

Business Results

Third Quarter of Fiscal Year
Ending March 31, 2017

MinebeaMitsumi Inc.

February 13, 2017

- 1. Financial Results**
- 2. Progress of Business Integration with
MITSUMI ELECTRIC**

Financial Results

Hiromi Yoda

Director, Senior Managing Executive Officer

Sales & OP outperform target but down YoY due to stronger yen and sluggish smartphone market

(Millions of yen)	FY3/16	FY3/17	Change	FY3/17 Nov. 2016 Forecast	
	1Q-3Q	1Q-3Q	YoY	Full Year	Achievement
Net sales	474,215	442,508	-6.7%	560,000	79.0%
Operating income	42,901	34,715	-19.1%	45,000	77.1%
Ordinary income	38,446	34,772	-9.6%	44,000	79.0%
Income attributable to owners of the parent	29,584	24,912	-15.8%	26,500	94.0%
Net income per share (yen)	79.10	66.46	-16.0%	70.69	94.0%

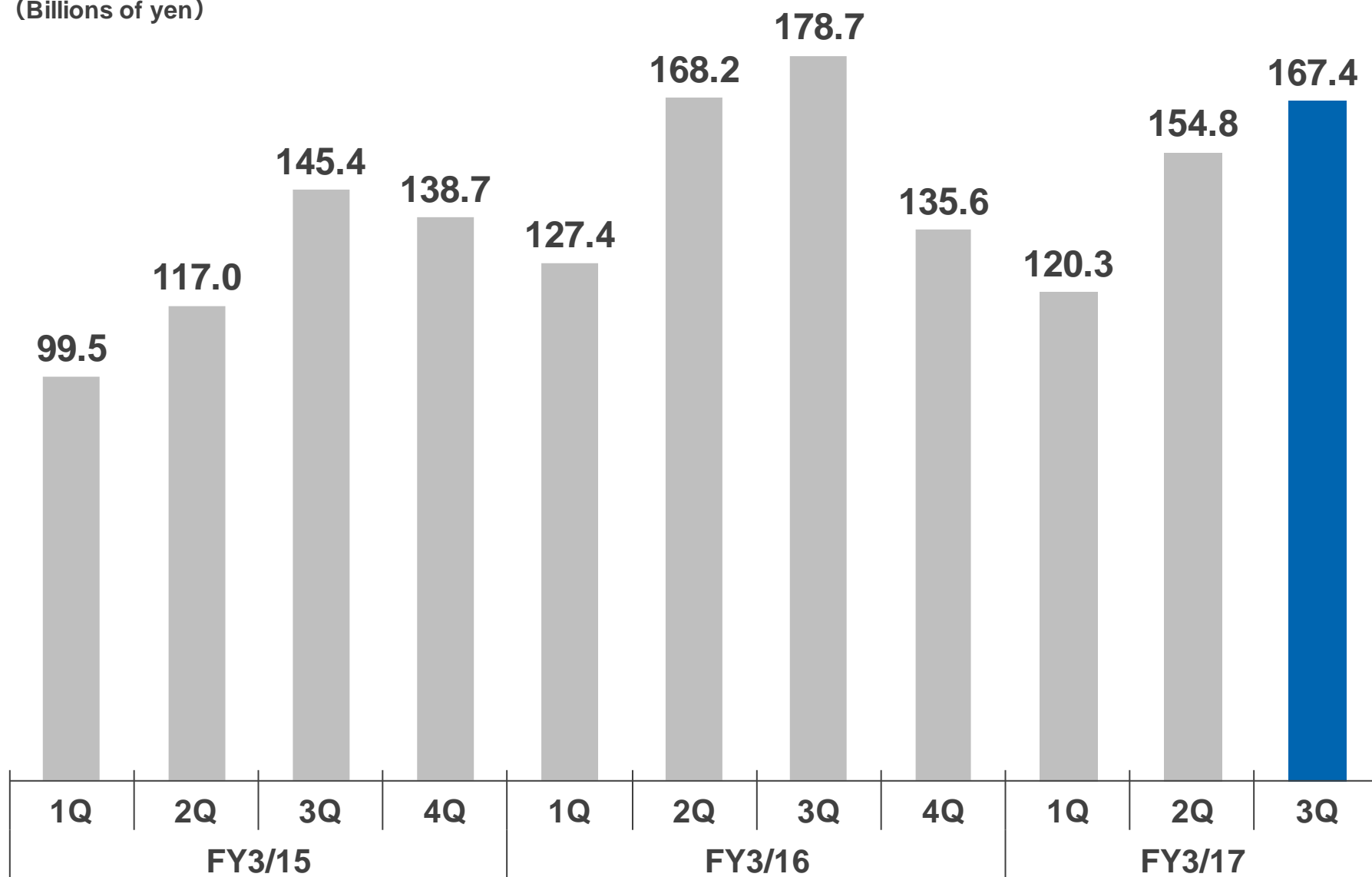
Foreign exchange rates	FY3/16 1Q-3Q	FY3/17 1Q-3Q
US\$	¥121.59	¥106.92
Euro	¥133.88	¥118.73
Thai Baht	¥3.51	¥3.04
Chinese RMB	¥19.35	¥16.06

Higher sales & OP QoQ due to seasonal uptick for smartphone components etc.

(Millions of yen)	FY3/16 3Q	FY3/17		Change	
		2Q	3Q	YoY	QoQ
Net sales	178,661	154,844	167,375	-6.3%	+8.1%
Operating income	15,484	11,623	16,120	+4.1%	+38.7%
Ordinary income	15,120	11,659	15,857	+4.9%	+36.0%
Income attributable to owners of the parent	11,825	9,568	12,167	+2.9%	+27.2%
Net income per share (yen)	31.61	25.52	32.44	+2.6%	+27.1%

Foreign exchange rates	FY3/16 3Q	FY3/17 2Q	FY3/17 3Q
US\$	¥121.23	¥103.50	¥106.13
Euro	¥132.56	¥115.00	¥116.04
Thai Baht	¥3.37	¥2.97	¥3.02
Chinese RMB	¥19.02	¥15.52	¥15.62

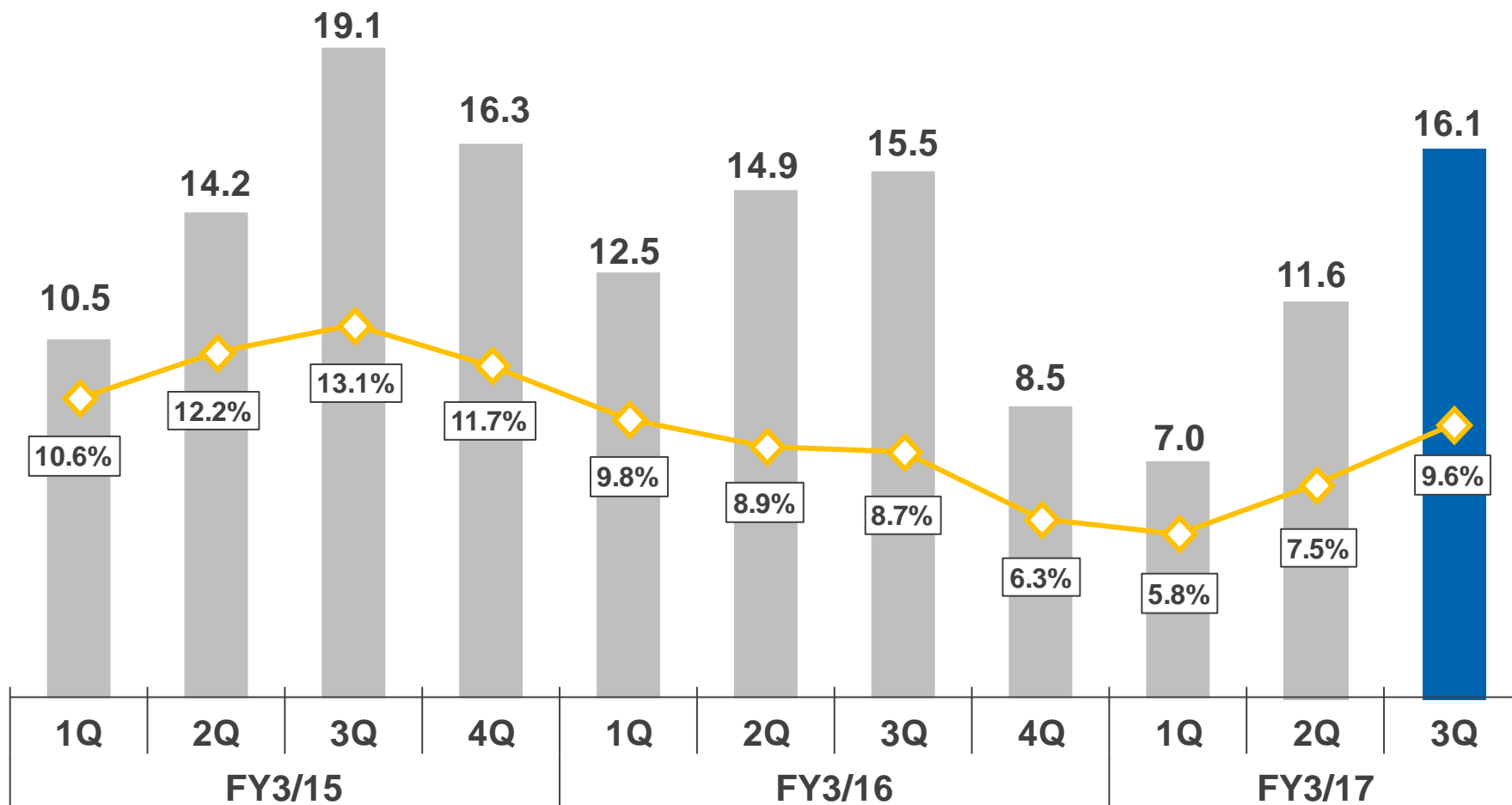
(Billions of yen)



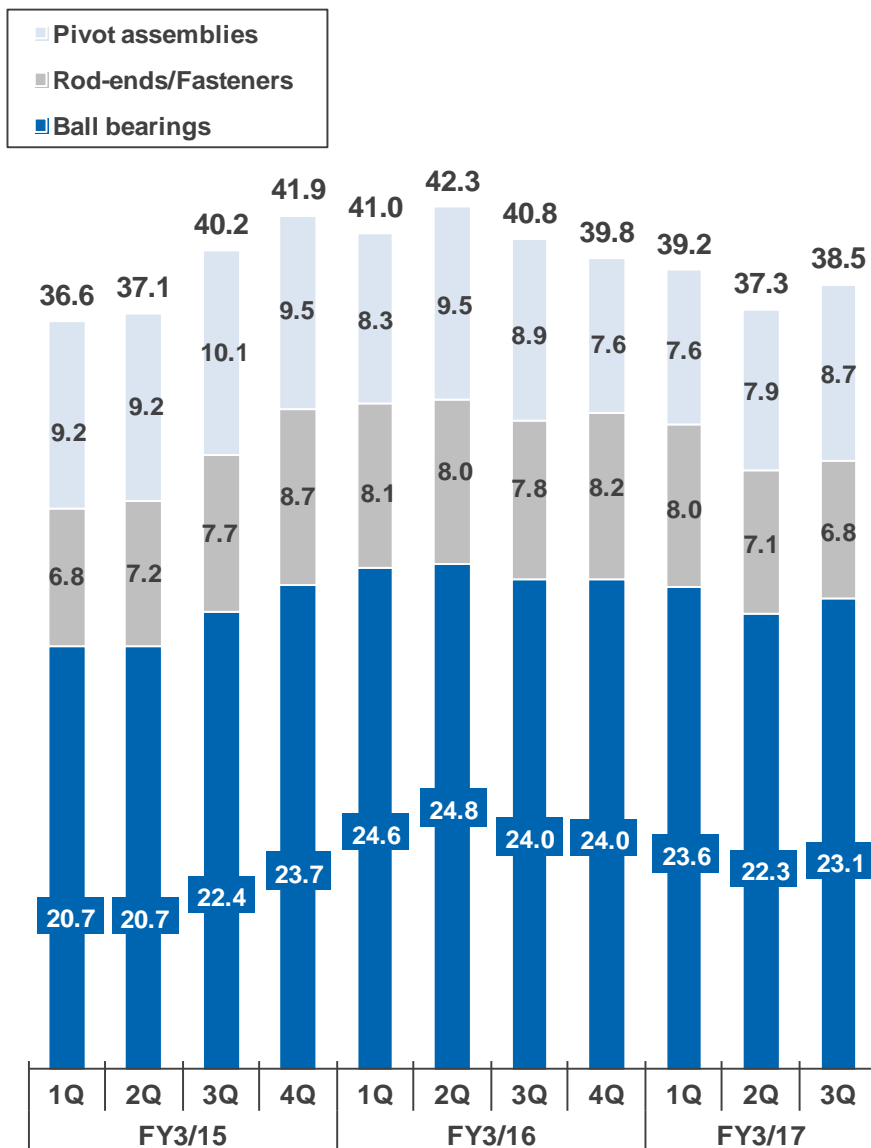
(Billions of yen)

Operating income

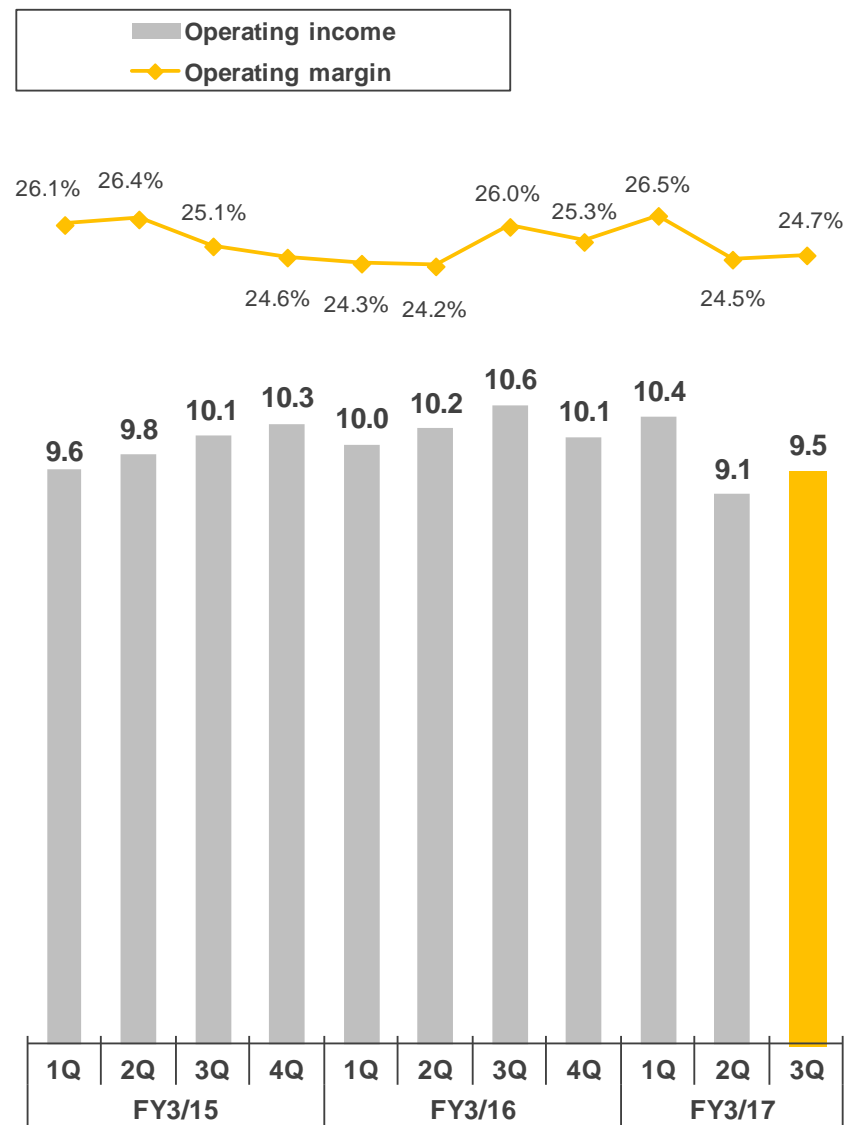
Operating margin



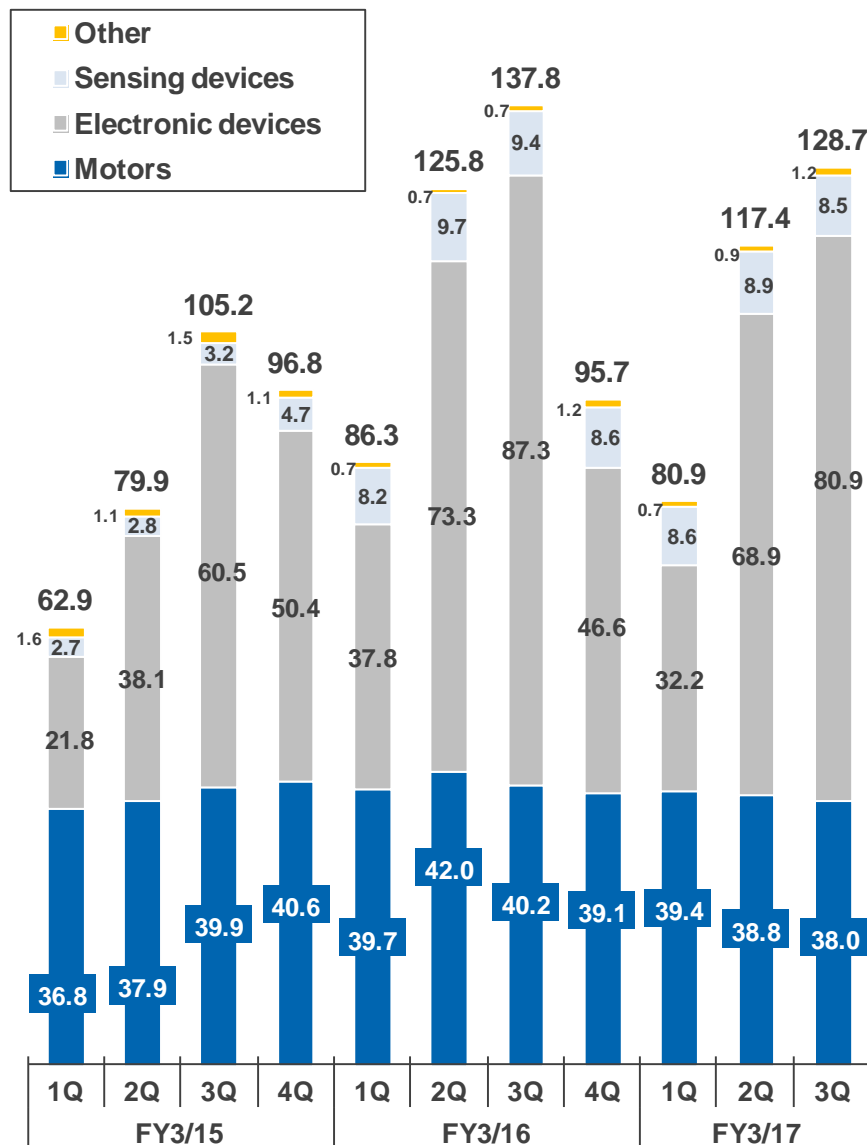
Net sales (Billions of yen)



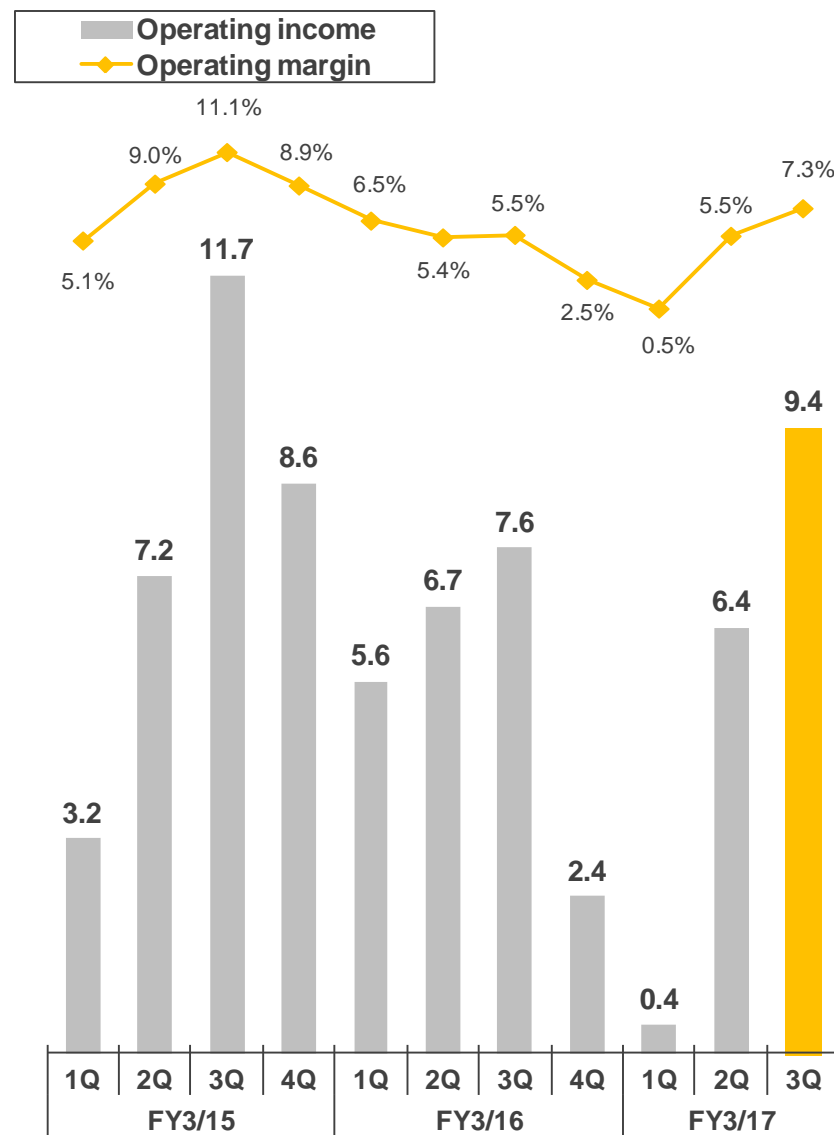
Operating income (Billions of yen)



Net sales (Billions of yen)



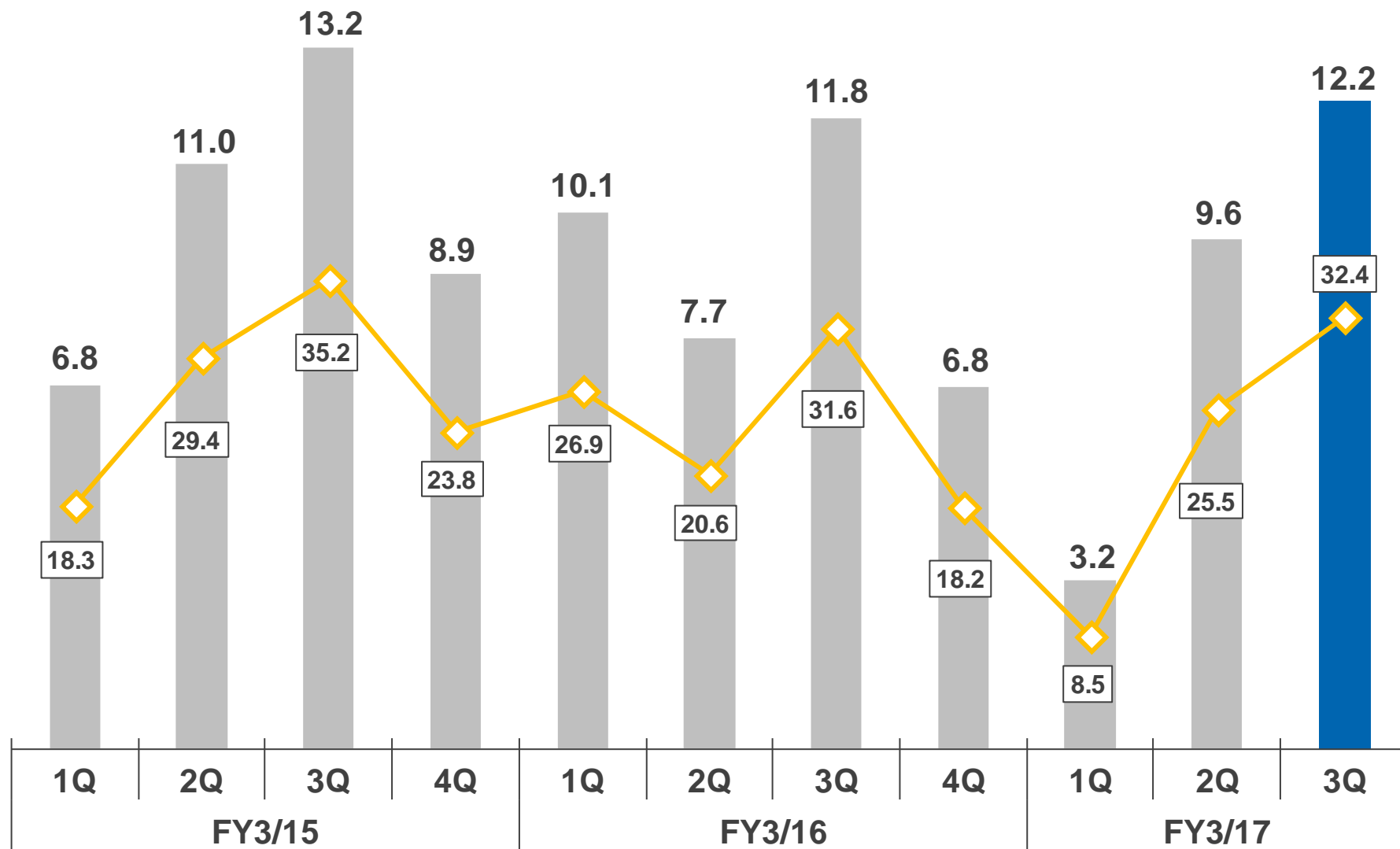
Operating income (Billions of yen)



(Billions of yen)

Net income

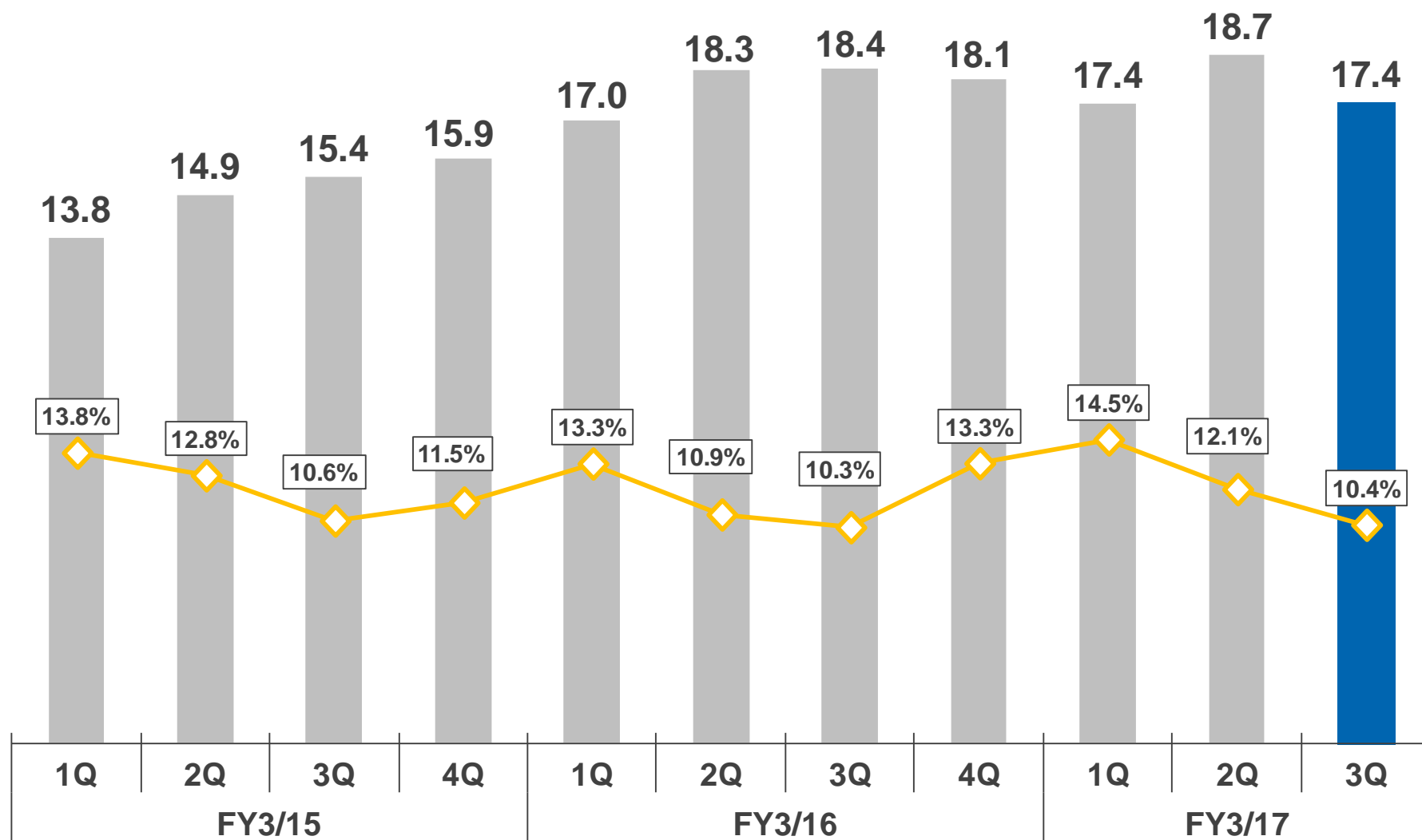
Net income per share (yen)



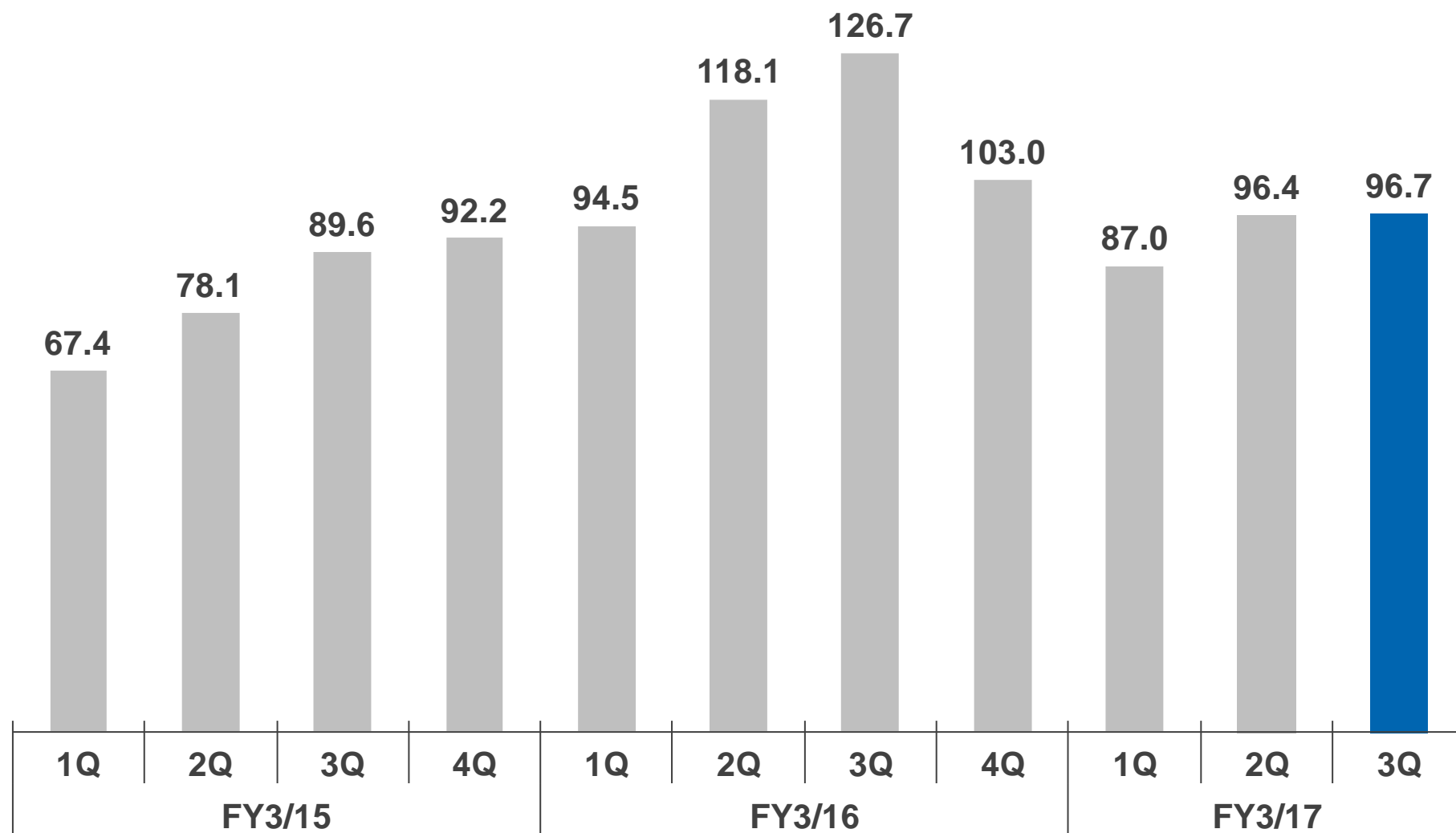
(Billions of yen)

■ S.G. & A. expenses

◆ S.G. & A. to sales ratio



(Billions of yen)

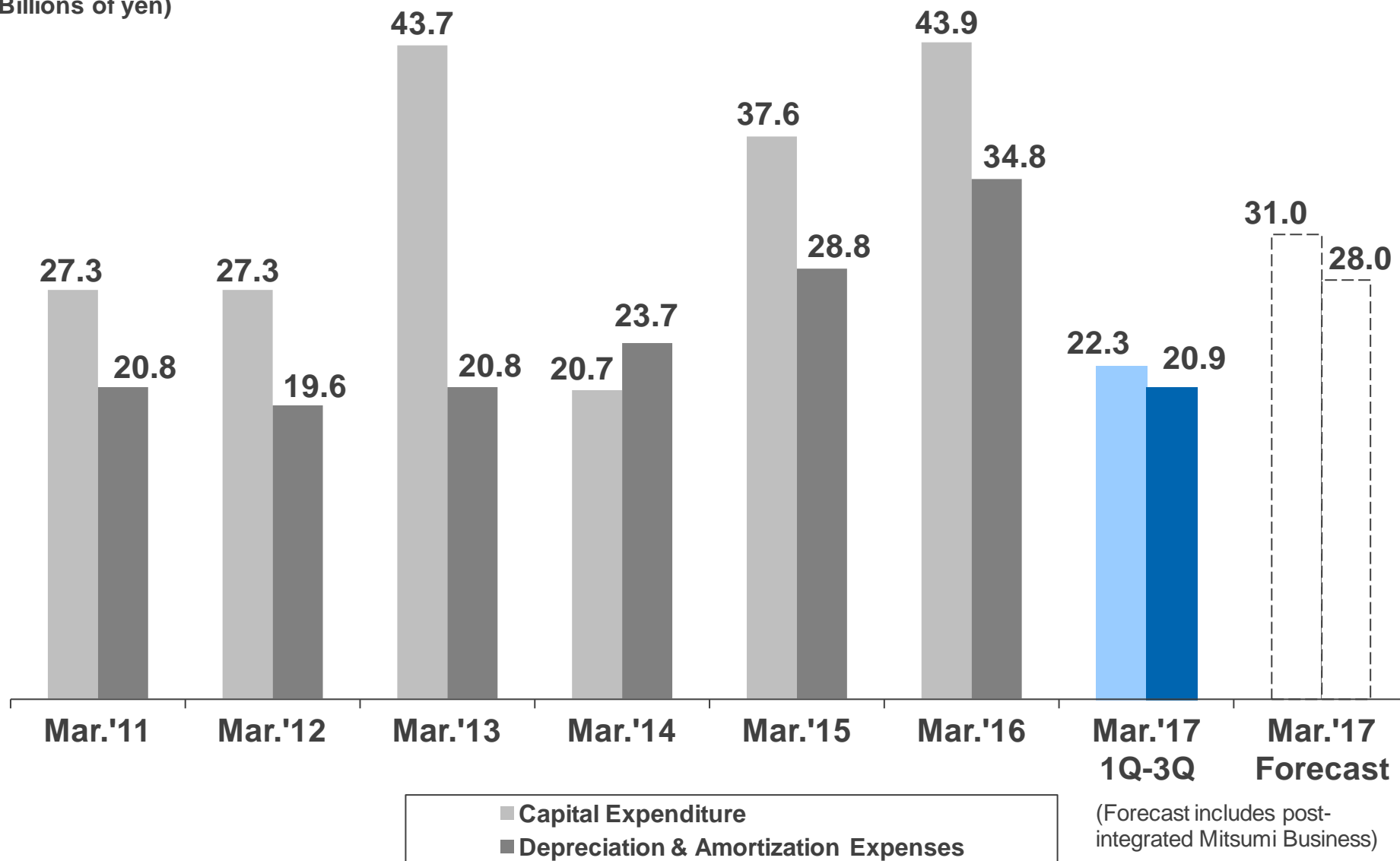


Capital Expenditure & Depreciation

Minebea
Businesses

Yearly

(Billions of yen)

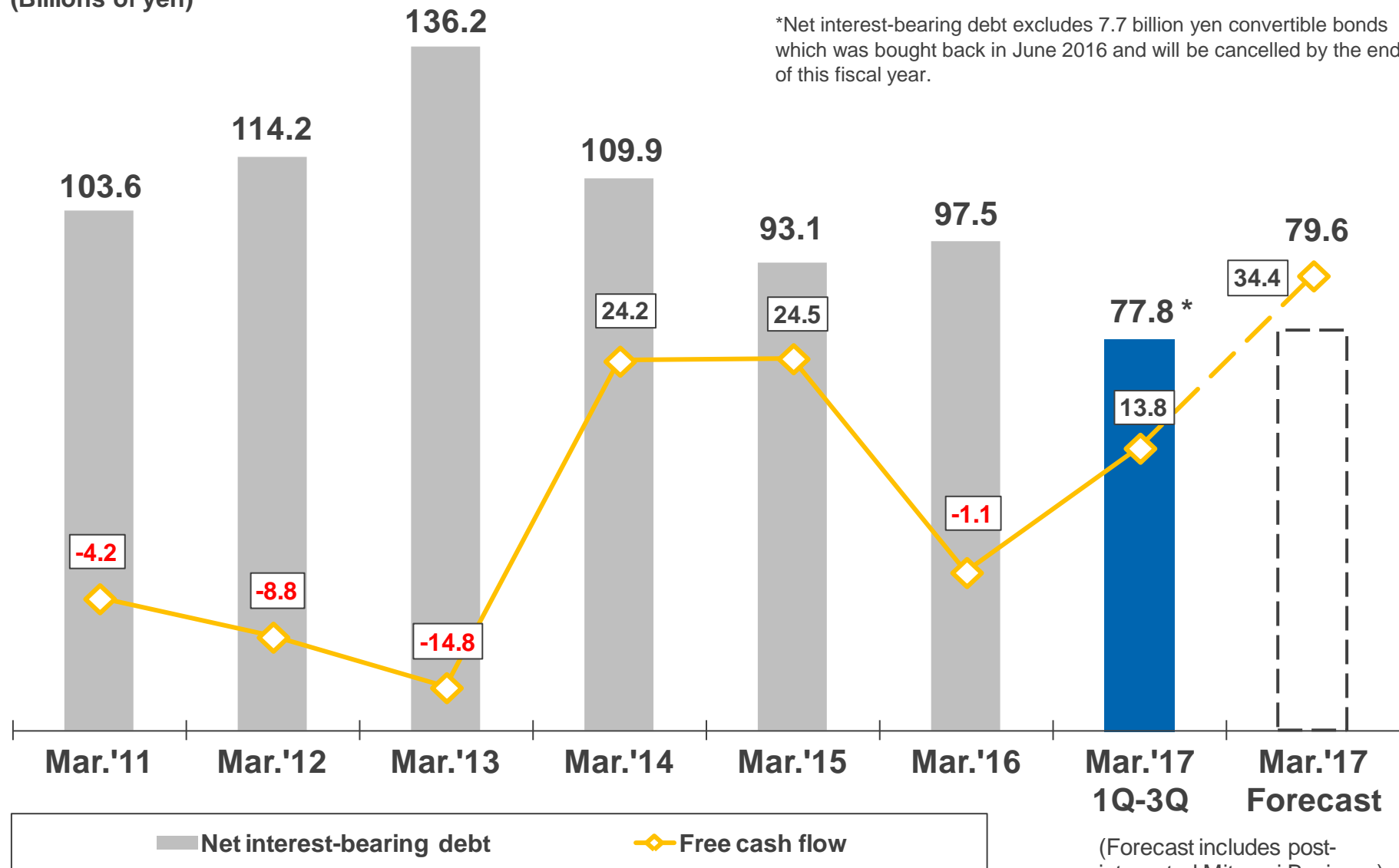


Net Interest-Bearing Debt/Free Cash Flow

Minebea
Businesses

Yearly

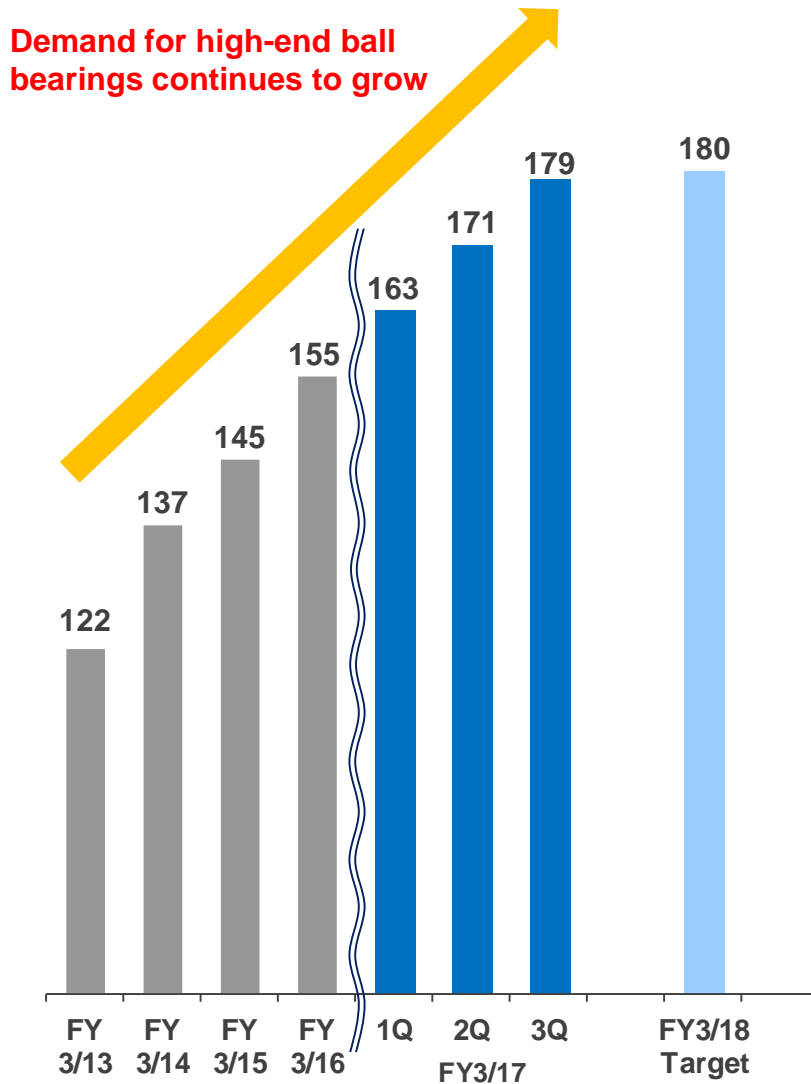
(Billions of yen)



(Forecast includes post-integrated Mitsumi Business)

Investment to expand ball bearing production capacity

Monthly External Ball Bearing Shipment Volume (million units/month)



- Internal sales of ball bearings mostly for HDD pivot assemblies recovered more than expected. Shipments surpass production for five months continuously since September last year, suppressing inventory below optimal level
- Decided 8.0 billion yen investment originally planned in the next fiscal year, aiming at expanding ball bearing production capacity from current 255 million units per month to target 280 million units
- Installing new production lines as well as investment aiming at de-bottlenecking the existing lines and improving productivity

Progress of Business Integration with MITSUMI ELECTRIC



Yoshihisa Kainuma

Representative Director,
President and Chief Executive Officer

Summary of MITSUMI ELECTRIC Results for 3Q

Although profits dropped significantly YoY/QoQ...

(Millions of yen)	FY3/16 3Q	FY3/17		Change	
		2Q	3Q	YoY	QoQ
Net sales	40,368	44,632	47,834	+7,466	+3,202
Operating income	-2,020	-1,500	-9,303	-7,283	-7,803
Ordinary income	-4,371	-2,243	-7,236	-2,865	-4,993
Income attributable to owners of the parent	-4,772	-2,141	-26,718	-21,946	-24,577
Net income per share (yen)	-58.76	-26.37	-329.00	-270.24	-302.63

Foreign exchange rates	FY3/16 3Q	FY3/17 2Q	FY3/17 3Q
US\$	¥121.23	¥103.50	¥106.13

Inventory write-downs & impairment losses

- MITSUMI ELECTRIC executed inventory evaluation in December quarter ahead of the business integration with former Minebea

12.3 billion yen inventory write-downs

- **18.7 billion yen** impairment losses

Expecting **3 billion yen** or more reduction in depreciation & amortization expenses in the next fiscal year



Big improvement in profits after adjustment, excluding ¥12.3bn inventory write-downs and ¥18.7bn impairment losses

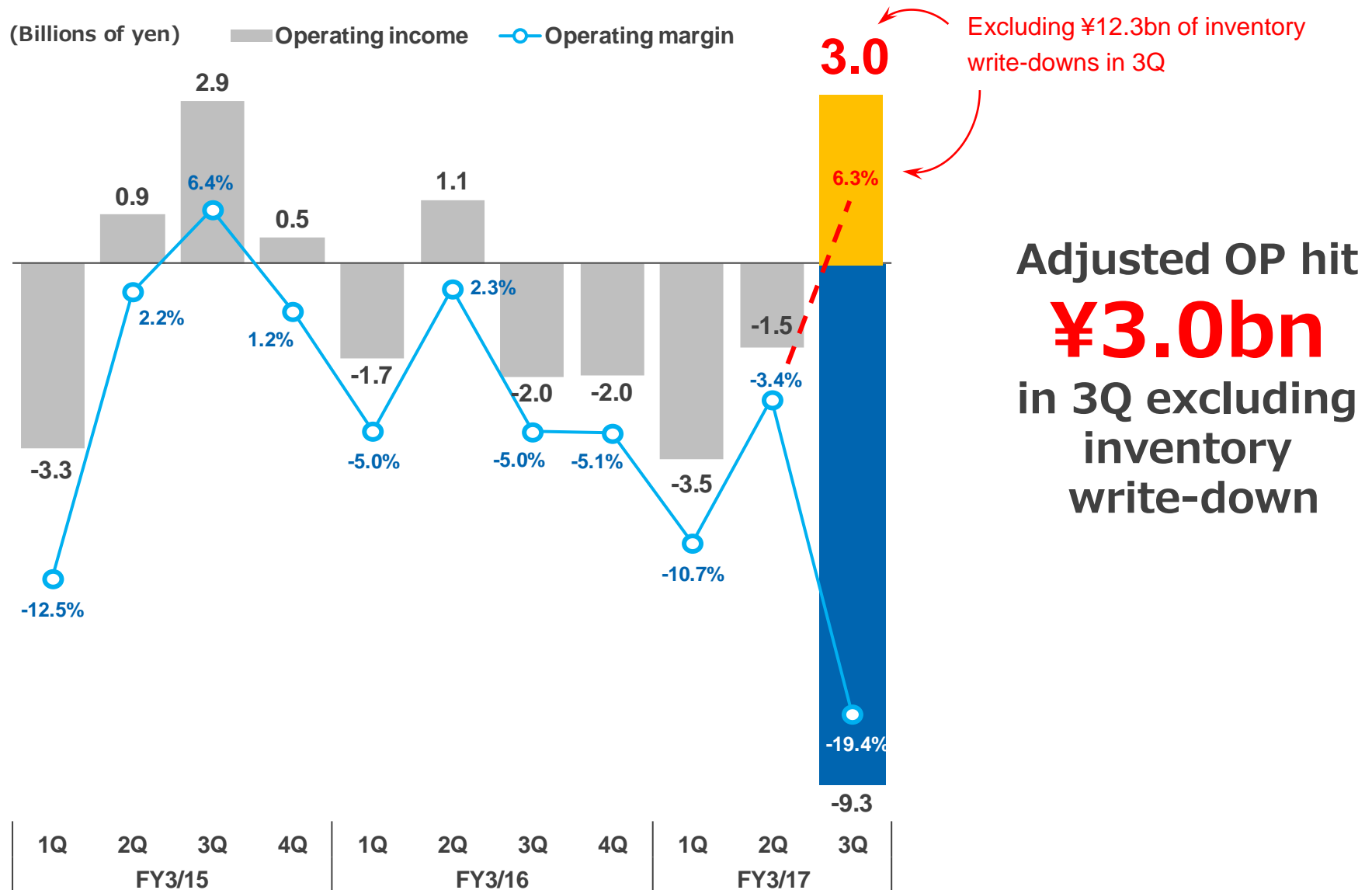
(Millions of yen)	FY3/16	FY3/17			Change	
	3Q	2Q	3Q	3Q Adjusted	YoY	QoQ
Net sales	40,368	44,632	47,834	*1 47,834	+7,466	+3,202
Operating income	-2,020	-1,500	-9,303	*1 3,033	+5,053	+4,533
Ordinary income	-4,371	-2,243	-7,236	*2 5,100	+9,471	+7,343
Income before tax	-4,360	-2,243	-25,913	5,100	+9,460	+7,343

Foreign exchange rates	FY3/16 3Q	FY3/17 2Q	FY3/17 3Q
US\$	¥121.23	¥103.50	¥106.13

*1 : Excluding inventory write-downs

*2 : Excluding inventory write-downs and
impairment losses

Operating Income (MITSUMI ELECTRIC)





- Manufacturing support: Dispatched a **cumulative total of 500** engineers from Minebea to MITSUMI to improve various mass production lines such as OIS, based on the business support agreement executed in August 2016
- Promoting the sharing of know-how within MITSUMI divisions and between MITSUMI operating sites

Getting off to a good start for further productivity improvement!

Closing of share exchange

- MITSUMI ELECTRIC was delisted from the Tokyo Stock Exchange on January 24, 2017.
- Allotted approx. 48 million shares of MinebeaMitsumi to shareholders of MITSUMI in exchange for shares of MITSUMI on January 27, 2017
- Breakdown of share allotment: 20 million shares from treasury stock + approx. 28 million newly issued shares
(Shareholders' equity is expected to increase by ¥15.4 yen in correspondence to the difference between purchase cost and exchange price of treasury stock)
- Company name changed from Minebea to MinebeaMitsumi that day, continuously listed on 1st Section of Tokyo Stock Exchange.

New Managements

- Three executives newly assigned from former Minebea to MITSUMI, a wholly owned subsidiary

Director, Chariman

Representative Director, Vice President

Director, Vice President

Yoshihisa Kainuma

Ryozo Iwaya

Shuji Uehara

- Four executives to be newly assigned from MITSUMI to the parent company, MinebeaMitsumi

Representative Director, Vice Chairman

Director, Managing Executive Officer

Executive Officer

Executive Officer

Shigeru Moribe*

Hiroshi Aso*

Tadashi Adachi

Katsuyuki Iwakuma

*After the MinebeaMitsumi Inc. general shareholders' meetings to be held in June 2017

Upward revision due to better-than-plan 9 months results and consolidation of MITSUMI ELECTRIC from January 27, 2017

(Millions of yen)	FY3/16	FY3/17				
	Full Year	1Q-3Q	4Q Forecast	Full Year Revised Forecast	YoY	Full Year Nov. 16 Forecast
Net sales	609,814	442,508	187,492	630,000	+3.3%	560,000
Operating income	51,438	34,715	13,285	48,000	-6.7%	45,000
Ordinary income	46,661	34,772	12,228	47,000	+0.7%	44,000
Income attributable to owners of the parent*	36,386	24,912	13,088	38,000	+4.4%	26,500
Net income per share (yen)	97.26	66.46	32.66	99.12	+1.9%	70.69

*FY3/17 forecast includes assumption of ¥10.0bn negative goodwill, although not yet fixed, with regard to business integration.

Foreign exchange rates	FY3/16 Full Year	FY3/17 1Q-3Q average	FY3/17 4Q Assumption	FY3/17 Full Year Assumption
US\$	¥120.78	¥106.92	¥110.00	¥107.69
Euro	¥132.75	¥118.73	¥120.00	¥119.05
Thai Baht	¥3.46	¥3.04	¥3.14	¥3.07
Chinese RMB	¥19.03	¥16.06	¥16.20	¥16.09

Forecast for Business Segment

(Millions of yen)	FY3/16	FY3/17				
	Full Year	1Q-3Q	4Q Forecast	Full Year Revised Forecast	YoY	Full Year Nov. '16 Forecast
Net sales	609,814	442,508	187,492	630,000	+3.3%	560,000
Machined components	163,811	114,990	41,410	156,400	-4.5%	151,200
Electronic devices and components	445,467	327,007	109,893	436,900	-1.9%	408,400
Mitsumi business	-	-	36,000	36,000	-	-
Other	536	510	191	700	+30.6%	400
Operating income	51,438	34,715	13,285	48,000	-6.7%	45,000
Machined components	40,854	29,035	10,165	39,200	-4.0%	38,100
Electronic devices and components	22,336	16,292	4,708	21,000	-6.0%	21,300
Mitsumi business	-	-	2,000	2,000	-	-
Other	-124	-103	-97	-200	+161.3%	-400
Adjustment	-11,627	-10,508	-3,492	-14,000	+20.4%	-14,000

Share buyback and year-end dividend forecast

- **Resolution of share buyback (February 13, 2017)**

Number of shares: Up to 12 million shares

(equal to 2.82% of total issued shares excluding treasury shares)

Amount: Up to 15.0 billion yen

Period: From February 14, 2017 to September 22, 2017

Purpose: To address the dilution resulting from the increase in the number of issued and outstanding shares after the share exchange

- **Dividend forecast**

No revision to the year-end dividend forecast of 7 yen/share (annual 14 yen/share)

Business Results

MinebeaMitsumi Inc.

<http://www.minebeamitsumi.com/>

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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