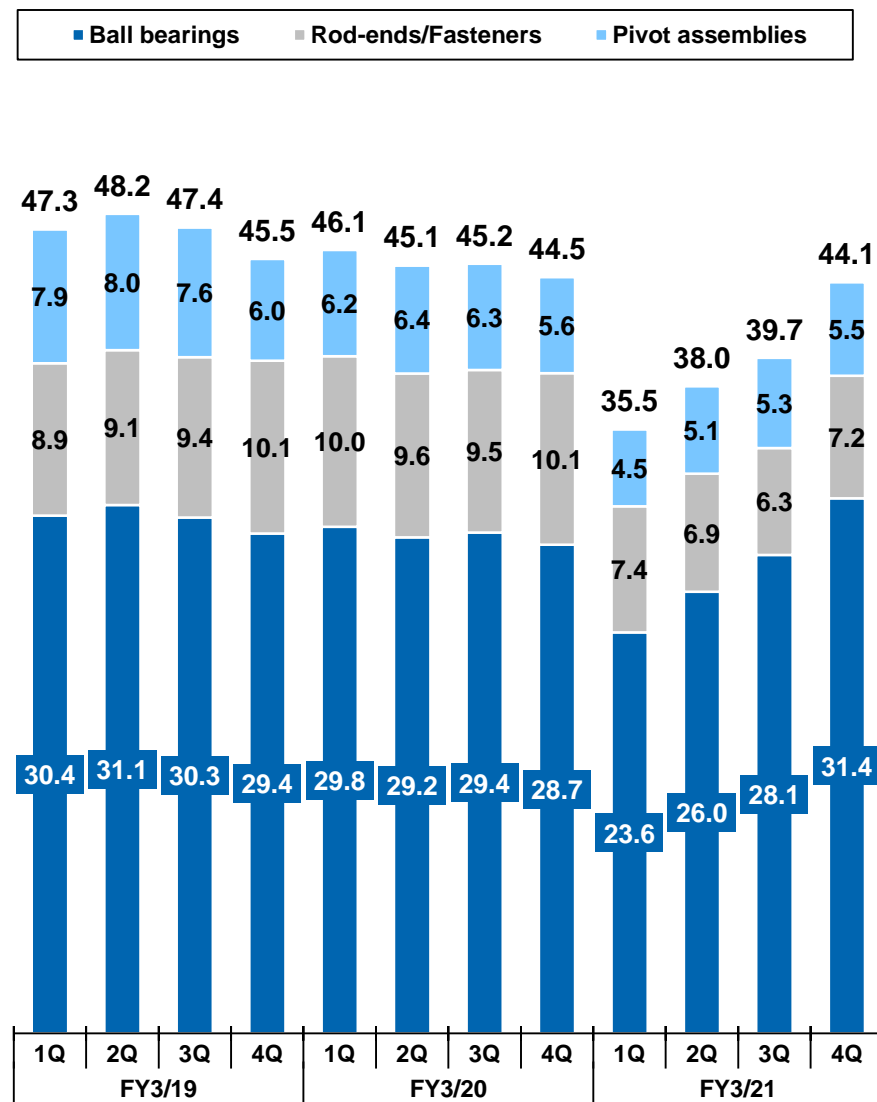


Operating income (Billions of yen)

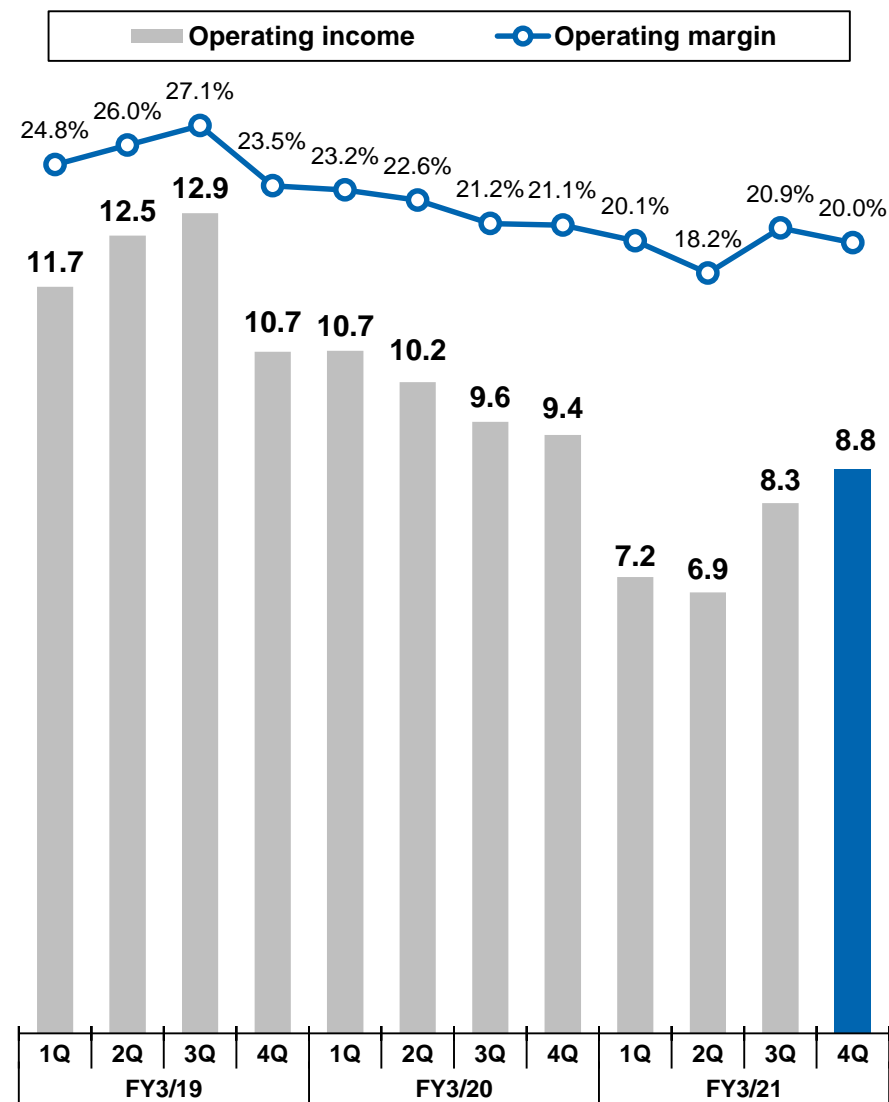


Machined Components

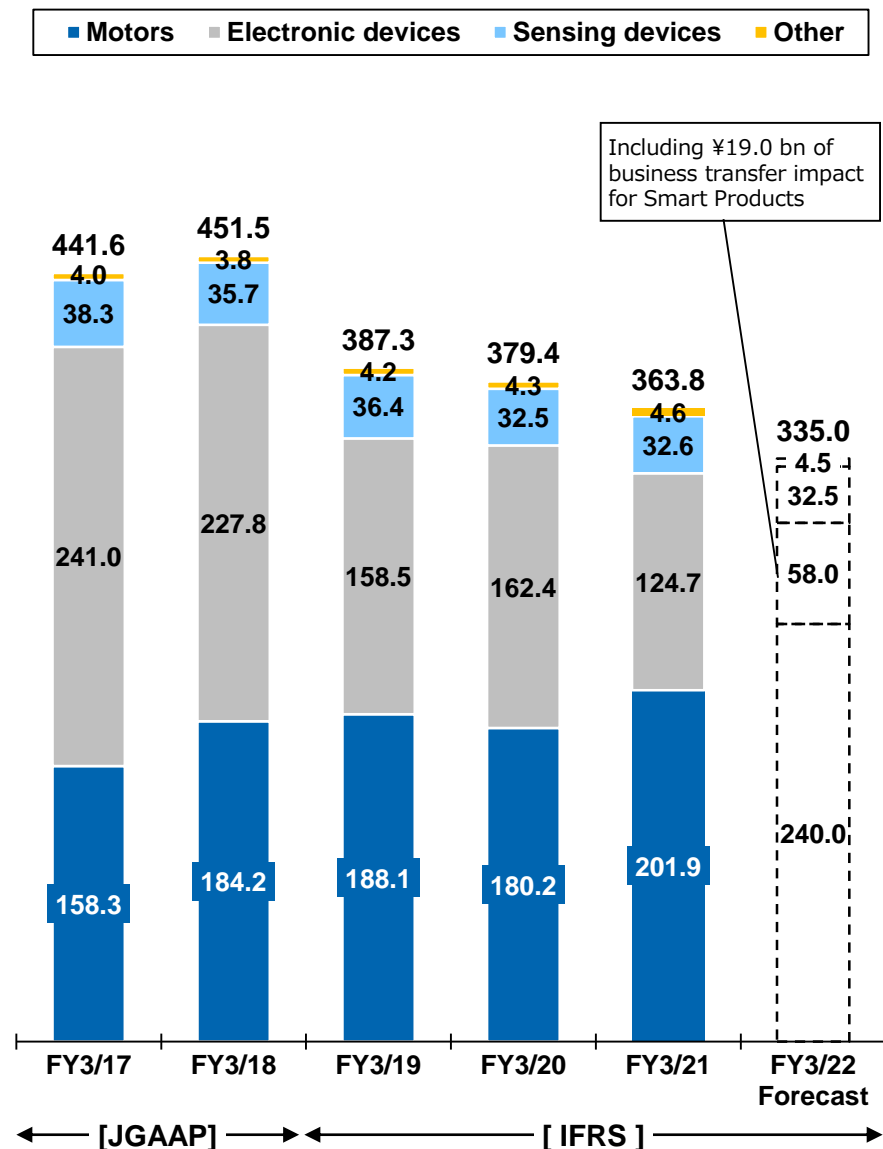
Net sales (Billions of yen)



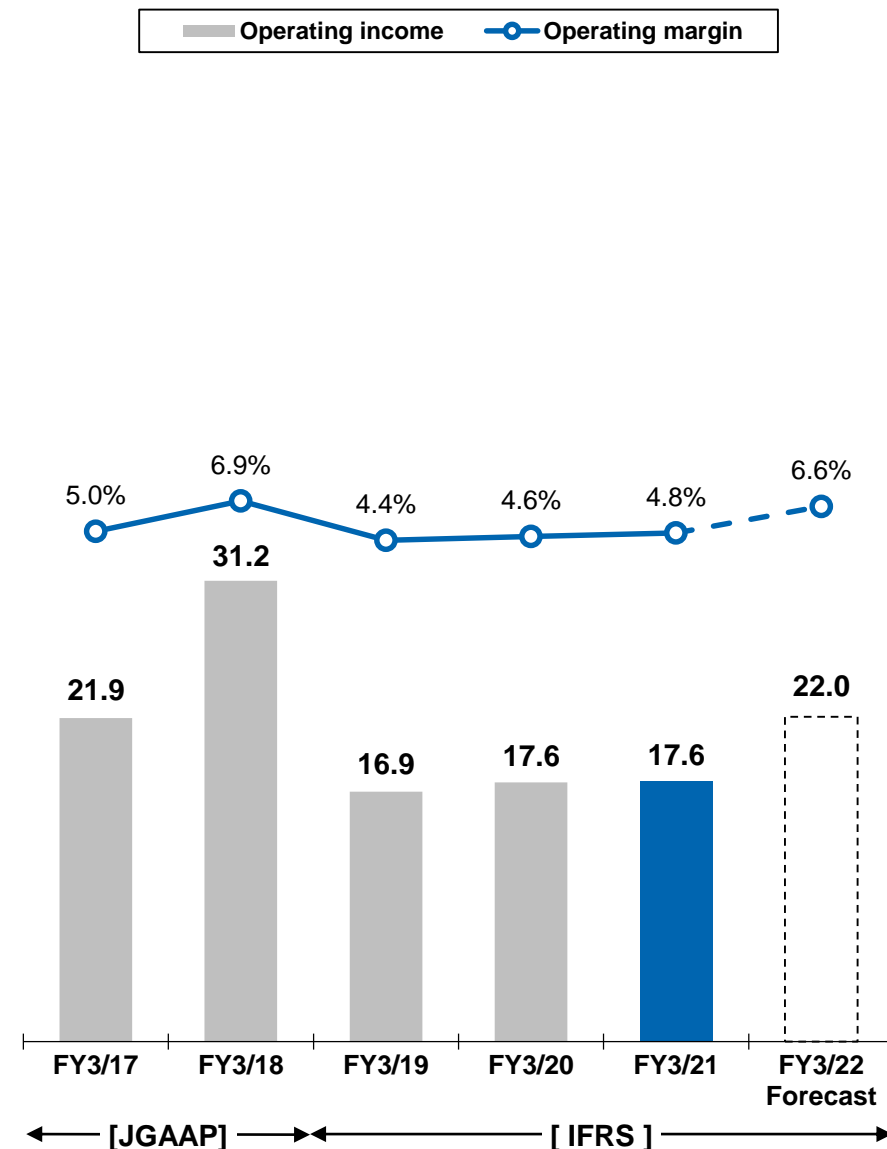
Operating income (Billions of yen)



Net sales (Billions of yen)

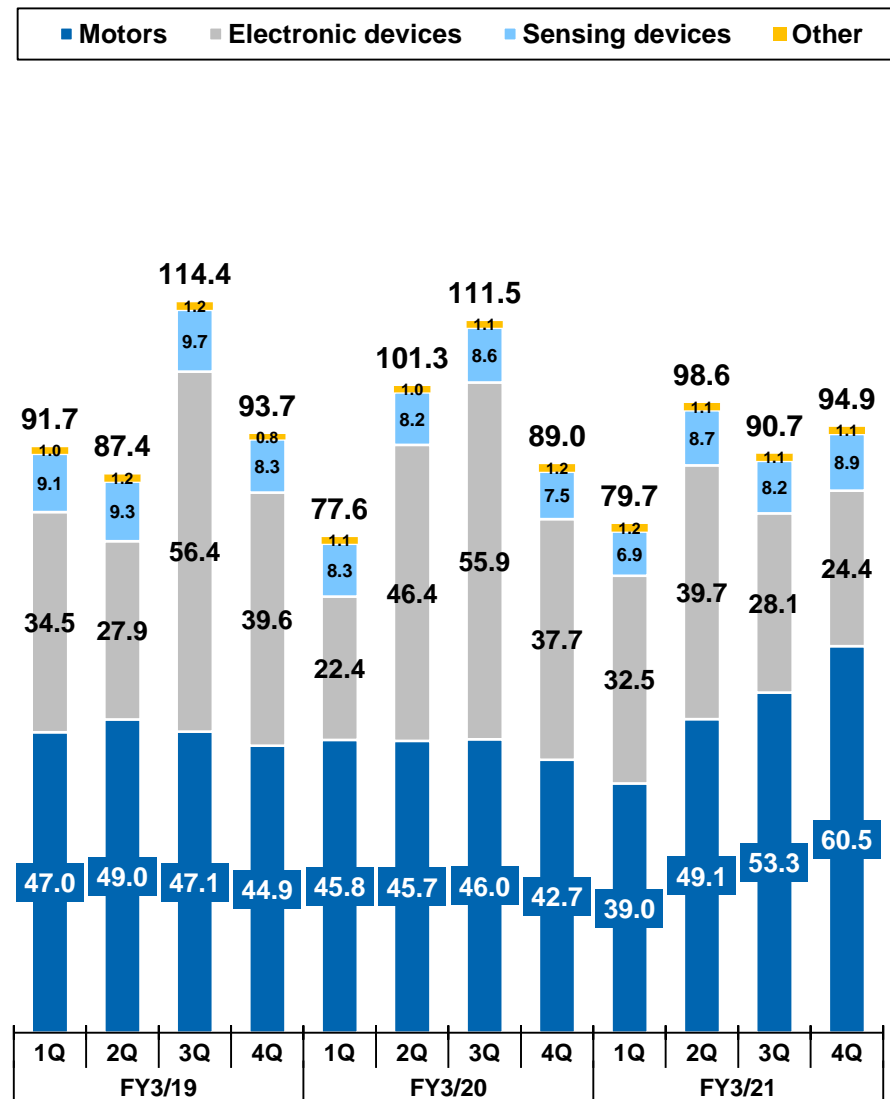


Operating income (Billions of yen)

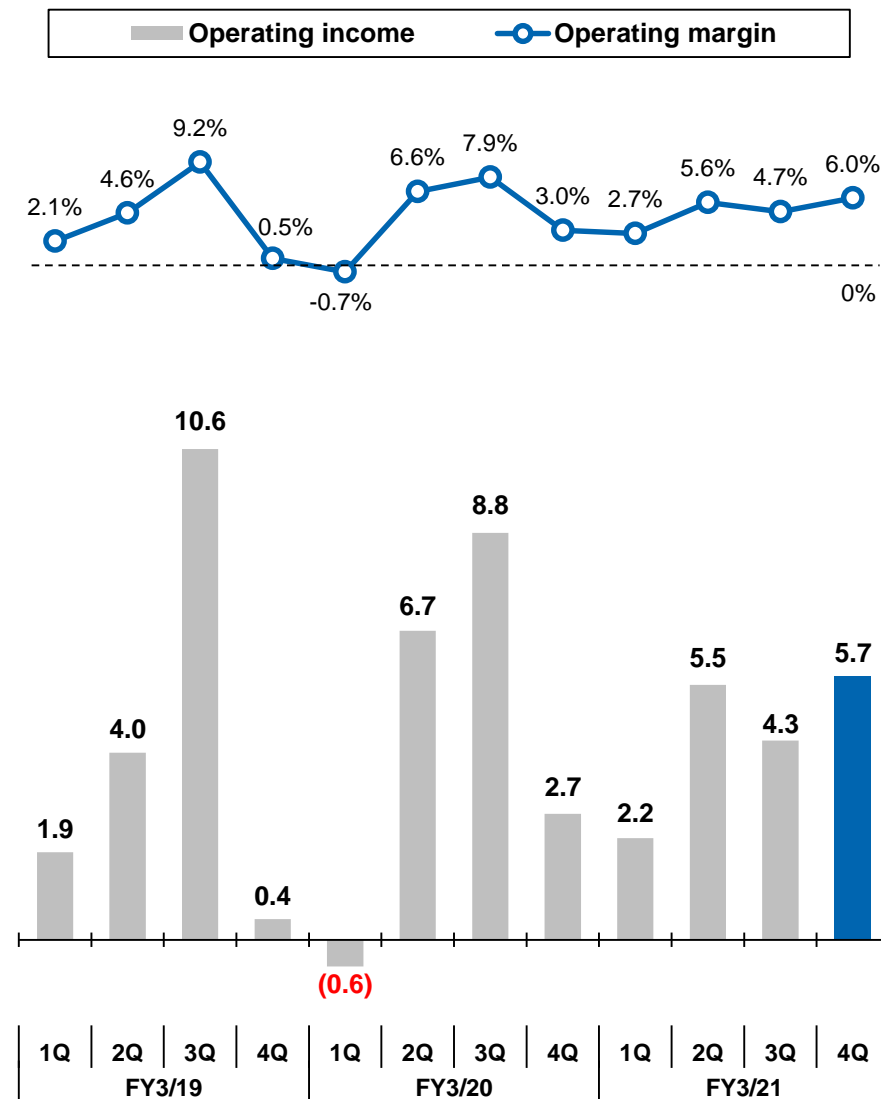


Electronic Devices & Components

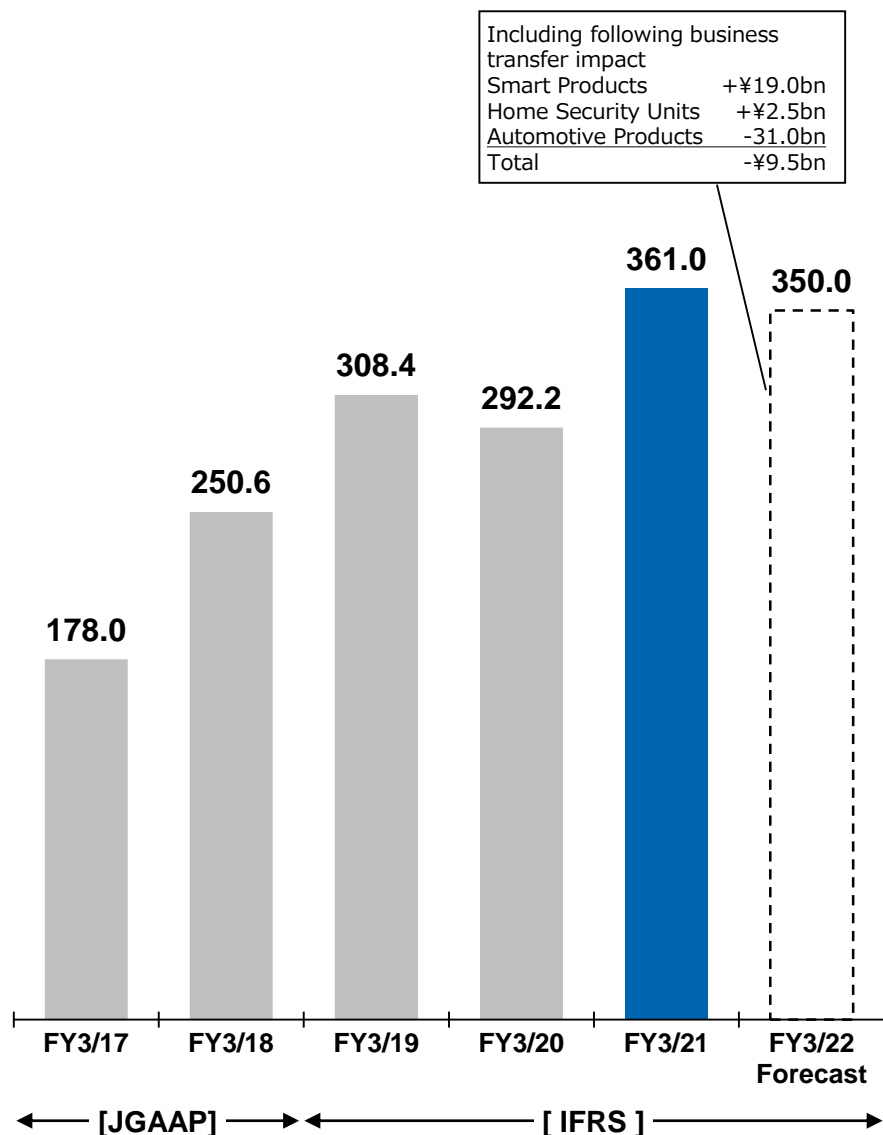
Net sales (Billions of yen)



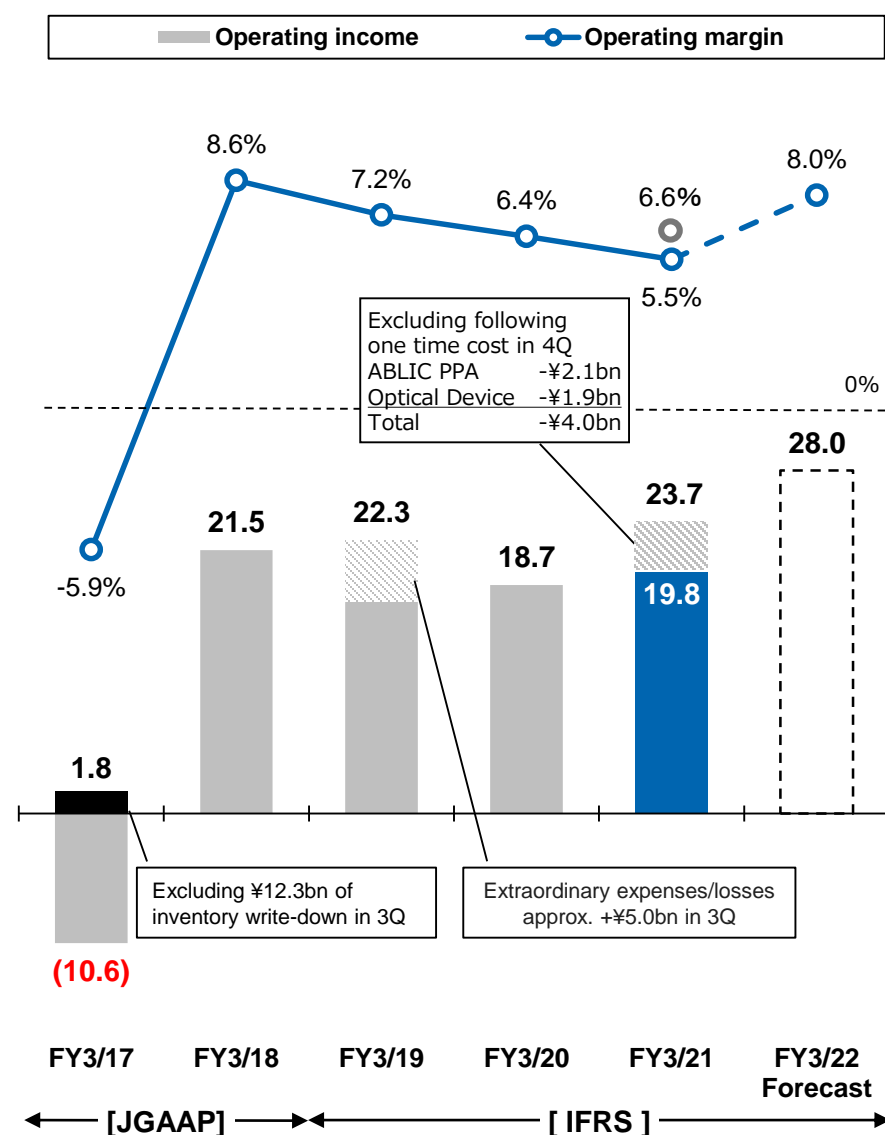
Operating income (Billions of yen)



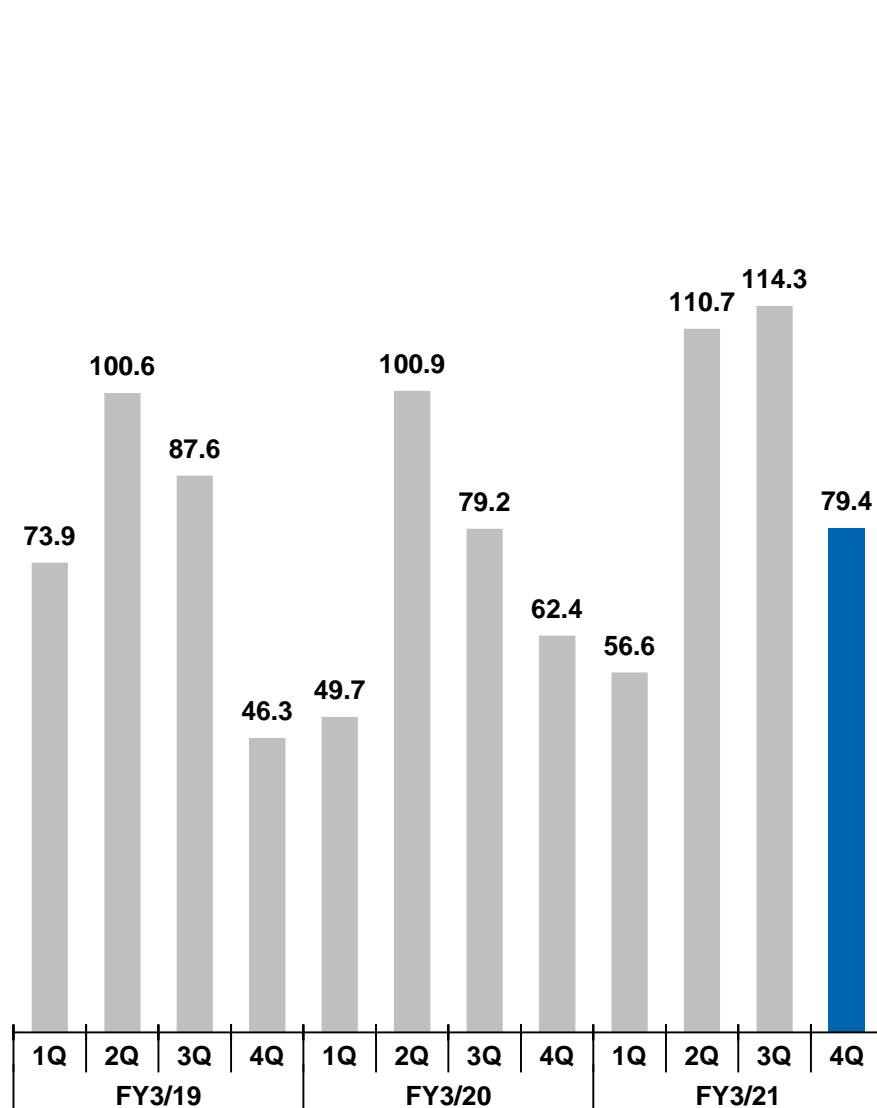
Net sales (Billions of yen)



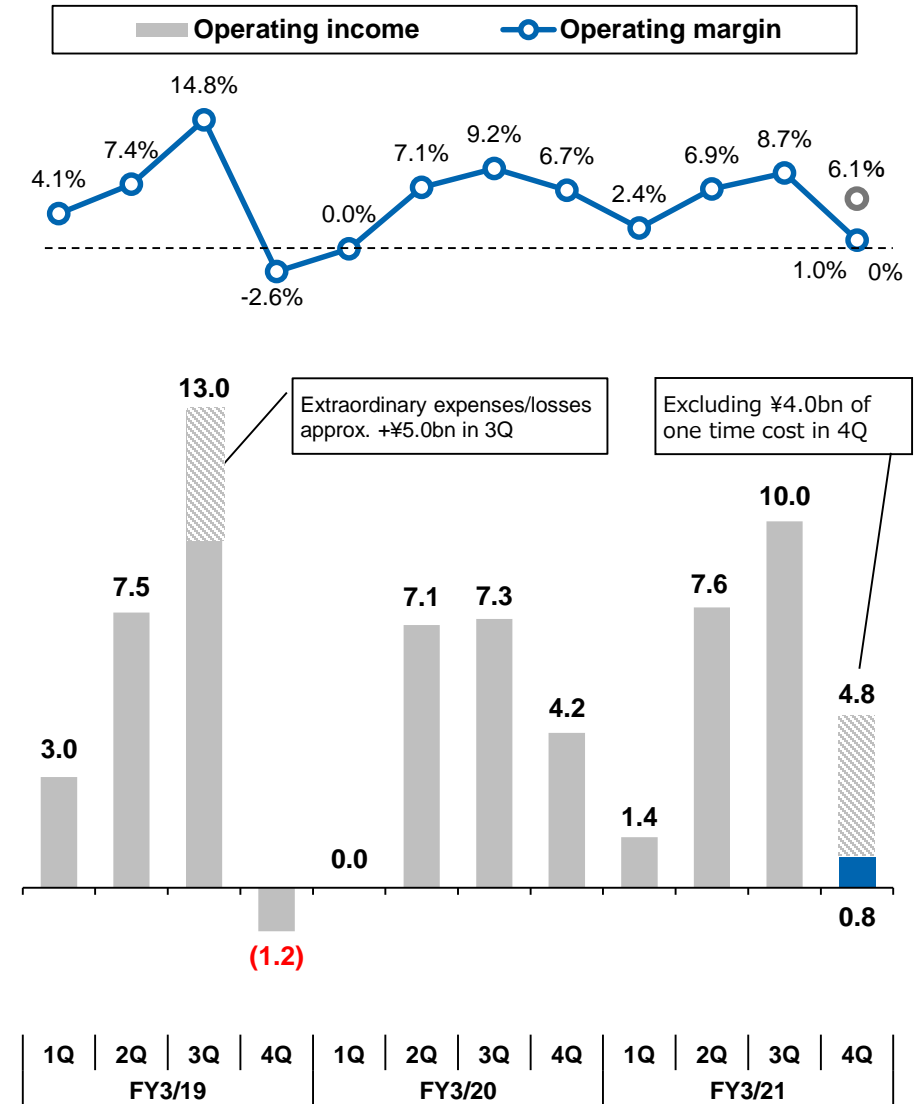
Operating income (Billions of yen)



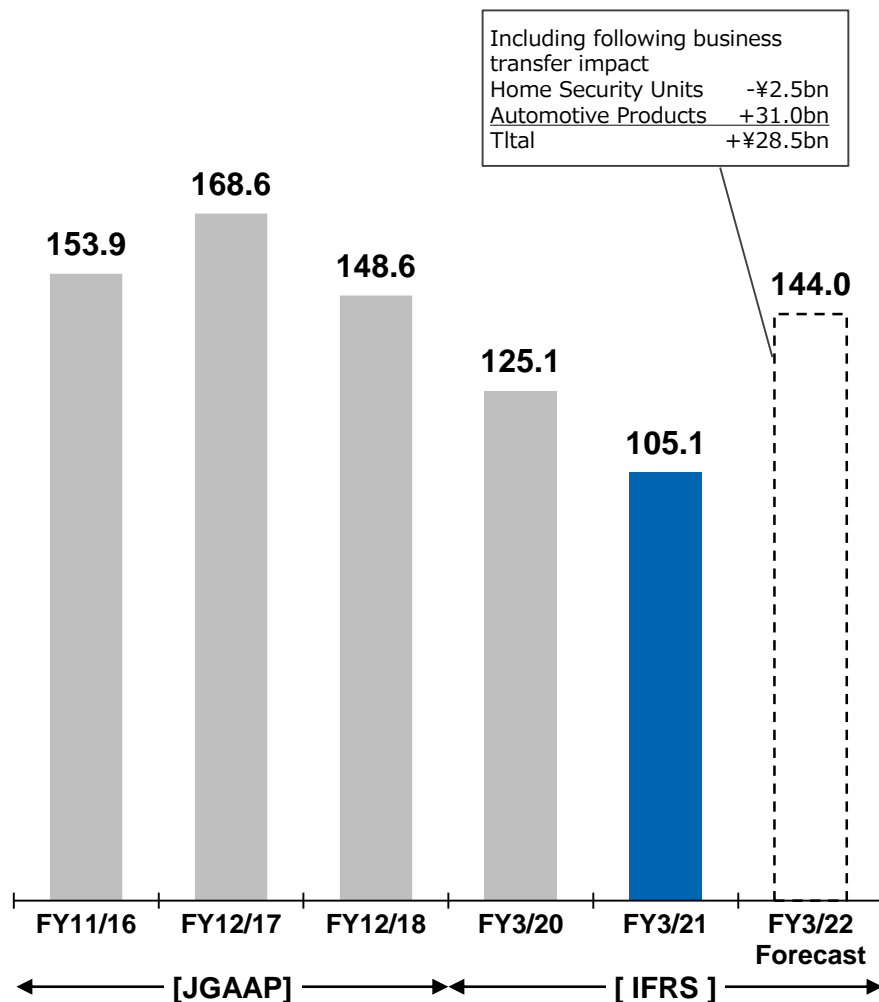
Net sales (Billions of yen)



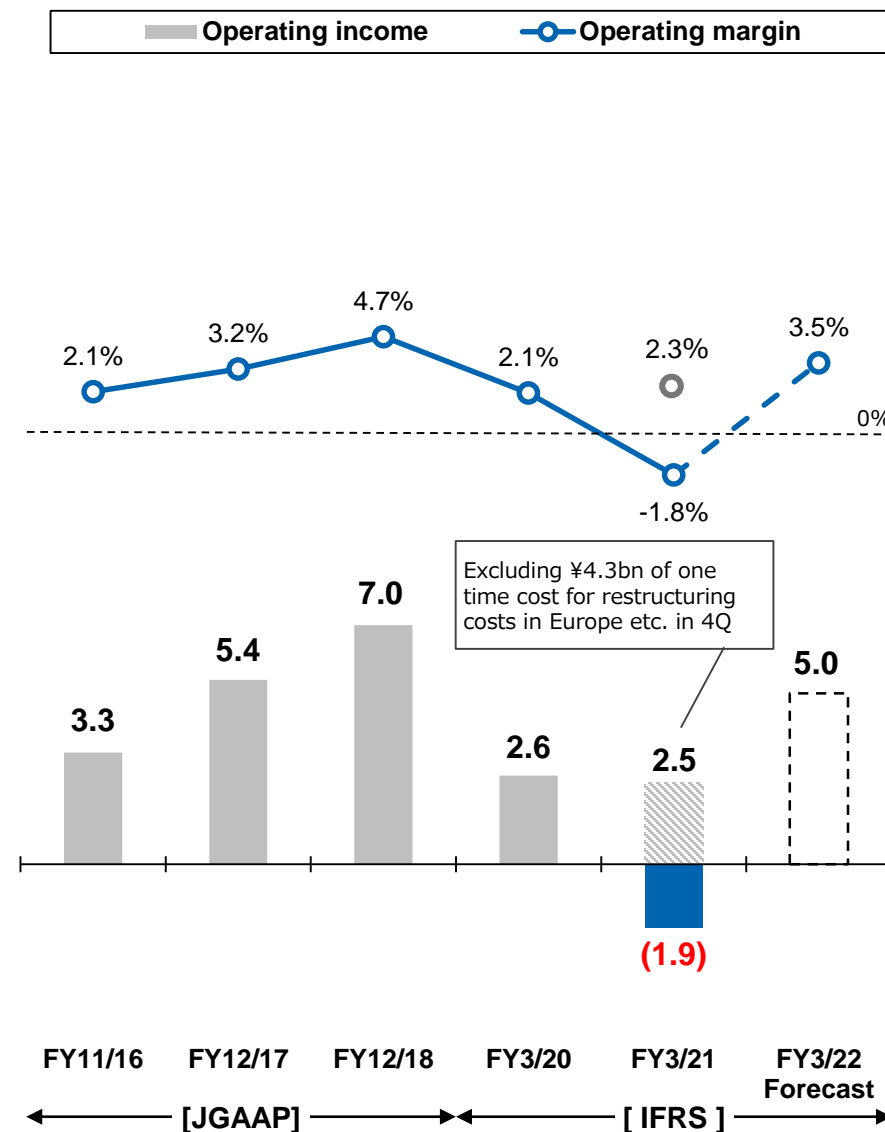
Operating income (Billions of yen)



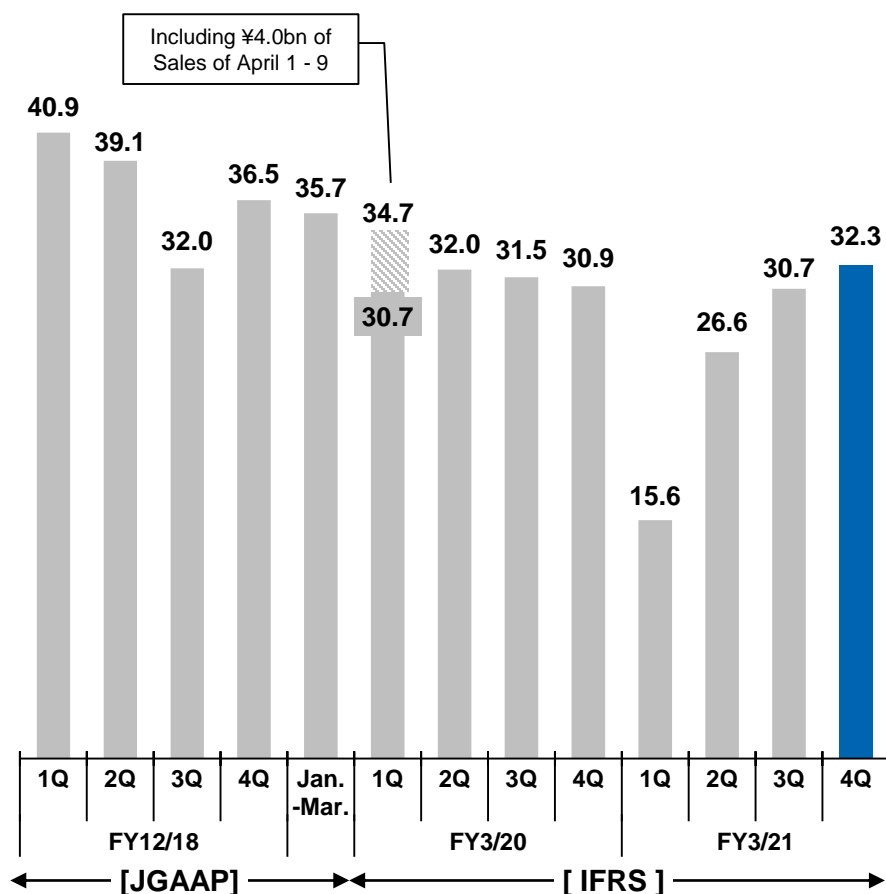
Net sales (Billions of yen)



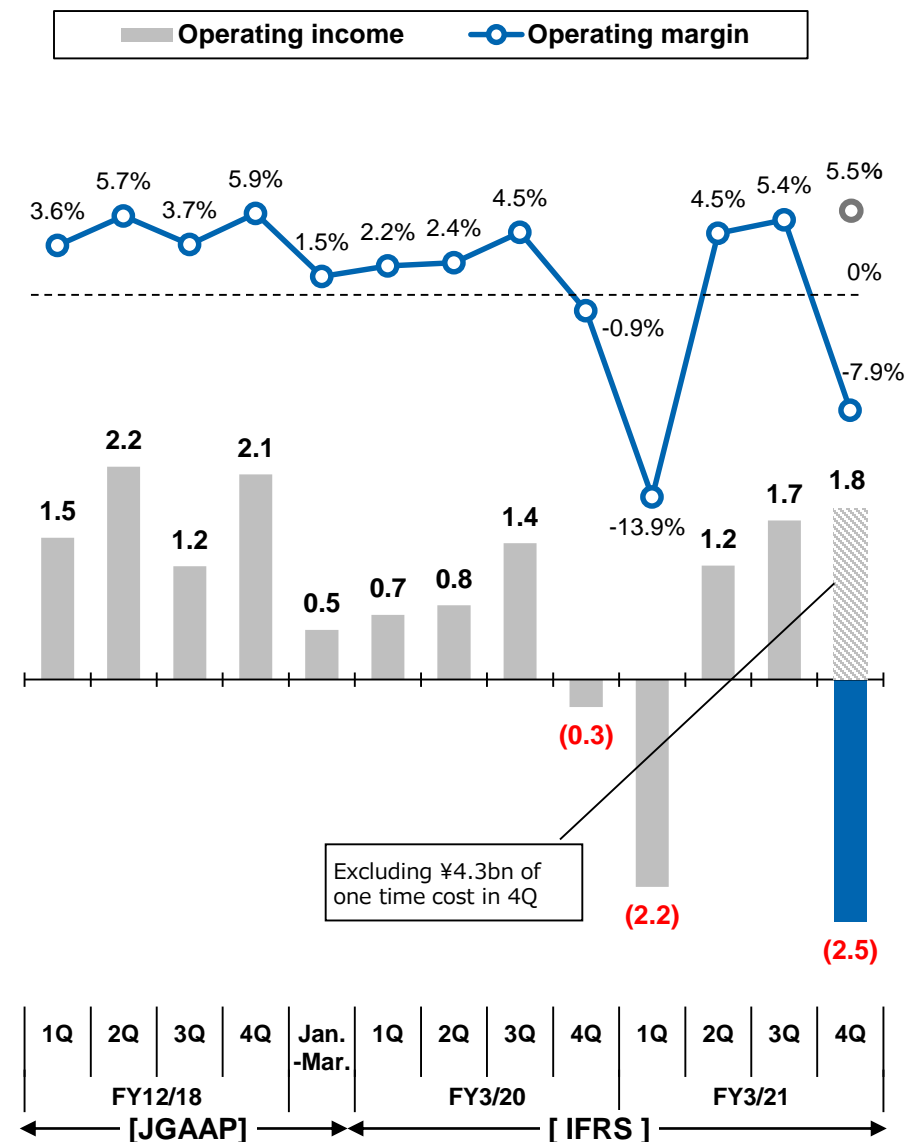
Operating income (Billions of yen)



Net sales (Billions of yen)



Operating income (Billions of yen)



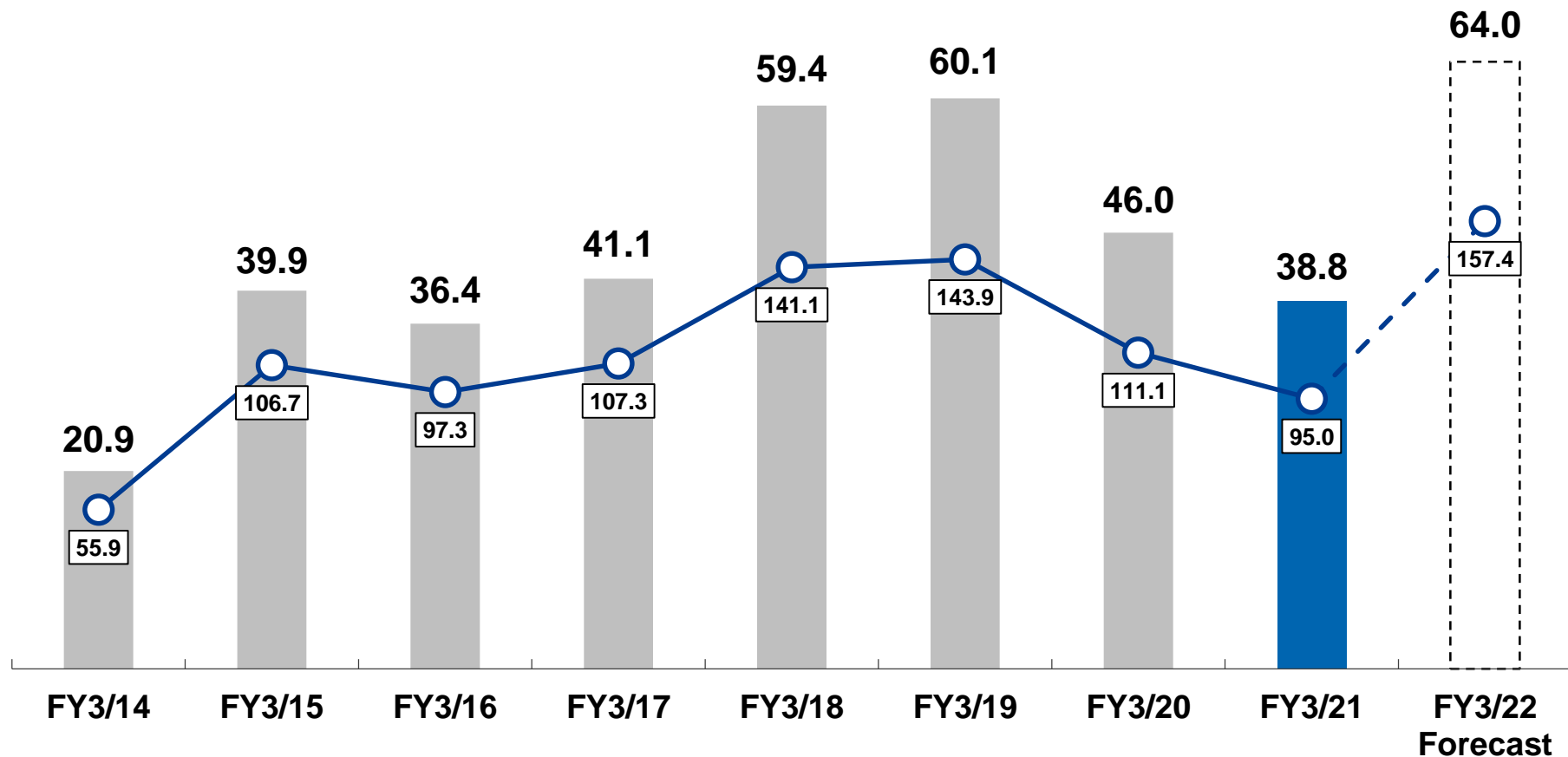
Profit attributable to owners of the parent / EPS

*JGAAP until FY3/18

(Billions of yen)

Profit for the period attributable to owners of the parent

Earnings per share, basic (yen)



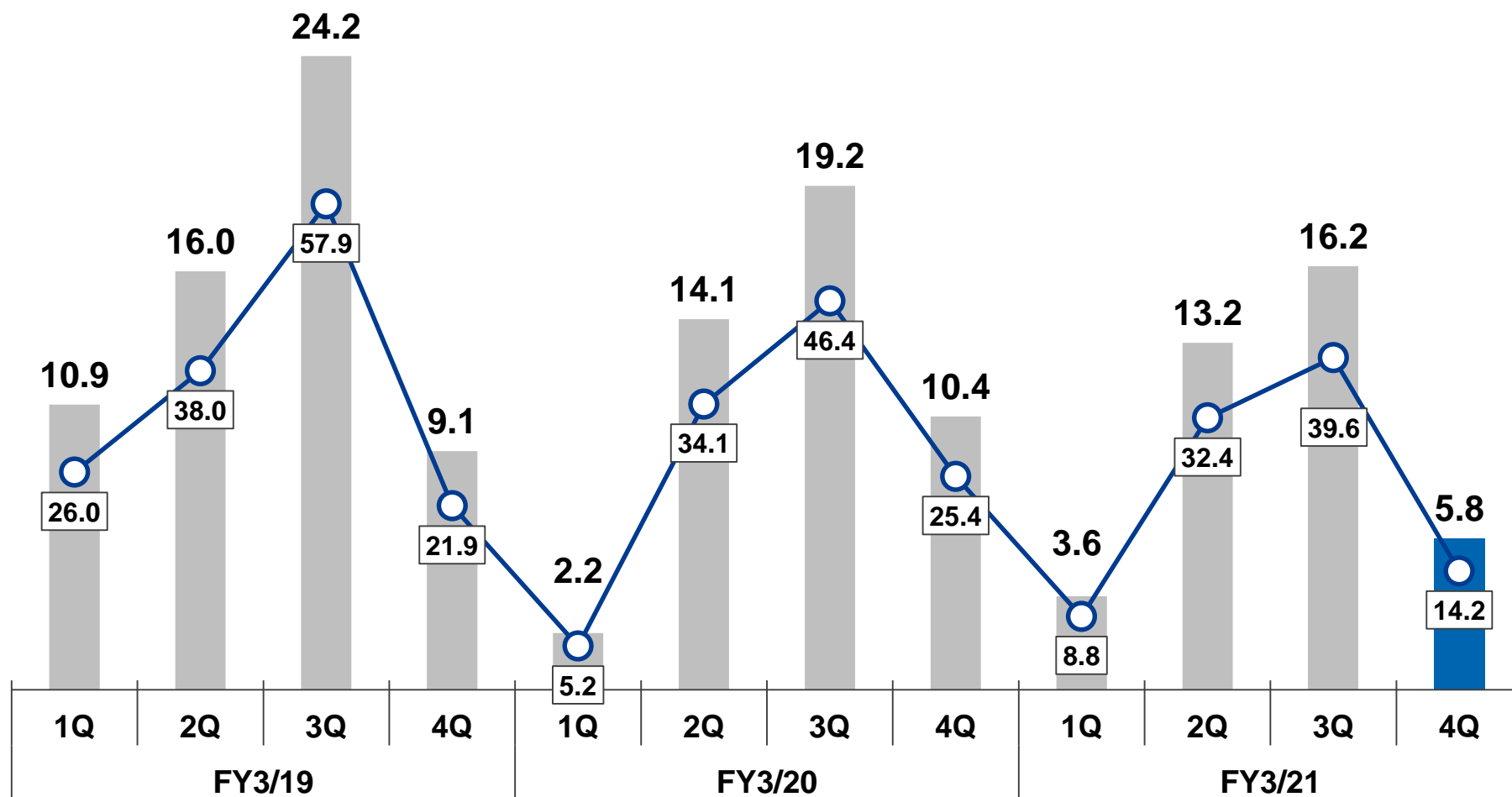
[JGAAP]

[IFRS]

Profit attributable to owners of the parent / EPS

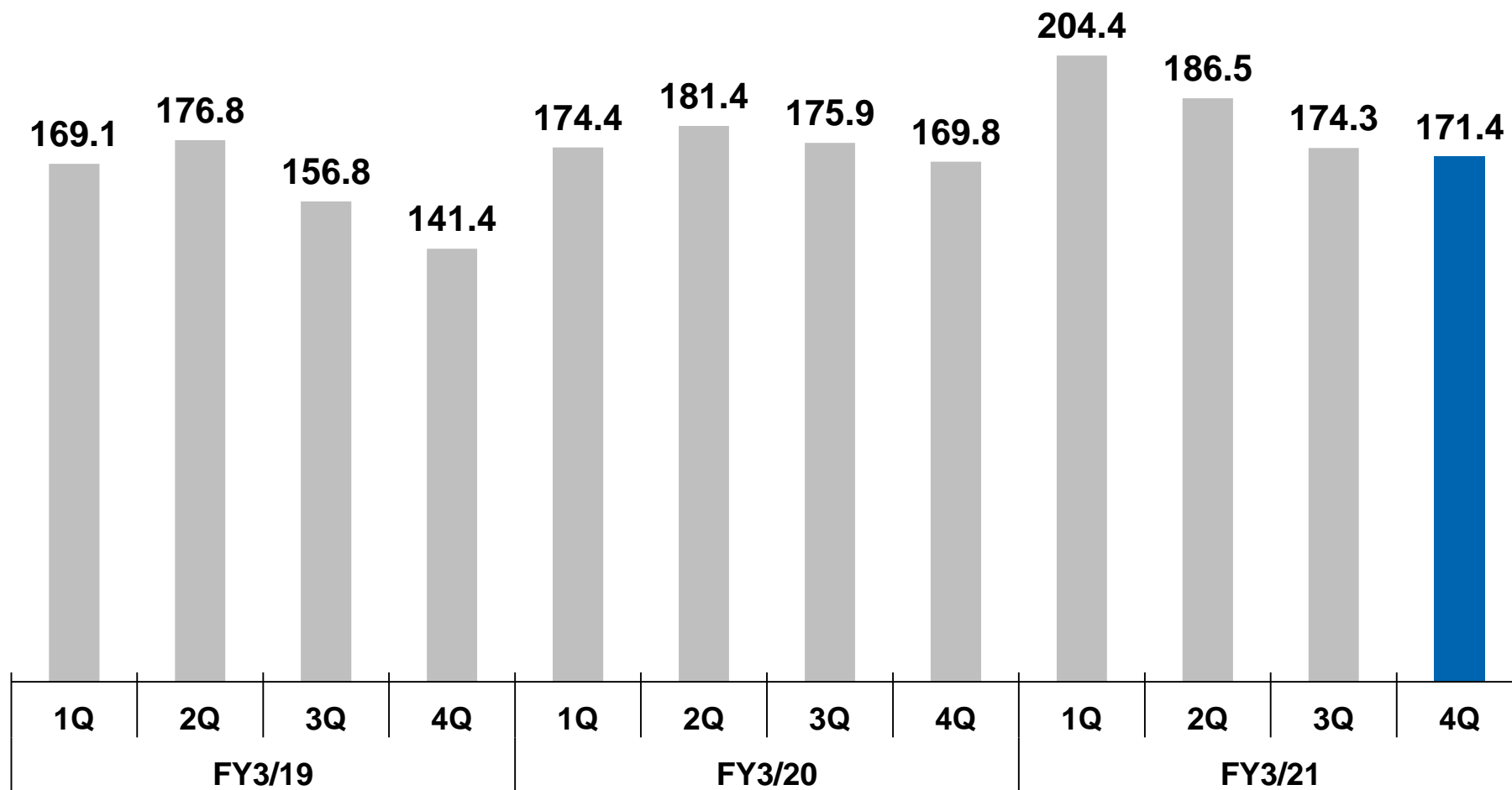
(Billions of yen)

■ Profit for the period attributable to owners of the parent
● Earnings per share, basic (yen)



Inventory

(Billions of yen)

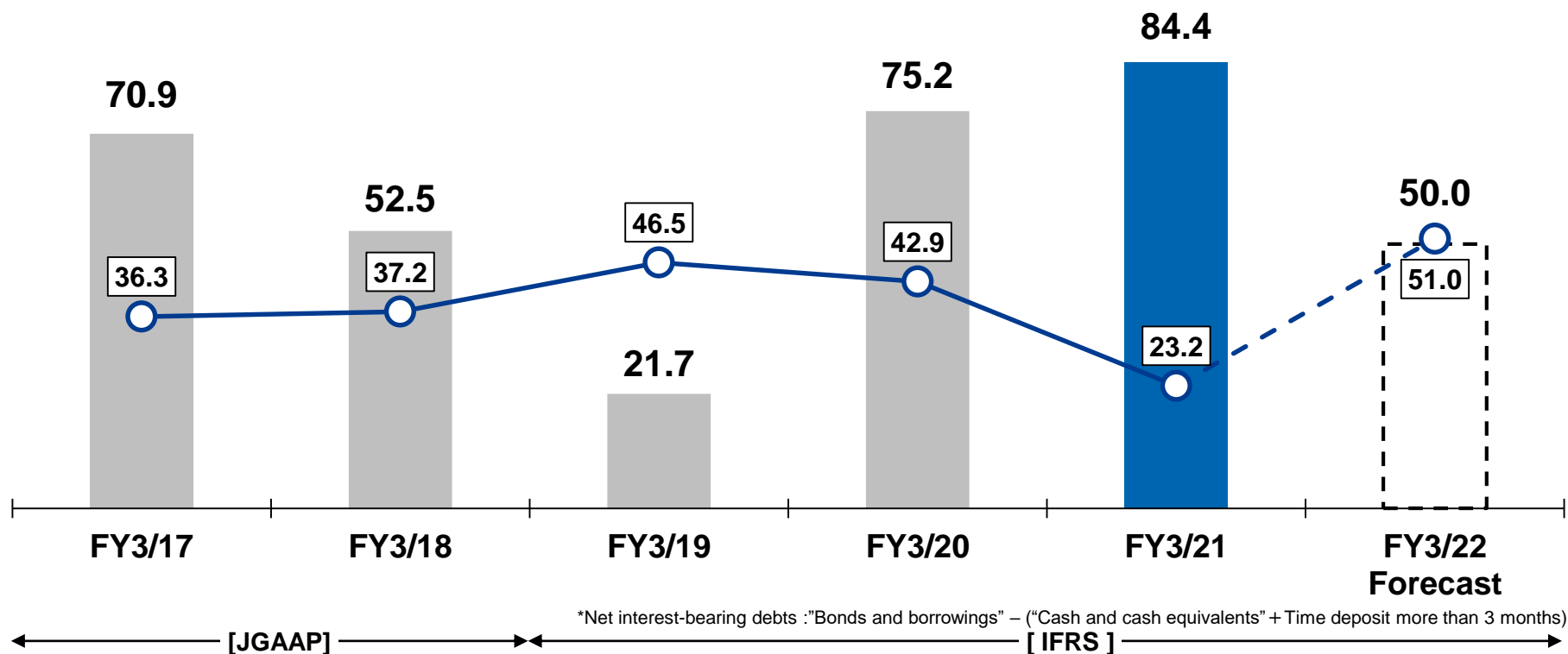


Net interest-bearing debt / Free cash flow

*JGAAP until FY3/18

■ Net interest-bearing debt * ● Free cash flow

(Billions of yen)



Forecast for Fiscal Year Ending March 31, 2022

Operating income to hit ¥80bn.

(Millions of yen)	FY3/21	FY3/22			
	Full Year	1st Half	2nd Half	Full Year	YoY
Net sales	988,424	487,000	513,000	1,000,000	+1.2%
Operating income	51,166	38,000	42,000	80,000	+56.4%
Profit before taxes	49,527	37,500	41,500	79,000	+59.5%
Profit for the period attributable to owners of the parent	38,759	30,500	33,500	64,000	+65.1%
Earnings per share, basic (yen)	94.95	75.00	82.38	157.38	+65.8%

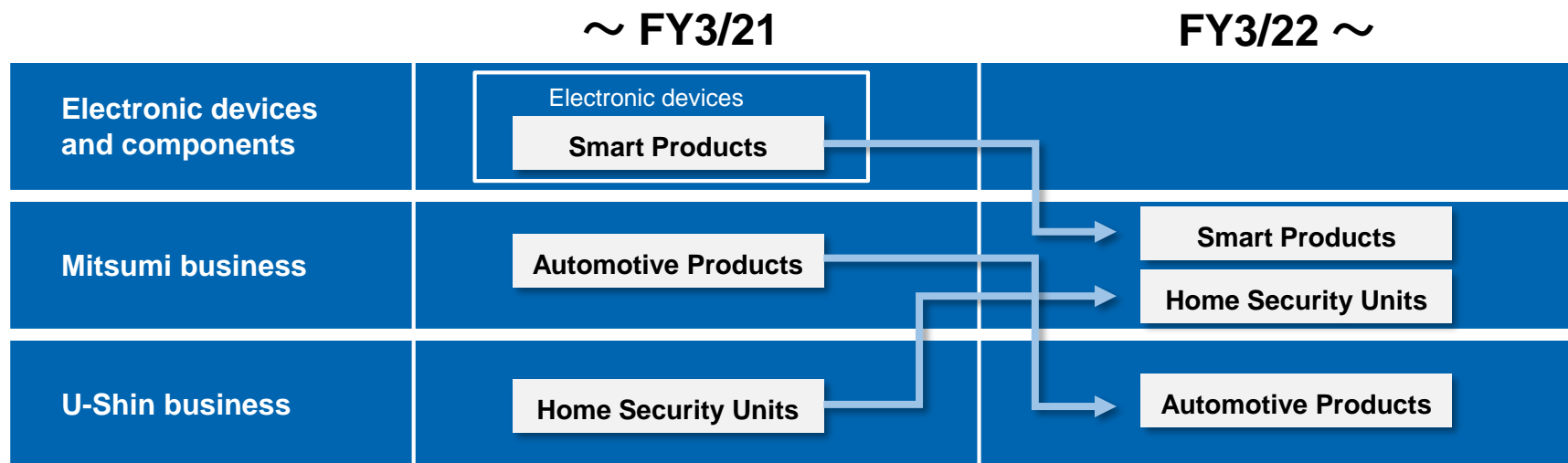
Foreign Exchange Rates	FY3/21 Full Year	FY3/22 Assumptions
US\$	¥105.79	¥107.00
Euro	¥123.22	¥130.00
Thai Baht	¥3.40	¥3.45
Chinese RMB	¥15.52	¥16.50

Forecast for Business Segment

(Millions of yen)	FY3/21	FY3/22			
	Full Year	1st Half	2nd Half	Full Year	YoY
Net sales	988,424	487,000	513,000	1,000,000	+1.2%
Machined components	157,411	86,000	84,000	170,000	+8.0%
Electronic devices and components	363,847	170,000	165,000	335,000	-7.9%
Mitsumi business	361,004	159,000	191,000	350,000	-3.0%
U-Shin business	105,133	71,600	72,400	144,000	+37.0%
Other	1,029	400	600	1,000	-2.8%
Operating income	51,166	38,000	42,000	80,000	+56.4%
Machined components	31,218	21,500	20,500	42,000	+34.5%
Electronic devices and components	17,634	11,500	10,500	22,000	+24.8%
Mitsumi business	19,761	11,500	16,500	28,000	+41.7%
U-Shin business	-1,850	1,500	3,500	5,000	-
Other	-1,909	-1,000	-1,000	-2,000	+4.8%
Adjustment	-13,688	-7,000	-8,000	-15,000	+9.6%

Changes of Business Segment

Consolidate related businesses and elemental technologies to generate further synergies



Major products and impact from business transfer

(Approximate sales amount in millions of yen)

		FY3/21 Actual	FY3/22 Forecast
Smart Products	Battery protection module, IoT lighting "SALIOT"	18,000	19,000
Home Security Units	Locks for hotels, offices and houses	1,900	2,500
Automotive Products	High-frequency components such as tuners and antennas	29,000	31,000

Forecast for Business Segment (Adjusted)

(Millions of yen)	FY3/21	FY3/22			
	Full Year	1st Half	2nd Half	Full Year	YoY
Net sales	988,424	487,000	513,000	1,000,000	+1.2%
Machined components	157,411	86,000	84,000	170,000	+8.0%
Electronic devices and components	345,595	170,000	165,000	335,000	-3.1%
Mitsumi business	352,275	159,000	191,000	350,000	-0.6%
U-Shin business	132,114	71,600	72,400	144,000	+9.0%
Other	1,029	400	600	1,000	-2.8%
Operating income	51,166	38,000	42,000	80,000	+56.4%
Machined components	31,218	21,500	20,500	42,000	+34.5%
Electronic devices and components	17,679	11,500	10,500	22,000	+24.4%
Mitsumi business	20,461	11,500	16,500	28,000	+36.8%
U-Shin business	-2,595	1,500	3,500	5,000	-
Other	-1,909	-1,000	-1,000	-2,000	+4.8%
Adjustment	-13,688	-7,000	-8,000	-15,000	+9.6%

Management Policy & Business Strategy

May 7, 2021

Yoshihisa Kainuma

Representative Director, CEO & COO



Overall

- **Net sales hit a record high.** Operating income reached the upper end of the original forecast range (excluding one-time costs), resulting in **virtual increases in profits.**
- Implemented structural reforms etc.
1. PPA for ABLIC, 2. Structural reform for U-Shin, 3. Inventory adjustment (OIS)
- Three spears + OIS completed to establish the foundation that will drive to hit our mid-term profit plan targets.

Machined components

- **Total sales of ball bearings in March reached 336 million units, smashing the previous record high.**
March production volume hit a new record high of 315 million units.
- Monthly production capacity has reached 325 million units.

Electronic devices and components/ Mitsumi

- **Motors established a structure to steadily generate profits as a result of the change in profit structure and substantial market growth.**
- Smartphone and game businesses performed better than expected.
- **Analog semiconductors reached 10 billion yen operating income target ahead of schedule.**

U-Shin

- Started structural reforms in Europe. Aim to significantly increase profits next fiscal year.

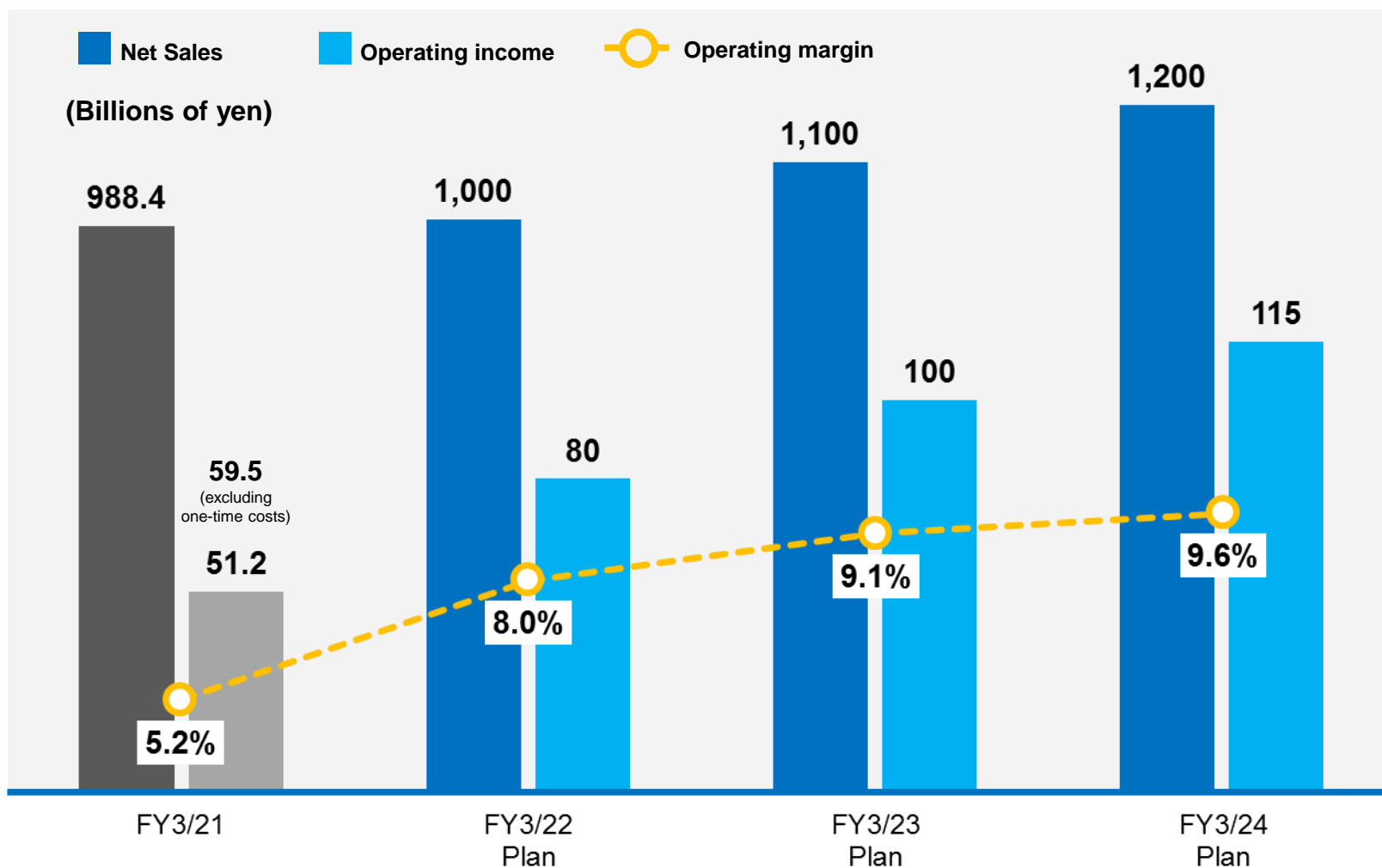
Make the 70th anniversary a banner year (Aim for a new profit record and establish foundation to generate 100 billion yen in operating income next fiscal year)

Key Points

- Three spears (bearings/motors/analog semiconductors) + OIS will drive profits up.
=> Completed improvement of profit structure that does not rely on LED backlights.
- Automobiles, investments in 5G, and wide-spread adoption of new lifestyle will boost demand.
=> Current demand is definitely up.
- Currency trends might cause potential upside.

(Millions of yen)	FY3/21 Full Year	FY3/22			
		1st Half	2nd Half	Full Year	YoY
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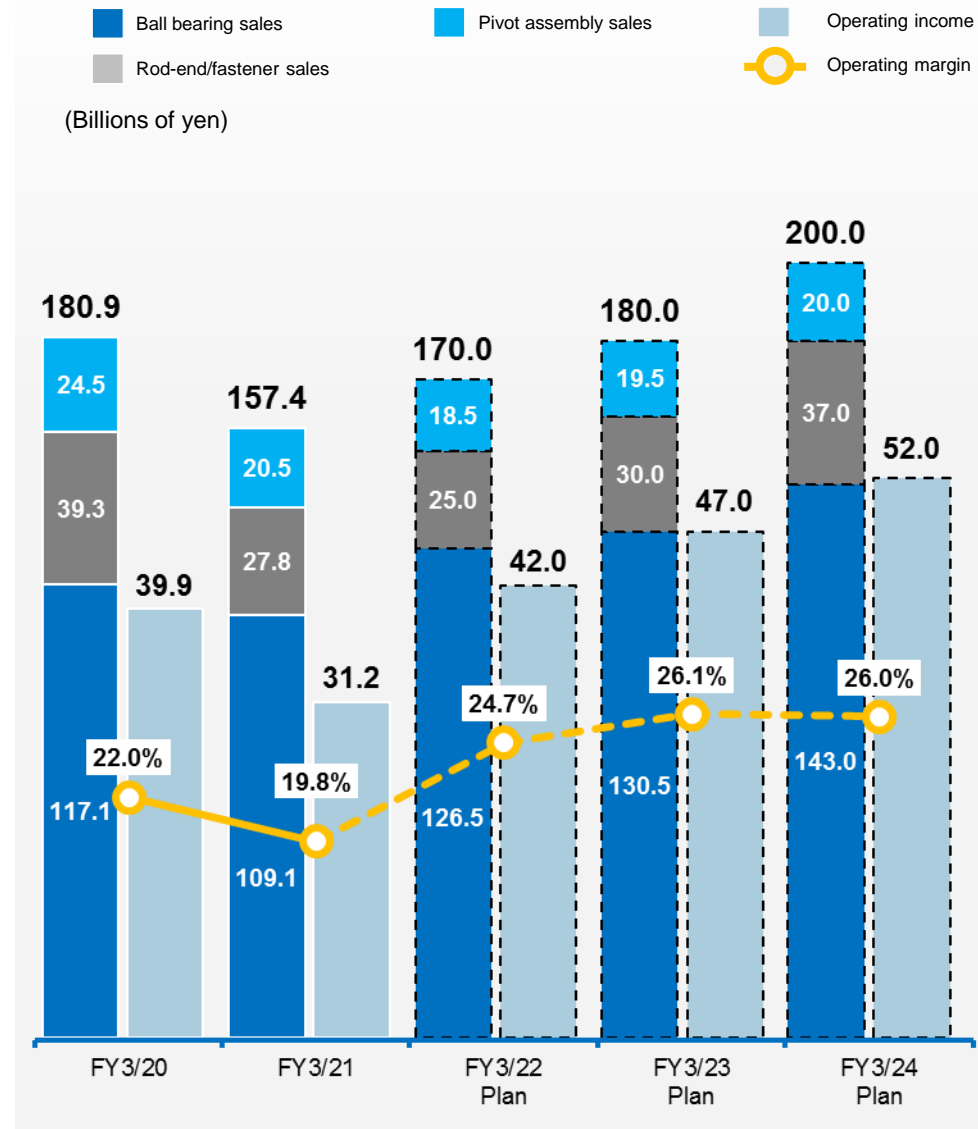
Core businesses will drive profits up, virtually doubling operating income in 3 years



Growth of ball bearing business will overcome aviation slump

Key Points

- 1 Ball bearing sales
Production capacity will match external sales volumes mainly for automobile and data center applications
- 2 Ball bearing production
Establish monthly capacity of 345 million units
- 3 Rod-ends & fasteners
Strengthen business structure in anticipation of significant post-COVID-19 demand recovery
- 4 Now establishing mass production systems of ultra-high performance bearings with greatly improved precision



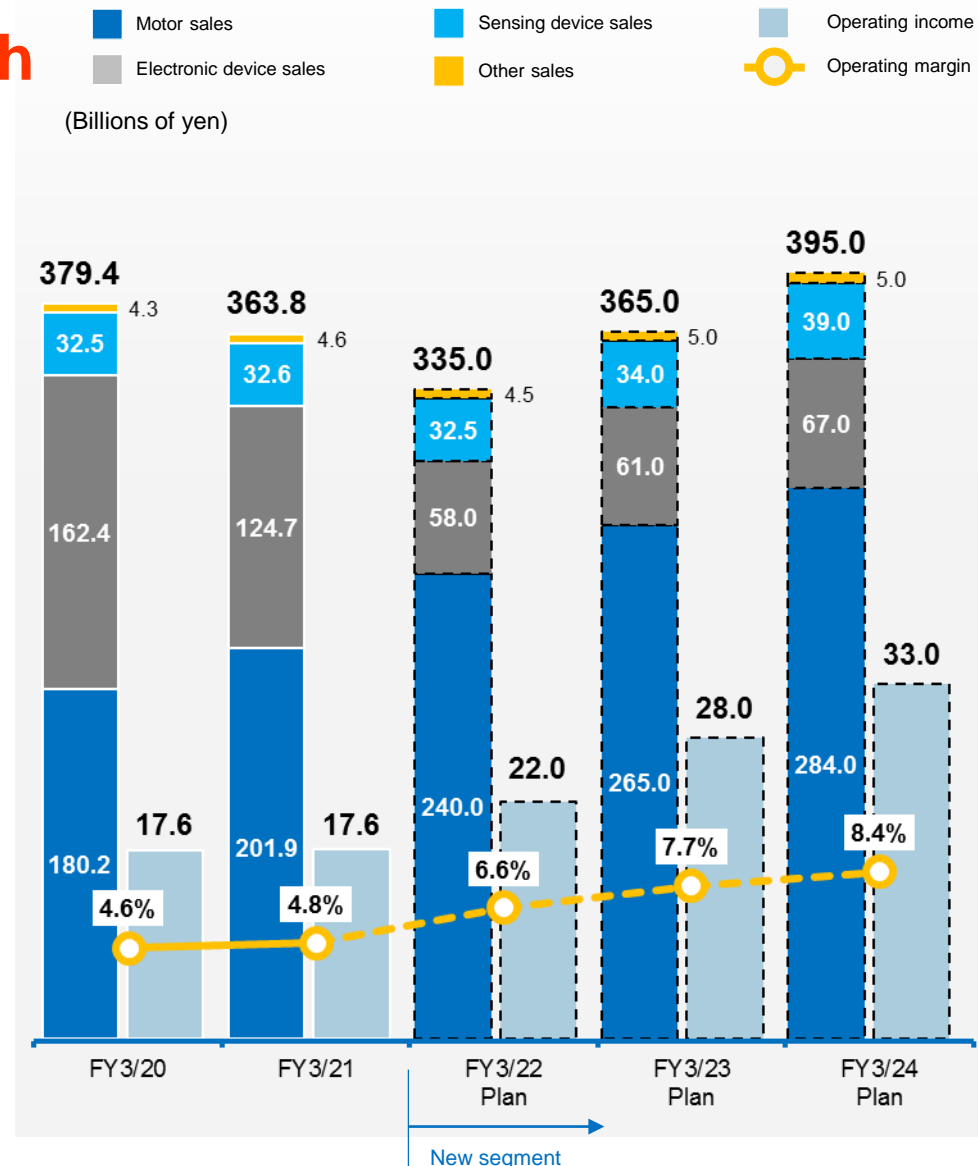
Motors will be the big profit driver that accelerates growth
Profit from BL is limited

Key Points

1 Motors
All product categories will shift to the next growth phase

2 LED backlights
Maintain product mix: automotive and smartphone

3 Sensing devices
Expand sales for automotive and industrial (molding machines, etc.) applications



Motor business steadily moving forward to generate 400 billion yen in sales

Key Points

- 1** Electrification, CASE, new lifestyle, DX, and labor-saving technologies will shift all product categories into full-scale growth phase
- 2** Leverage high quality to boost competitiveness
- 3** Product mix will shift towards high value-added products and evolve into a sure profit driver



Cooling fans for secondary batteries



Resolvers for traction motors

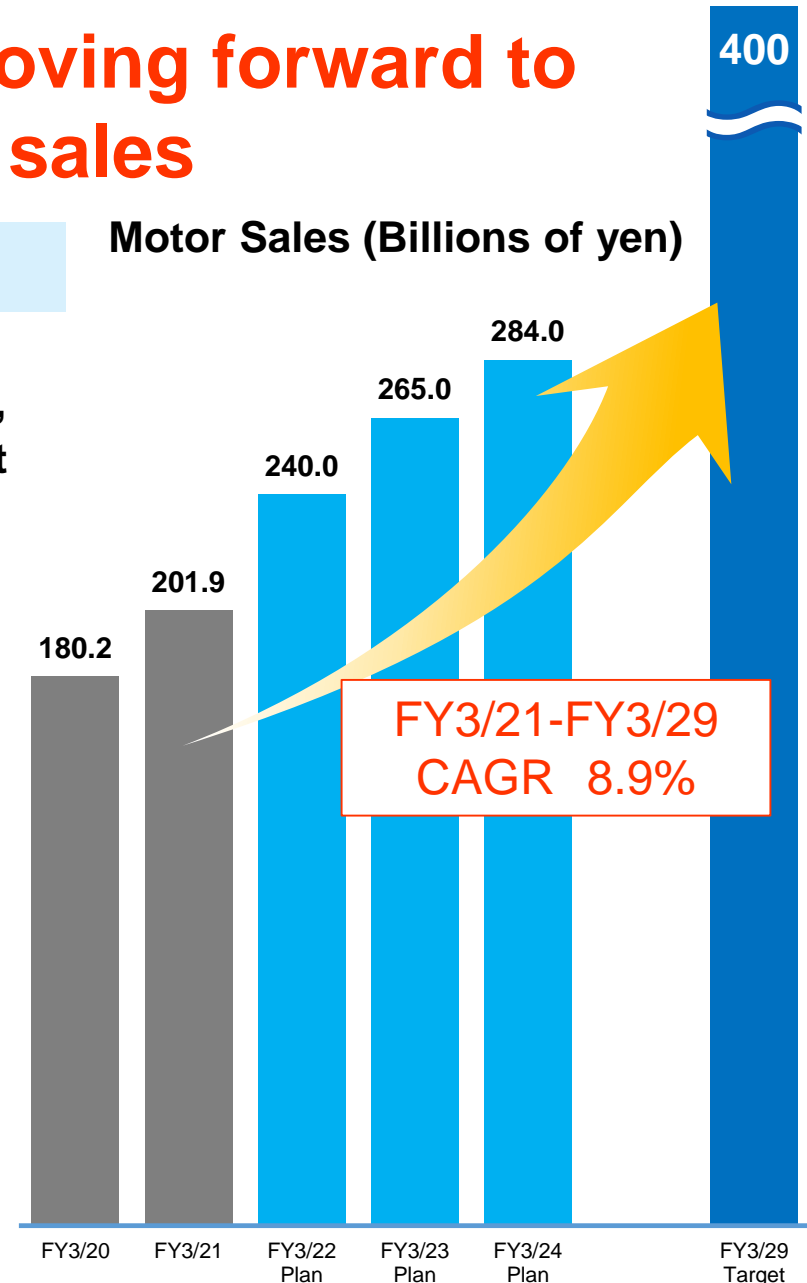


Robotic joint modules



High-speed, long-lasting smart fan motors

Motor Sales (Billions of yen)

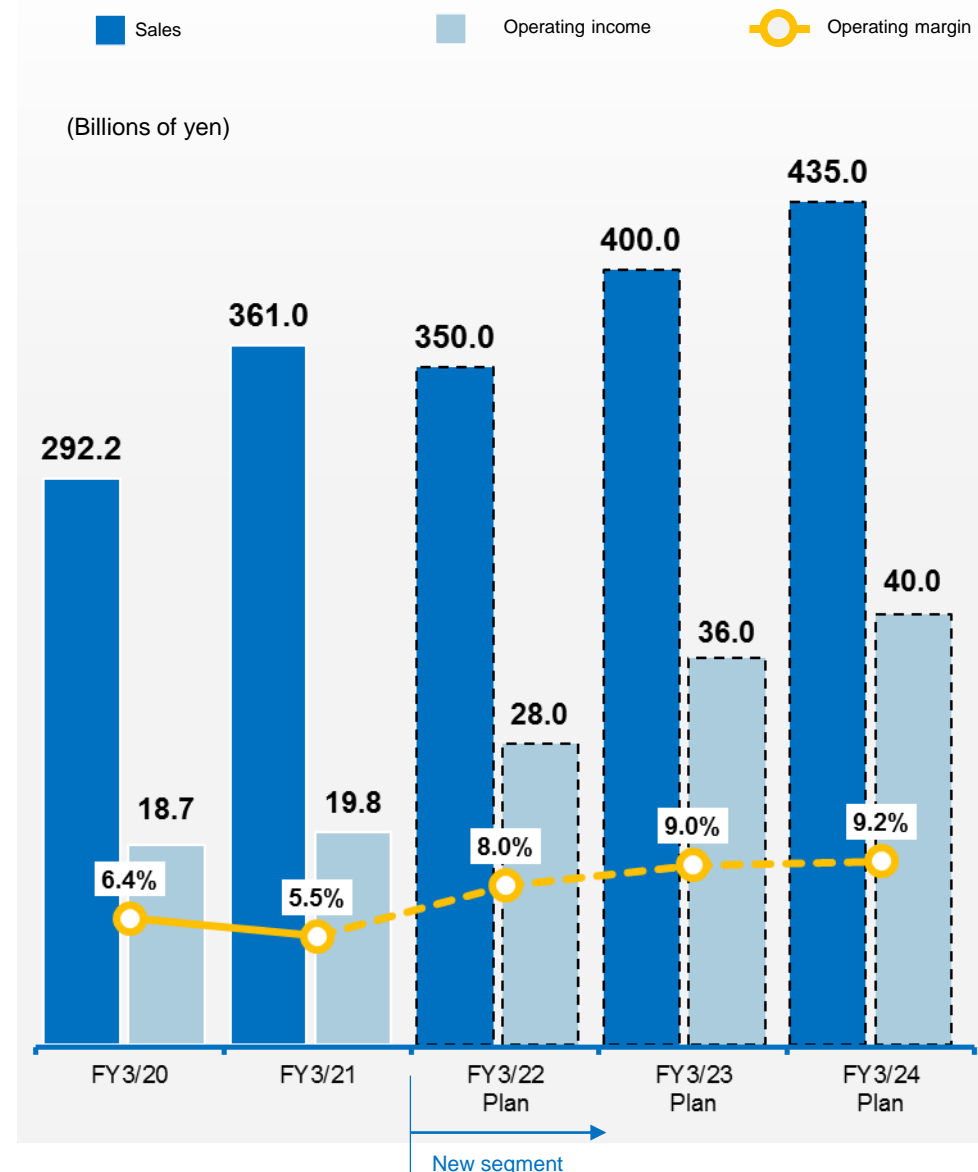


Established profit structure that does not rely on games

Key Points

- 1 Optical devices
Further enhance industry presence
- 2 Analog semiconductors
Both synergistic and organic growth accelerate
- 3 Mechanical components
Leverage our INTEGRATION* capability to cultivate new OEM business opportunities
- 4 Connectors/switches/power supply components
Focus to make them become the next pillars like semiconductor

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



Aim to become number one in the industry with an aggressive strategy

Key Points

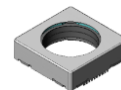
1 Increase share in major customers for new OIS models to enhance presence

2 Develop new products aimed at acquiring new customers

New Structure OIS

(Ultrasonic motor OIS actuator)

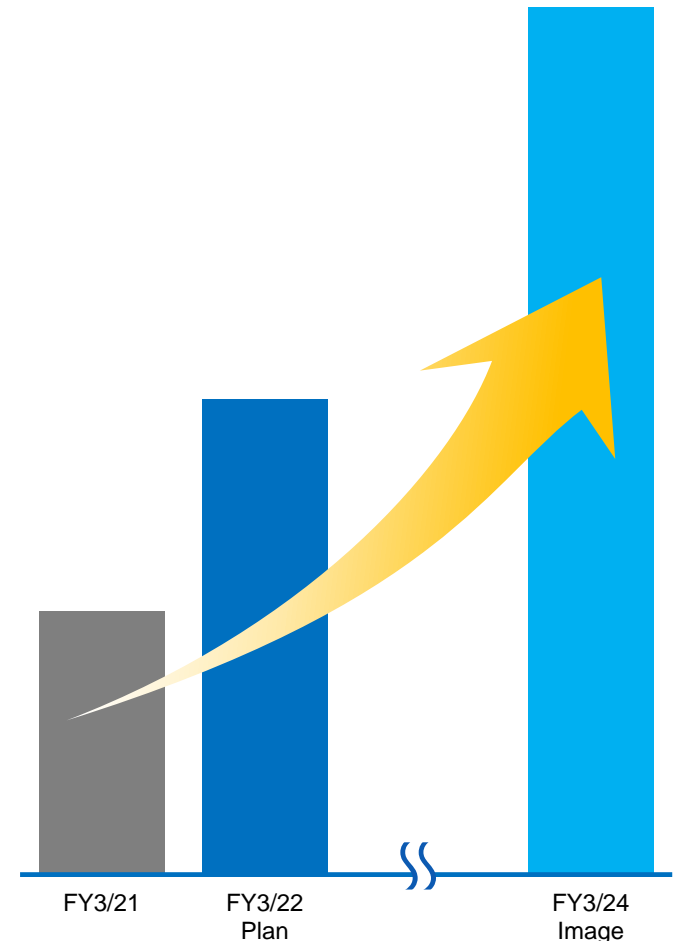
- High thrust (for heavy lenses)
- Ultra-precision operation (from low- to high-speeds)
- Low power consumption
- Magnetic-interference-free



3 Significantly increase production capacity and make products in optimal locations

=> Produce products for major customers in Cebu and for others in Cambodia

Image of optical device sales



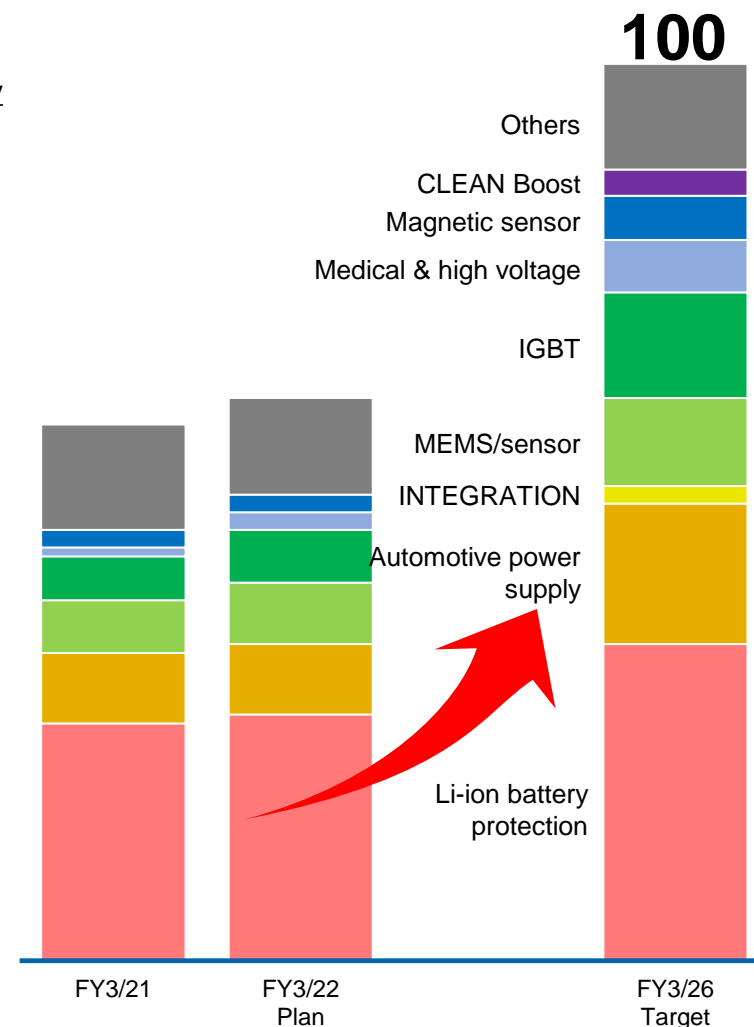
Realize 100 billion yen in sales and a 20% operating margin ASAP

Deep dive into core technologies and move ahead with developing 8 fields for semiconductors to achieve targets with niche and growth areas

Key Points

- Li-ion battery protection** Integrate technologies to secure overwhelming technological advantage in quick charging and become No. 1 in the industry
- Automotive power supply** Expand portfolio so sales keep pace with growing automotive market
- INTEGRATION** Combine ABLIC and MITSUMI technologies to enhance MinebeaMitsumi products
- MEMS/sensor** Leverage core ADC and MEMS technologies to boost high value-added product lineup
- IGBT** Shift focus of product development to high-end products for EVs to put the business on a growth trajectory and boost sales
- Medical & high voltage** Expand sales of ultrasonic diagnostic equipment with the industry's top $\pm 200V$ symmetric pulse technology
- Magnetic sensor** Focus on location sensing and current sensing to increase sales of motors, automotive devices, and industrial equipment
- CLEAN Boost** Develop environmental power generation brand and promote alliances with partner manufacturers to expand sales

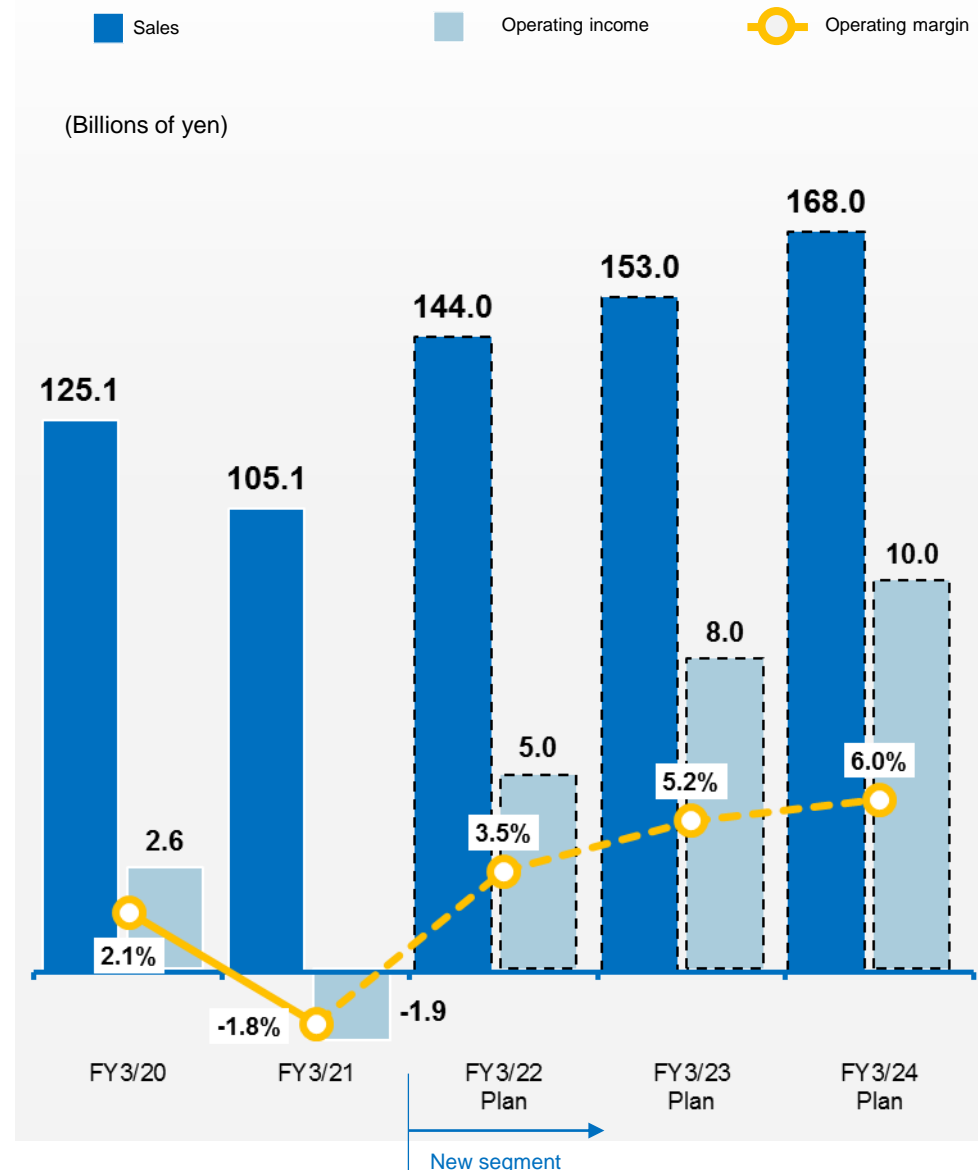
Analog semiconductor Sales (Billions of yen)



Focus on growth areas to improve performance

Key Points

- 1 Structural reform #1
Layoff of 300 positions will contribute to profit increase next fiscal year
- 2 Structural reform #2
Withdraw from low-priced products
Accelerate shift to high value-added products
 1. CSD
 2. Flush handles
 3. E-Latch
- 3 **INTEGRATION strategy starts taking effect**



Build a new multi-purpose factory to prepare for future capacity increase for various products



Bang Pa-in Plant, Thailand



- | | |
|----------------------------------|----------------------------|
| 1. Amount to be invested | Approx. 4 billion yen |
| 2. Planned construction site | Bang Pa-in Plant, Thailand |
| 3. Building area | 12,000m ² |
| 4. To be completed
(building) | End of December 2021 |

Investor meeting presentation in May 2009 (retouched in red)

My Mission as CEO

Increase earnings per share

**Maximize earnings per share and
increase shareholders' value**

**Increase
shareholders'
value**

Created value worth 1.1 trillion yen

Lay foundation for Minebea's 100th anniversary

Enhance corporate resources

**Resilience to grow beyond numerous
adversities**

Affirmed the efficacy of management policy

**Enhance
corporate
resources**

May 8, 2009

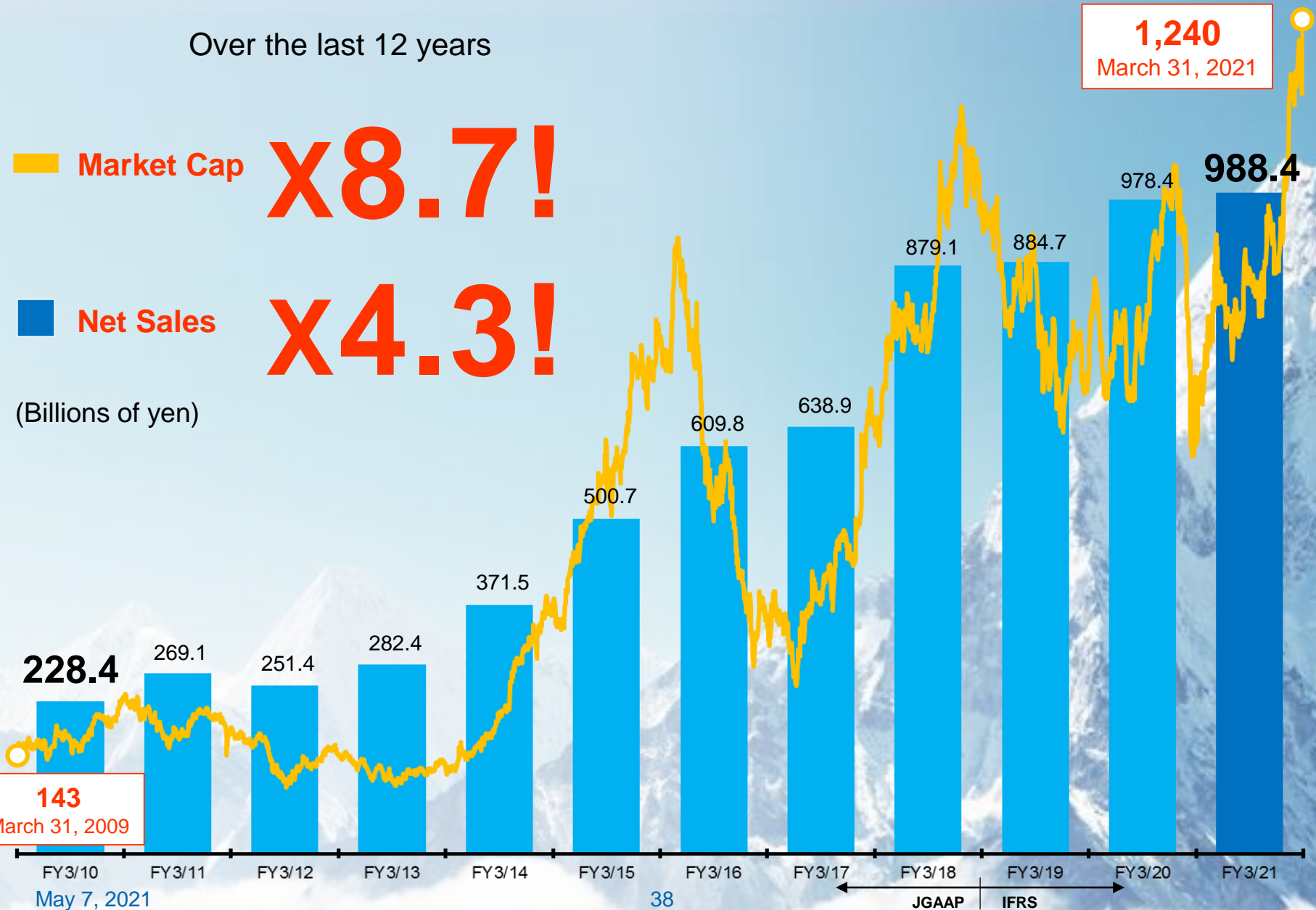
Net Sales and Market Capitalization

Over the last 12 years

Market Cap **X8.7!**

Net Sales **X4.3!**

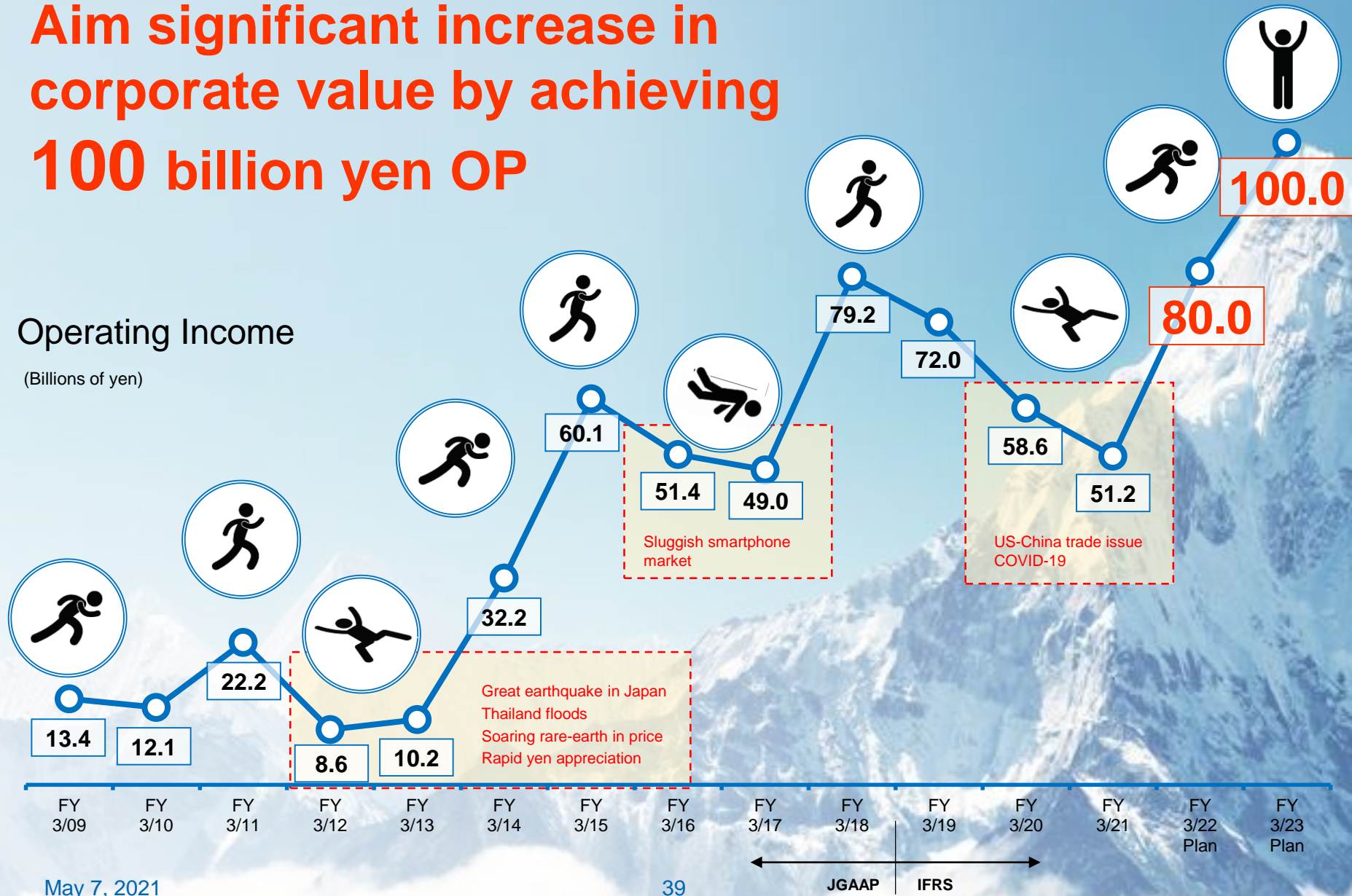
(Billions of yen)



Aim significant increase in corporate value by achieving 100 billion yen OP

Operating Income

(Billions of yen)



Investor meeting presentation in May 2009 (retouched in red)

My Mission as CEO

Increase earnings per share

**Maximize earnings per share and
increase shareholders' value**

Increase
shareholders'
value

Created value worth 1.1 trillion yen

Lay foundation for Minebea's 100th anniversary

Enhance corporate resources

Resilience to grow beyond numerous
adversities

Affirmed the efficacy of management policy

Enhance
corporate
resources

May 8, 2009

Focus on M&A in order to strengthen the earnings base by toughening the 8 spears

① Bearings

② Motors

③ Access products

④ Analog semiconductors

⑤ Sensors

⑥ Connectors/switches

⑦ Power supply components

⑧ Wireless/communications/software

Initiatives to
make 8 spears
stronger

+

Initiatives to
increase
8 spears

$$QCDS + E = QCDSE$$

Quality **C**ost **D**elivery **E**co/efficiency **S**ervice **S**peed

Reducing our
emissions

+

Help the world
reduce emissions

Provide solutions to customers
Focus on **E** (Eco & Efficiency) with **INTEGRATION**
and individual products

Bearings



Motors



Analog semi-
conductors



Connectors



Power Supply
components



Example of reduction of emissions

1 million tons*

Reduction

In accordance with guideline by Liaison Group
of Japanese Electrical and Electronics
Industries for Global Warming Prevention



Total reduction amount of CO₂ emissions
with using our bearings in the server FAN
motors during their product lifetime.

**Our high-quality bearings greatly
contribute to reducing CO₂ emissions!**

*Calculation basis

Annual shipment volume of bearings for FAN: 700 million units (expected for FY3/21)

Number of bearings per one FAN: 2

Power consumption reduction per one FAN : 1.23 kWh/year (according to our research, compared with the FAN using bearings made by other company)

FAN Product Life: 5 years (24/7)

CO₂ emissions figures: 0.496 kg/kWh (from the Ministry of the Environment)

70th Anniversary Dividend

We will be celebrating our **70th anniversary in July 2021**. I would like to express my **sincere gratitude for the support and cooperation** of our shareholders, customers, business partners, employees, and other stakeholders.

As a token of gratitude to our shareholders, we will **add an 8-yen commemorative dividend** to the year-end dividend for the fiscal year ended March 2021 to make it 22 yen per share, and the **annual dividend 36 yen** per share.

While calculating the dividend payout for the fiscal year ending March 2022 with an eye to a **consolidated payout ratio of around 20%**, we will **continuously work to distribute stable dividends** in light of the overall business environment.

Dividend for FY3/21

Interim **14** yen/share

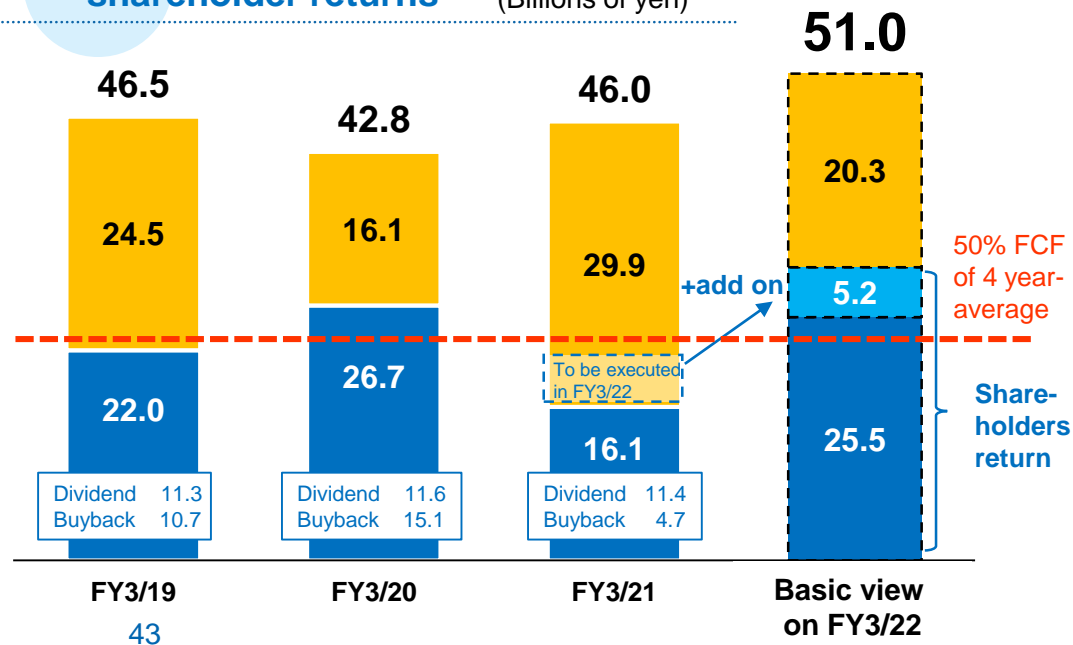
Year-end **14** yen/share

Commemorative dividend **8** yen/share

Annual **36** yen/share

Trend of free cash flow (excluding M&A) and shareholder returns

(Billions of yen)



Engagement between outside directors and institutional investors

We held our first (online) dialog between outside directors and institutional investors. A summary of the Q&A is available on our website.



Dialog of Outside Directors and Institutional Investors
Summary of Q&A

We recently held our first dialog (online) of outside directors and institutional investors. A summary of the Q&A is provided below.
Note: Some parts have been added and modified for clarity.

[Date]
Wednesday, March 17, 2021

[Attendees from MinebeaMitsumi Inc. (hereinafter "the Company")]
Katsuhiko Yoshida, Director, Senior Managing Executive Officer

Others

Latest Update : Apr.6, 2021

Engagement between Outside Directors and Institutional Investors (March 17, 2021)

We recently held our first dialog (online) of outside directors and institutional investors. A summary of the Q&A is provided below.

Participants:
Katsuhiko Yoshida Director, Senior Managing Executive Officer
Kohshi Murokami Outside Director*
Yuko Haga Outside Director*

* Independent Directors are based on the rules of Tokyo Stock Exchange.
Please see the Board of Directors for details such as biography.

Engagement between Outside Directors and Institutional Investors (March 17, 2021)

Q&A (419KB/5pages)

MinebeaMitsumi Group ESG Initiatives

We have posted the MinebeaMitsumi Group ESG Initiatives on our website to provide a summary of our ESG activities.

Environment-01

Almost all our products are environmentally friendly products
Contribute to saving energy and space

MinebeaMitsumi Group ESG Initiatives

Sustainability Management Division

Environment-01

Almost all our products are environmentally friendly products
Contribute to saving energy and space

MinebeaMitsumi Group ESG Initiatives

Sustainability Management Division

English version will soon be released on our website



Any statements in this presentation which are not historical are future projections based on certain assumptions and executive judgments drawn from currently available information.

Please note that actual performance may vary significantly from any particular projection due to various factors.

Factors affecting our actual performance include but are not limited to: (i) changes in economic conditions or demand trends related to MinebeaMitsumi's business operations; (ii) fluctuation of foreign exchange rates or interest rates; and (iii) our ability to continue R&D, manufacturing and marketing in a timely manner in the electronics business sector, where technological innovations are rapid and new products are launched continuously.

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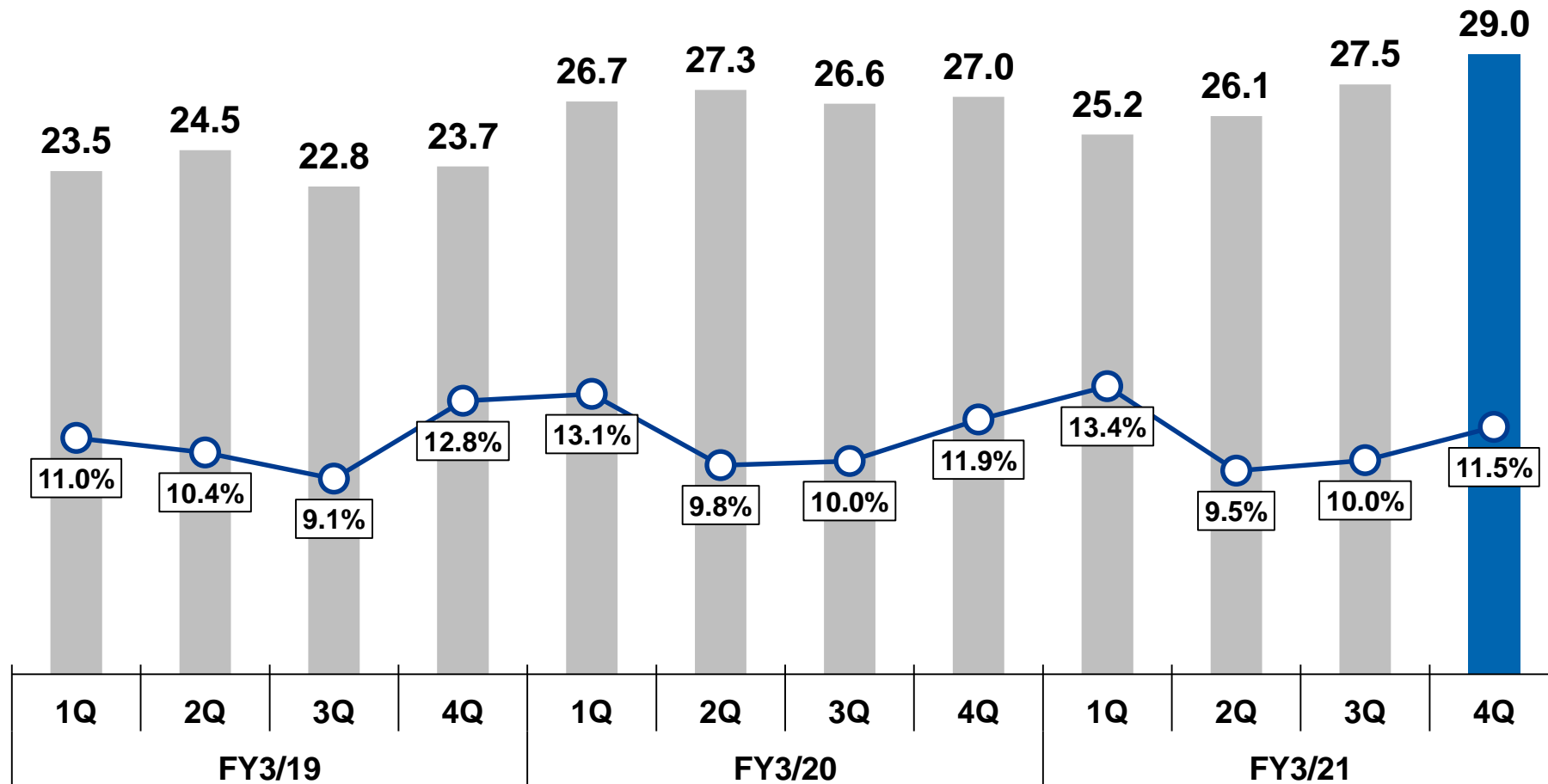
Reference

S.G.&A. expense / ratio

(Billions of yen)

■ S.G.&A. expenses

—○ S.G.&A. to sales ratio

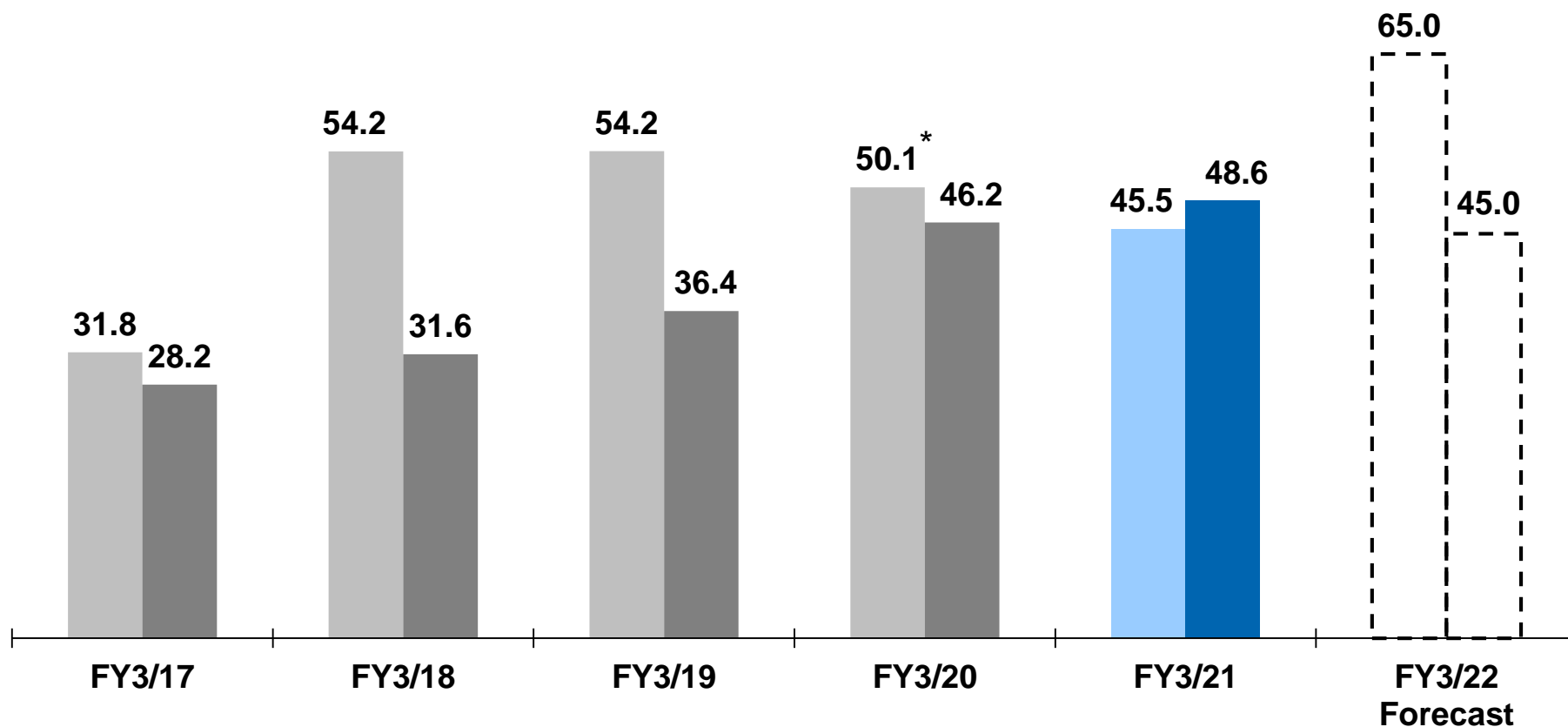


Capital Expenditure / D&A Expense

*JGAAP until FY3/18

(Billions of yen)

■ Capital expenditure ■ Depreciation & Amortization expenses



* Capital expenditures of FY3/20 do not include the increase of asset from lease contracts at the IFRS16 application start date

← [JGAAP] → [IFRS] →

ROIC (Return On Invested Capital)

ROIC for U-Shin business are pre-merger result and based on CY / JGAAP, and are not included in the Total. JGAAP until FY3/18

$$\text{MinebeaMitsumi ROIC} = \frac{\text{NOPAT (Operating income + extraordinary profit/loss) x (1-tax rate)}}{\text{Invested capital (Notes receivable/accounts receivable + inventories + non-current assets - notes payable/accounts payable)}}$$

Calculated using business assets (trade receivable/payable, inventories, non-current assets) by segment

