MinebeaMitsumi
Passion to Create Value through Difference

Business Results

Second Quarter of Fiscal Year Ending March 31, 2019

MinebeaMitsumi Inc.

November 7, 2018

Today's Agenda

1. Financial Results

2. Business Update and Management Strategy

Financial Results

Katsuhiko Yoshida
Managing Executive Officer

Summary of Consolidated Business Results for 2Q

*Based on IFRS

Net sales and operating income were as expected

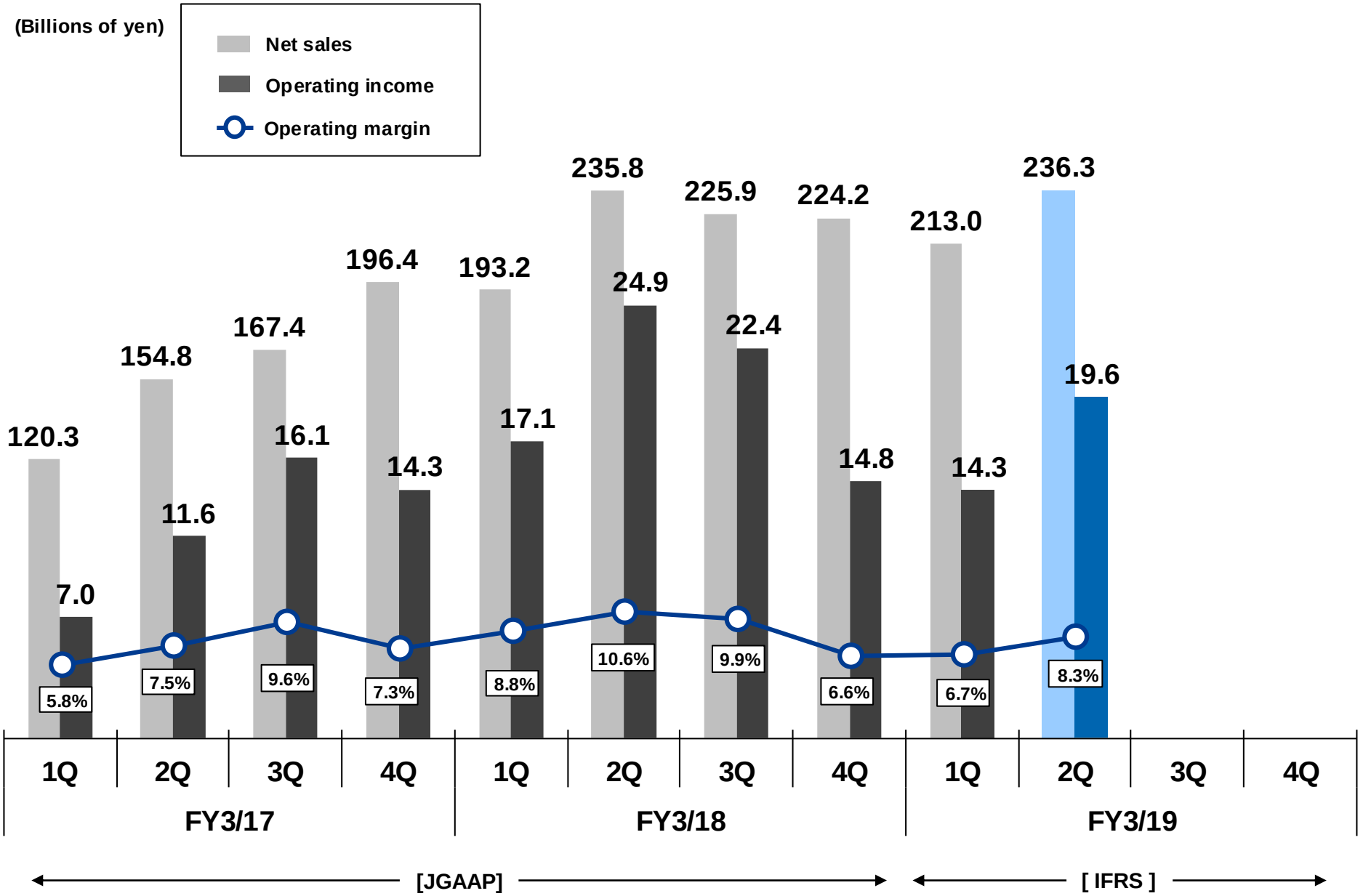
[IFRS]

(Millions of yen)	FY3/18	FY3/19		Change	
	2Q	1Q	2Q	YoY	QoQ
Net sales	237,709	213,038	236,330	-0.6%	+10.9%
Operating income	24,700	14,291	19,624	-20.6%	+37.3%
Profit before taxes	24,483	14,170	20,106	-17.9%	+41.9%
Profit for the period attributable to owners of the parent	18,911	10,886	15,970	-15.6%	+46.7%
Earnings per share, basic (yen)	44.91	25.95	38.04	-15.3%	+46.6%

Foreign Exchange Rates	FY3/18 2Q	FY3/19 1Q	FY3/19 2Q
US$	¥110.92	¥108.10	¥110.87
Euro	¥129.65	¥129.88	¥129.13
Thai Baht	¥3.31	¥3.42	¥3.35
Chinese RMB	¥16.53	¥17.02	¥16.37

Net Sales, Operating Income/Margin

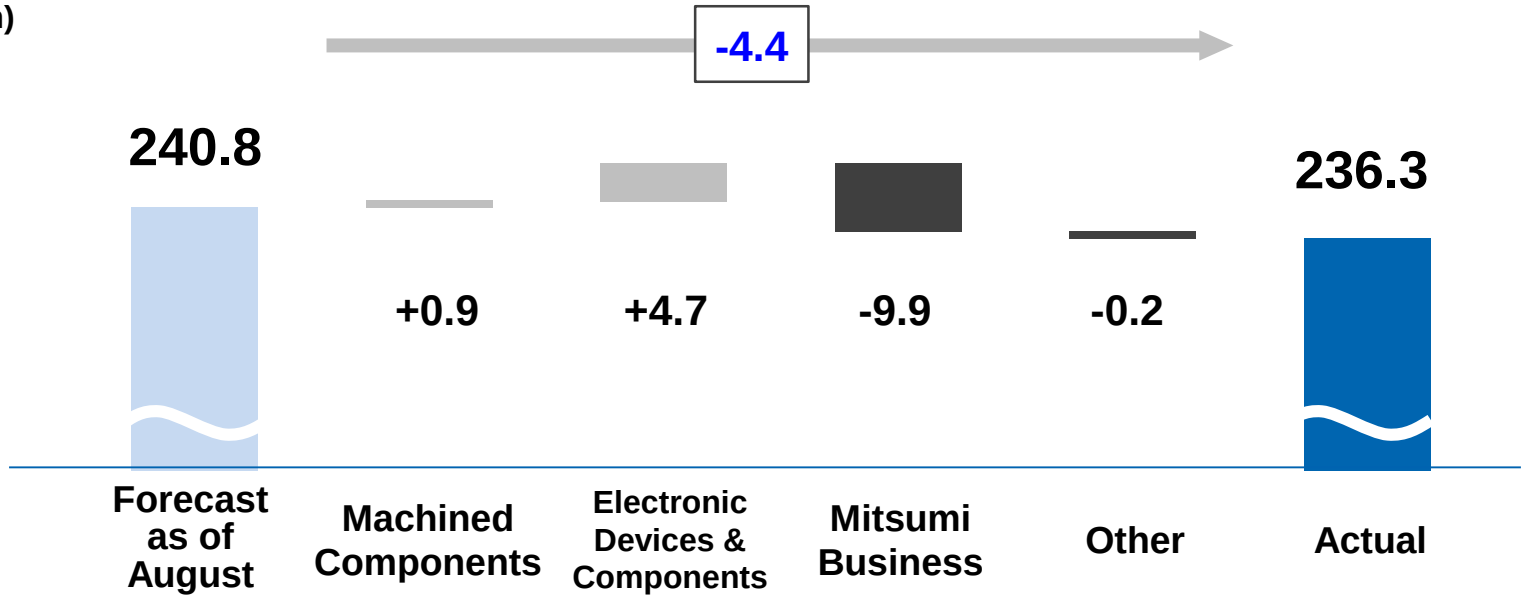
*JGAAP until FY3/18, IFRS for FY3/19



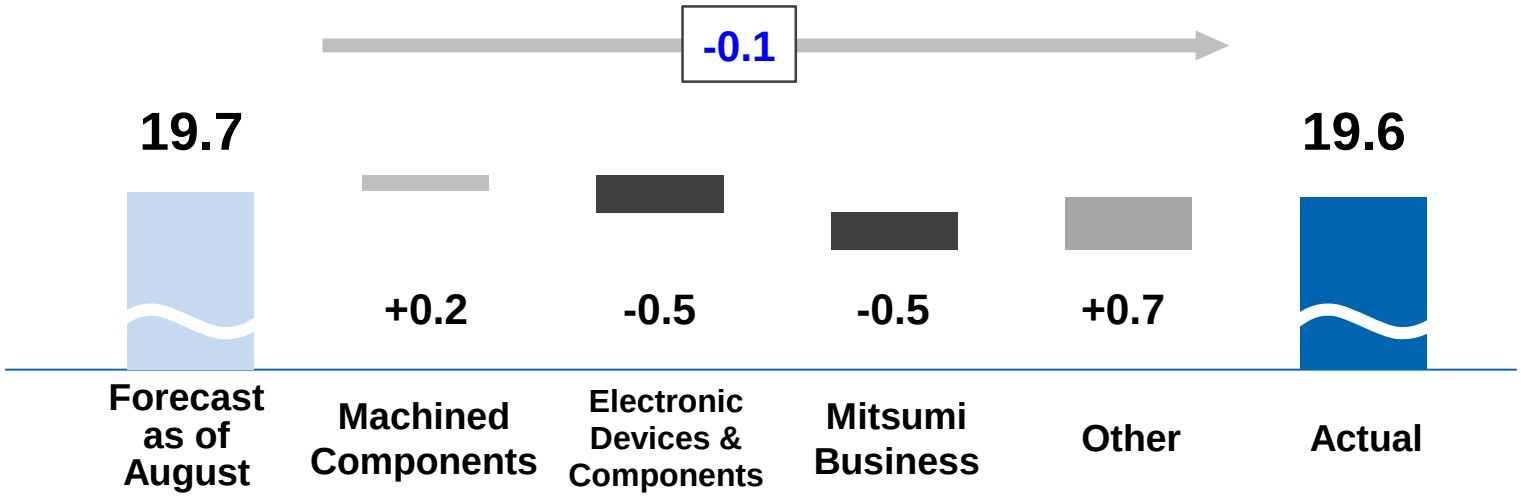
2Q Actual; Differences from the Forecast as of August

(Billions of yen)

Net Sales



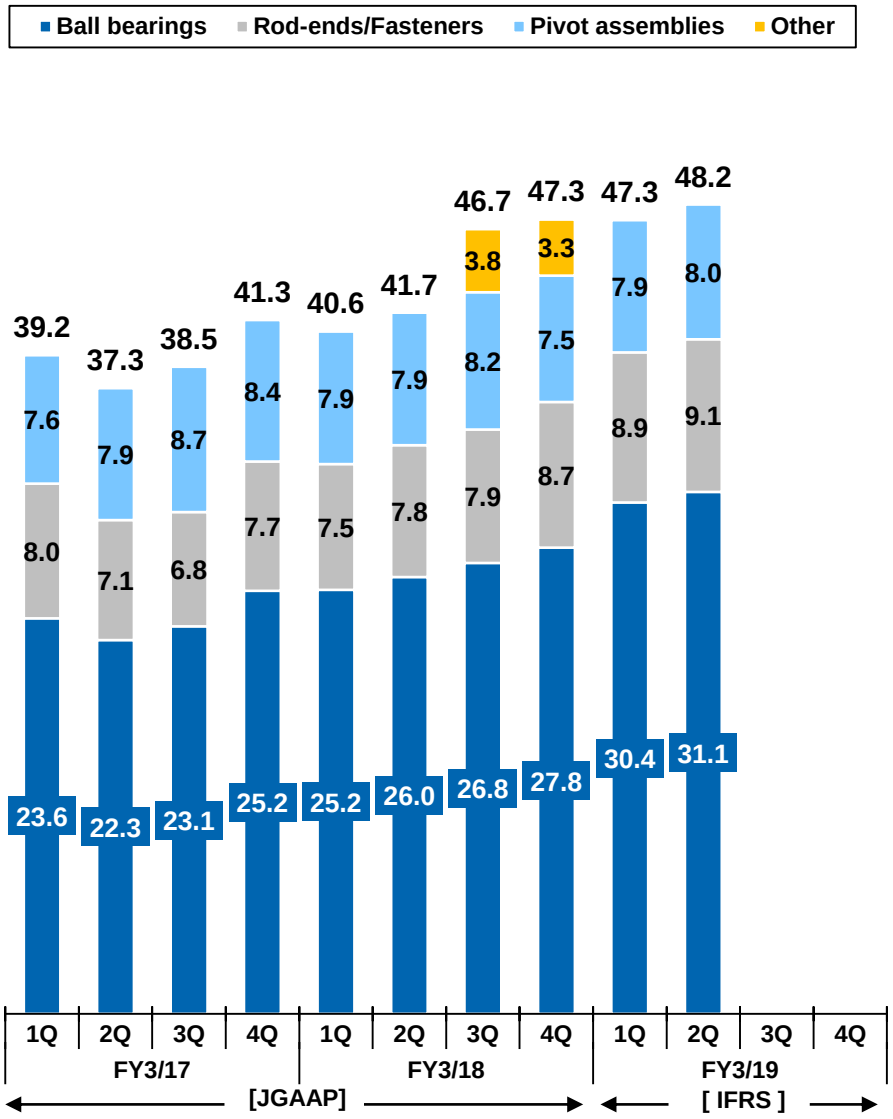
Operating Income



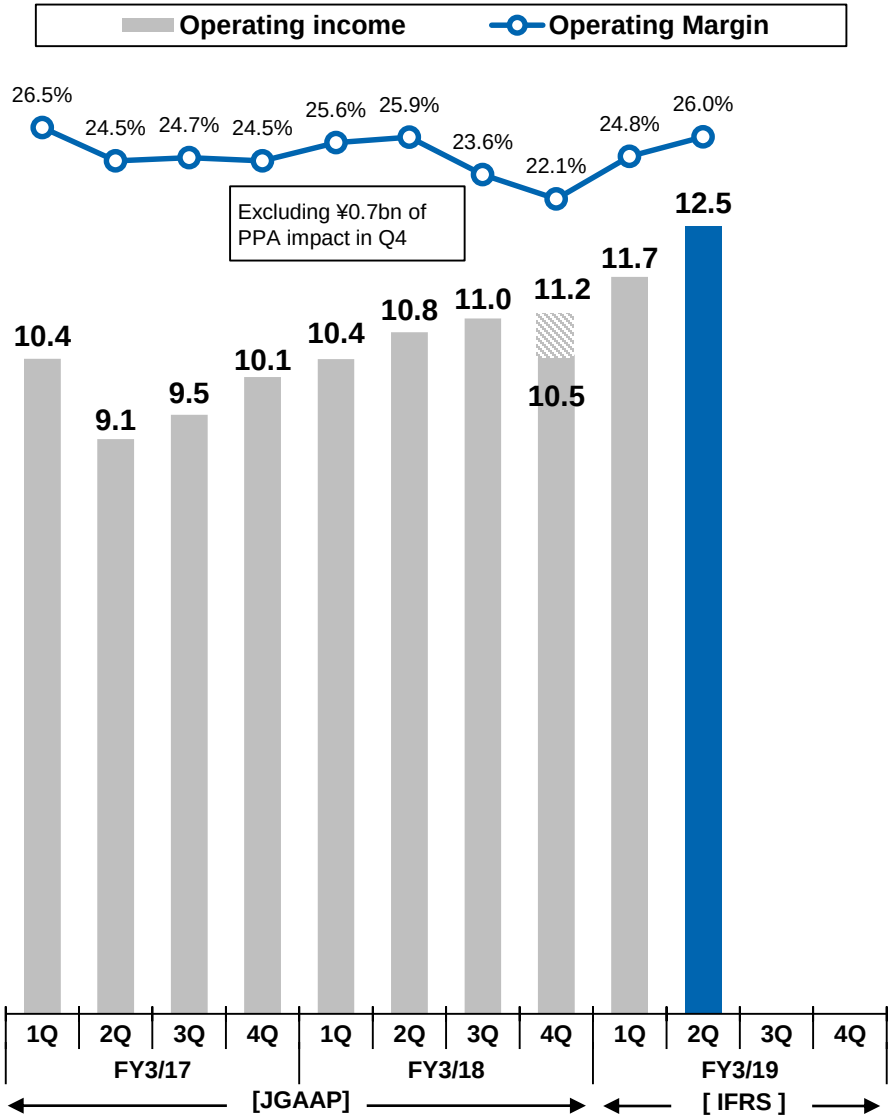
Machined Components

*JGAAP until FY3/18, IFRS for FY3/19

Net sales (Billions of yen)



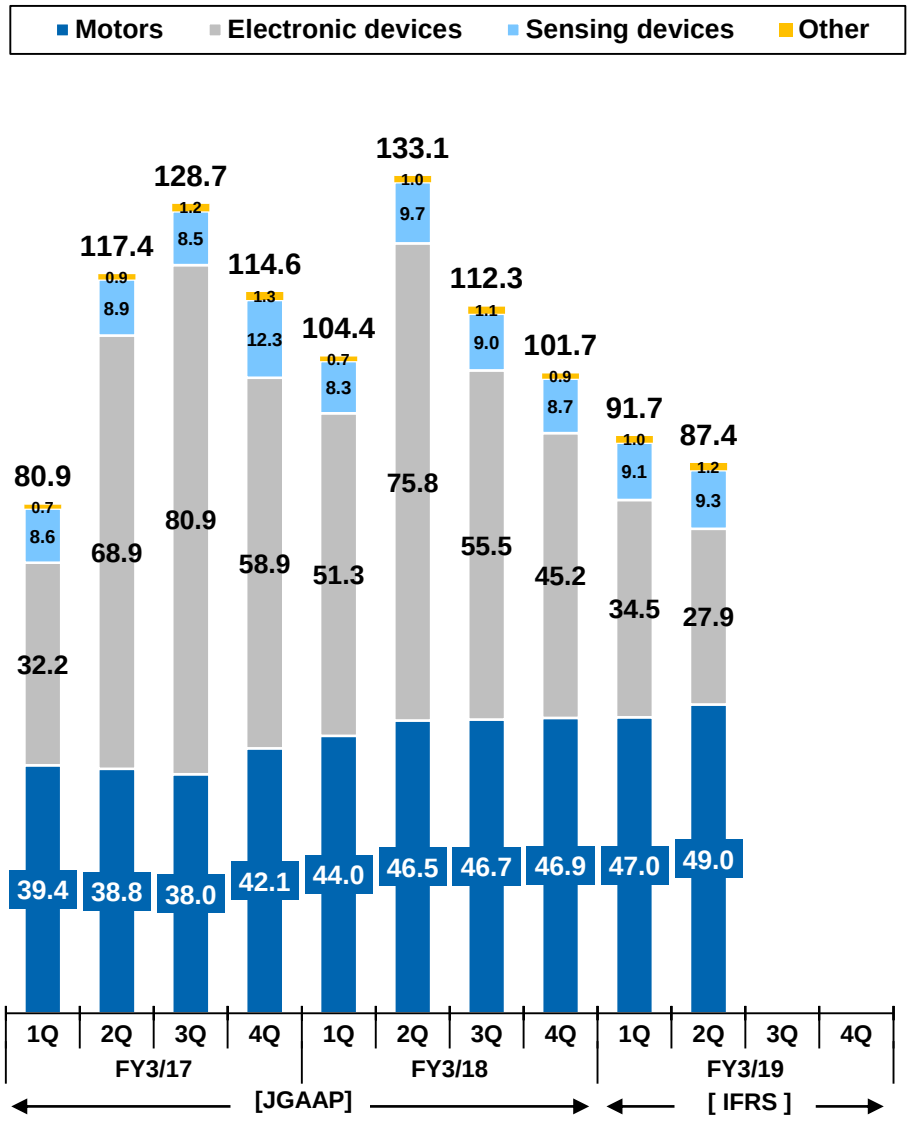
Operating income (Billions of yen)



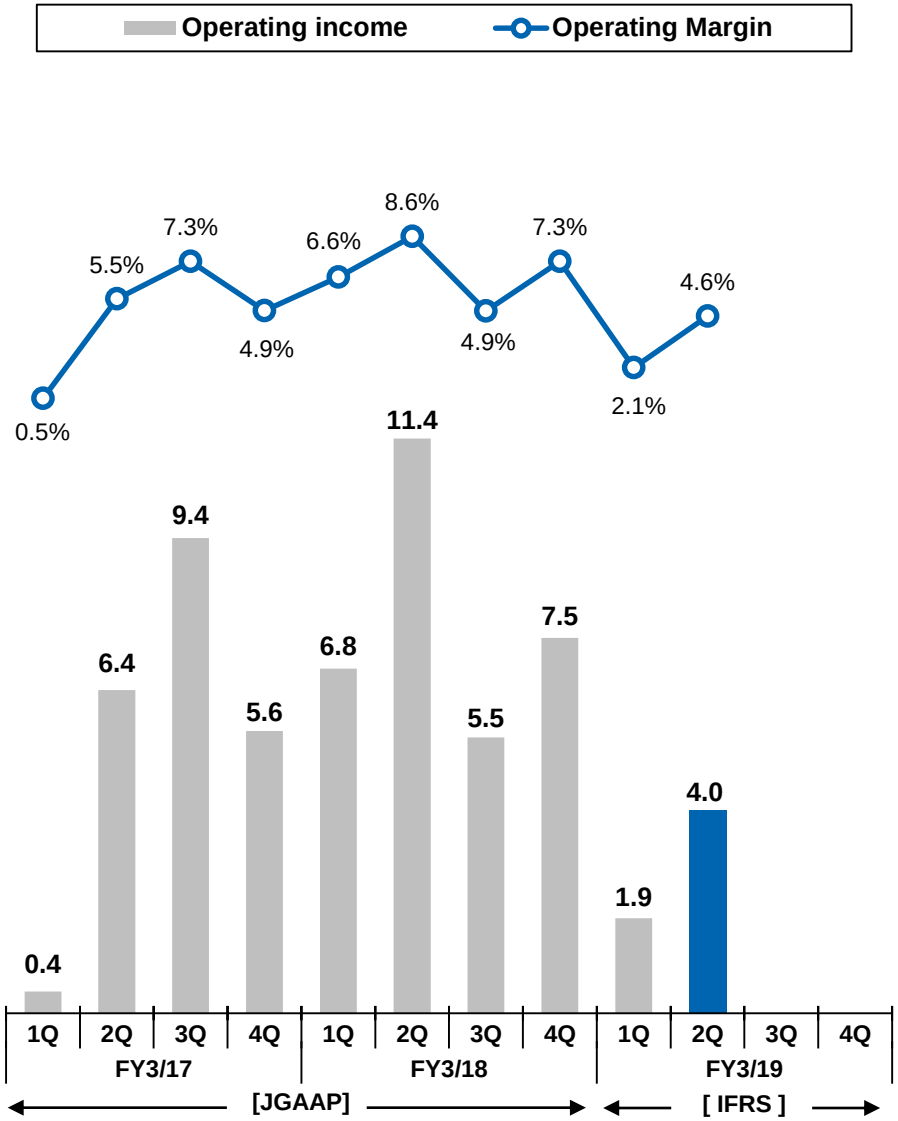
Electronic Devices & Components

*JGAAP until FY3/18, IFRS for FY3/19

Net sales (Billions of yen)



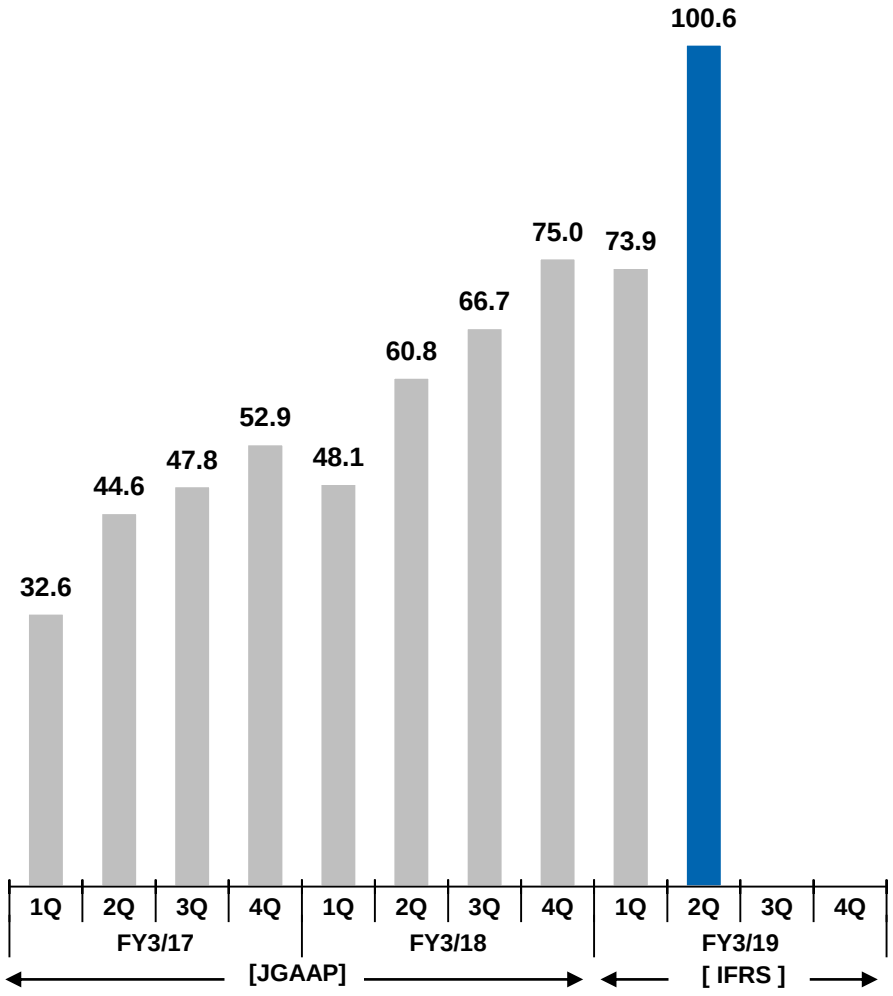
Operating income (Billions of yen)



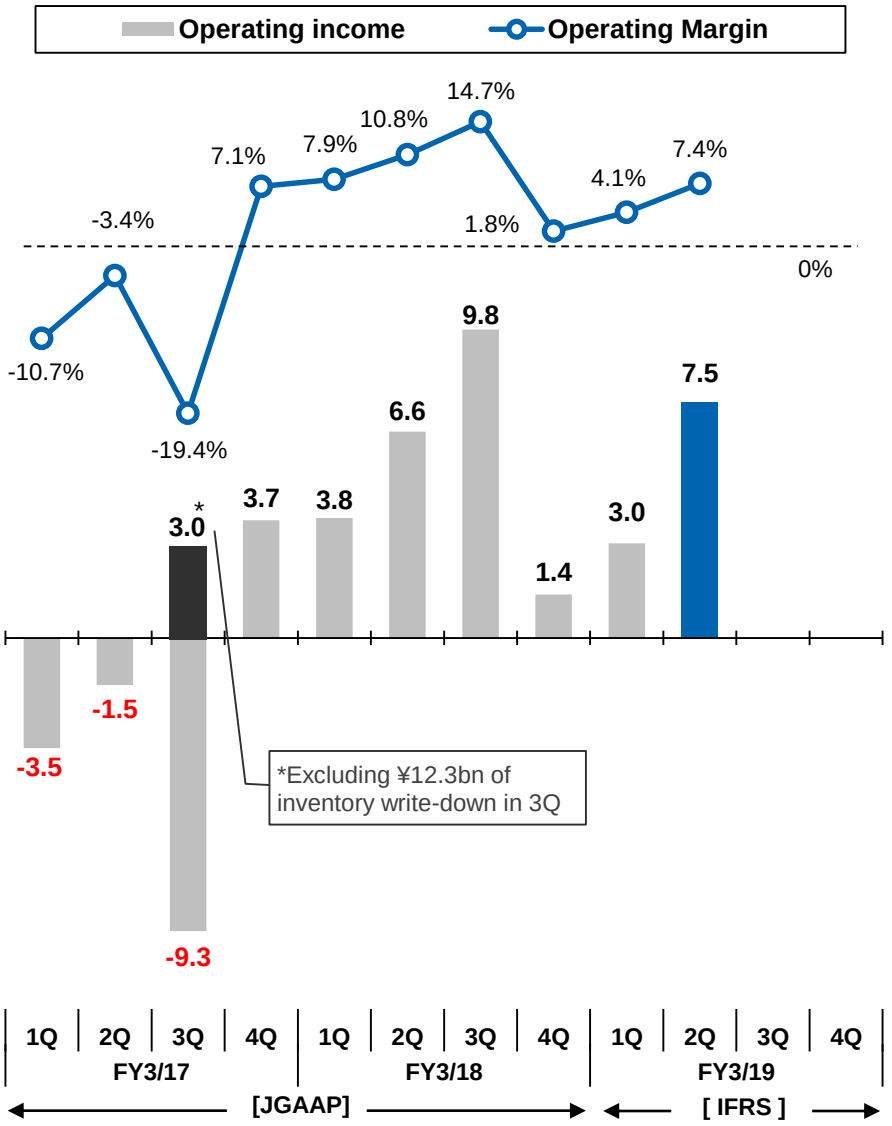
Mitsumi Business

Both net sales and operating income in and before 3Q FY3/17 are pre-merger results. 4Q FY3/17 results are based on managerial accounting for the three months. JGAAP until FY3/18, IFRS for FY3/19.

Net sales (Billions of yen)

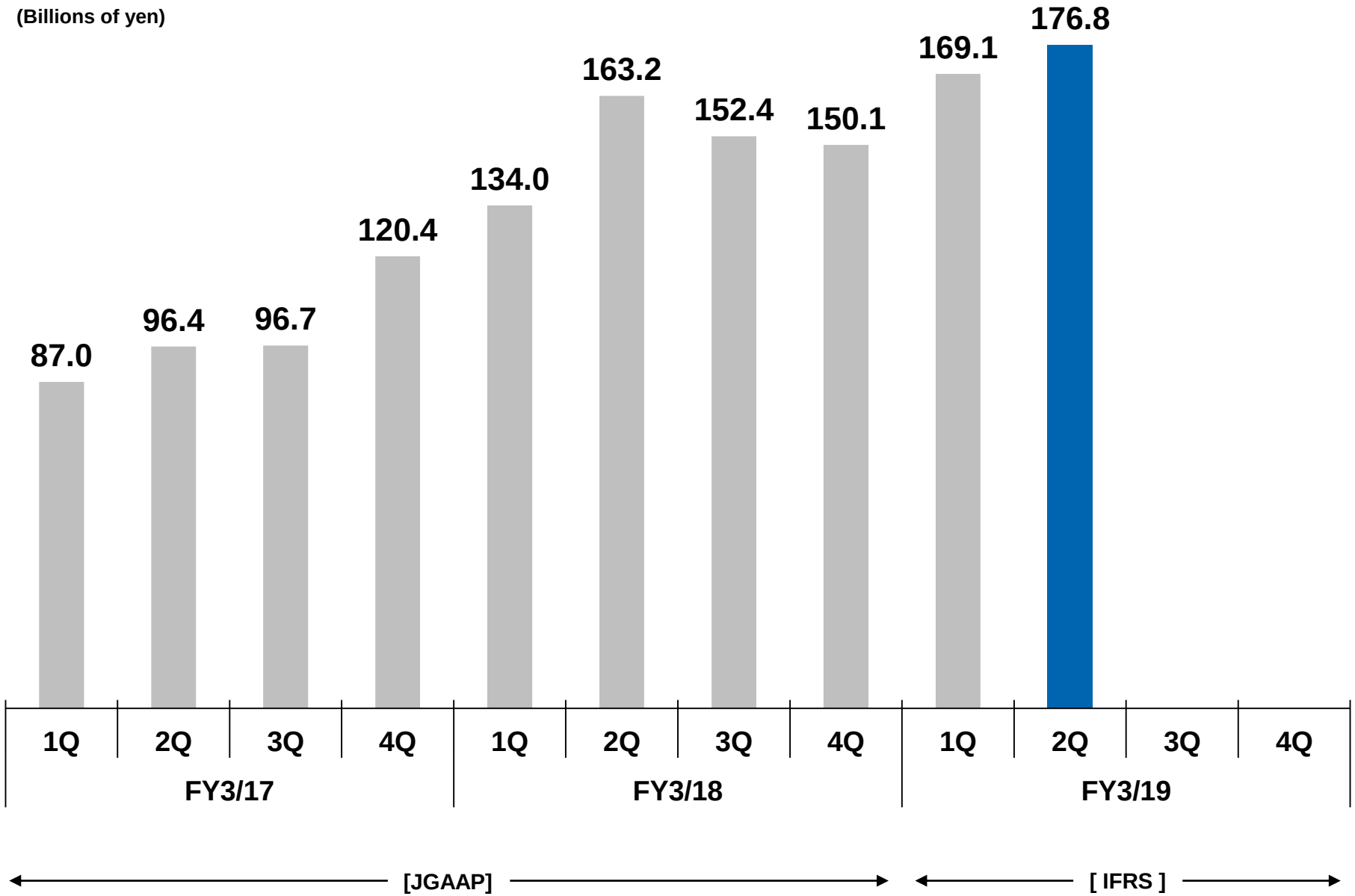


Operating income (Billions of yen)



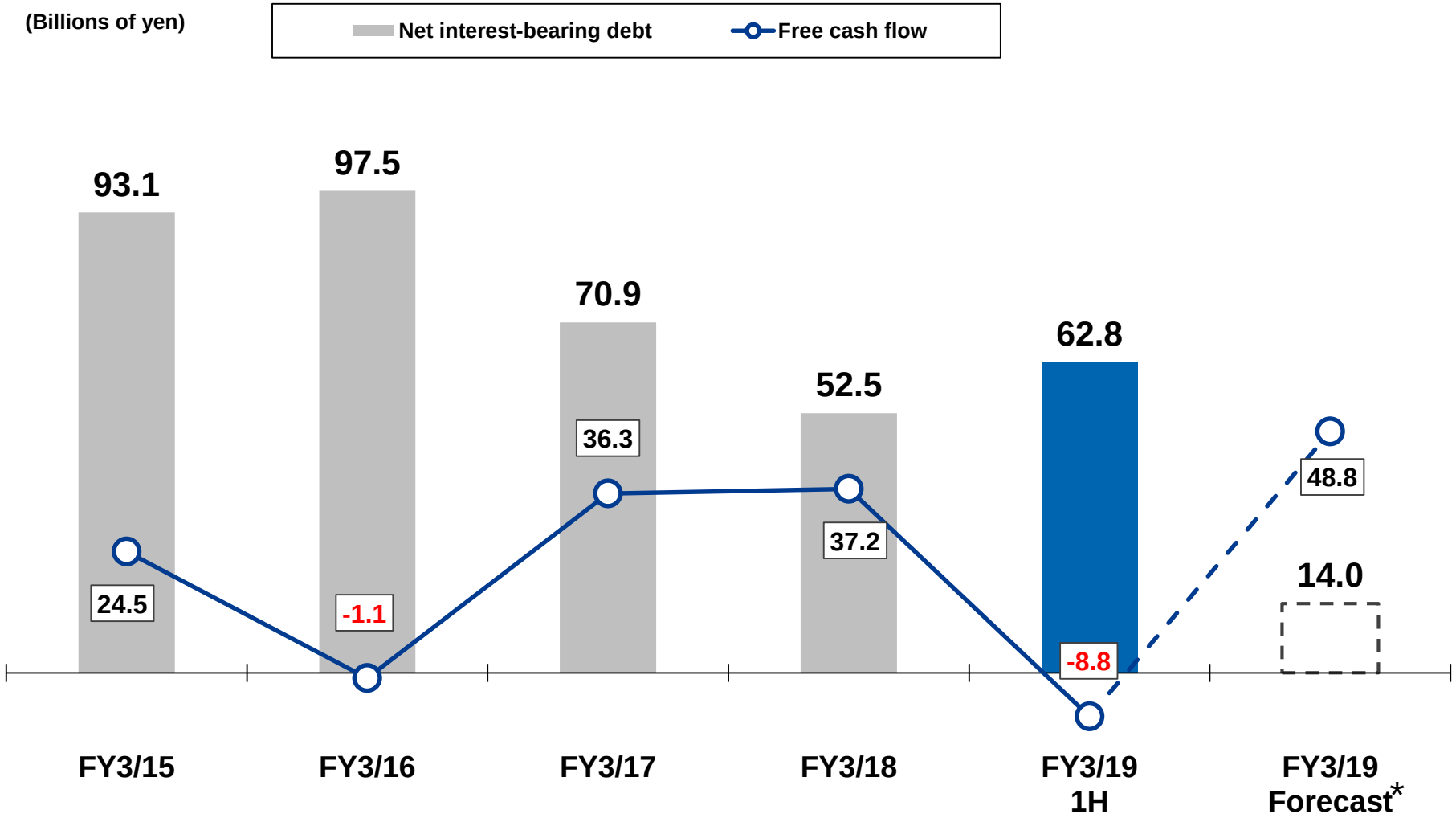
Inventories

*JGAAP until FY3/18, IFRS for FY3/19



Net Interest-Bearing Debt/Free Cash Flow

*JGAAP until FY3/18, IFRS for FY3/19



*Excluding TOB impact

[JGAAP] [IFRS]

Revision for Profit for the Period

[IFRS]

(Millions of yen)	FY3/18 Full Year	FY3/19 1st Half	FY3/19 2nd Half	FY3/19 Full Year	FY3/19 YoY
Net sales	881,413	449,368	490,632	940,000	+6.6%
Operating income	68,902	33,915	51,085	85,000	+23.4%
Profit before taxes	66,855	34,276	49,724	84,000	+25.6%
Profit for the period attributable to owners of the parent	50,326	26,856	40,144	67,000	+33.1%
Earnings per share, basic (yen)	119.61	64.00	95.64	159.64	+33.5%

Foreign Exchange Rates	FY3/18 Full Year	FY3/19 2H Assumptions
US$	¥111.19	¥110.00
Euro	¥129.36	¥130.00
Thai Baht	¥3.35	¥3.39
Chinese RMB	¥16.70	¥16.40

Forecast for Business Segment

*Based on IFRS

[IFRS]

(Millions of yen)	FY3/18 Full Year	FY3/19 1st Half	FY3/19 2nd Half	FY3/19 Full Year	FY3/19 YoY
Net sales	881,413	449,368	490,632	940,000	+6.6%
Machined components	176,427	95,435	94,565	190,000	+7.7%
Electronic devices and components	451,879	179,142	230,858	410,000	-9.3%
Mitsumi business	252,415	174,482	164,518	339,000	+34.3%
Other	693	309	691	1,000	+44.3%
Operating income	68,902	33,915	51,085	85,000	+23.4%
Machined components	41,007	24,205	25,795	50,000	+21.9%
Electronic devices and components	24,096	5,914	21,086	27,000	+12.1%
Mitsumi business	20,069	10,484	15,516	26,000	+29.6%
Other	-806	-159	-341	-500	-38.0%
Adjustment	-15,463	-6,529	-10,971	-17,500	+13.2%

Sustainability Topics

NMB-Minebea Thai wins Thailand Labor Management Excellence Award 2018

- **Ayutthaya and Rojana Plants** recognized by the Thailand Department of Labour Protection and Welfare
- For **maintaining** excellent work environments, employee welfare, and occupational health and safety management
- Taking our motto to "Be a company where our employees are proud to work," which is part of our company credo, "**The Five Principles**," and putting it into practice

Continually working to create better and safer workplaces across the globe

Promoting ESG information disclosure and initiating ESG dialogues

- Publishing **integrated report** as well as CSR reports and using them as communication tools to give feedback to top management
- **Improving the corporate website** and information disclosure

Actively providing non-financial information, a key engine of sustainable growth

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Business Update & Management Strategy

November 7, 2018

Yoshihisa Kainuma

Representative Director, CEO & COO



Today's Highlights

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- 2Q overall: Mostly in line with forecasts despite timing issue and one-time costs for some businesses.
- Machined components: Sales and production volume of ball bearings hit quarterly record highs. OP of ¥50 billion is expected to be achieved two years ahead of the initial target (FY3/21).
- Electronic devices and components: LED backlights saw timing issue. Ramp up of new model is in good shape. Motor sales are expected to reach ¥200 billion in the current fiscal year as initially planned.
- Mitsumi Business: Mechanical components secures forecasted profit.
  Camera actuators to be in full swing in 2H.
- Despite the LED backlight loss, overall OP hit ¥34 billion in 1H!
- M&A paves the way to further growth.
  Strengthening portfolio of next-generation products.
- Tariff issue is a great business opportunity.
  China +1 strategy and a 25% tariff on Chinese-made bearings exported to the United States.

Keys to Achieving FY3/19 Targets

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Core businesses keep driving growth

Points

- **Machined components sure to continue growing.**
- **Steady demand for ball bearings.**
- **Ramp up of components for new smartphone is in good shape.**
  (LED backlights, camera actuators)
- **Top-line growth and profit improvement** to continue for **motors.**
- **Steady earnings** are expected in **mechanical components.**
- FX rate estimate: **1 USD = 110 JPY**

(Millions of yen)	FY3/18 Full Year	FY3/19 Plan			
		1st Half	2nd Half	Full Year	YoY
Net sales	881,413	**449,368**	**490,632**	**940,000**	+6.6%
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Machined Components

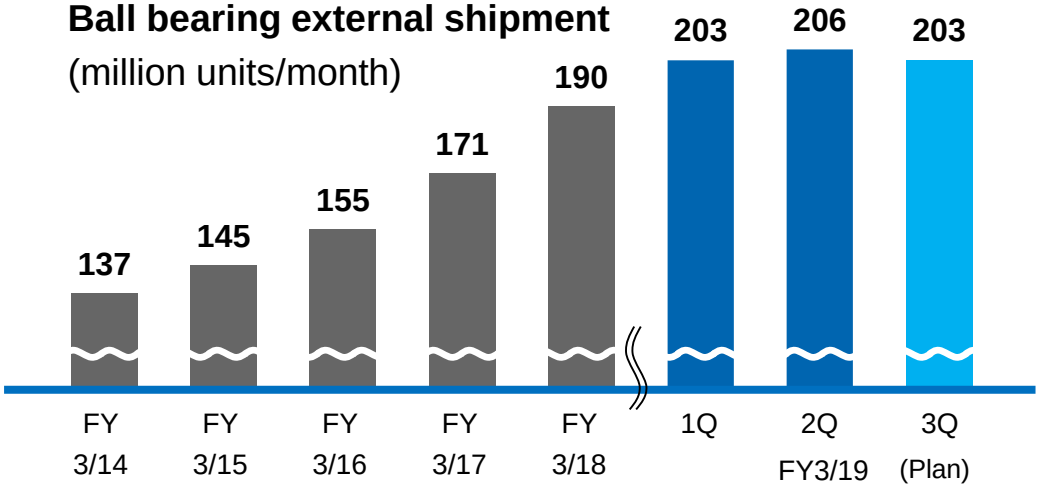
Targeting OP of ¥50 billion via strengthening profitability

Ball bearings

- 2Q external shipment and production volume increased both YoY and QoQ
- Although demand may see temporary adjustment for some applications from 3Q onwards, CASE of automobile, IoE and 5G infrastructure will drive growth in mid-to-long term

NO change in mid-to-long term demand outlook

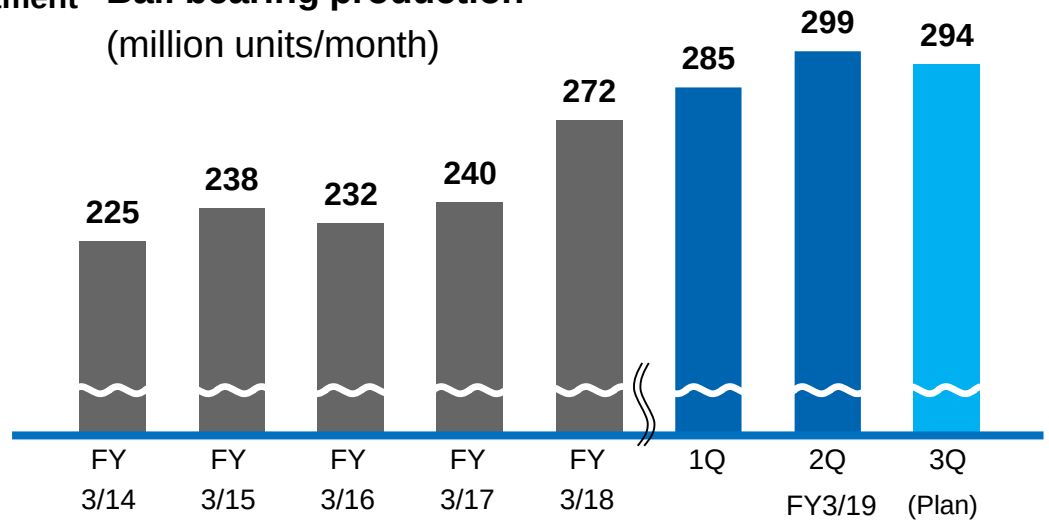
Ball bearing external shipment
(million units/month)



- Profitability improves even if demand sees adjustment
  - ✔ Optimization of inventory level
  - ✔ Reduction in shipment costs
  - ✔ Effect of price adjustment

Opportunity to optimize profit structure

Ball bearing production
(million units/month)



Rod-ends & fasteners

- Fasteners totally turned around

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LED backlights ramped up in good shape
Motors remain steady

LED backlights

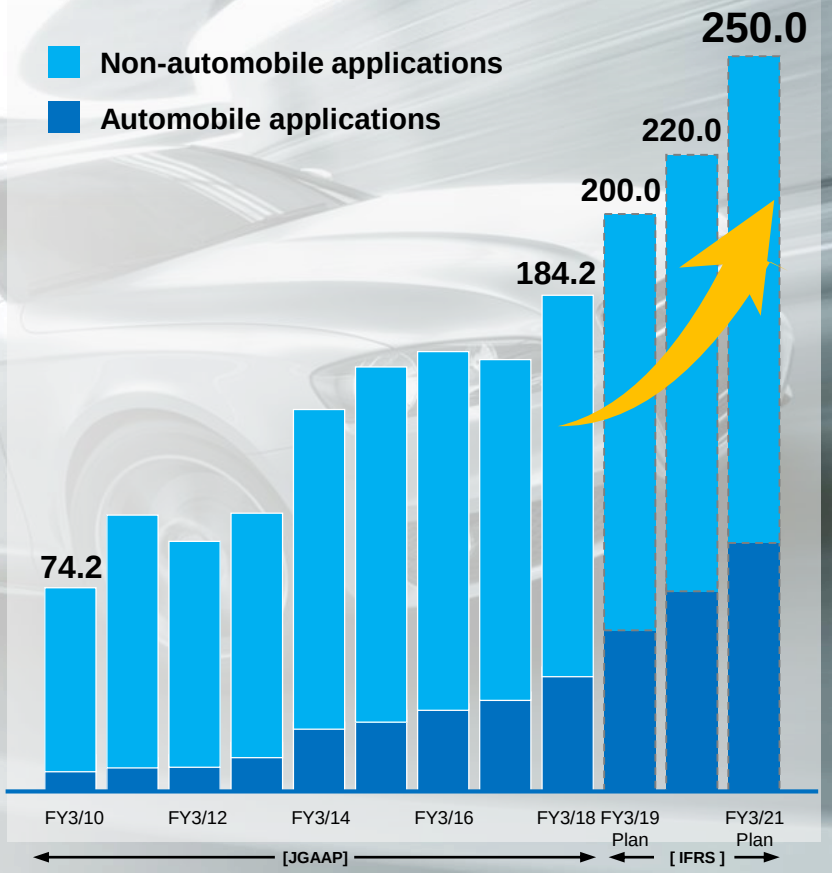
- Timing issue occurred in 2Q
- Ramp up of new model is in good shape.
- Developing anti-OLED panels with supply chain partners

Motors

- Sales of motors remain up, mainly for automobiles
- Aiming for ¥200 billion in sales this current fiscal year

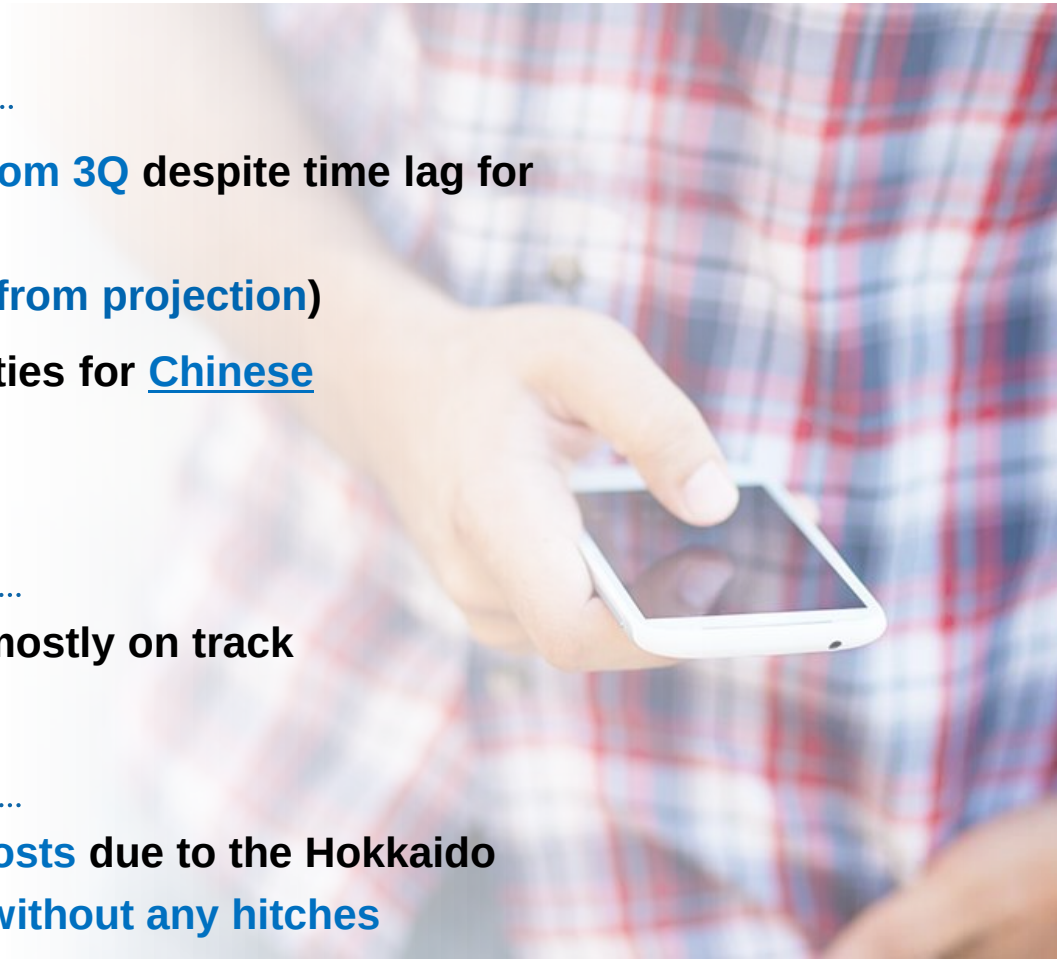
Motor Business Sales Targets

(Billions of yen)



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Big increase in production from 3Q onwards despite timing issue and one-time costs in 2Q



Optical devices

- **Significant increase in production from 3Q despite time lag for some new products in 2Q**
  (No big difference in quality and yield from projection)
- **Expecting good business opportunities for Chinese smartphones with better specs**

Mechanical components

- **Earnings for the fiscal year remain mostly on track**

Other businesses

- **Semiconductors booked one-time costs due to the Hokkaido Earthquake, but production resumed without any hitches**

Huge Business Opportunity from US-China Tariff Issue

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- US-China tariff issue driving US companies to China +1
- Opportunities to use 64 global manufacturing sites, including Cambodia factory, are rapidly expanding.

  E.g. a 25% tariff on Chinese-made bearings

  -->Reduction of price difference with Chinese competitors
- RFQs flowing into various businesses

TOB of U-Shin toward Business Integration

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Target company	U-Shin Ltd. (ticker: 6985)
Tender offer period	TBD *Targeting at the end of January 2019
Tender offer price	JPY 985 per common stock
Tender offer funds	JPY 32,622 million
Number of shares to be purchased	Maximum: none Minimum: 22,079,500 shares (66.67% of the shares outstanding)

Expected synergies

1. **To expand presence in the automotive industry**
   Ability to develop and propose new products that meet customer needs
2. **Enhance Tier1 sales force and global manufacturing sites**
   Realizing cross-selling and “Time to Market”
3. **Exploiting technological synergies**
   To create new economic value through new products and services that INTEGRATE core technologies
4. **Introduction of high functional safety and quality control methods**
   Master of know-how on the quality of automotive parts
5. **Strengthening competitiveness by mutually promoting vertical integration**
   E.g. Application of U-Shin's molding, painting, and color adjustment technologies to a variety of automotive parts in MinebeaMitsumi.
6. **Utilizing automotive technologies to housing**
   Creation of new solutions in IoE-related businesses

Automotive division



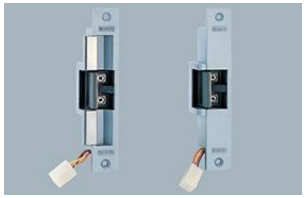
ESCL
(Electronic Steering Column Lock)

Industrial equipment division



Various fuel pumps

Home security unit division



Electric door frame lock

Automotive Business Opportunities in the CASE Era

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Significant business expansion via strengthening portfolio through M&A and synergies from INTEGRATION

◆New business opportunities from synergy between our CASE business and U-Shin

Connectivity

- Leverage Mitsumi business to make network devices, such as Car2Car and Car2X
- Expand product portfolio, including key sets and switches

Autonomous

- ADAS devices such as BLDC for LiDAR and high-frequency modules
- Strengthen sensing solutions, including millimeter-wave radar using proprietary algorithms

Shared & Services

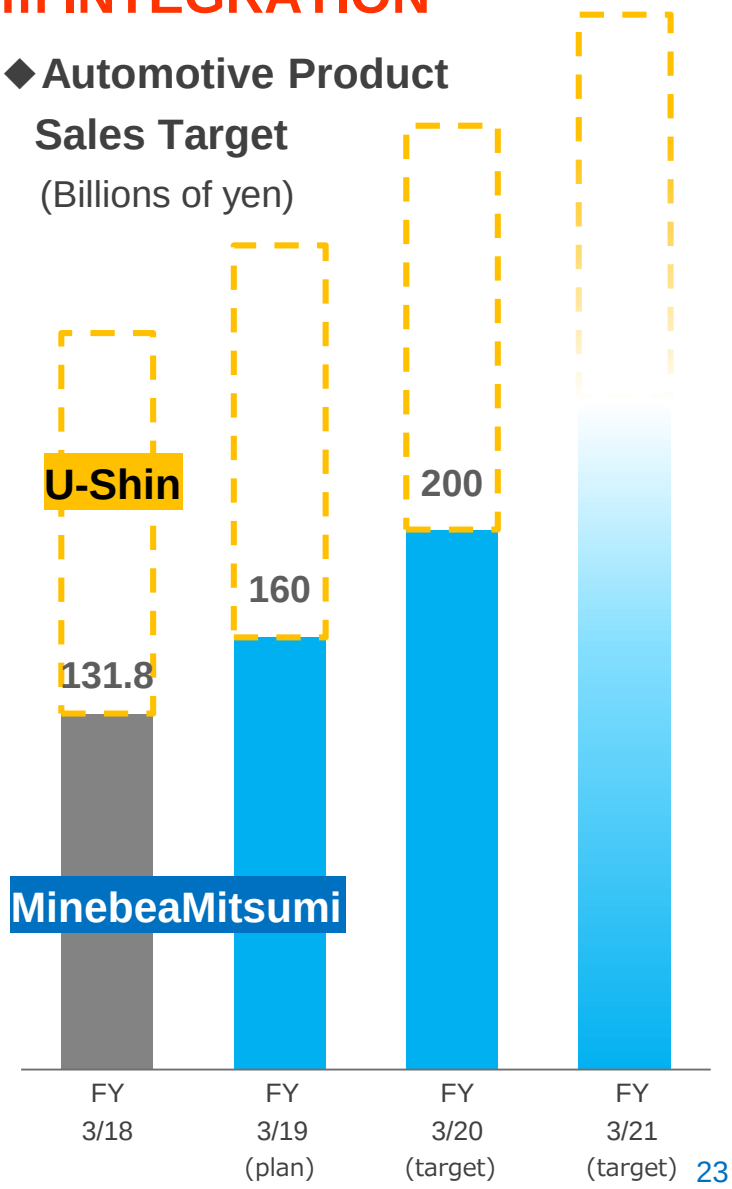
- Demand for our energy-saving products is riding high on soaring car utilization rates fueled by the spread of carsharing and ridesharing
- Strengthen ties with OEMs as a Tier 1 manufacturer

Electric

- Expanding existing products for EV such as ball bearings for various cooling fans, resolvers, and so on.
- Motorization of lock and gate system, and enhancing competitiveness through the INTEGRATION with MinebeaMitsumi products

◆Automotive Product Sales Target

(Billions of yen)



Updates on New Product Trio

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SALIOT

Soaring inquiries / Various events

acoya with lights by SALIOT

Bed Sensor System



Sales activity launched by Ricoh

Smart City

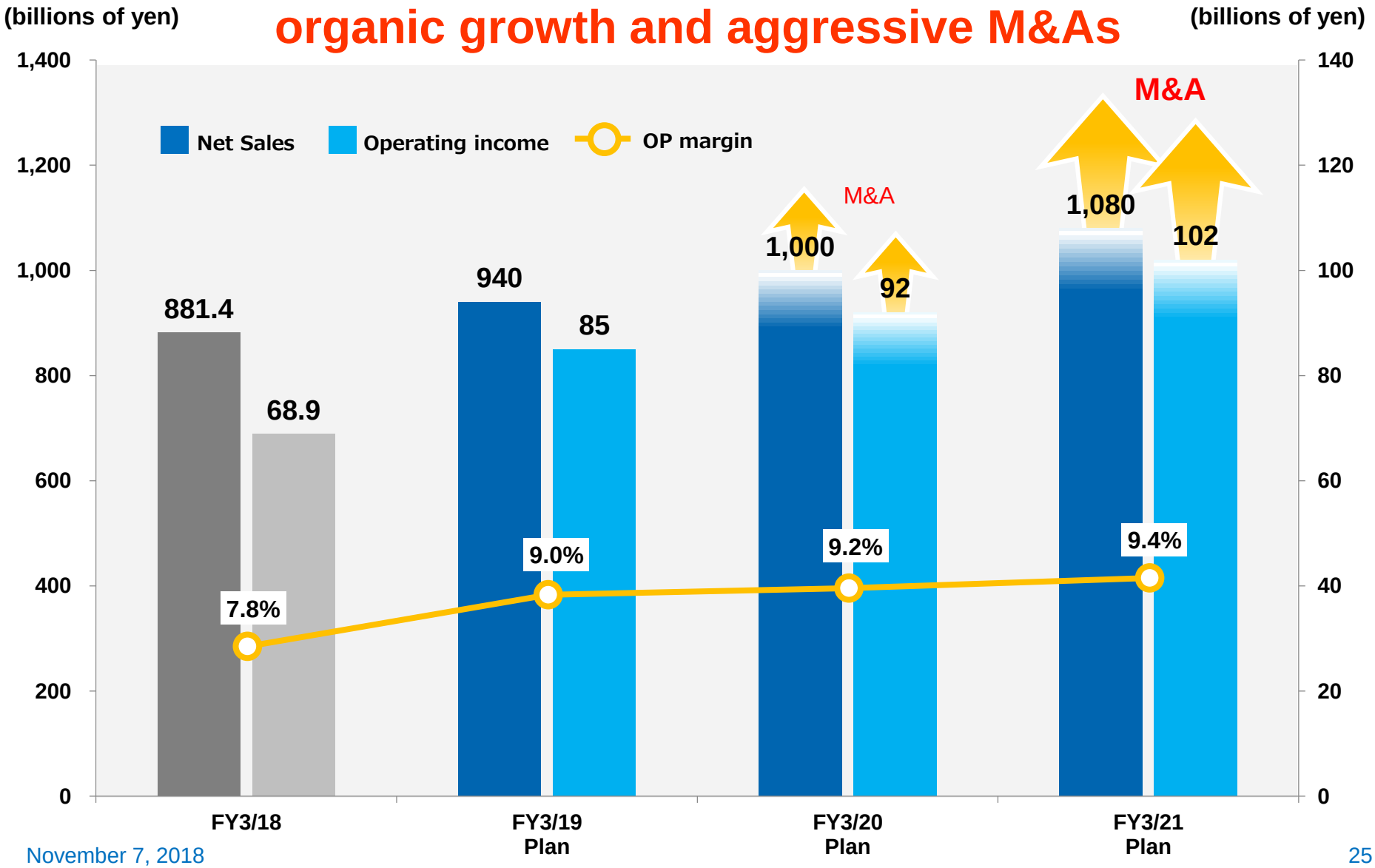
Strengthening product development

Nodes, gateways, environmental sensors, parking sensors, etc.

Hit ¥1 Trillion / ¥100 Billion Targets Ahead of Schedule

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Hit ¥1 trillion / ¥100 billion targets via organic growth and aggressive M&As



Shareholder Return Policy

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Increase dividends reflecting business forecast

	FY3/18 Actual		FY3/19 Actual/Forecast	
Interim dividend	13	yen/share	→ 14	yen/share
Year-end dividend	13	yen/share	→ 14	* yen/share
Total	26	yen/share	→ 28	* yen/share

* Dividend for FY3/19 will be decided on business performance at payout ratio of around 20%

Top Priority for 2nd Half

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Using all means possible to hit ¥1 trillion / ¥100 billion targets next fiscal year!

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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.

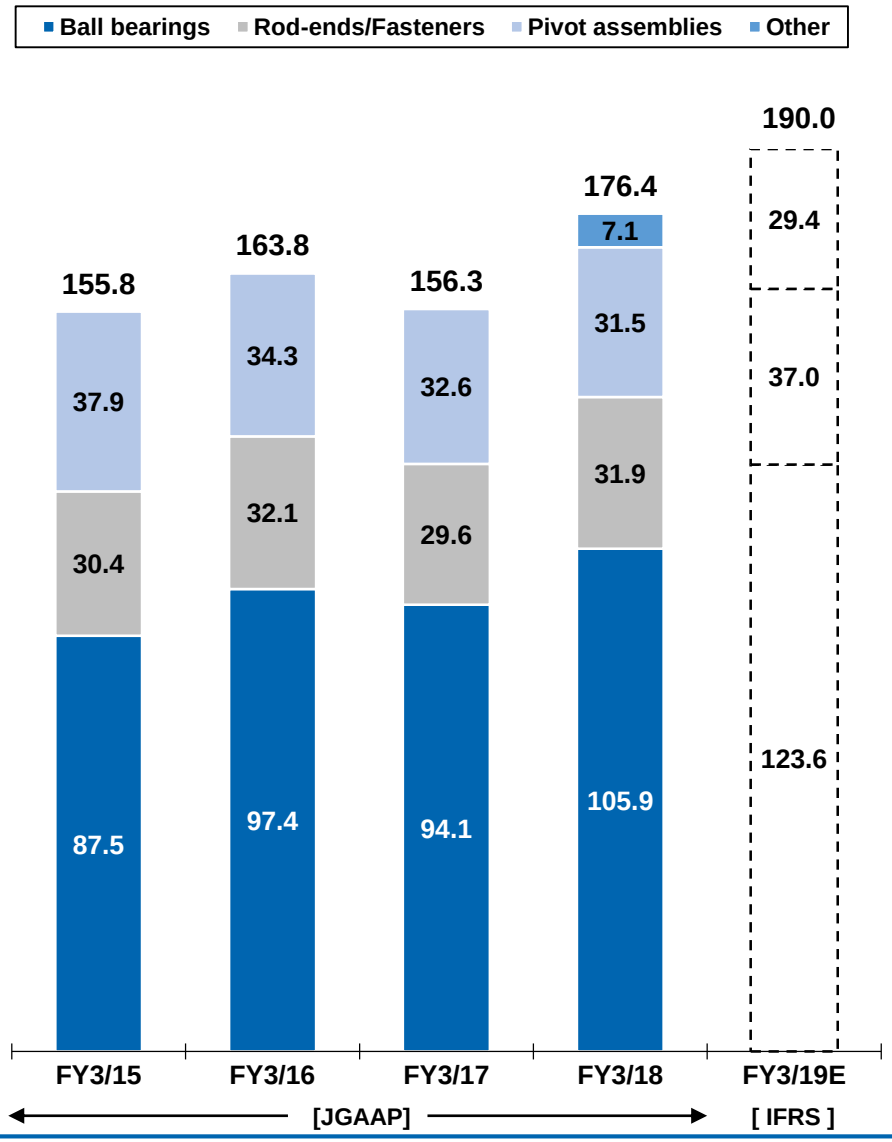
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Reference

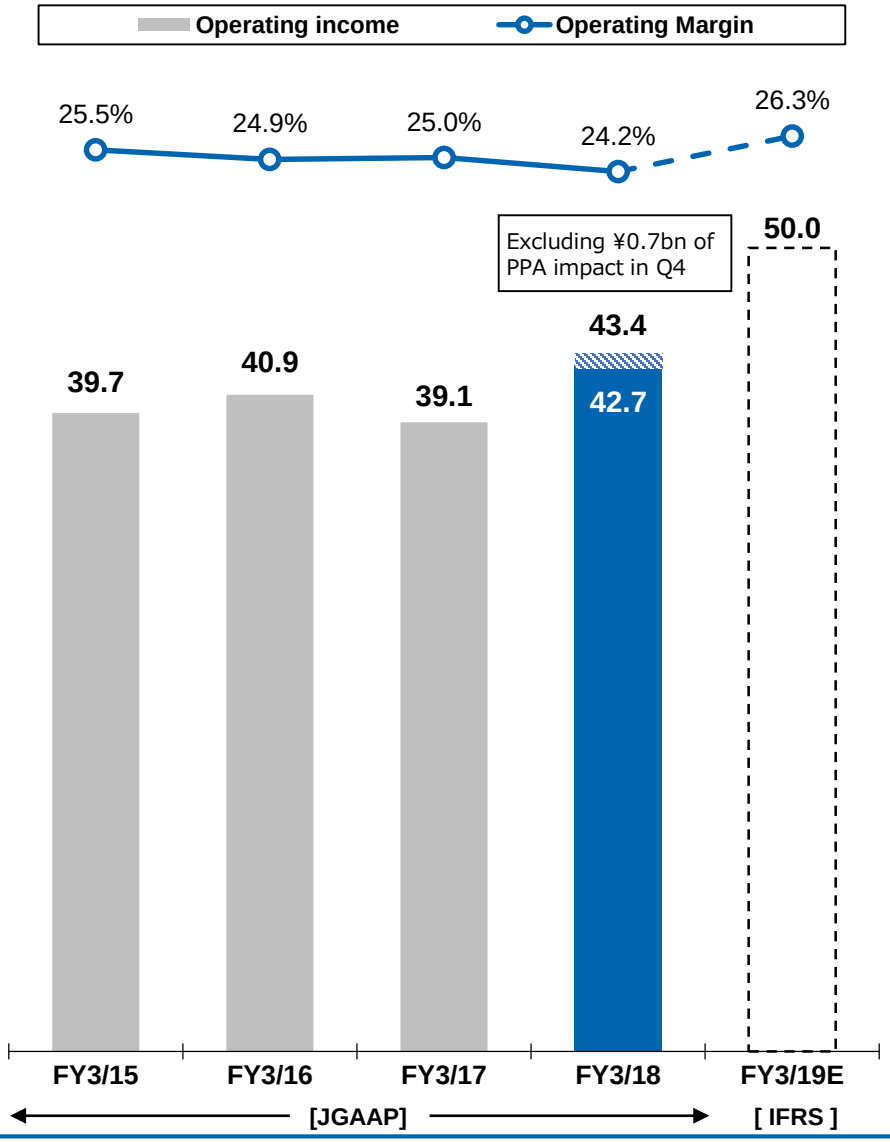
Machined Components

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Net sales (Billions of yen)



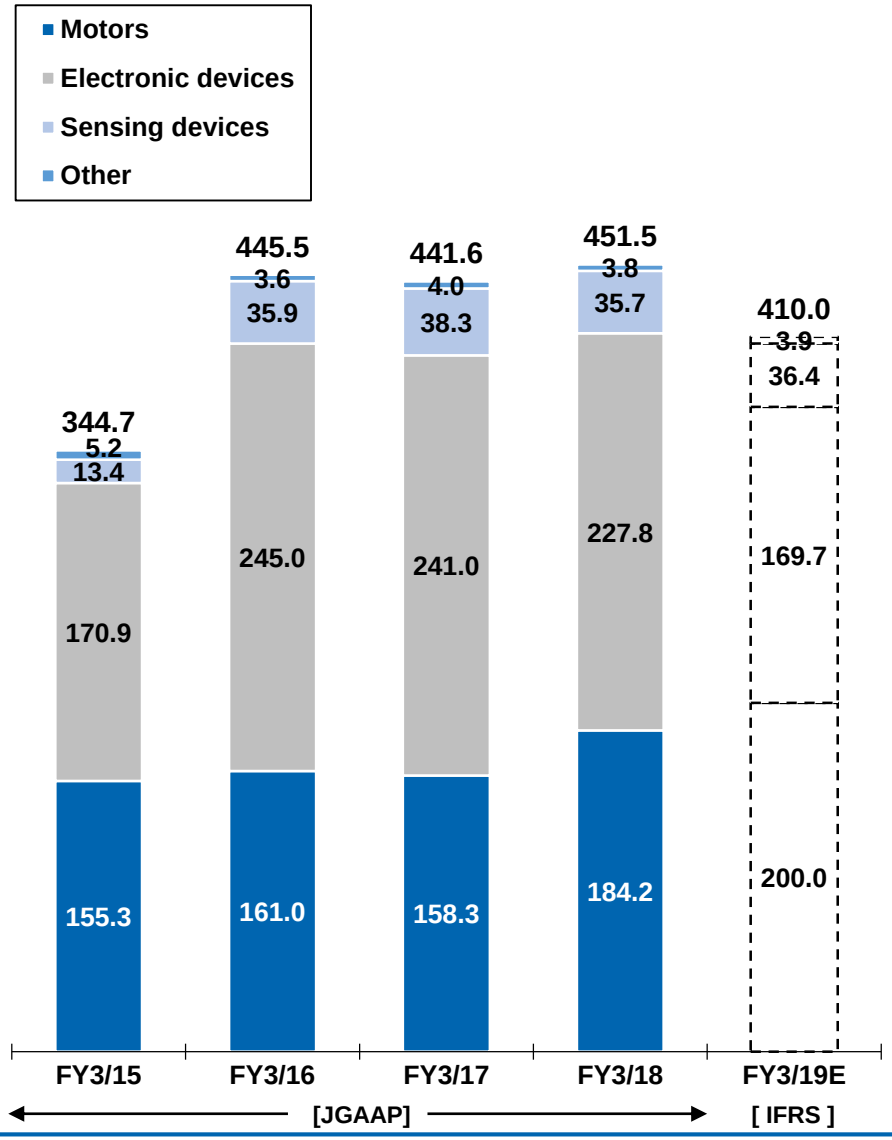
Operating income (Billions of yen)



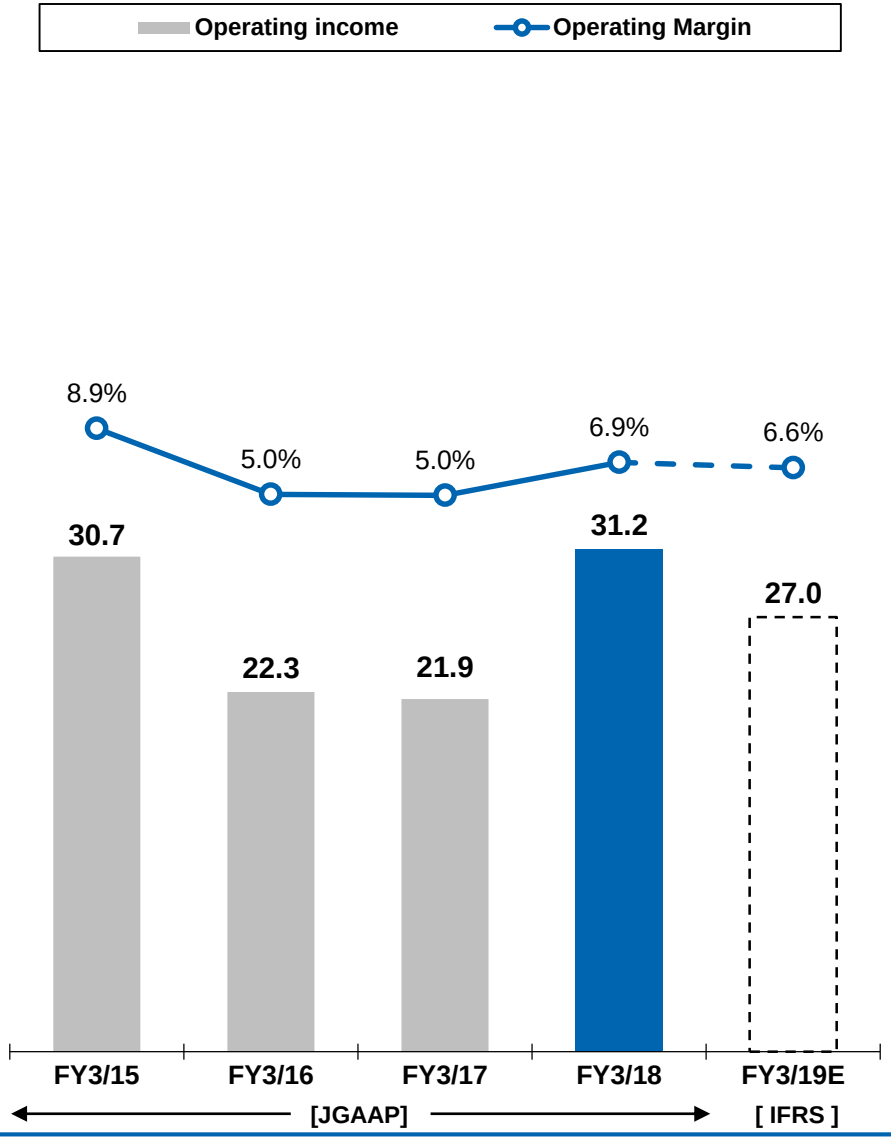
Electronic Devices & Components

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Net sales (Billions of yen)



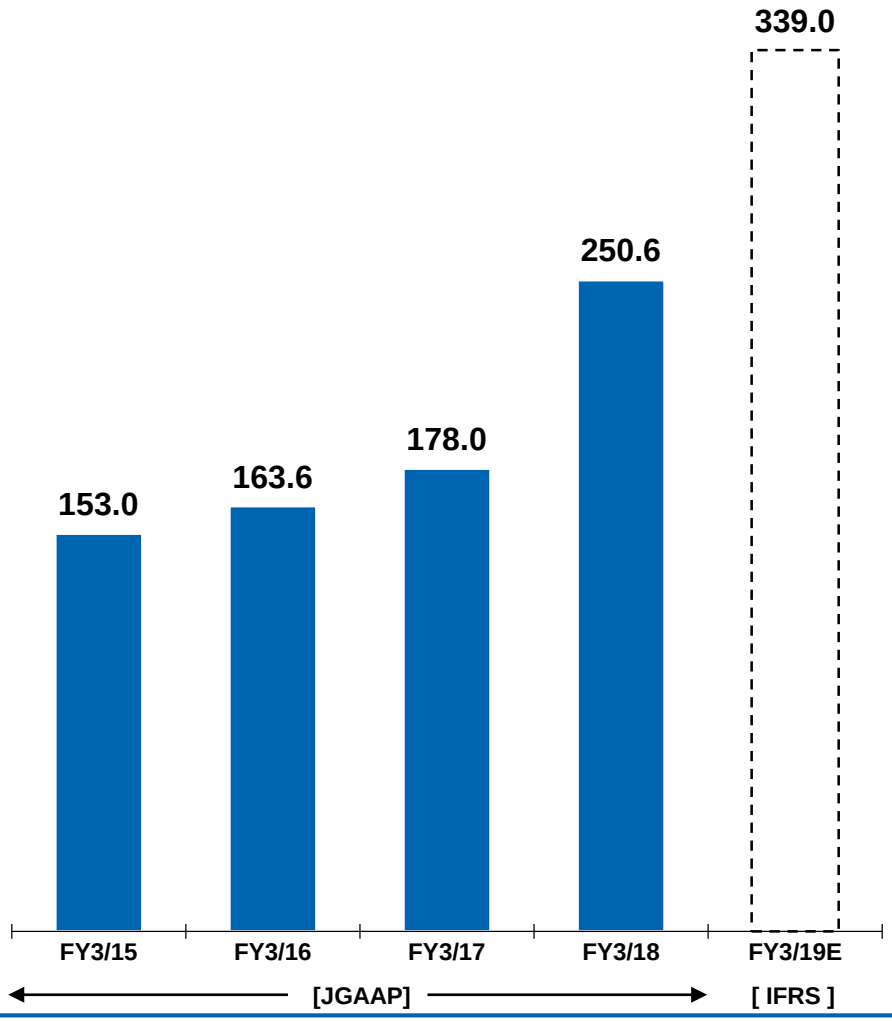
Operating income (Billions of yen)



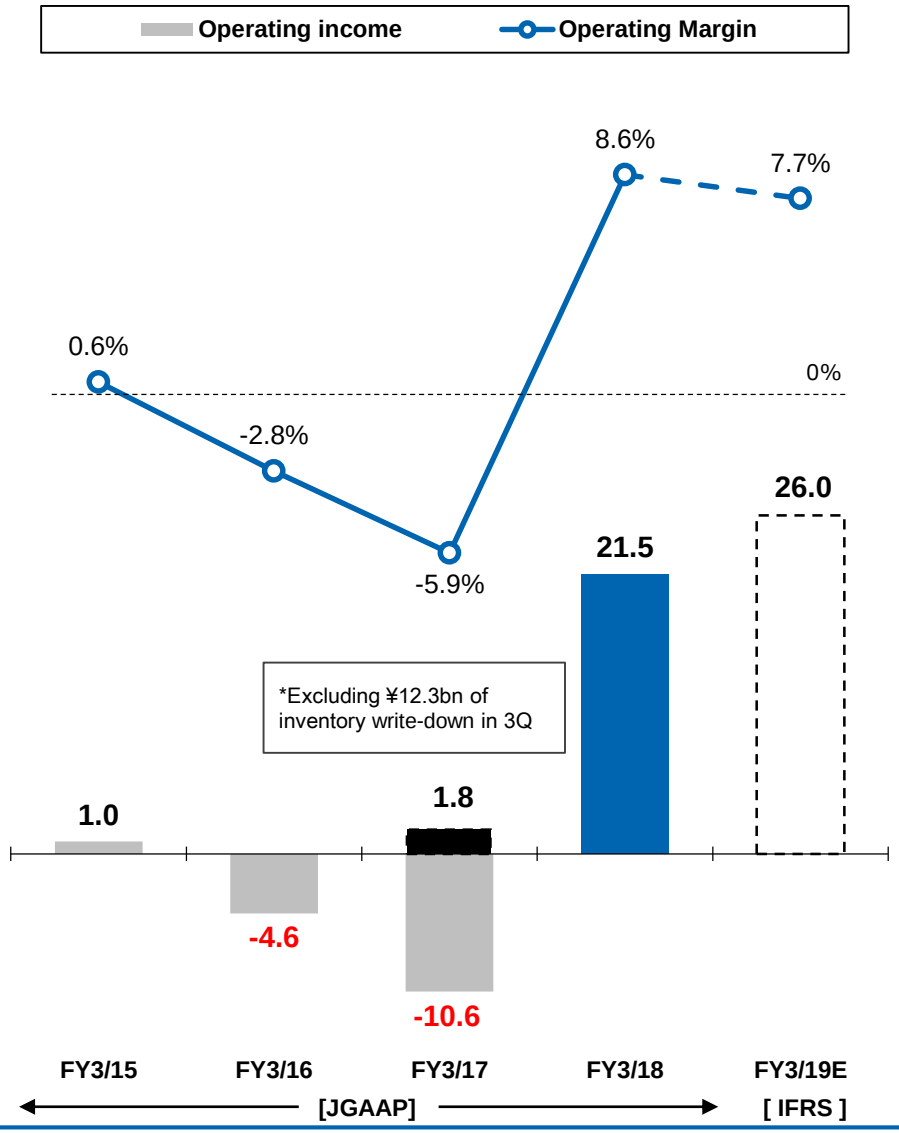
Mitsumi Business

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Net sales (Billions of yen)



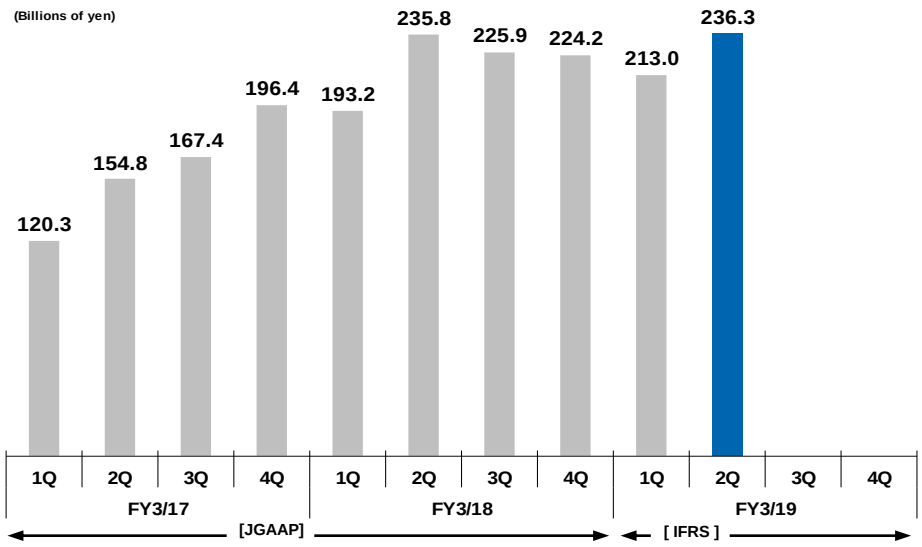
Operating income (Billions of yen)



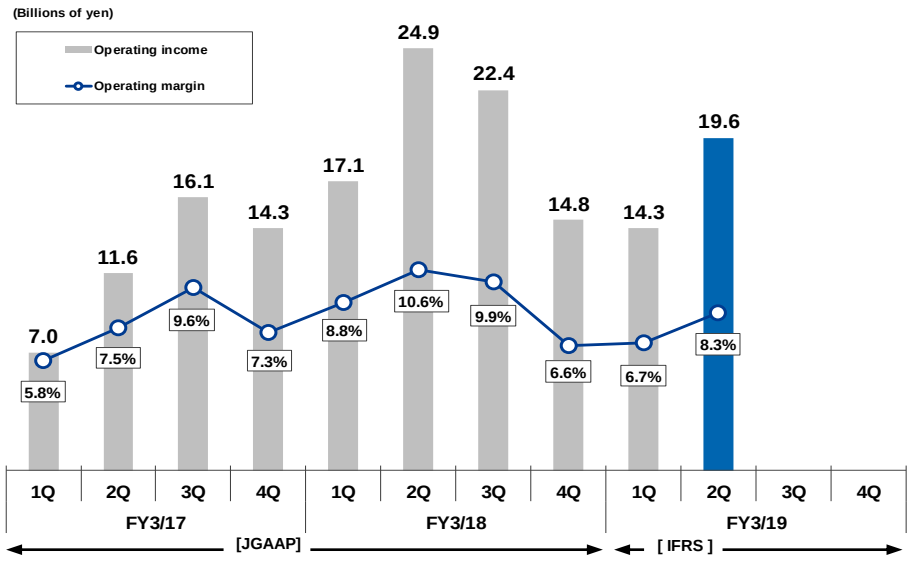
Other Financial Data 1

*JGAAP until FY3/18, IFRS for FY3/19

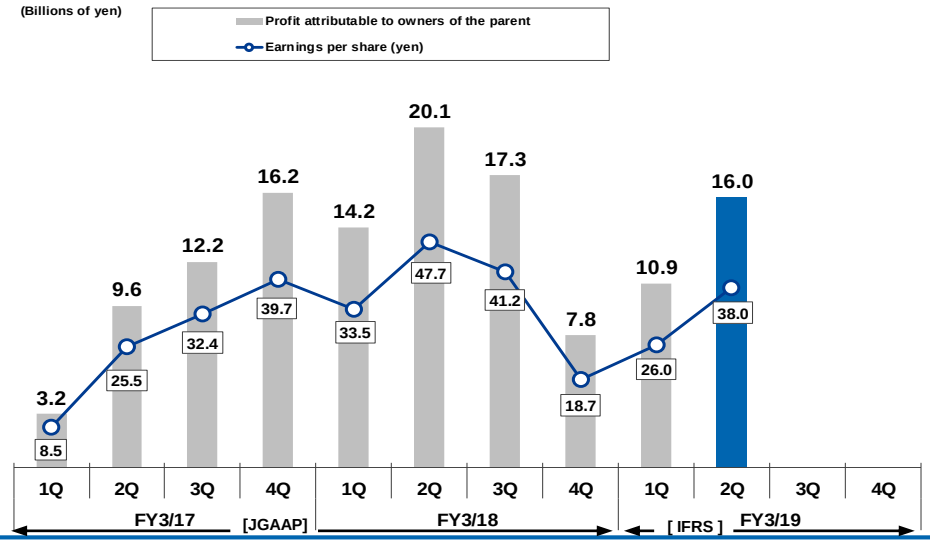
Net sales



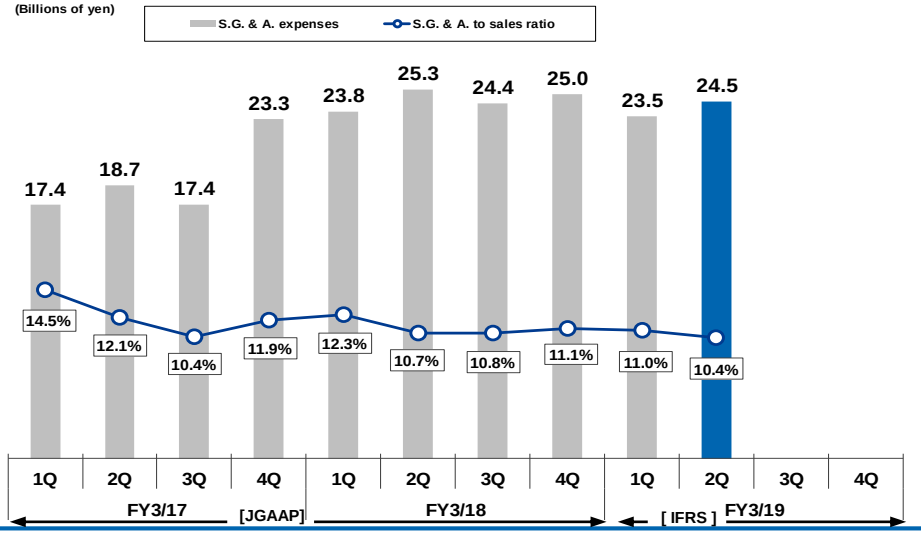
Operational profit/margin



Profit attributable to owners of the parent/EPS



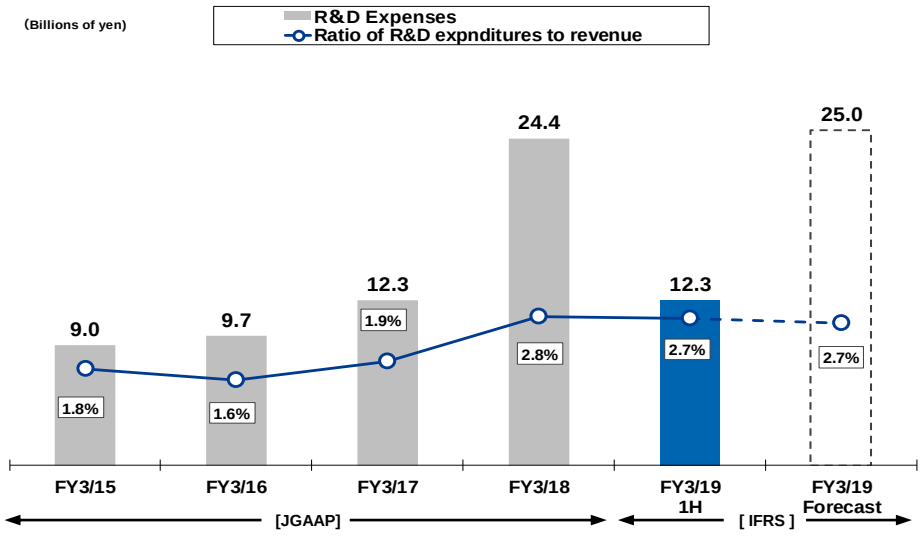
S.G.&A. expence/ratio



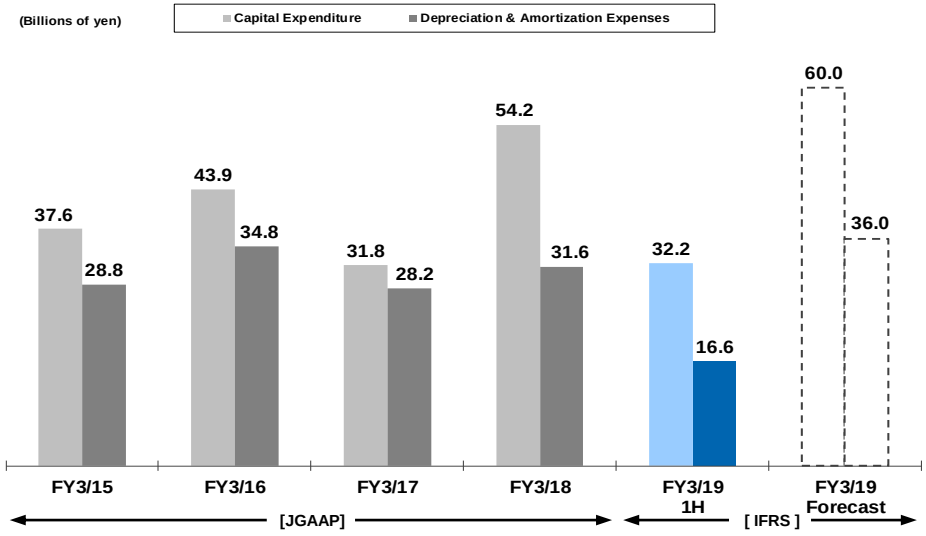
Other Financial Fata 2

*JGAAP until FY3/18, IFRS for FY3/19

R&D Expenses



Capital Expenditure/D&A Expense



ROIC (Return On Invested Capital)

*JGAAP until FY3/18, IFRS for FY3/19

MinebeaMitsumi ROIC = **NOPAT** (Operating income + extraordinary profit/loss) x (1-tax rate) / **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

