MinebeaMitsumi
Passion to Create Value through Difference

Business Results

Fiscal Year Ended March 31, 2019

MinebeaMitsumi Inc.

May 8, 2019

Today's Agenda

1. Financial Results

2. Management Policy & Business Strategy

Financial Results

Katsuhiko Yoshida
Managing Executive Officer

Summary of Consolidated Business Results

*Based on IFRS

Net sales, Operating Income and Profit for the Period Hit Record Highs

[IFRS]

(Millions of yen)	FY3/18 Full Year	FY3/19 Full Year	Change YoY	FY3/19 Forecast (February 2019 Forecast) Full Year	VS. Forecast
Net sales	881,413	884,723	+0.4%	900,000	98.3%
Operating income	68,902	72,033	+4.5%	75,000	96.0%
Profit before taxes	66,855	71,321	+6.7%	75,000	95.1%
Profit for the period attributable to owners of the parent	50,326	60,142	+19.5%	60,000	100.2%
Earnings per share, basic (yen)	119.61	143.90	+20.3%	143.68	100.2%

Foreign Exchange Rates	FY3/18 Full Year	FY3/19 Full Year
US$	¥111.19	¥110.67
Euro	¥129.36	¥128.75
Thai Baht	¥3.35	¥3.42
Chinese RMB	¥16.70	¥16.52

*Based on IFRS

Year on Year Profit Increase

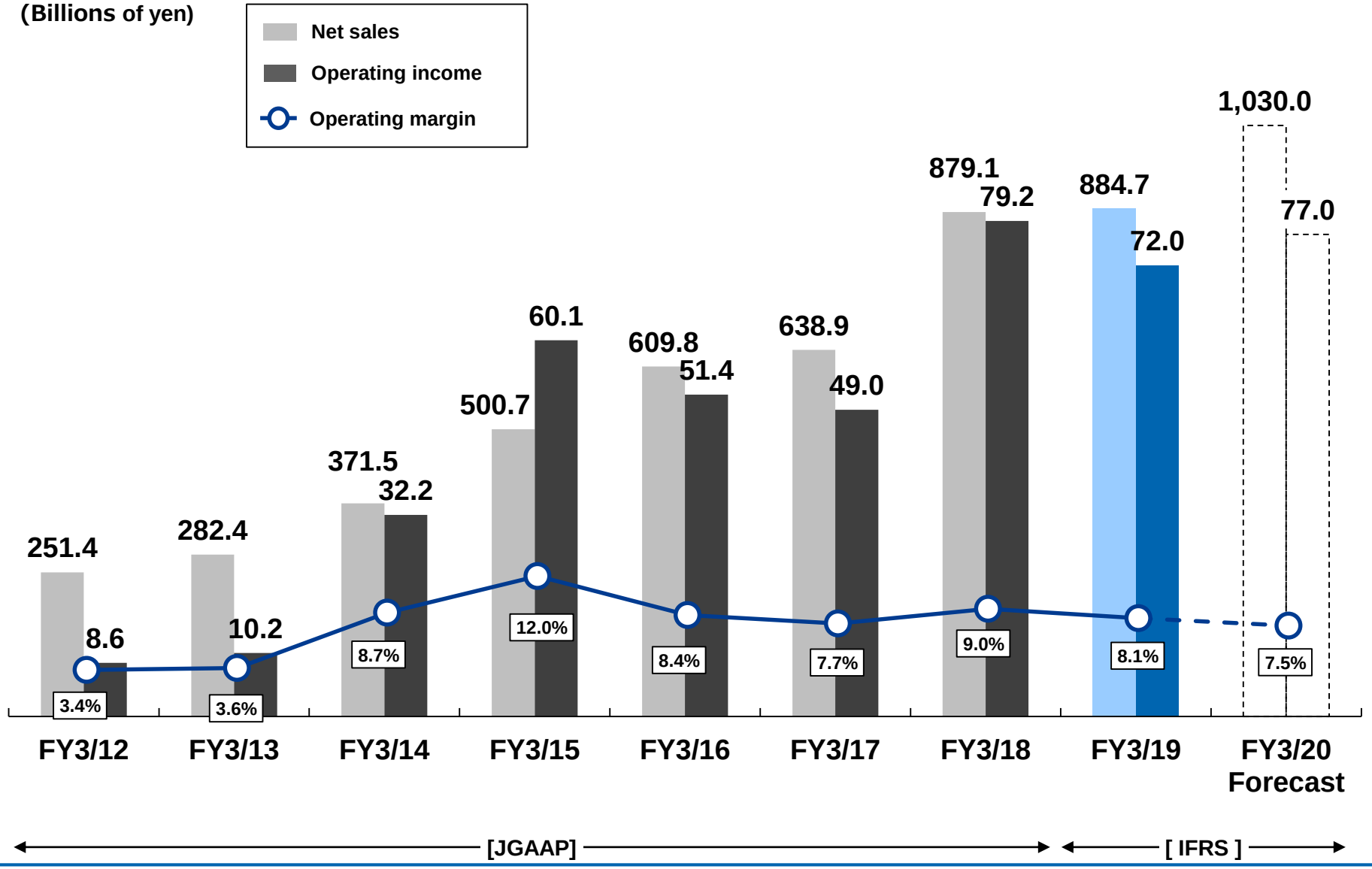
[IFRS]

(Millions of yen)	FY3/18	FY3/19		Change	
	4Q	3Q	4Q	YoY	QoQ
Net sales	224,246	249,570	185,785	-17.2%	-25.6%
Operating income	6,453	31,124	6,994	+8.4%	-77.5%
Profit before taxes	5,496	30,333	6,712	+22.1%	-77.9%
Profit for the period attributable to owners of the parent	1,814	24,177	9,109	X5.0	-62.3%
Earnings per share, basic (yen)	4.33	57.92	21.94	X5.1	-62.1%

Foreign Exchange Rates	FY3/18 4Q	FY3/19 3Q	FY3/19 4Q
US$	¥109.72	¥113.43	¥110.28
Euro	¥133.77	¥129.92	¥126.08
Thai Baht	¥3.45	¥3.45	¥3.47
Chinese RMB	¥17.16	¥16.35	¥16.33

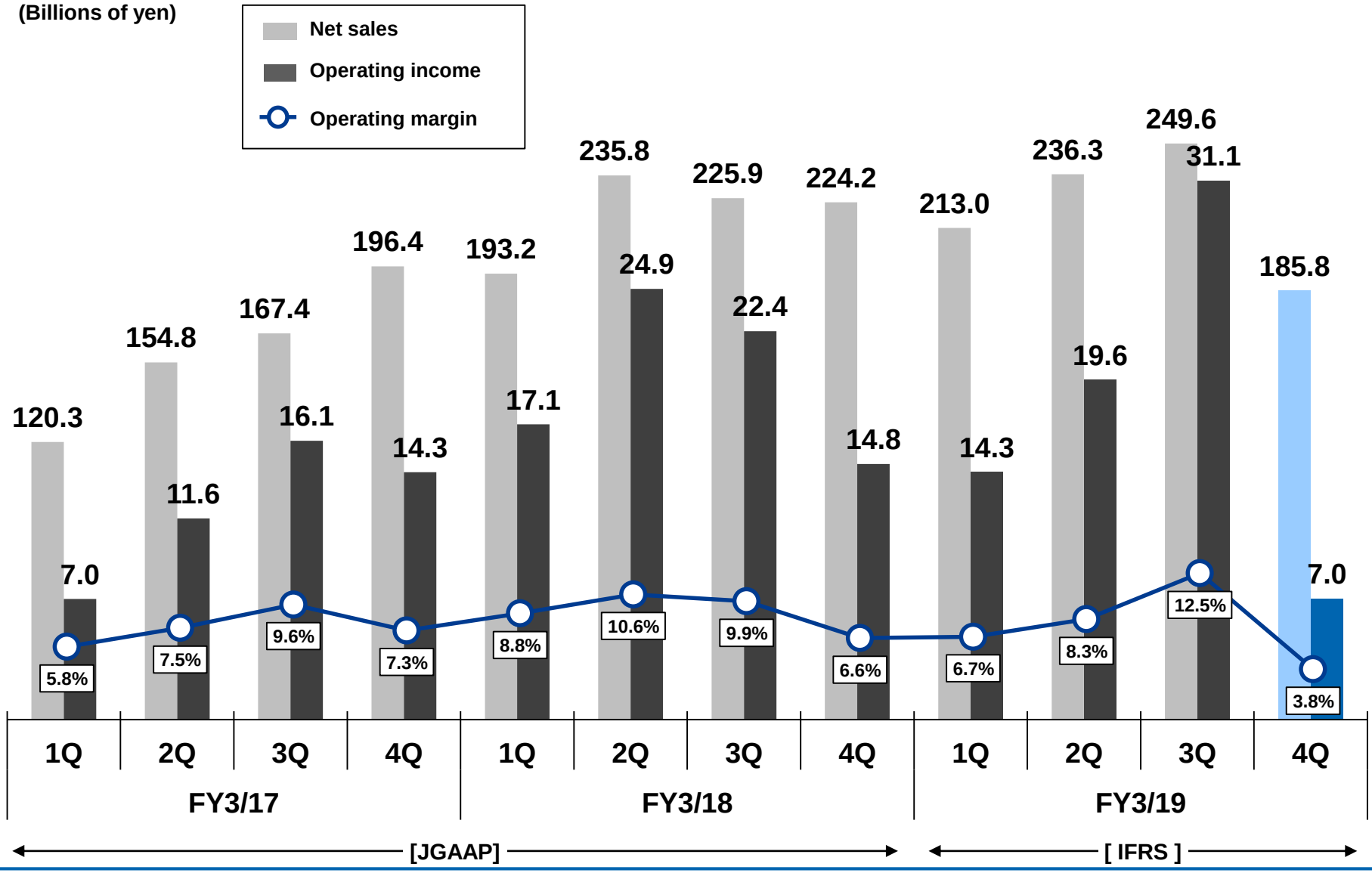
Net Sales, Operating Income/Margin

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



Net Sales, Operating Income/Margin

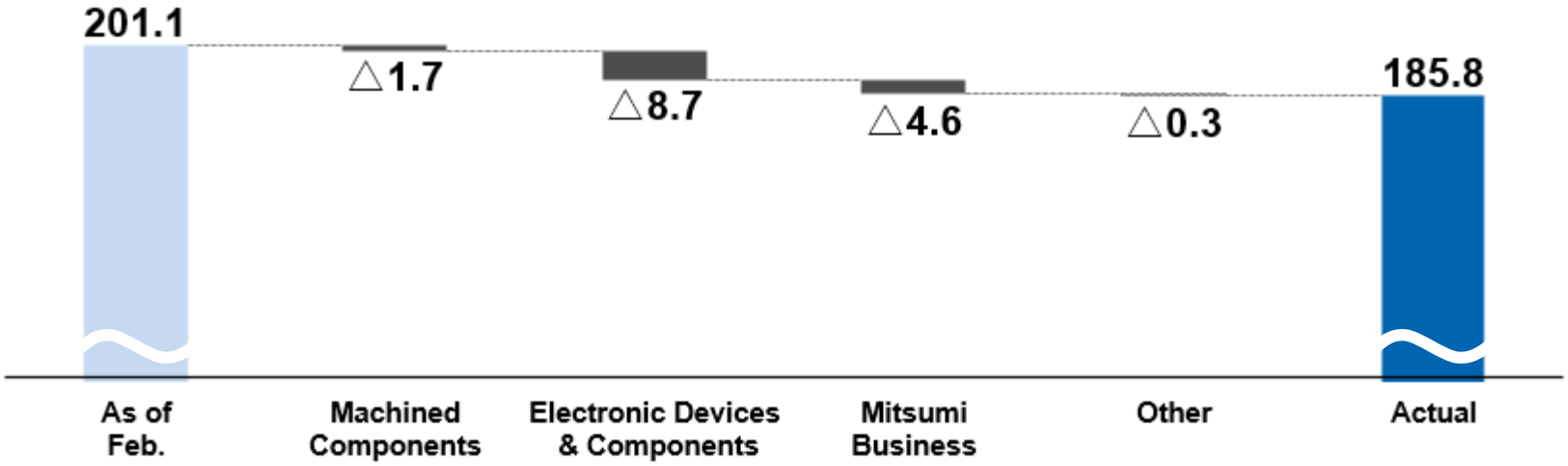
*JGAAP until FY3/18, IFRS since FY3/19



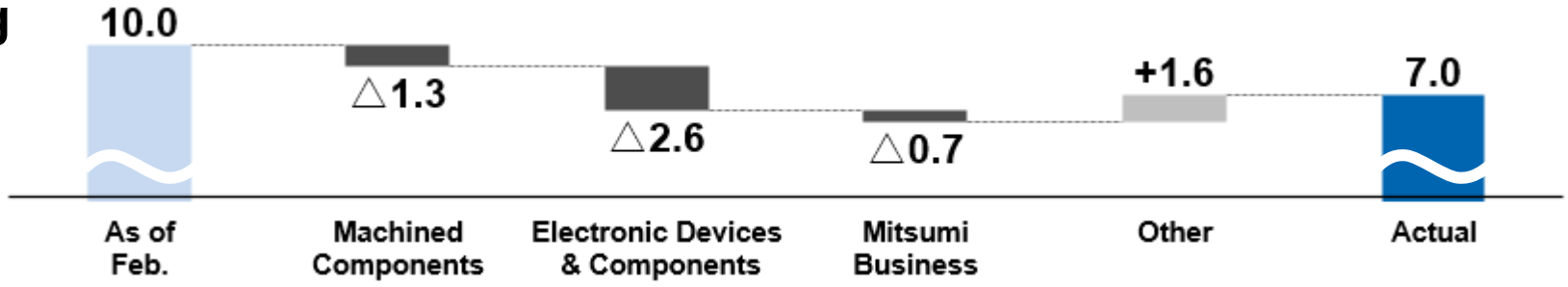
4Q Actual: Differences from the Forecast as of Feb.

(Billions of yen)

Net Sales



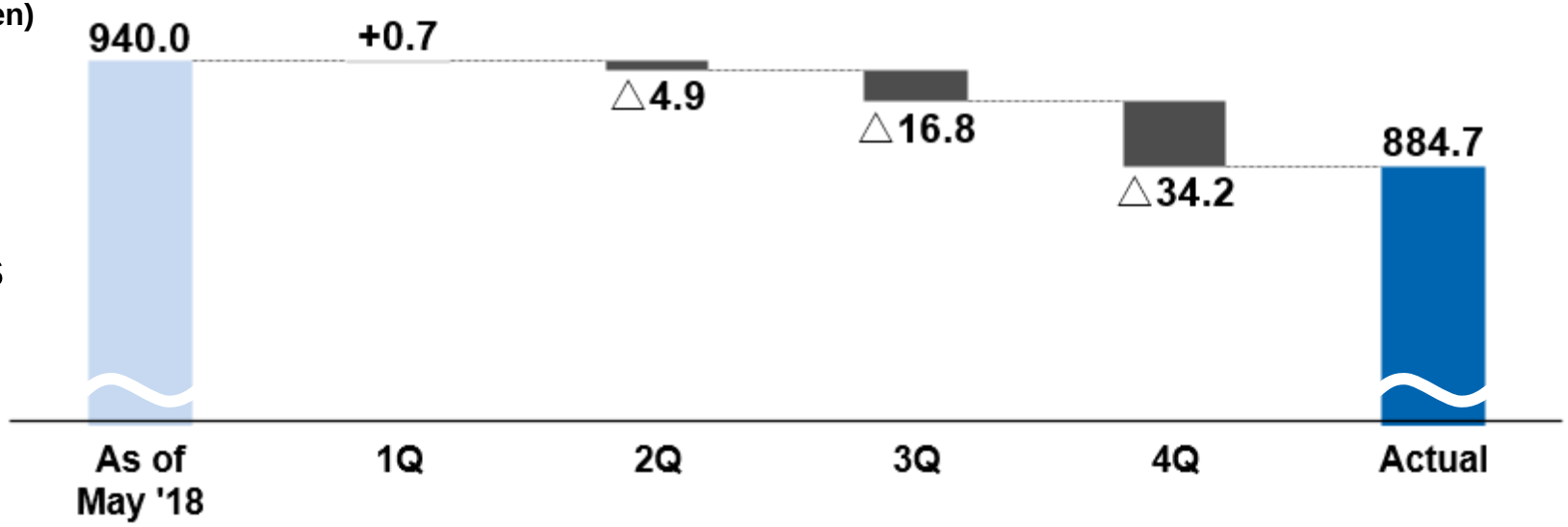
Operating Income



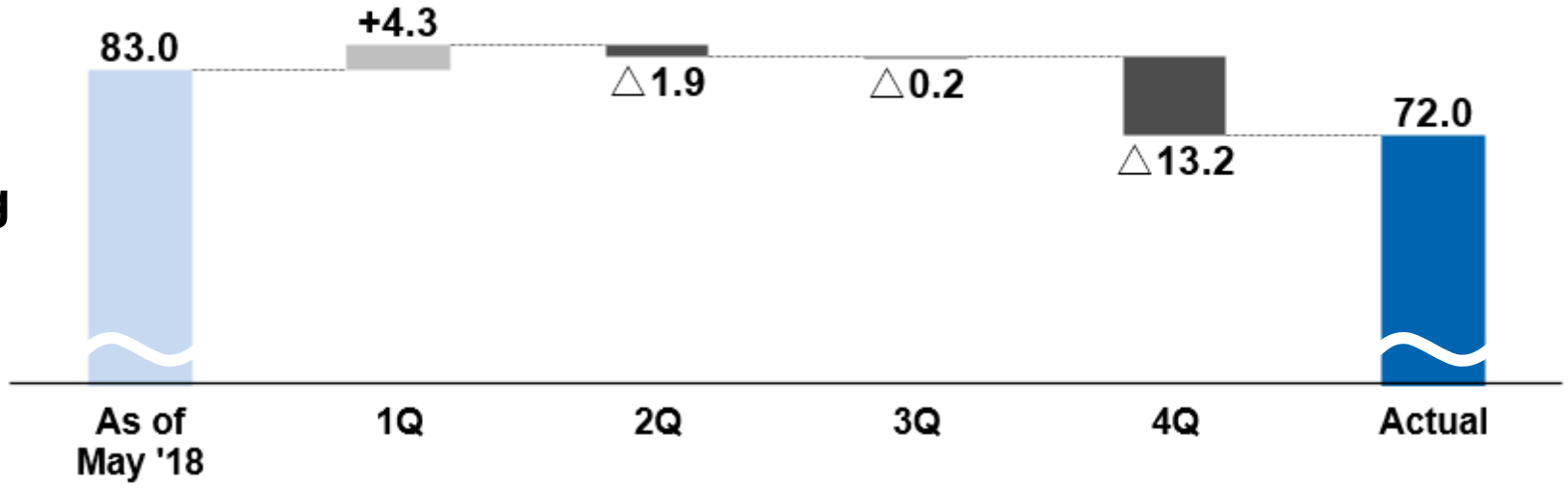
Actual: Differences from the Forecast as of May ’18

(Billions of yen)

Net Sales



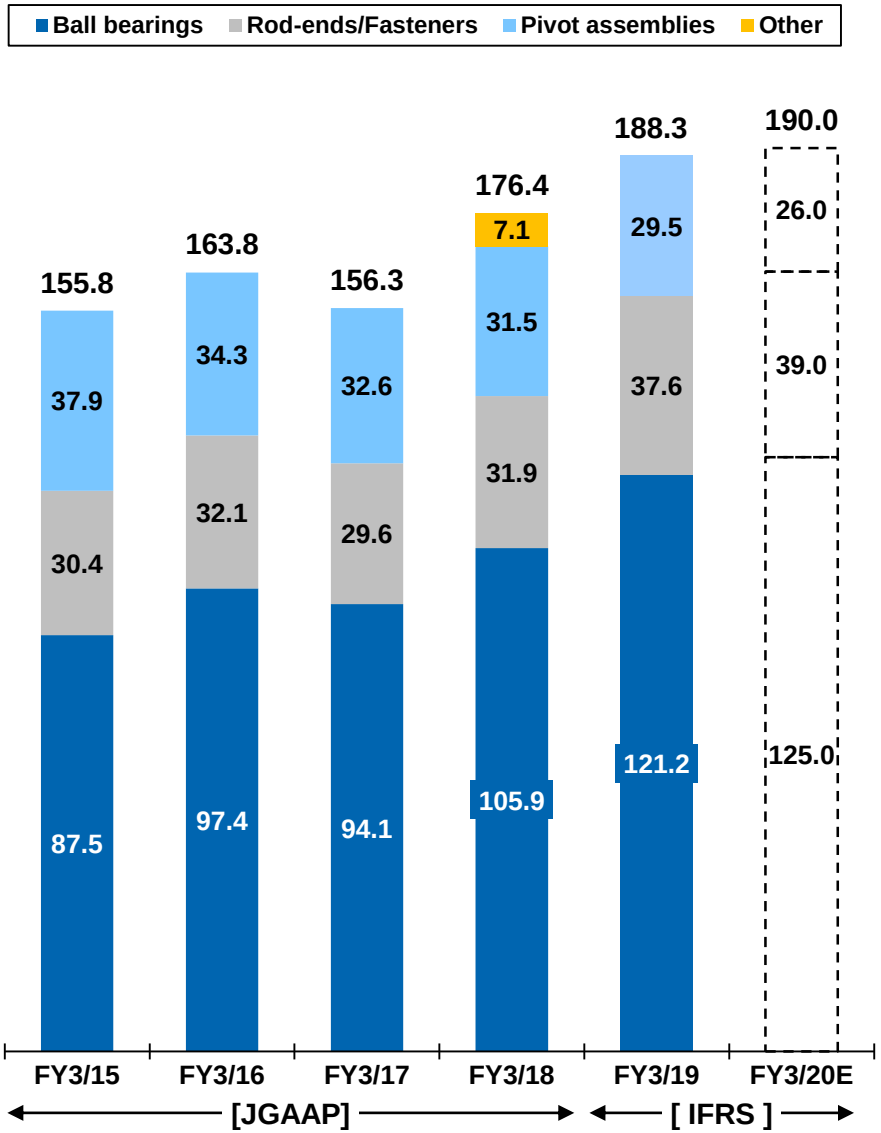
Operating Income



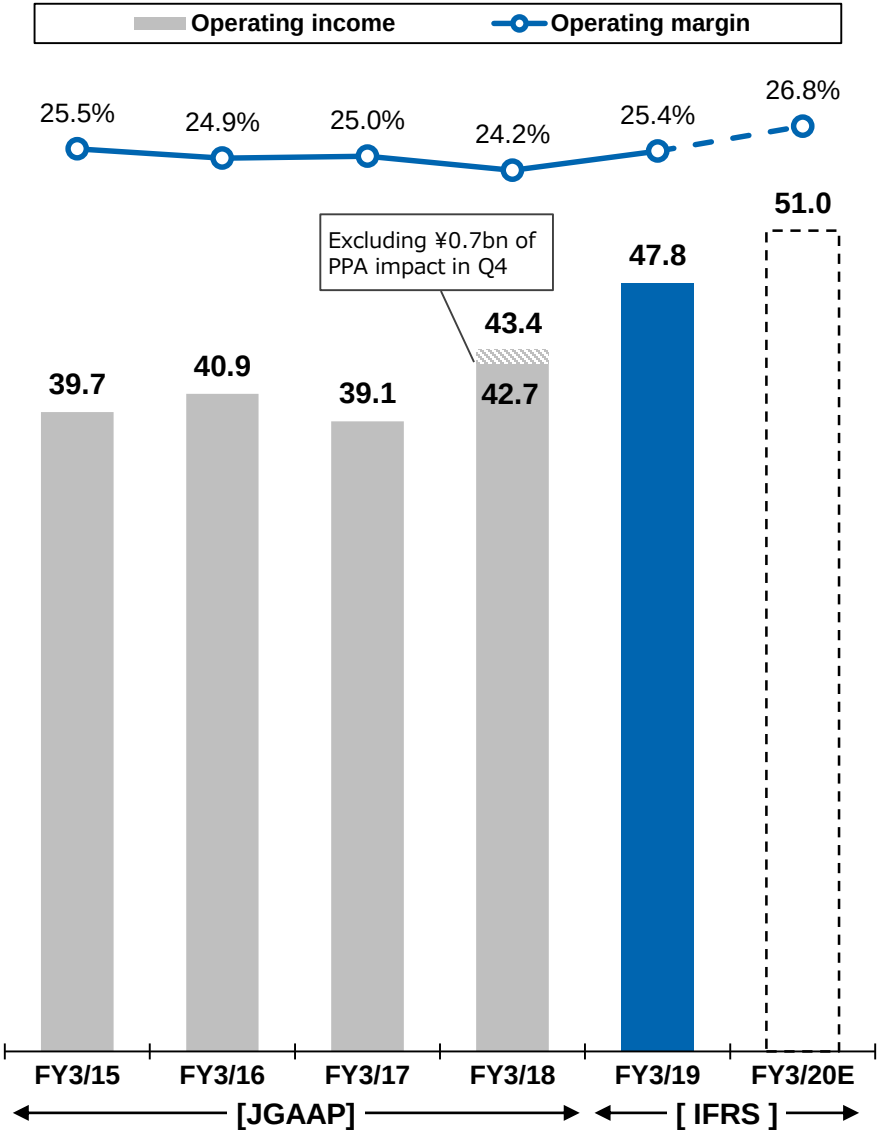
Machined Components

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

Net sales (Billions of yen)



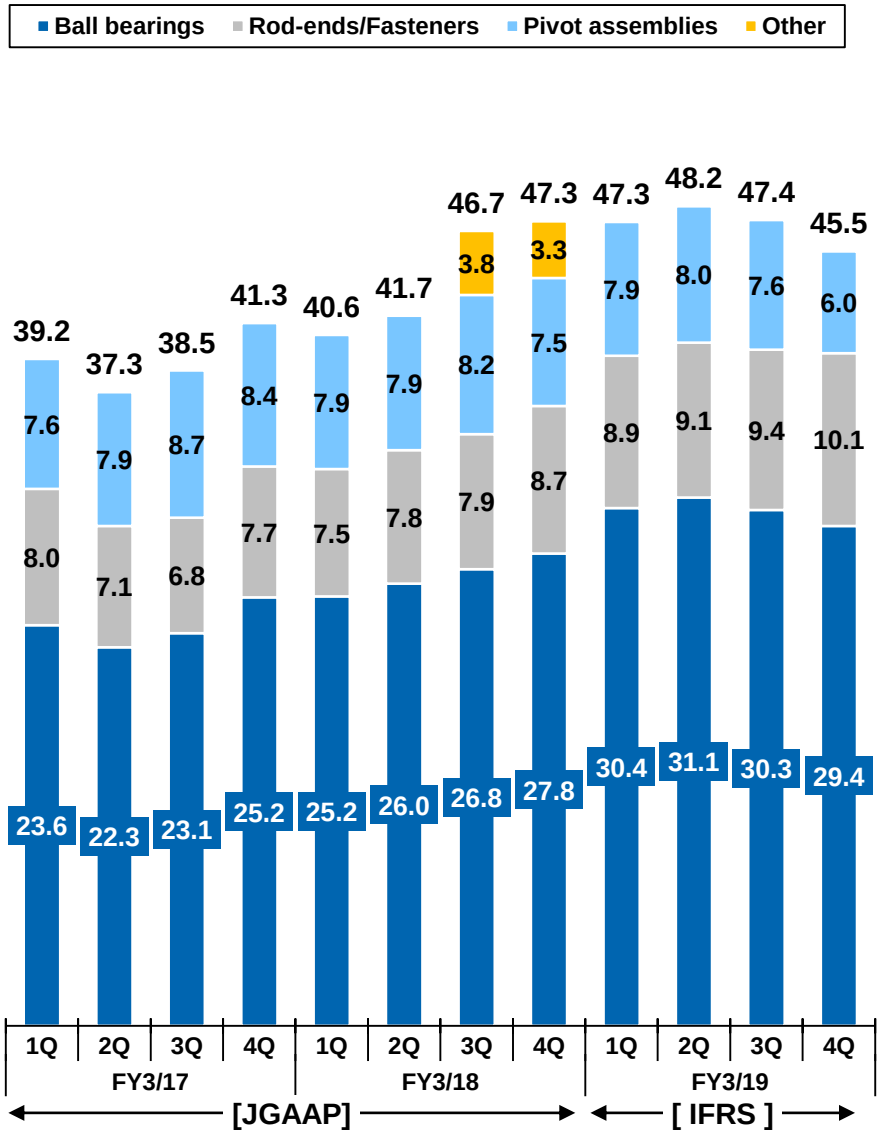
Operating income (Billions of yen)



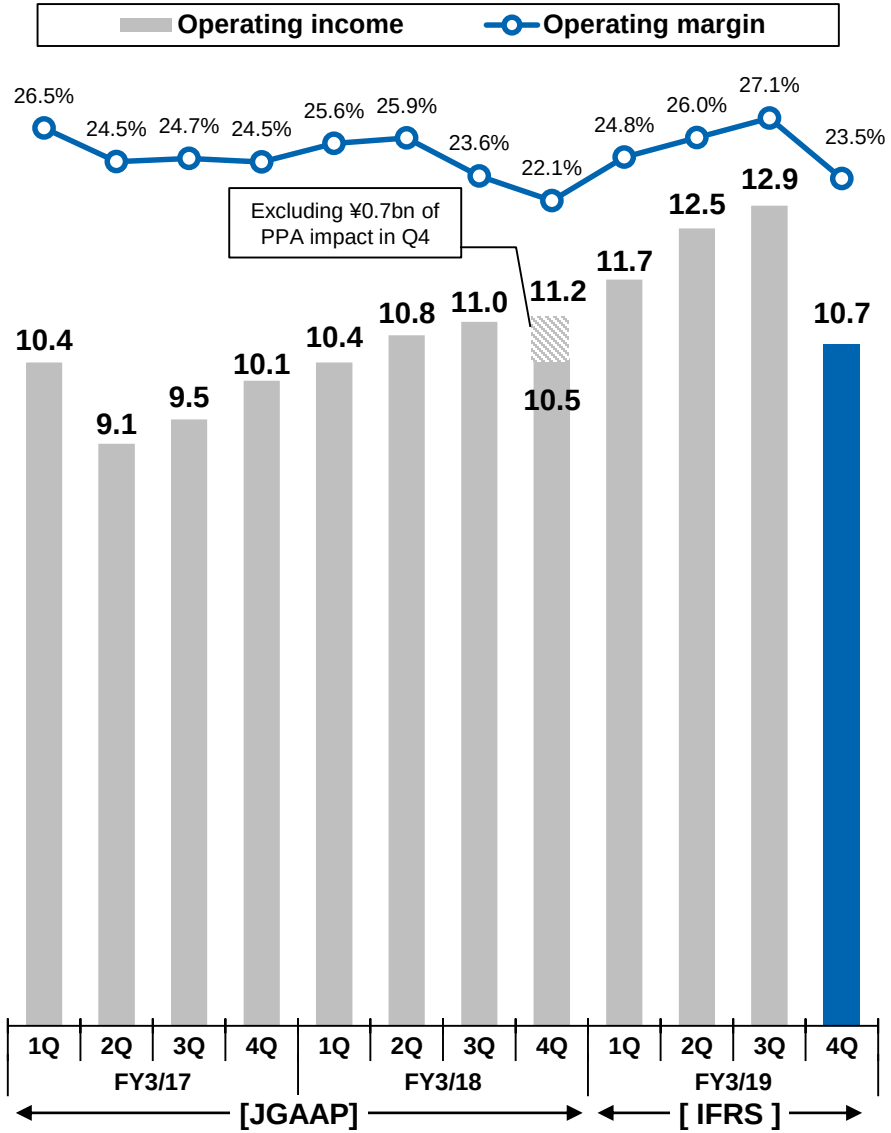
Machined Components

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

Net sales (Billions of yen)



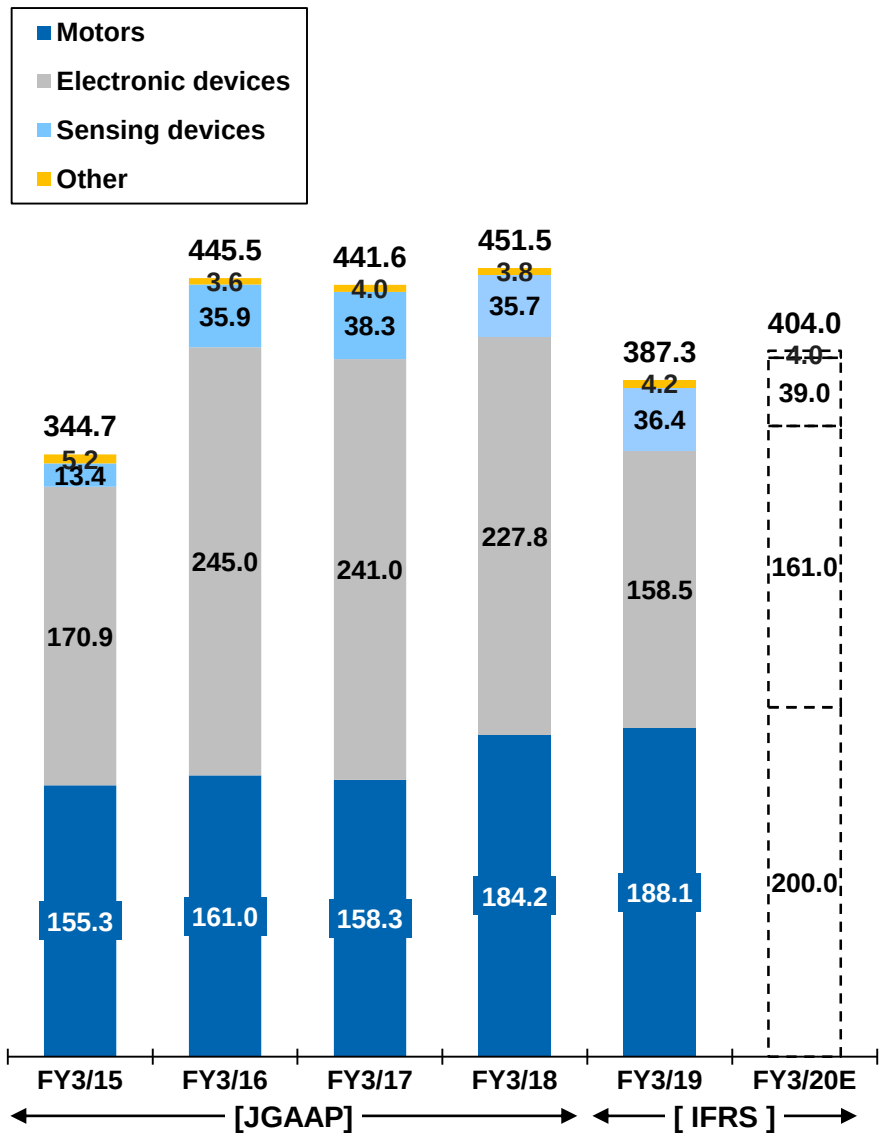
Operating income (Billions of yen)



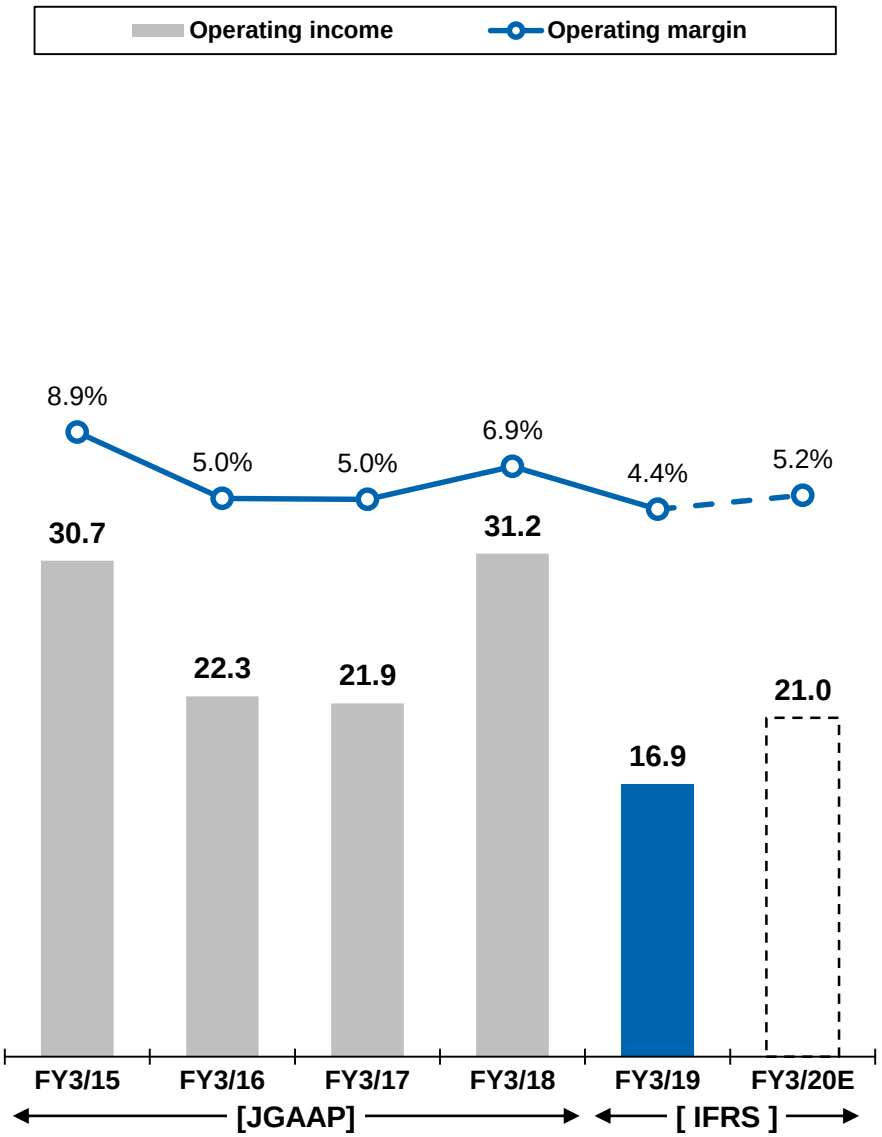
Electronic Devices & Components

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

Net sales (Billions of yen)



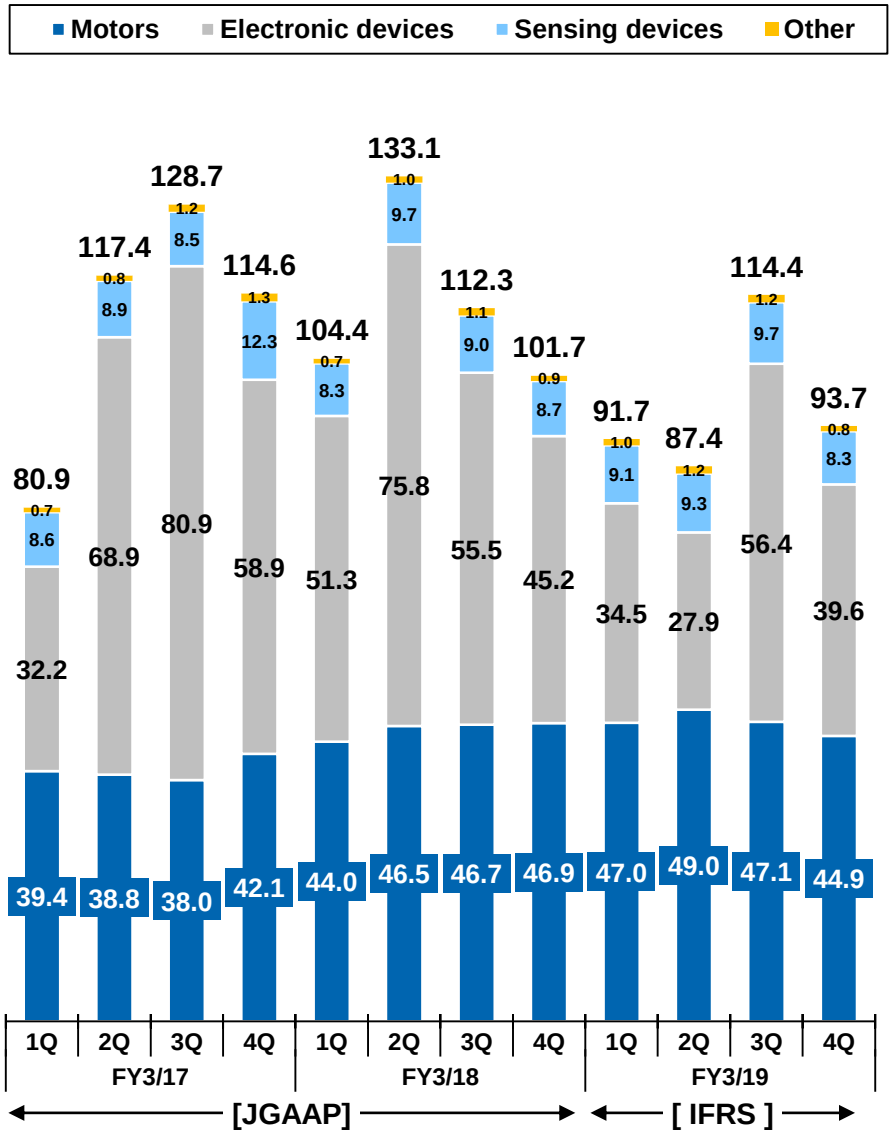
Operating income (Billions of yen)



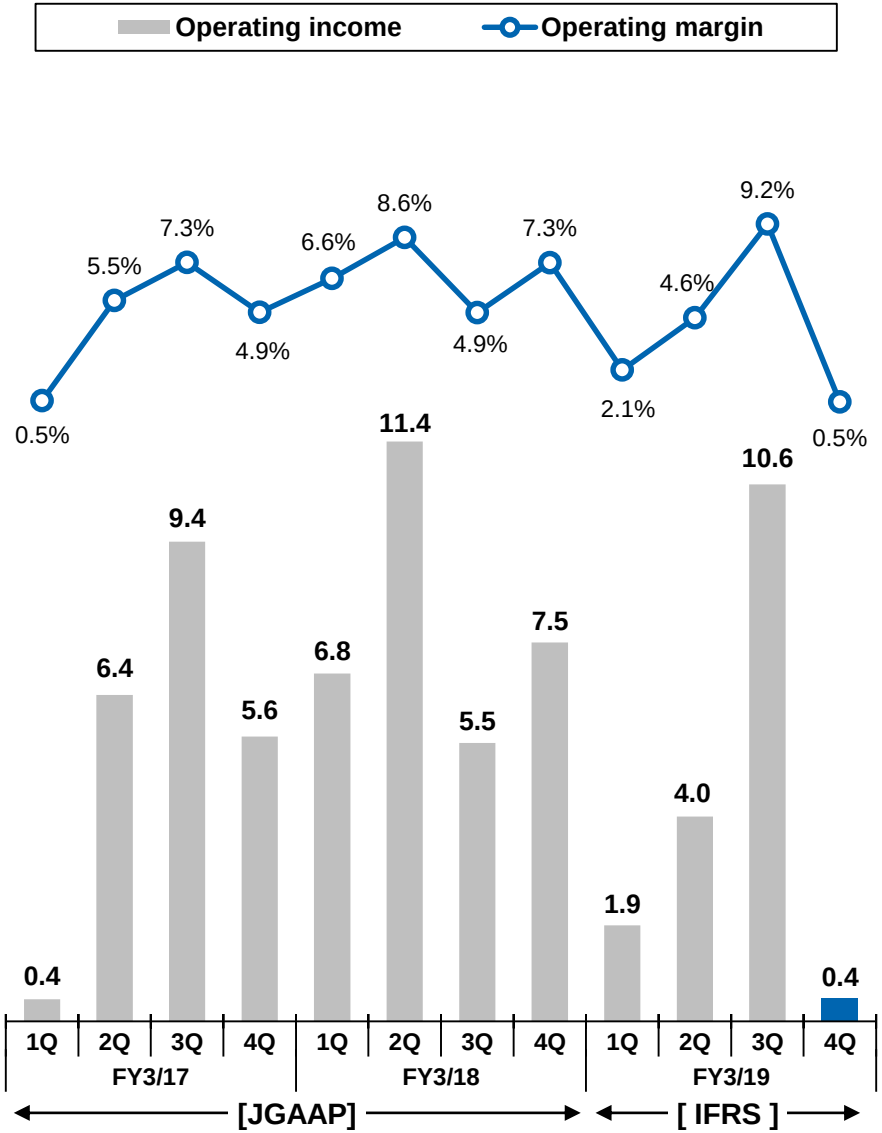
Electronic Devices & Components

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

Net sales (Billions of yen)



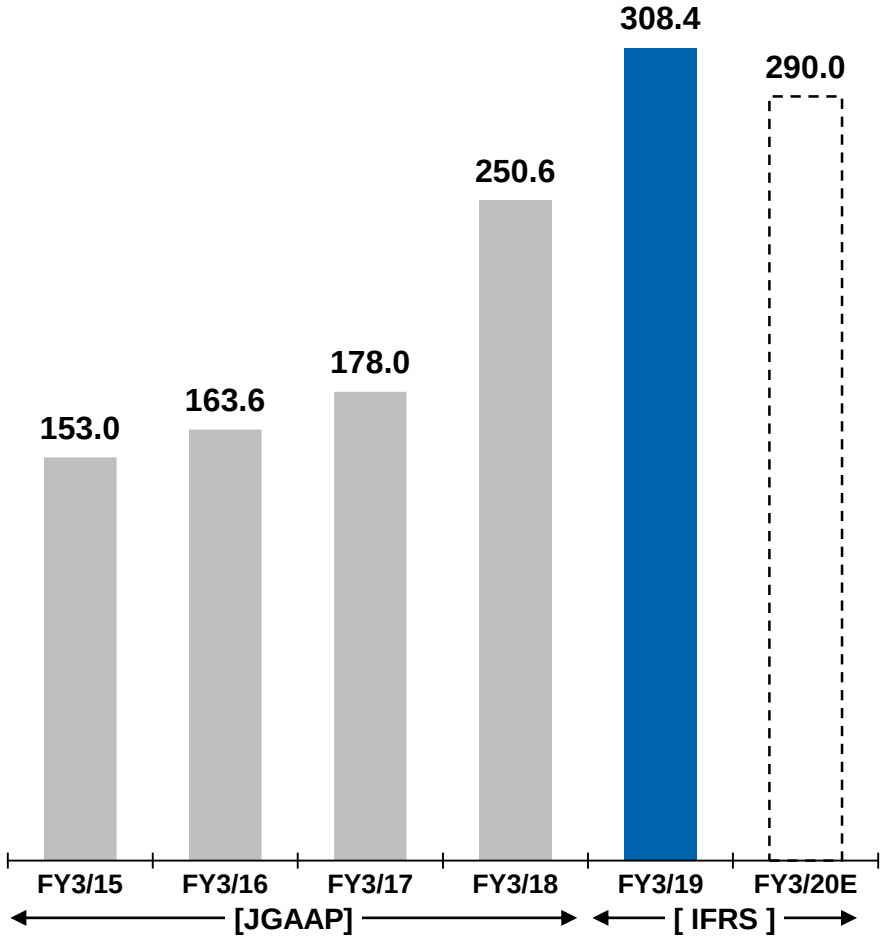
Operating income (Billions of yen)



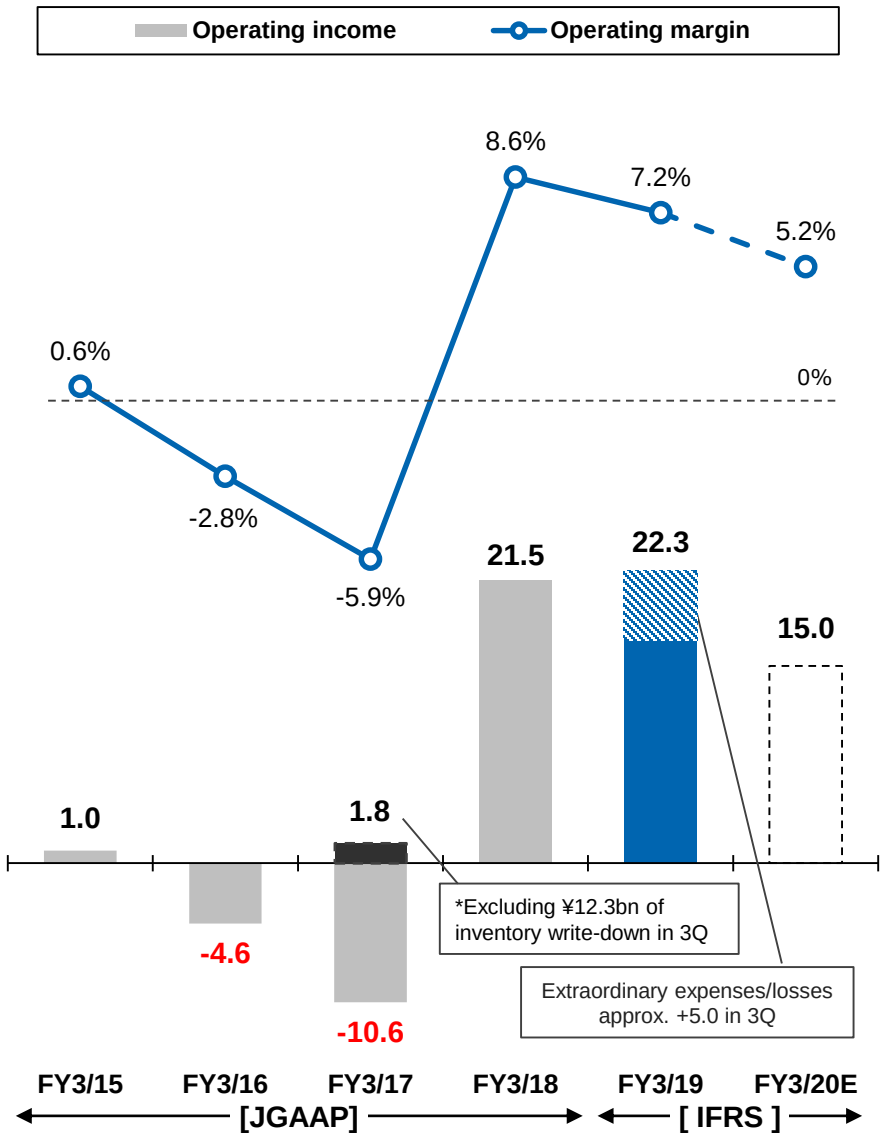
Mitsumi Business

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 since FY3/19.

Net sales (Billions of yen)



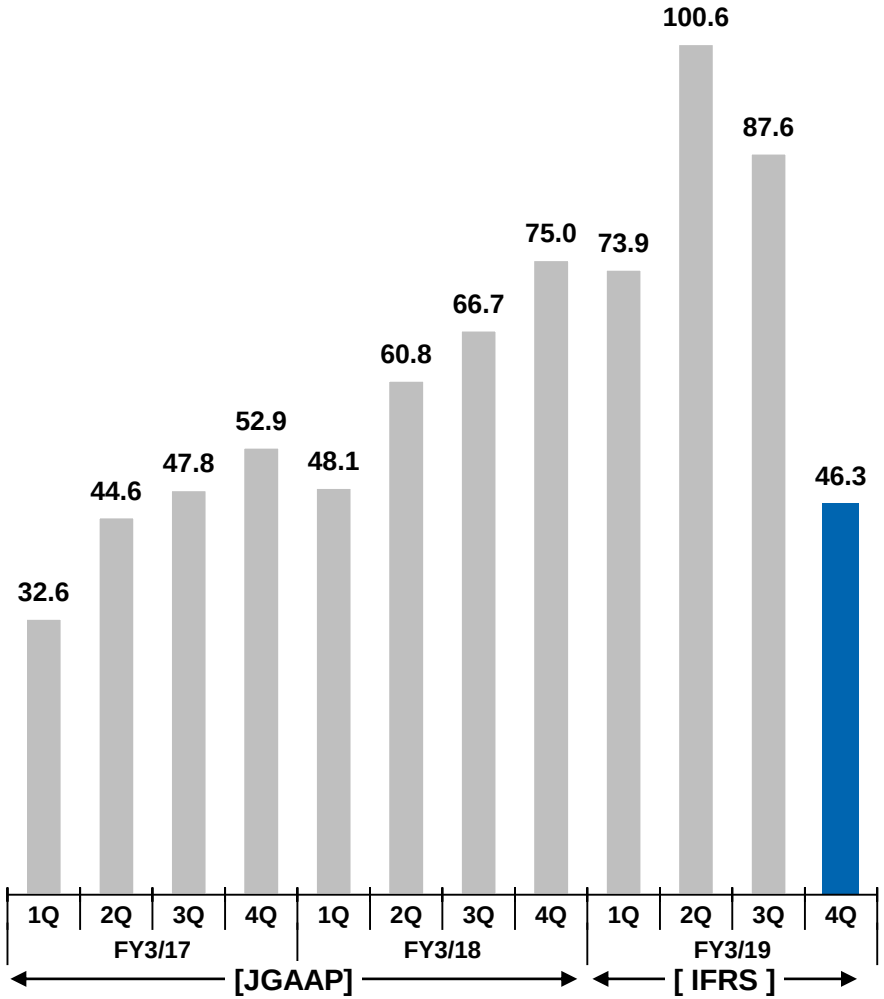
Operating income (Billions of yen)



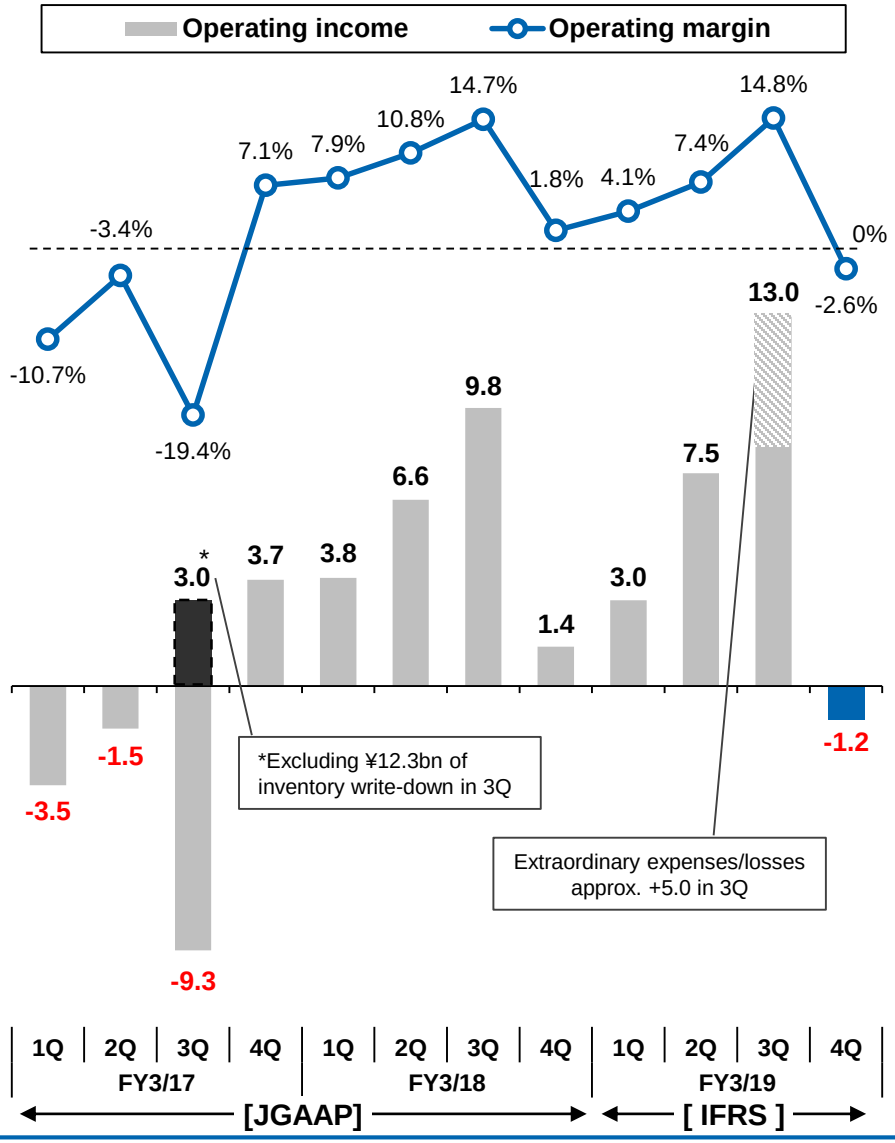
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Net sales (Billions of yen)



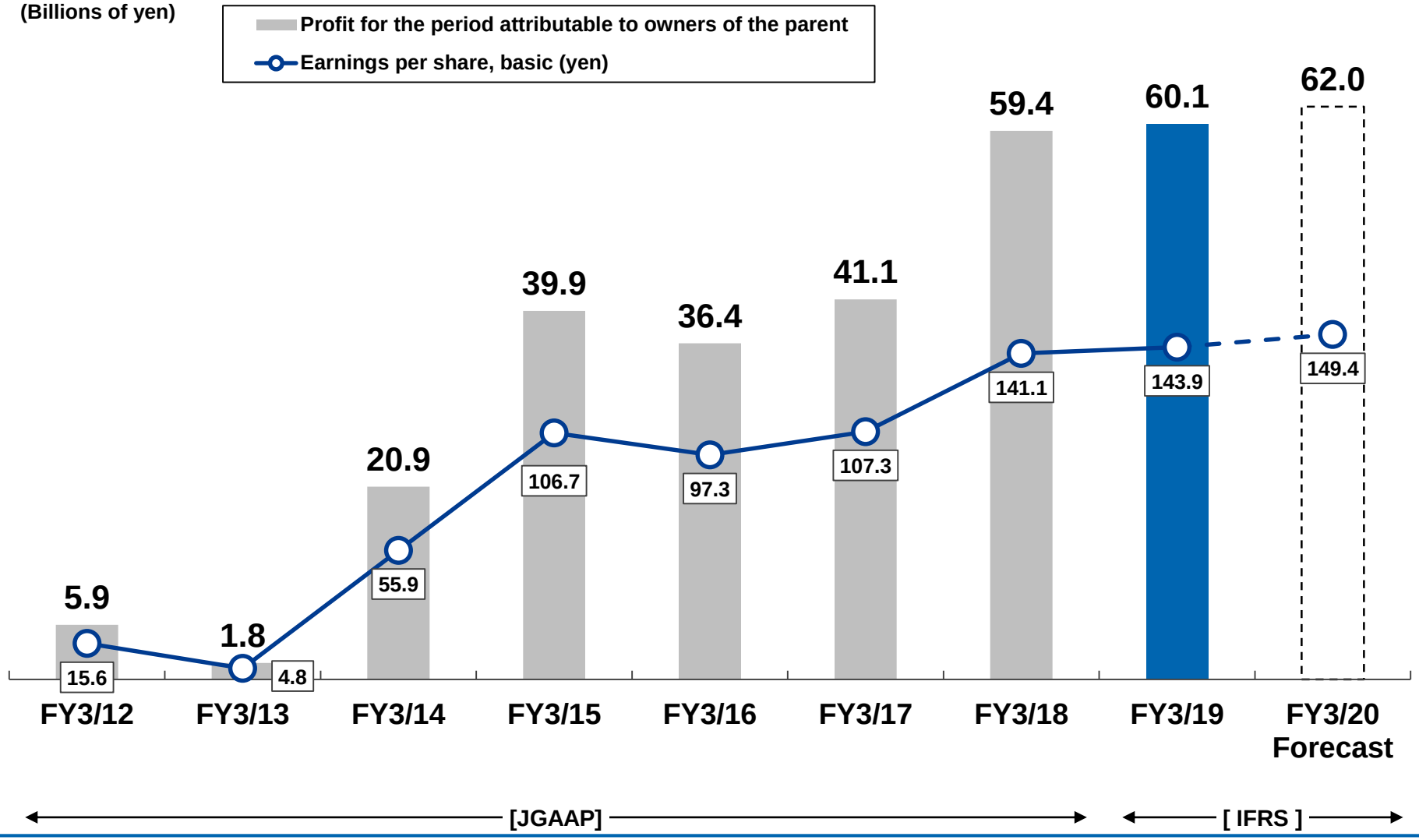
Operating income (Billions of yen)



Profit Attributable to Owners of the Parent

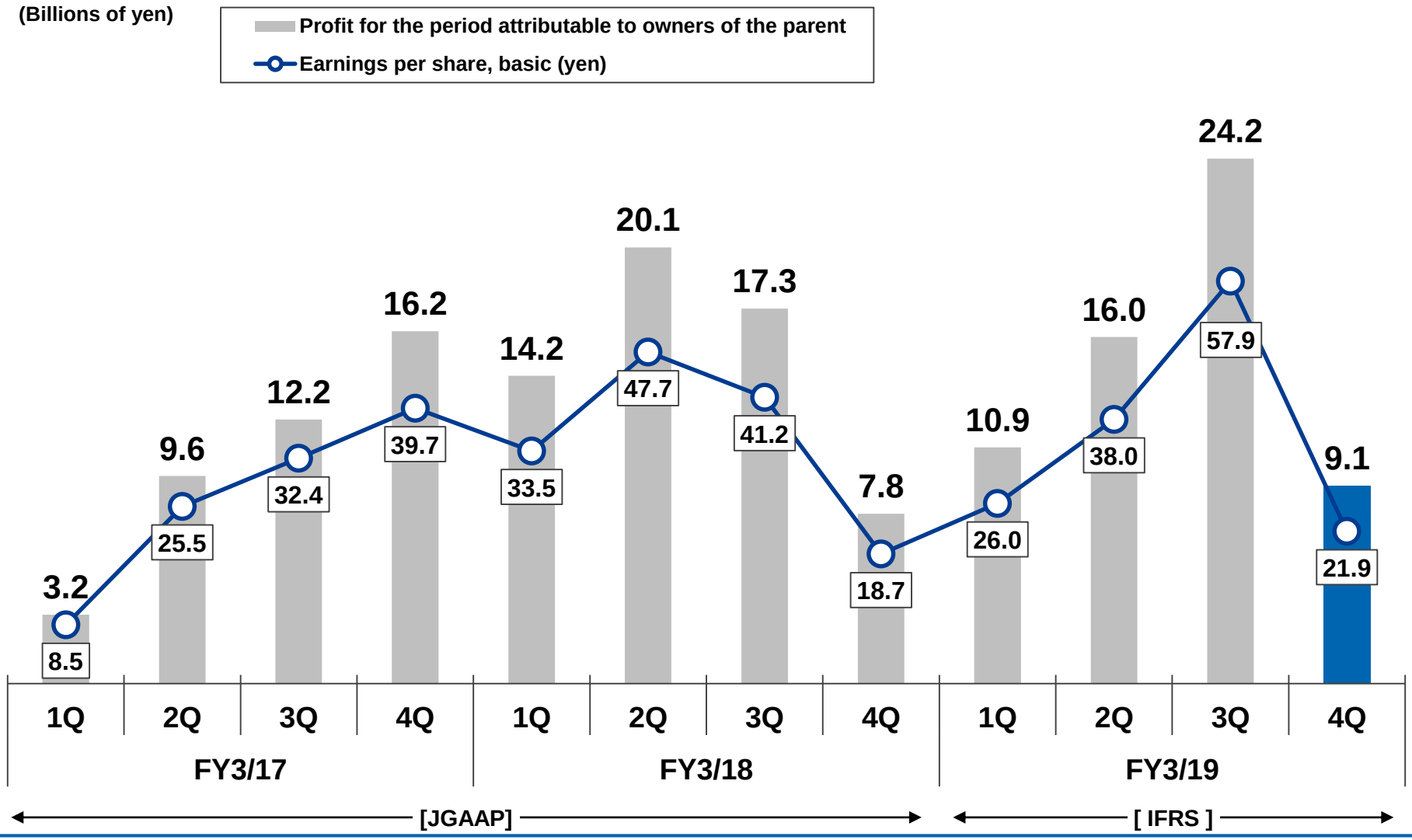
*JGAAP until FY3/18, IFRS since FY3/19

Hit Record High for Three Years in a Row



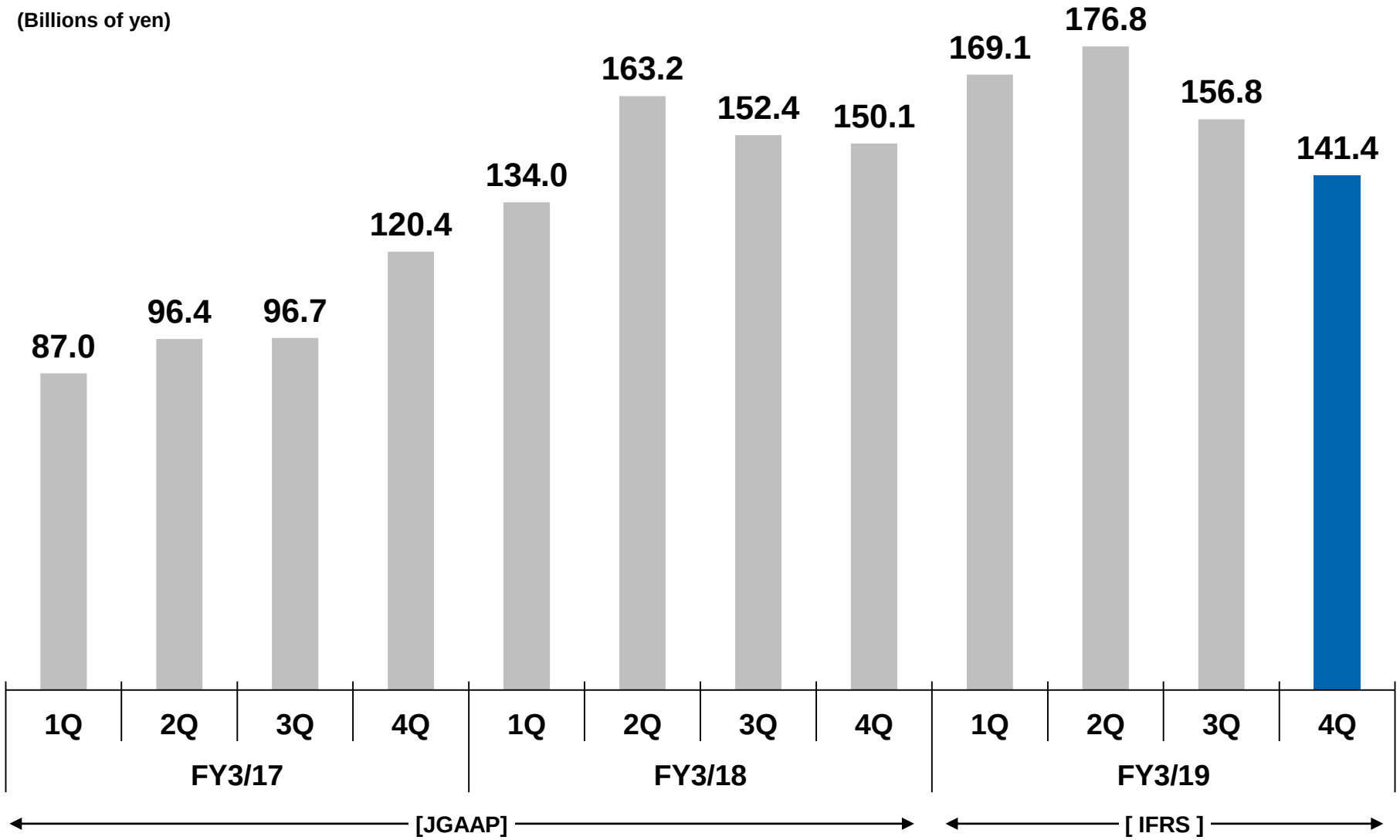
Profit Attributable to Owners of the Parent

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



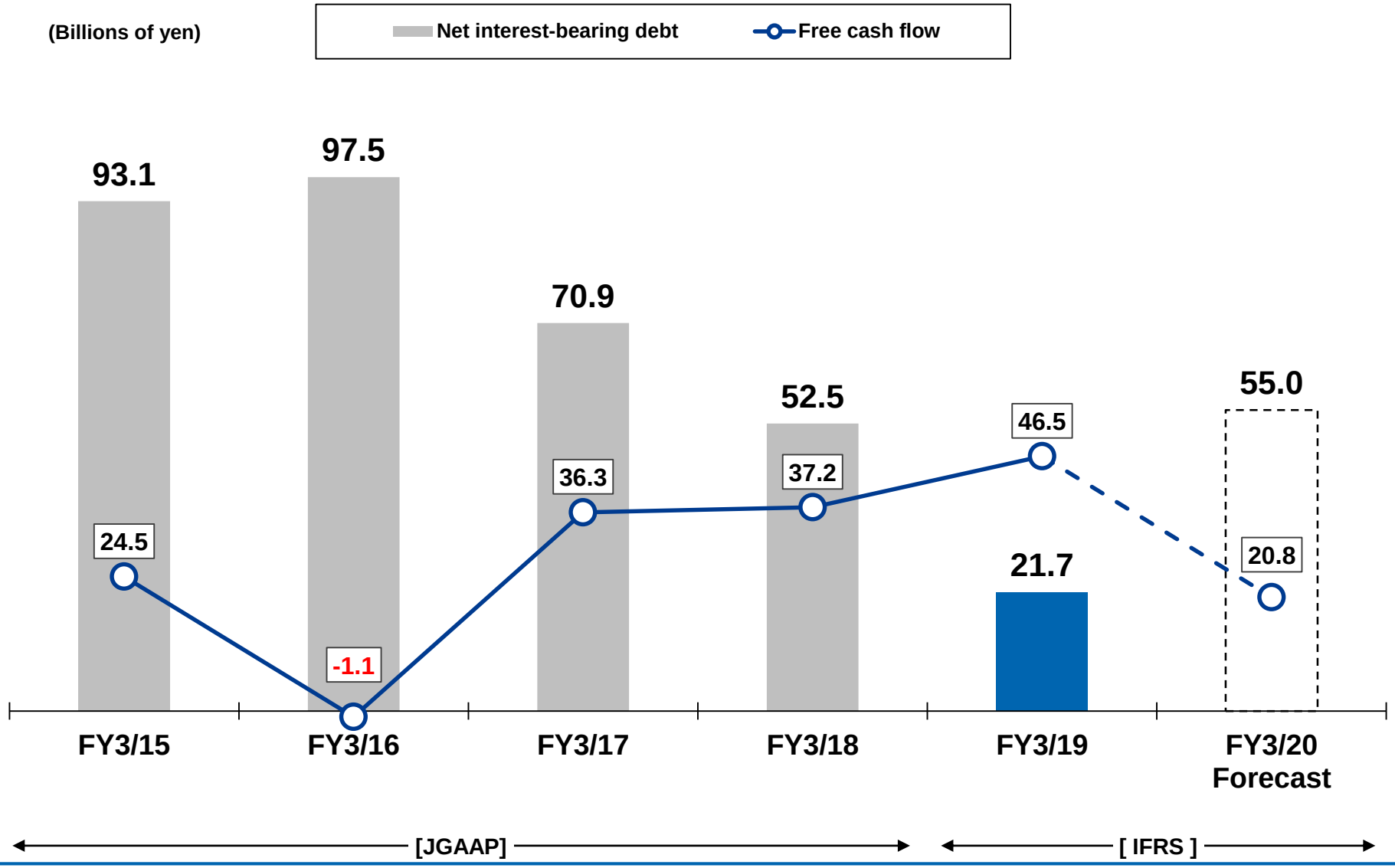
Inventories

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



Net Interest-Bearing Debt/Free Cash Flow

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



One Trillion yen Sales and Hit Record Highs

[IFRS]

(Millions of yen)	FY3/19 Full Year	FY3/20 1st Half	FY3/20 2nd Half	FY3/20 Full Year	FY3/20 YoY
Net sales	884,723	496,500	533,500	1,030,000	+16.4%
Operating income	72,033	27,000	50,000	77,000	+6.9%
Profit before taxes	71,321	26,500	49,500	76,000	+6.6%
Profit for the period attributable to owners of the parent	60,142	21,400	40,600	62,000	+3.1%
Earnings per share, basic (yen)	143.90	51.55	97.80	149.35	+3.8%

Foreign Exchange Rates	FY3/19 Full Year	FY3/20 Assumptions
US$	¥110.67	¥110.00
Euro	¥128.75	¥125.00
Thai Baht	¥3.42	¥3.45
Chinese RMB	¥16.52	¥16.50

Forecast for Business Segment

*Based on IFRS

[IFRS]

(Millions of yen)	FY3/19	FY3/20			
	Full Year	1st Half	2nd Half	Full Year	YoY
Net sales	884,723	496,500	533,500	1,030,000	+16.4%
Machined components	188,324	93,400	96,600	190,000	+0.9%
Electronic devices and components	387,293	189,700	214,300	404,000	+4.3%
Mitsumi business	308,423	140,900	149,100	290,000	-6.0%
U-Shin business	-	72,000	73,000	145,000	-
Other	683	500	500	1,000	+46.4%
Operating income	72,033	27,000	50,000	77,000	+6.9%
Machined components	47,750	24,500	26,500	51,000	+6.8%
Electronic devices and components	16,922	5,300	15,700	21,000	+24.1%
Mitsumi business	22,282	5,900	9,100	15,000	-32.7%
U-Shin business	-	3,100	4,900	8,000	-
Other	△386	△1,000	△1,000	△2,000	X5.2
Adjustment	△14,535	△10,800	△5,200	△16,000	+10.1%

Shareholders Return

Increase Dividends as Previously Forecasted

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

Total return ratio*, including share buyback, reached about 37%**

* Total return ratio = (total dividend + share buyback) / net income

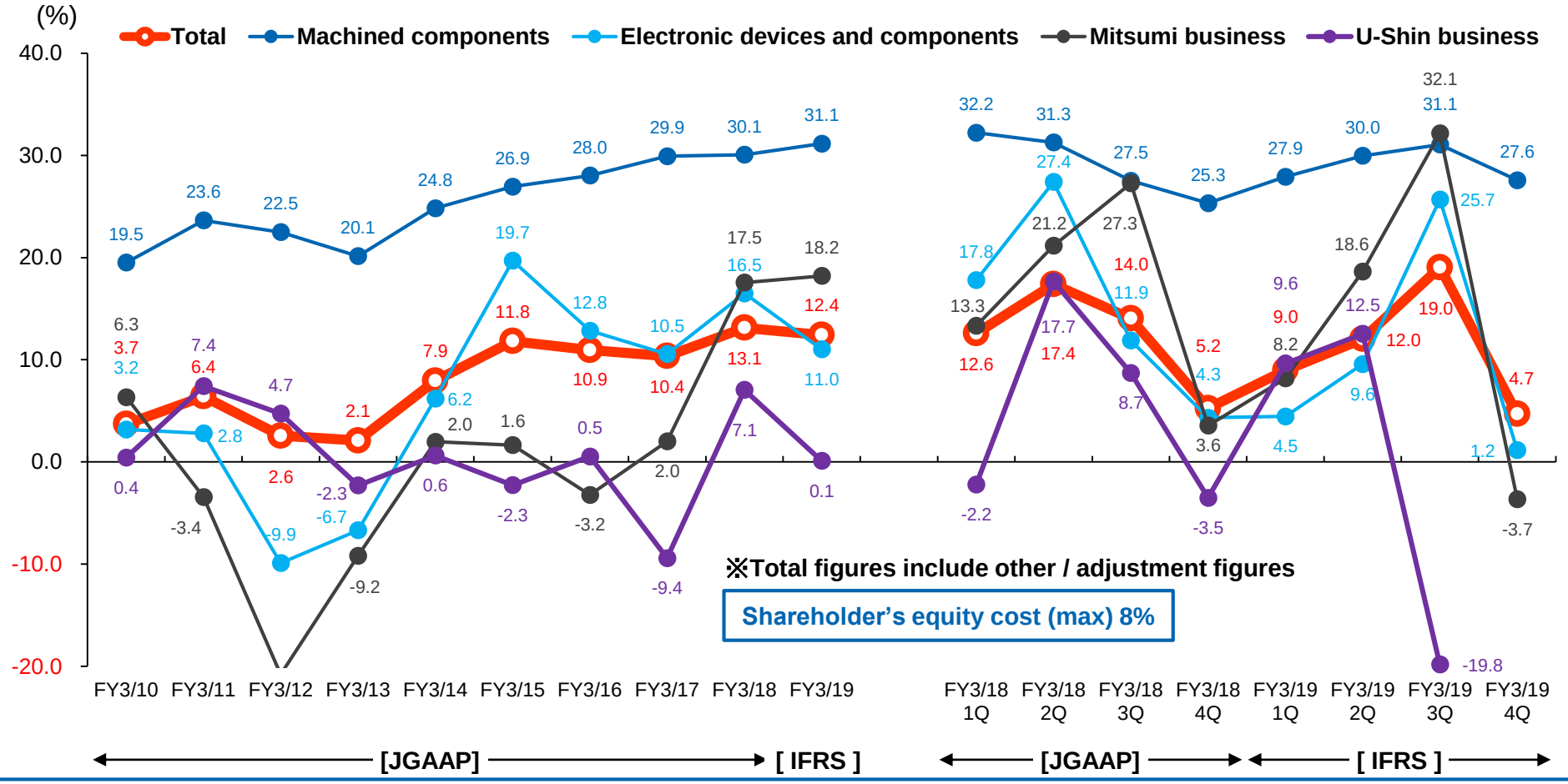
* * Accumulated share buyback: 6,300,000 shares, 10,631,779,271 yen

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, IFRS since 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



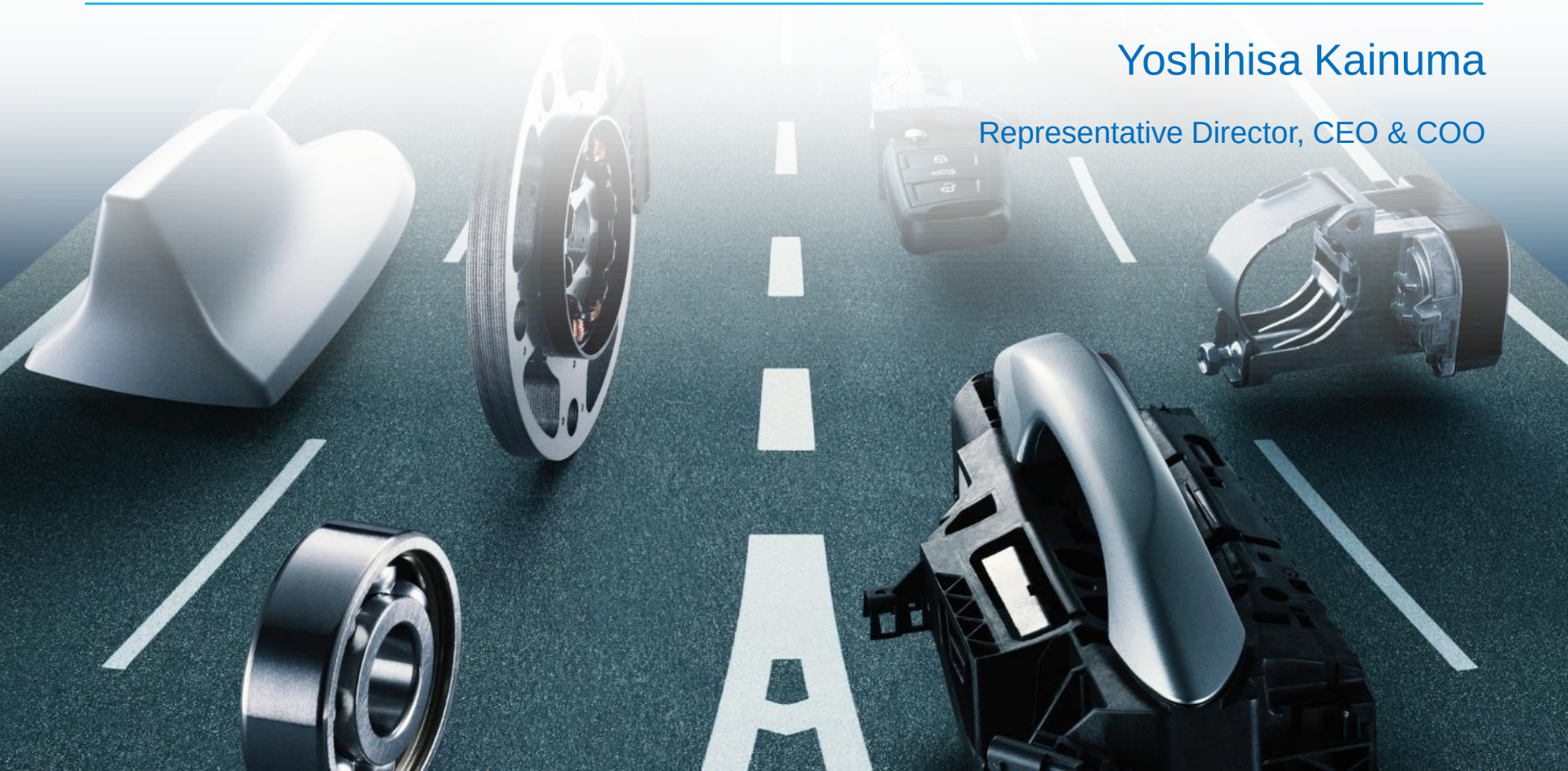
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Passion to Create Value through Difference

Management Policy & Business Strategy

May 8, 2019

Yoshihisa Kainuma

Representative Director, CEO & COO



Summary of Fiscal Year ended 3/19

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- Overall: **Net income for the year hit a record high**. **9-month ended December net sales and OP** were the **highest ever**. **October monthly OP** far exceeded the previous high.
  OP of ¥100 billion is in sight.
  Booming demand of micro actuators for pop-up cameras in China.
  A sharp decline in orders due to drastic changes in the external environment brought 4Q results down below the forecast.
- Short-term outlook: Inventories in the market to steadily drop.
  New technologies will start gaining momentum.
  (IoT, 5G, AI/Big data, ADAS/EV, aircraft/drone)
  → Expected to pick up in summer
- Machined components: Robust in the automobile/aircraft markets. Rod-ends turned a bigger profit than expected. **Bearing inventory secured an optimal level.**
- Electronic devices and components: Demand decreased sharply in China, mainly for home appliance and office automation applications.
  Production of new LED backlights was cut drastically although its launch went smoothly.
- Mitsumi: Production was cut drastically for smartphone/game businesses in 4Q.
  Product launches for new Chinese smartphone models provides a big business opportunity this year.

Summary of Fiscal Year ending 3/20

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Ensure earning ¥1 trillion in net sales a year earlier than planned

- The year to verify the strength of core businesses
as sub-core businesses contribute less and less to the bottom line -

Key points from this fiscal year

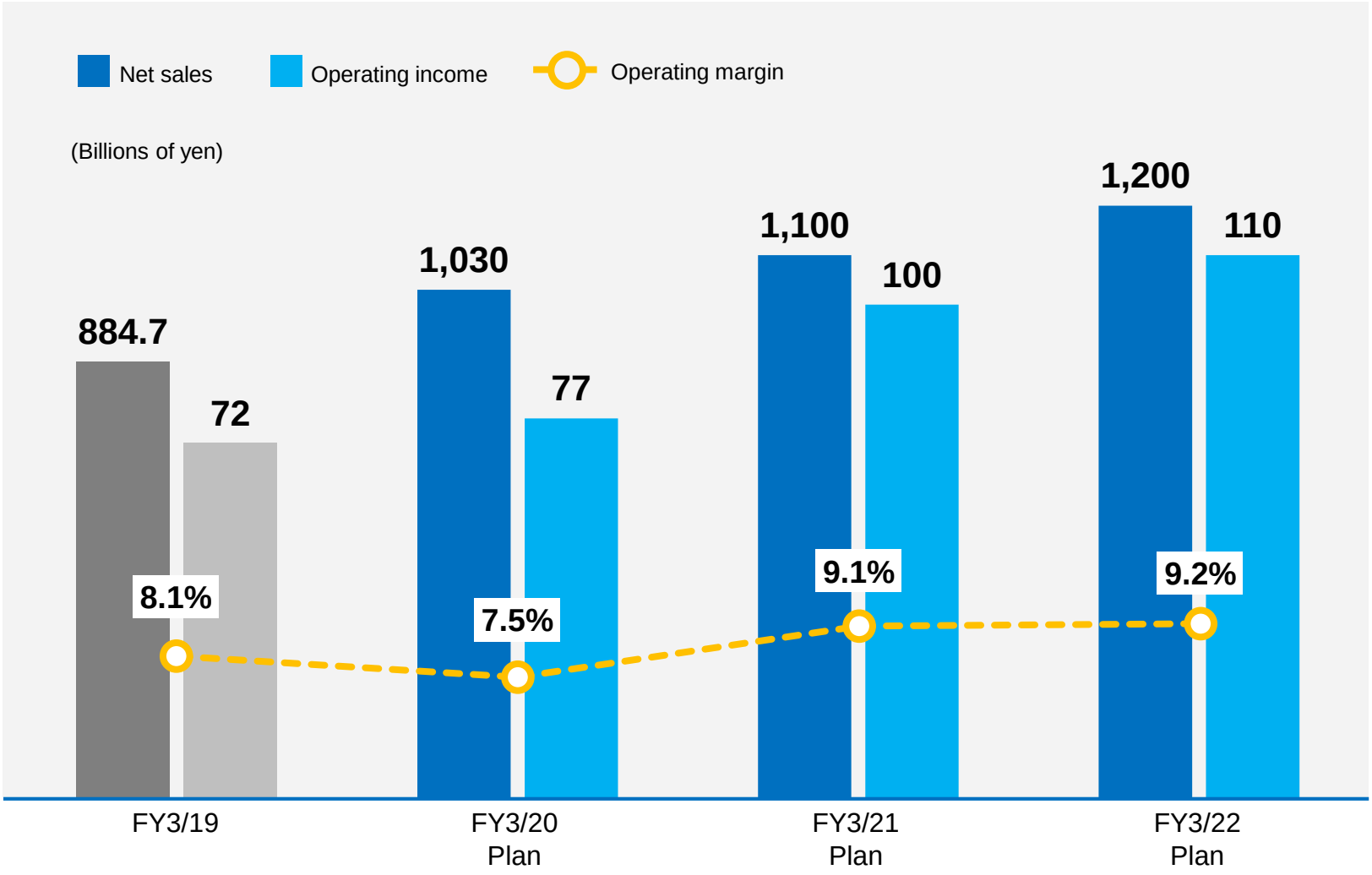
- **Ball bearing profit (margin) to go up despite a decline in volume**
  (better mix, optimal inventory, lower transportation costs, etc.)
- **Businesses targeting automobile/aircraft industries to drive overall growth**
- **Mitsumi business to stay virtually flat**
  (excluding the special factors we saw last fiscal year)
- **Estimates for electronic devices and components and U-Shin business are conservative**
- **Plan proactive shareholders' return**

(Millions of yen)	FY3/19 Full Year	FY3/20 Forecast			
		1st Half	2nd Half	Full Year	YoY
Net sales	884,723	**496,500**	**533,500**	**1,030,000**	+16.4%
Operating income	72,033	**27,000**	**50,000**	**77,000**	+6.9%
Profit for the period attributable to owners of the parent	60,142	**21,400**	**40,600**	**62,000**	+3.1%
Earnings per share, basic (yen)	143.90	**51.55**	**97.90**	**149.35**	+3.8%

Mid-term Business Plan Targets

MinebeaMitsumi
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Aim to achieve operating income of ¥100 billion ASAP via organic growth and synergy with U-Shin



Machined Components Targets

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Demand for ultra-high quality products to keep fueling "healthy" growth

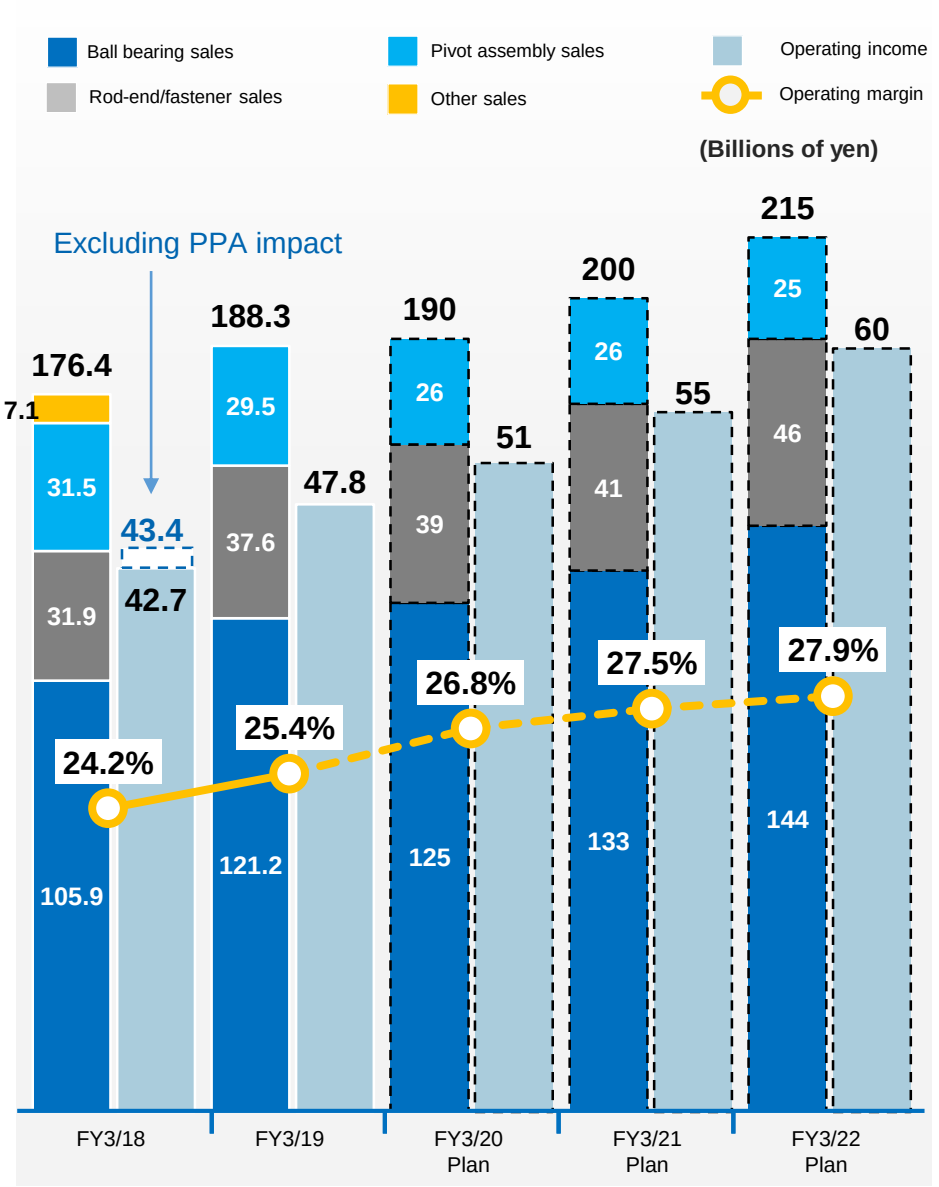
Key Points

1 Ball bearings external sales
Structural demand increase for automobiles

2 Ball bearings internal sales
Ball bearings for motors to cover declining HDD demand

3 Ball bearings production
Optimized product mix and production system to drive profit up

4 Rod-ends & fasteners
Aircraft business to soar



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

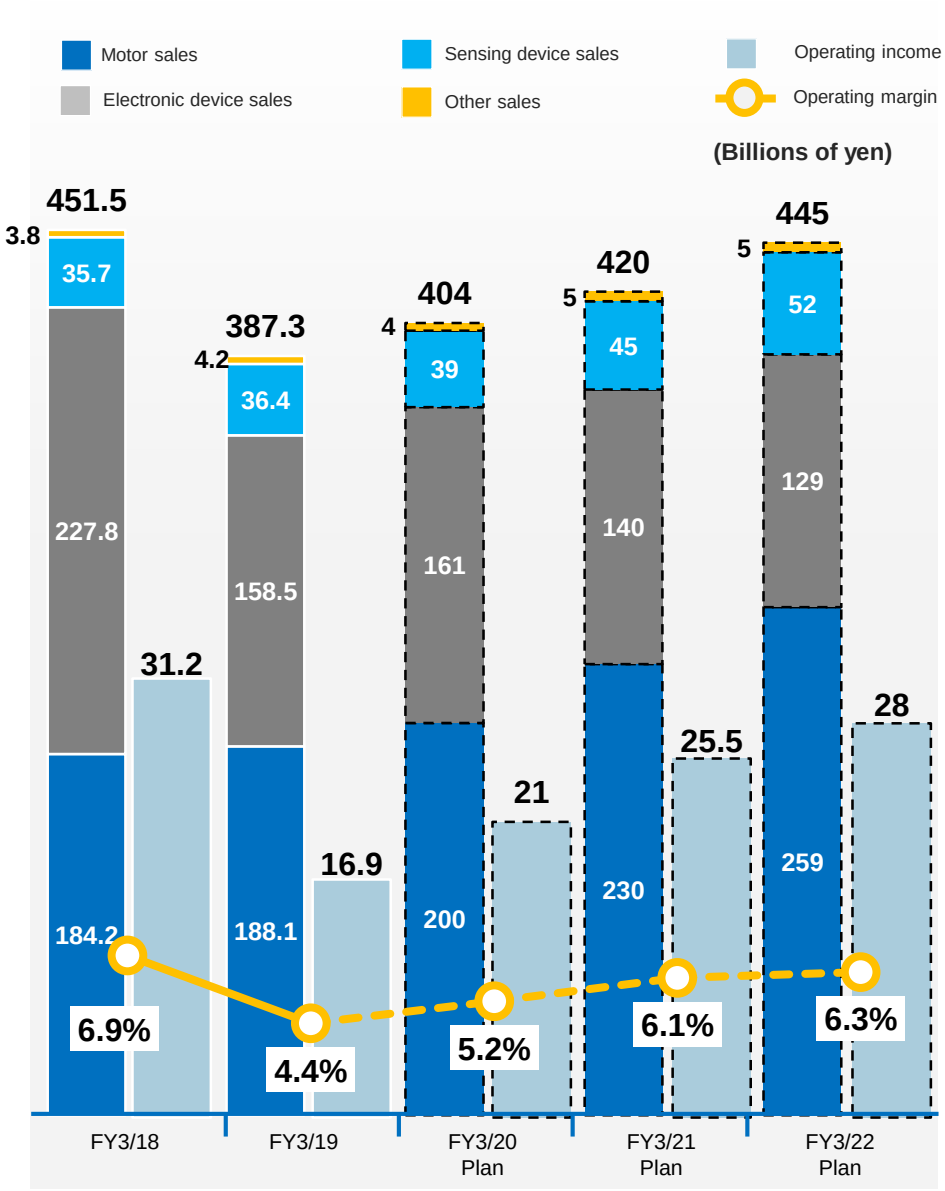
Electronic Devices and Components Targets

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Higher proportion of core businesses to stabilize profits

Key Points

1. Motors for automobiles
   Electrification, CASE for automobiles
2. BLDC motors
   Increasing high-end products to keep growth going strong
3. New products
   A number of new products to be launched, expanding sales
4. Resonant devices
   Mass production of new products to start
5. LED backlights
   Conservative estimate



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

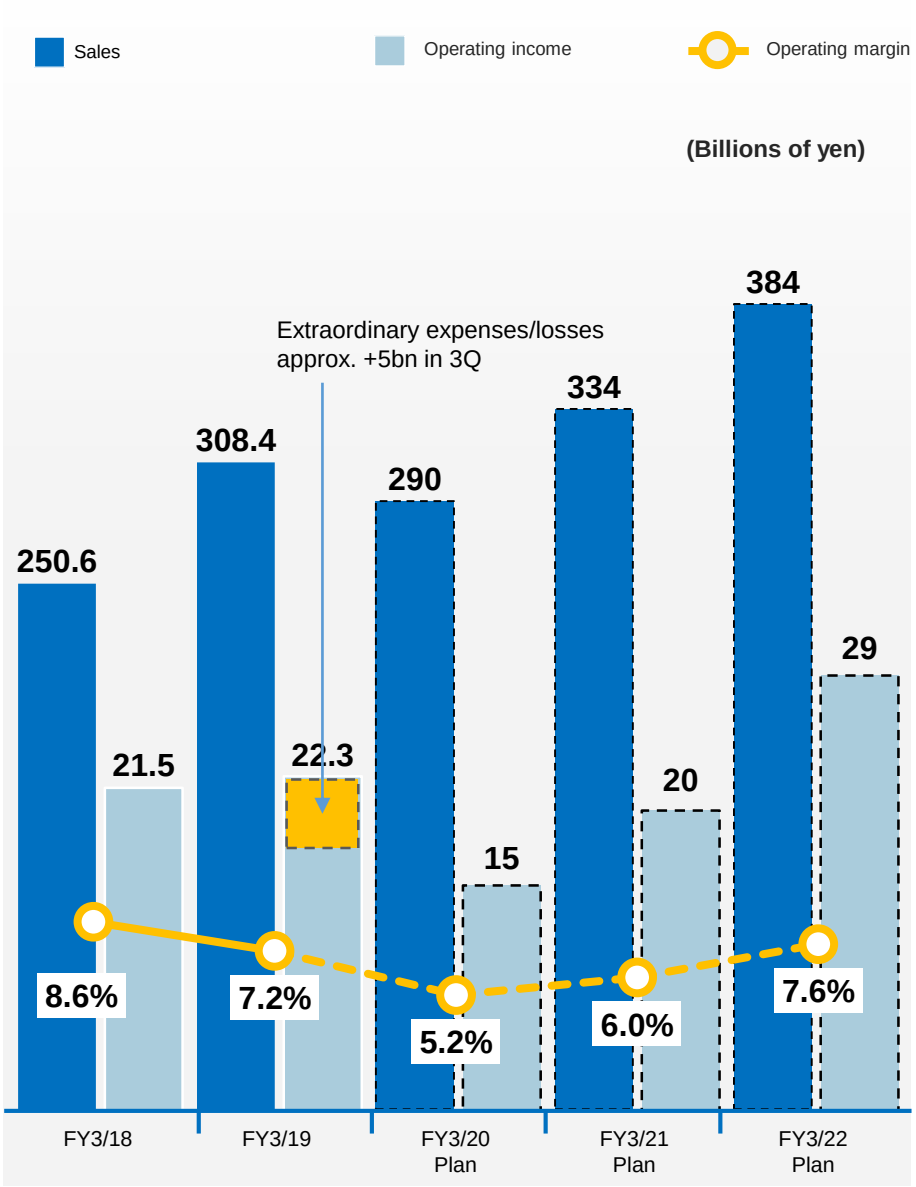
Mitsumi Business Targets

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Launch new products and make INTEGRATION of new 8 Spears products a reality in the next 3 years

Key Points

1. Optical devices
   Add more value through innovation
2. Mechanical components
   High value-added OEM driven by proprietary technology
3. Automobile components
   Synergy with U-Shin
4. Connectors / Switches
   Focus on niche areas
5. Analog semiconductors
   Focus on high value-added products



*Sales increase due to contract change in OEM business since 4Q of FY3/18
*JGAAP until FY3/18, IFRS since FY3/19

U-Shin Business Targets

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Achieve quick turnaround and maximize synergy

Key Points

1 Automotive (Excluding UAM)

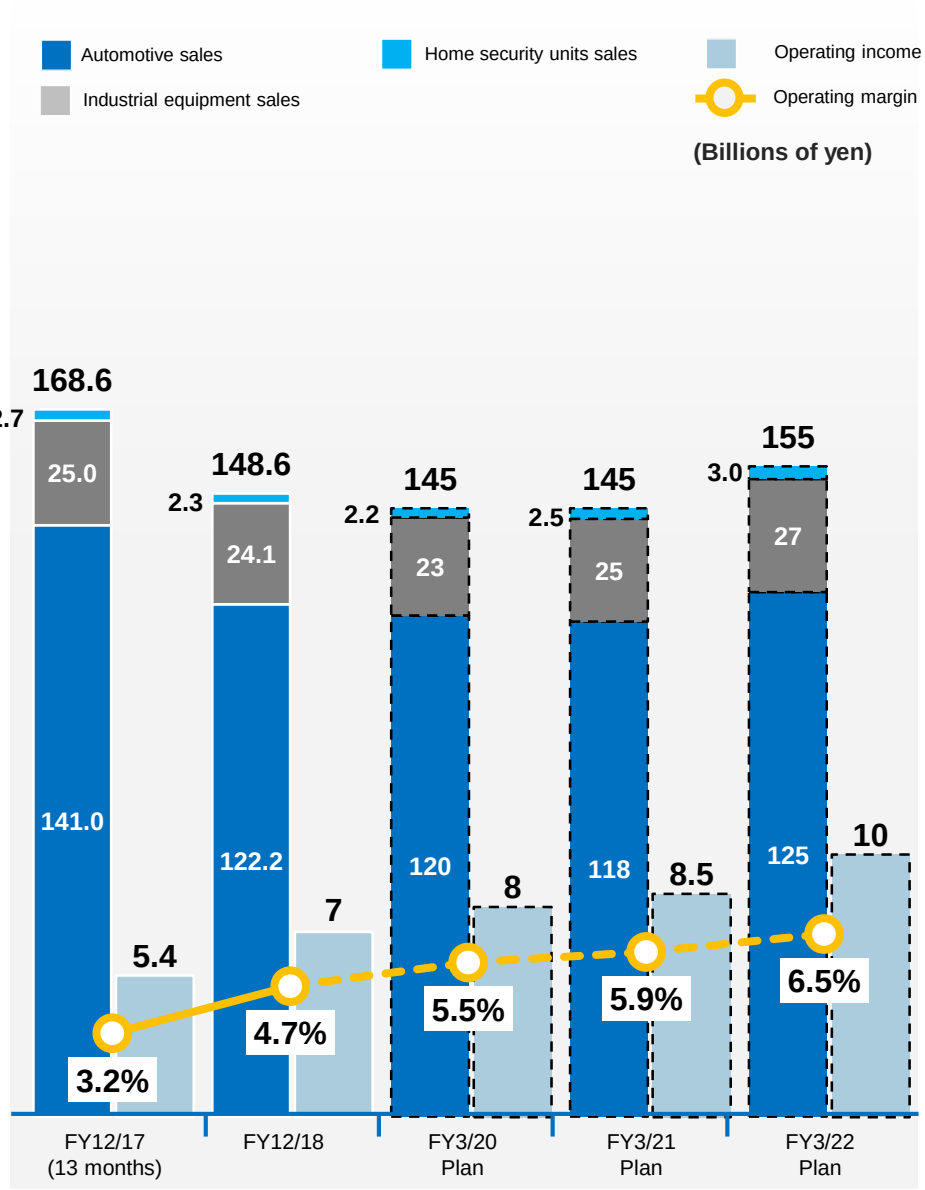
Create synergy by combining MinebeaMitsumi technologies to strengthen E-Access

2 Automotive (UAM)

Realize cost synergy for quick turnaround

3 Home Security Units

New products for smart house

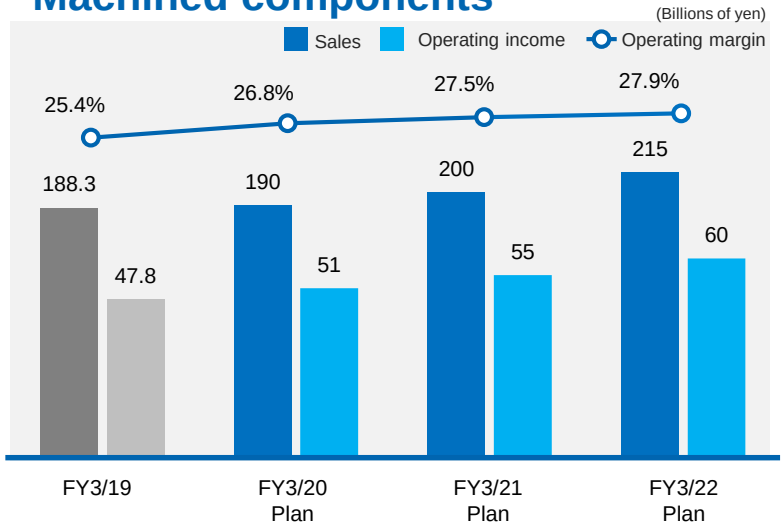


*Pre-merger results before FY3/20 for reference. FY3/20 plan does not include Q1CY19
*JGAAP until FY12/18, IFRS since FY3/20

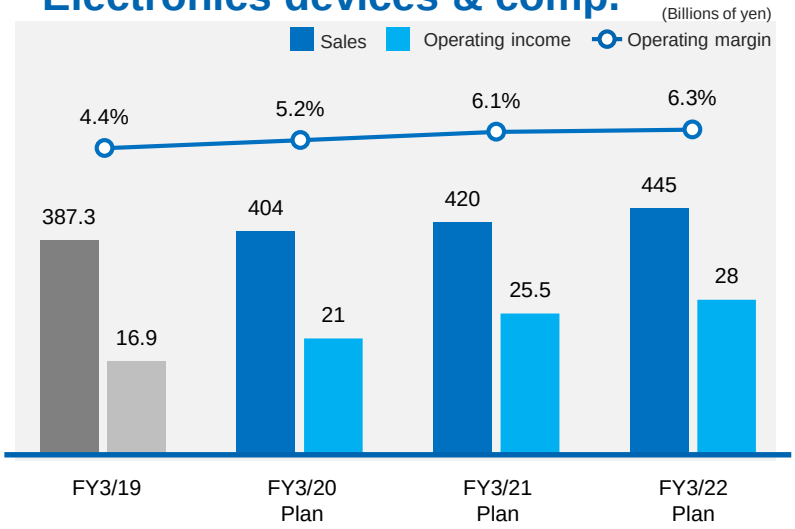
Mid-term Business Plan: Targets by Segment

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Passion to Create Value through Difference

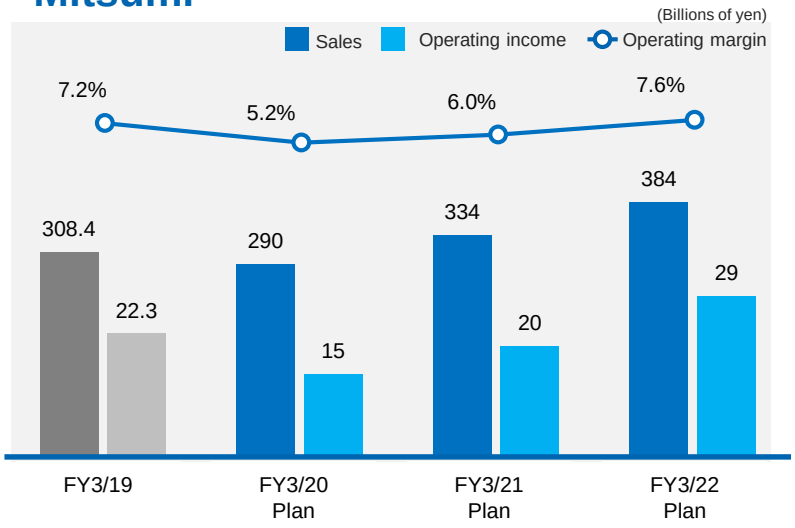
Machined components



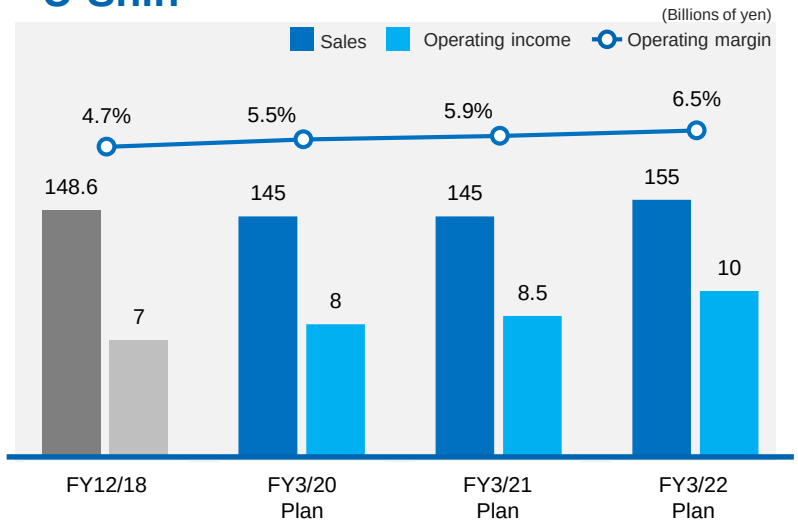
Electronics devices & comp.



Mitsumi



U-Shin



Other adjustments: -¥14.9bn in FY3/19, ¥-18bn in FY3/20, -¥16bn in FY3/21, -¥17bn in FY3/22

*U-Shin includes pre-merger results before FY3/20 for reference. FY3/20 plan does not include Q1CY19
*JGAAP until FY3/18, IFRS since FY3/19

Basic scheme of U-Shin

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Realize quick turnaround and synergy to improve portfolio

(tender offer concluded on April 10)

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Passion to Create Value through Difference

"INTEGRATION" manufacturer of precision parts, creating synergy between core ultra-precision machining technology and new 8 Spears products

+

u-shin

Tier 1 global supplier of key safety components for automobiles

FY3/22
OP target
¥10 billion

Focusing on automotive business while expanding home equipment business as well

PHASE I

Strengthen cost competitiveness mainly in UAM

- Higher productivity
- Higher yield
- Clear location strategy

PHASE II

Increase sales and realize cost synergy in Europe

- Accelerate cross-selling
- Switch to in-house production for major parts (bearings, motors, sensors, actuators, etc.)
- Shift to next-generation products

PHASE III

Shift to new business portfolio through complete INTEGRATION

- Apply automotive technologies to infrastructure and home equipment to increase business opportunities
- Promote fusion of technologies, locations, and personnel

Example of synergy in U-Shin (Automobile)

MinebeaMitsumi
Passion to Create Value through Difference

Add more value to E-Access* by combining U-Shin and MinebeaMitsumi technologies

*E-Access: A solution for safer and more comfortable access to your car

Mega trend

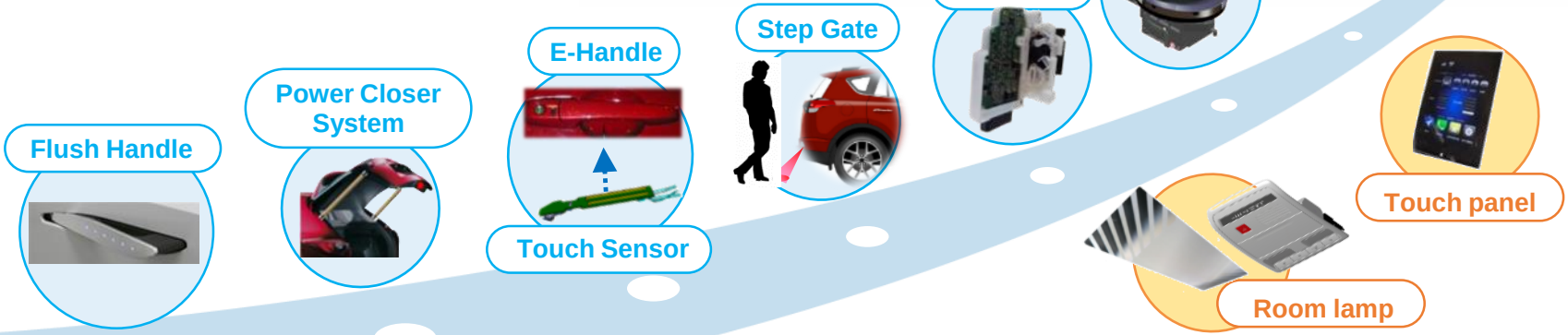
Innovations in automotive technology, such as ADAS and 5G, accelerate automobile electrification and autonomization

Strength of U-Shin automotive business

Operating R&D, production, and sales worldwide, U-Shin has an advantage as an independent supplier, with top-class global market share

- Extensive product lineup
- 20 production sites in 14 countries
- Doing business with leading OEMs

+Synergy with MinebeaMitsumi technologies
(All kinds of input, conversion/control, and output devices)



Synergy with MinebeaMitsumi technologies
(eg. Smart cockpit)

Example of synergy in U-Shin (Smart house)

MinebeaMitsumi
Passion to Create Value through Difference

Leverage technological synergy based on our wireless & software technologies to take smart house to new heights

Mega trend

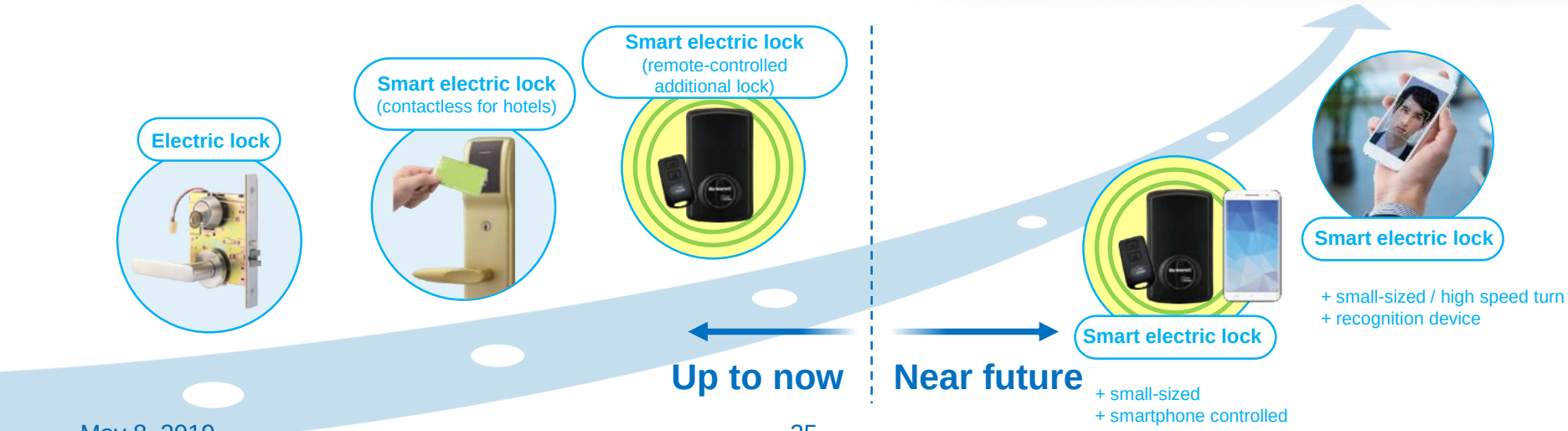
AI and big data are enhancing connectivity of all kinds of home equipment while Industry 4.0 is promoting more labor-saving, automated factory operations

Strength of U-Shin home security units

Ability to apply mechatronics technology gained through the automotive business to develop and produce sophisticated security lock devices

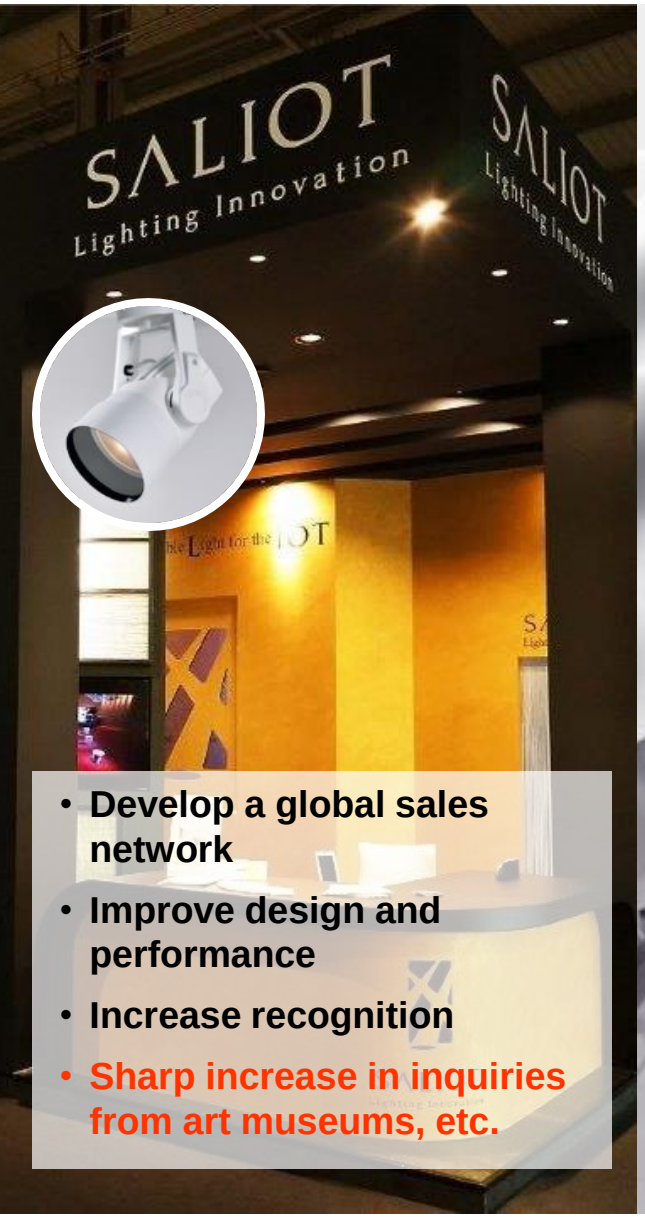


+Synergy with MinebeaMitsumi technologies
(Motors, sensors, wireless/software, and various other edge devices)



New Product Trio and Key Entry Area

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Passion to Create Value through Difference



- Develop a global sales network
- Improve design and performance
- Increase recognition
- Sharp increase in inquiries from art museums, etc.

Bed Sensor System



- Launch new products
- Revamping/upgrading
- Market-driven business models
- Start large-scale testing

Smart City



- Enhance sales capability
- Develop expandable products
- Select sales partners for new products
- Sold 22,000 nodes in Chile

Usage of FCF and Shareholder Returns

MinebeaMitsumi
Passion to Create Value through Difference

Usage of free cash flow

maintaining financial discipline

1 Give priority to growth investing

Build a business portfolio that will reduce performance volatility through M&As

2 Be proactive about shareholder returns

Actively buy back shares using about 50% of free cash over the mid-to-long term and steadily increase dividends while giving priority to growth investing.
Flexibly adjust the ratio between the share buyback amount and the dividend in light of the stock price.

Vision

Increase EPS beyond bottom-line growth

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Dividend for FY3/20

FY3/19	Year-end	14 yen/share	Annual 28 yen/share
FY3/20 forecast	Interim	TBD	
	Year-end	TBD	

Regarding annual dividends, we will determine the dividend payout of around 20% on a consolidated basis.

Share Buyback

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Resolution of share buyback (May 8, 2019)

Number of shares: Up to 7.5 million shares
(equal to 1.81% of total issued shares excluding treasury shares)
Amount: Up to 15.0 billion yen
Period: From May 9, 2019 to April 30, 2020
Purpose: In order to improve return on shareholders and improve capital efficiency and to implement agile capital policy according to the business environment.

The Last Decade and the Next Decade (Image)



Sales Transition

MinebeaMitsumi
Passion to Create Value through Difference

(Billions of yen)

X3.5

in the last 10 years!



OP Transition

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Passion to Create Value through Difference

(Billions of yen)

X5.4

in the last 10 years!



Major KPIs over the Last Ten Years

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(Millions of yen)	FY3/09	FY3/19	multiple
Net sales	256,163	884,723	X3.5
Operating income	13,406	72,033	X5.4
Profit before income taxes	6,834	71,321	X10.4
Profit for the period attributable to owners of the parent	2,441	60,142	X24.6
Earnings per share, basic (yen)	6.18	143.90	X23.3

Mainly from organic growth!

Stock price	Market cap	Net debt	Equity
X5.2	X5.5	-80%	X3.8
¥358 → ¥1,856	¥142.9bn → ¥792.7bn	¥110bn → ¥21.7bn	¥106.8bn → ¥407.3bn
March 31 2009 → May 7 2019	March 31 2009 → May 7 2019		

*JGAAP for FY3/09, IFRS for FY3/19

Review of the Last Decade

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Passion to Create Value through Difference

Made a giant leap forward via M&As and organic growth

Last decade CAGR **Sales +13%** **OP +18%**

1 Clear business categorization

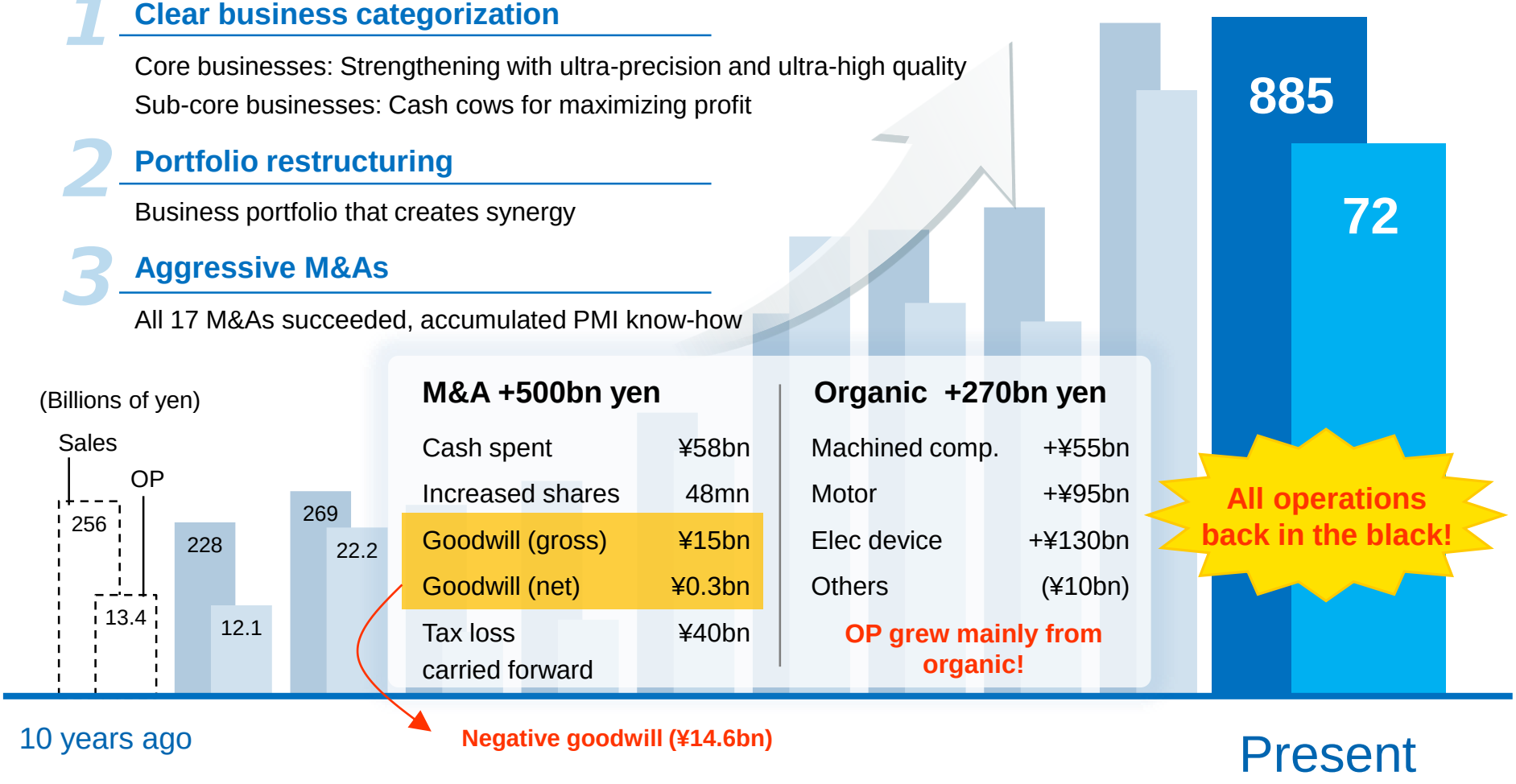
Core businesses: Strengthening with ultra-precision and ultra-high quality
Sub-core businesses: Cash cows for maximizing profit

2 Portfolio restructuring

Business portfolio that creates synergy

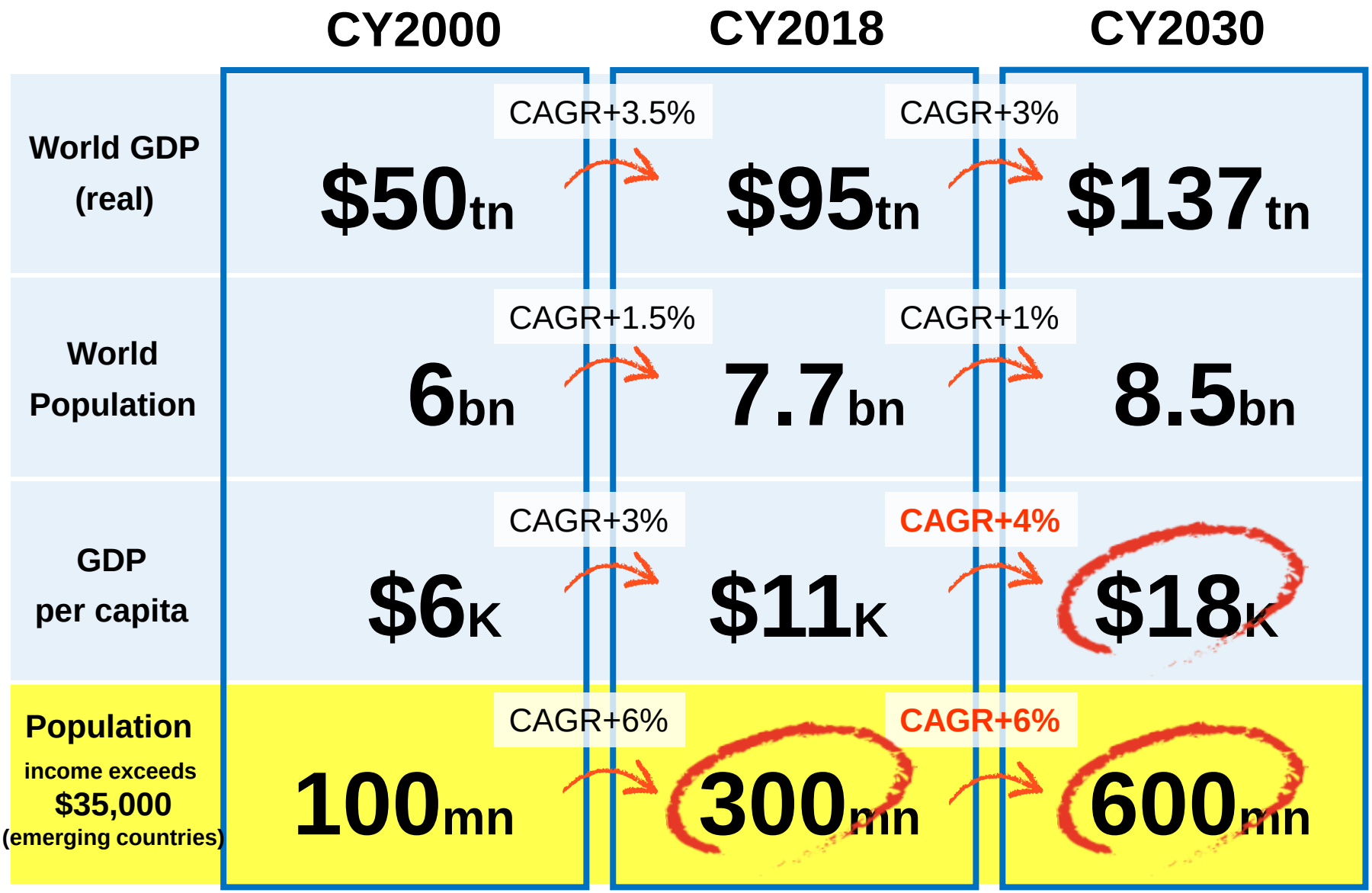
3 Aggressive M&As

All 17 M&As succeeded, accumulated PMI know-how



Macro transition

MinebeaMitsumi
Passion to Create Value through Difference

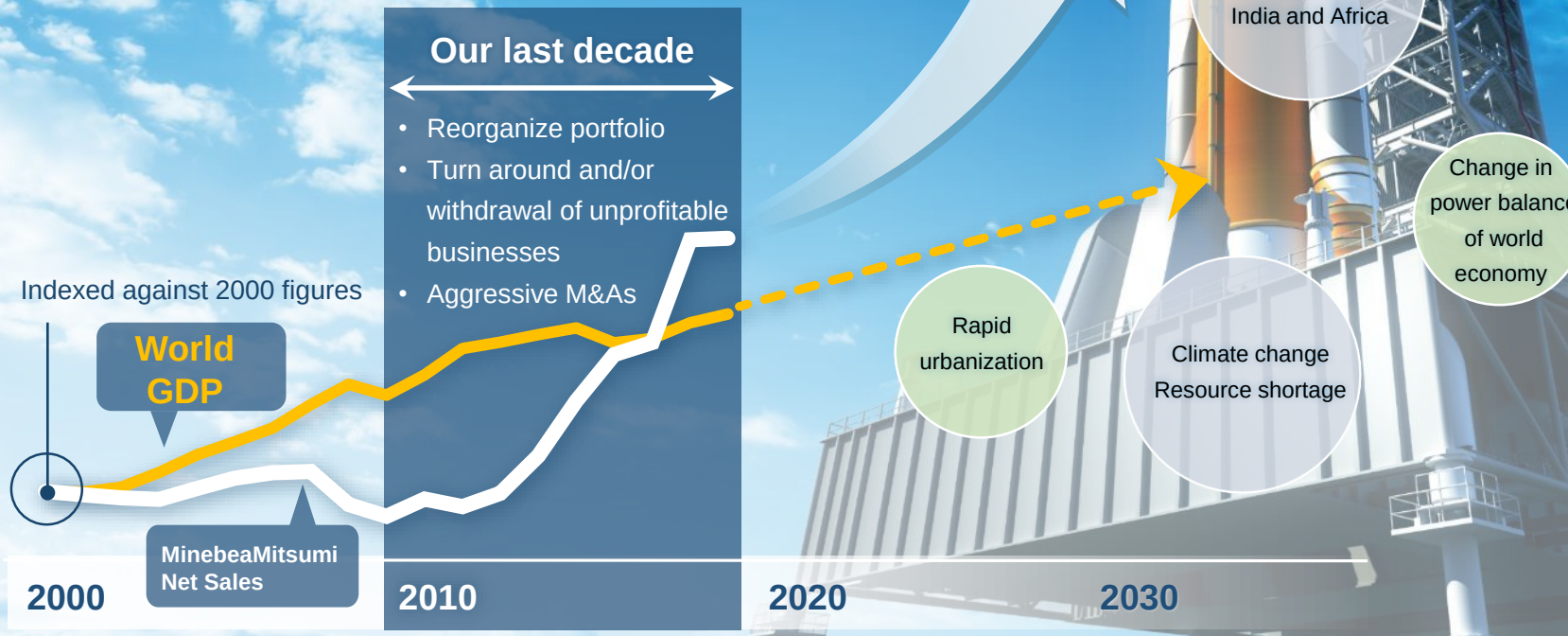


Source: OECD, UN, IMF

Summary of the last decade

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Completed laying foundation for the next decade !



Progress in technology

Significant development of India and Africa

Change in power balance of world economy

Rapid urbanization

Climate change
Resource shortage

Basic Strategy for the Next Decade - 1

MinebeaMitsumi
Passion to Create Value through Difference

World's top precision components manufacturer driven by the new 8 Spears and "INTEGRATION"

1 **Change to 8 Spears**

Focus on niche markets

2 **Launch new products**

Driven by IoT, 5G, etc.

3 **Cultivate new markets**

Focus on medical, infrastructure, and home equipment

4 **Aggressive M&As**

+ Digitalization

Personnel development & Shareholders return maintaining financial discipline

(Including successors)

Clarify KPIs

Basic Strategy for the Next Decade - 2

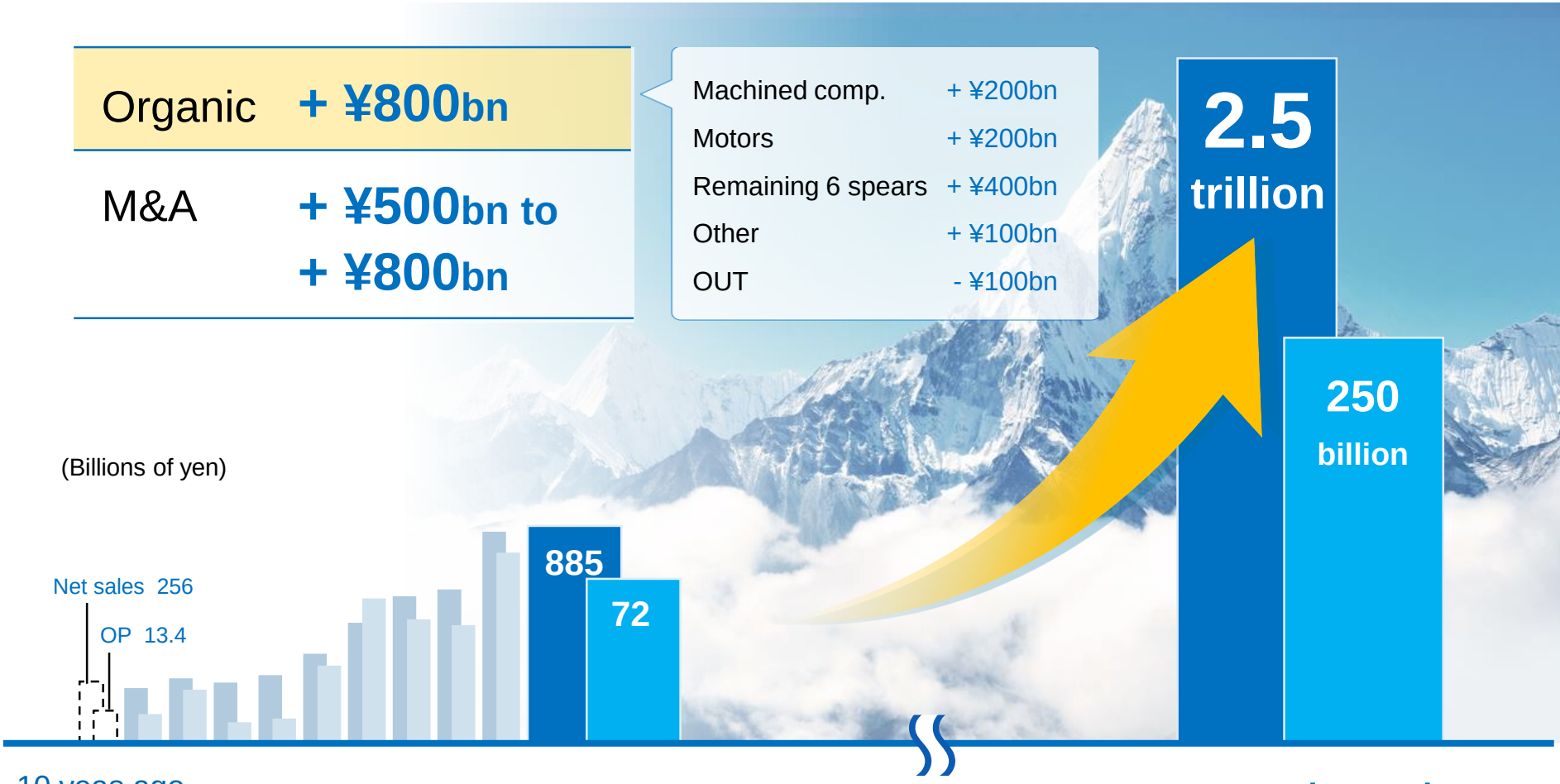
MinebeaMitsumi
Passion to Create Value through Difference

Organic growth (mainly) & aggressive M&As boost businesses

Next decade CAGR **Sales +11%** ↑ **OP +13%** ↑

Organic	+ ¥800bn
M&A	+ ¥500bn to + ¥800bn

Machined comp.	+ ¥200bn
Motors	+ ¥200bn
Remaining 6 spears	+ ¥400bn
Other	+ ¥100bn
OUT	- ¥100bn



Basic Strategy

MinebeaMitsumi
Passion to Create Value through Difference

1 **Strengthening core business via super precision machining & high quality**

2 **Maximizing sub-core as cash cow business**

3 **Cash generated from sub-core be utilized toward growth of core business**

Core	Sub-core	Non-core
Competitive in niche markets + Permanent	Innovative + Non-permanent	Low margin or Price niche
Growth	Improving profits & Next generation product **R&D**	**Selection & concentration**

Business Strategy

MinebeaMitsumi
Passion to Create Value through Difference

3 strengths generate out-of-the-ordinary “differences”

Strength 1
Reinforcing Core Businesses

Overwhelming market share with our core products using our original technology and production system

Strength 2
Diversified Niches

Diversified management centered on **niche fields**, underpinned by strong technologies

Strength 3
Generating Synergies through the INTEGRATION

INTEGRATION of Minebea business
x Mitsumi business
x U-Shin business

Combine 8 Spear products with 10 core technologies

- Ultra-precision machining technology
- Mass production technology
- Sensor technology
- Optical technology
- MEMS technology
- High-frequency technology
- Electronic circuits technology
- Semiconductor design technology
- Mechanical design technology
- System design technology

×

	Bearings	Motors	Access products	Sensors	Connectors /switches	Power supplies	Wireless /Telecom /Software	Analog semiconductors
Bearings		●	●	●				
Motors	●		●	●	●	●	●	●
Access products	●	●		●	●	●	●	●
Sensors	●	●	●			●	●	●
Connectors/switches		●	●				●	
Power supplies		●	●	●	●		●	●
Wireless/Telecommunications /Software		●	●	●	●	●		●
Analog semiconductors		●	●	●		●	●	

Sustainability

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1 Governance

- Establishing nomination and compensation committees
- Establishing the Sustainability Management Division

Thus, separate supervisory and executive functions at the executive level

2 Environment

- Setting up the MinebeaMitsumi Green Products System
- Promoting a shift to environmentally-friendly factories

3 Social

- Personnel development
- Diversification

4 Portfolio

New 8 Spears strategy
= Diversifying core businesses
= Improving sustainablity

5 Currency/Geopolitical risks

Global production at 84 locations in 22 countries
= Natural hedge

Human capital **Intellectual capital** **Instrumental capital**

Next decade by major markets

Ball bearings next decade

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Growing structural demand for ultra-high quality products and an overwhelming competitive edge will keep growth going strong

Keywords

1 **Automobile**

High functionality & EV shift

2 **Data center**

5G / ADAS / IoT

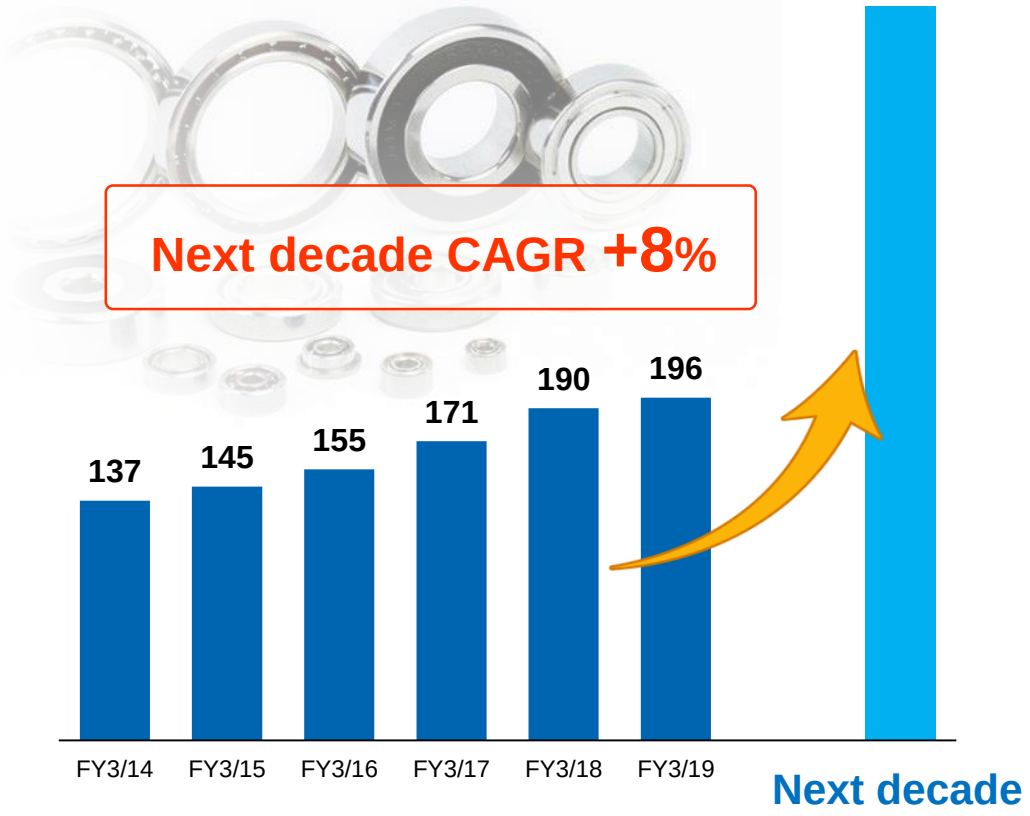
3 **High-end home appliance**

Less noise / power saving

4 **Labor saving / automated**

Medical robots / drones

Ball bearing external shipments (million units/month)



Motors next decade

MinebeaMitsumi
Passion to Create Value through Difference

Energy/labor-saving technologies and digitalization will create more business opportunities

1 Automobile

- Enhanced comfort of self-driving cars will fuel actuator demand
- Stricter environmental regulations → Shift to xEV → Growing demand for cooling fans

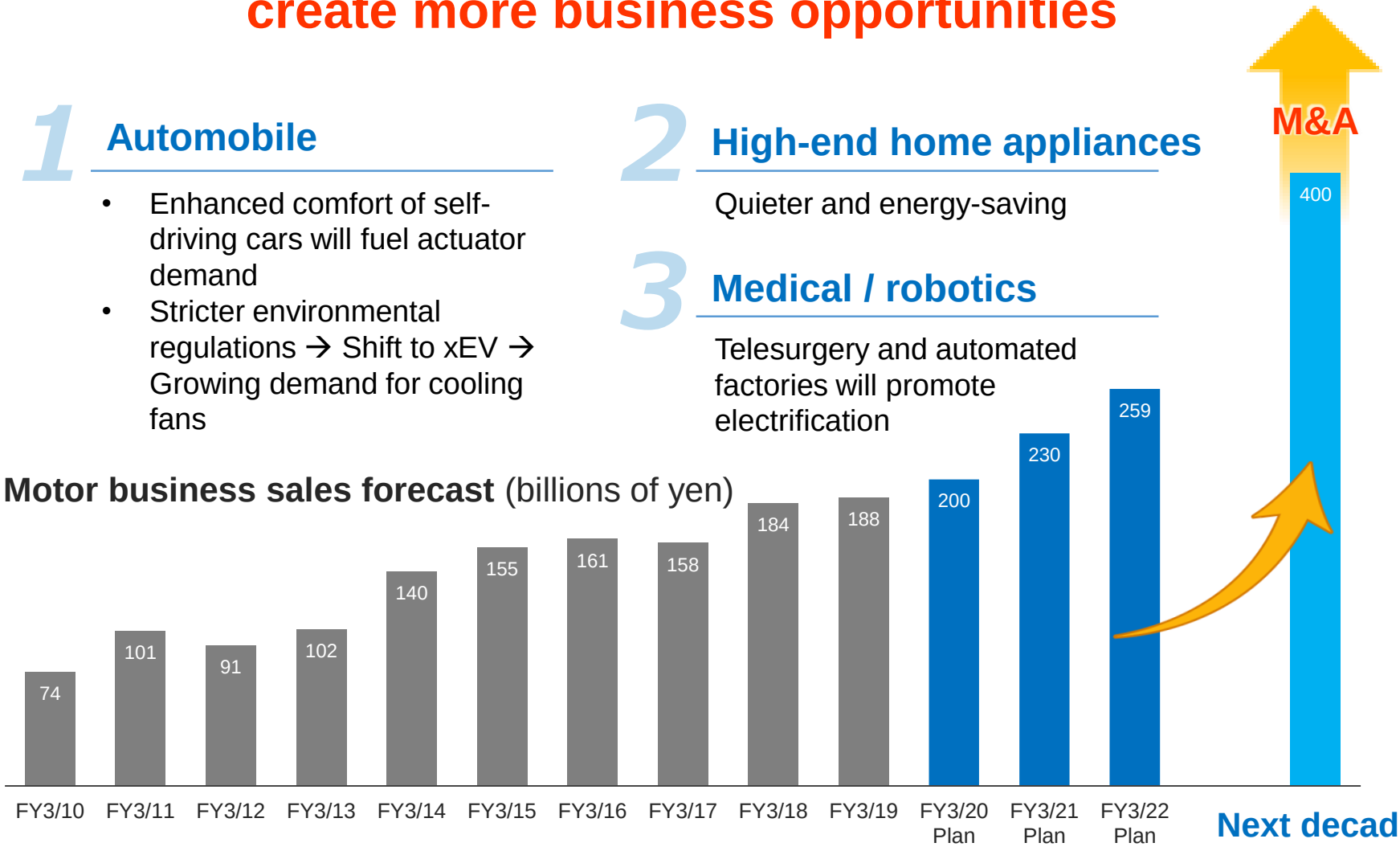
2 High-end home appliances

Quieter and energy-saving

3 Medical / robotics

Telesurgery and automated factories will promote electrification

Motor business sales forecast (billions of yen)



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

Automobile components next decade

MinebeaMitsumi
Passion to Create Value through Difference

New products and synergy paving the way to the CASE era

Higher percentage of automotive business will boost overall profit margin

1 Bearings & motors
A shift to EVs will drive structural demand up

2 High frequency products & connectors
ADAS/5G will boost sales further

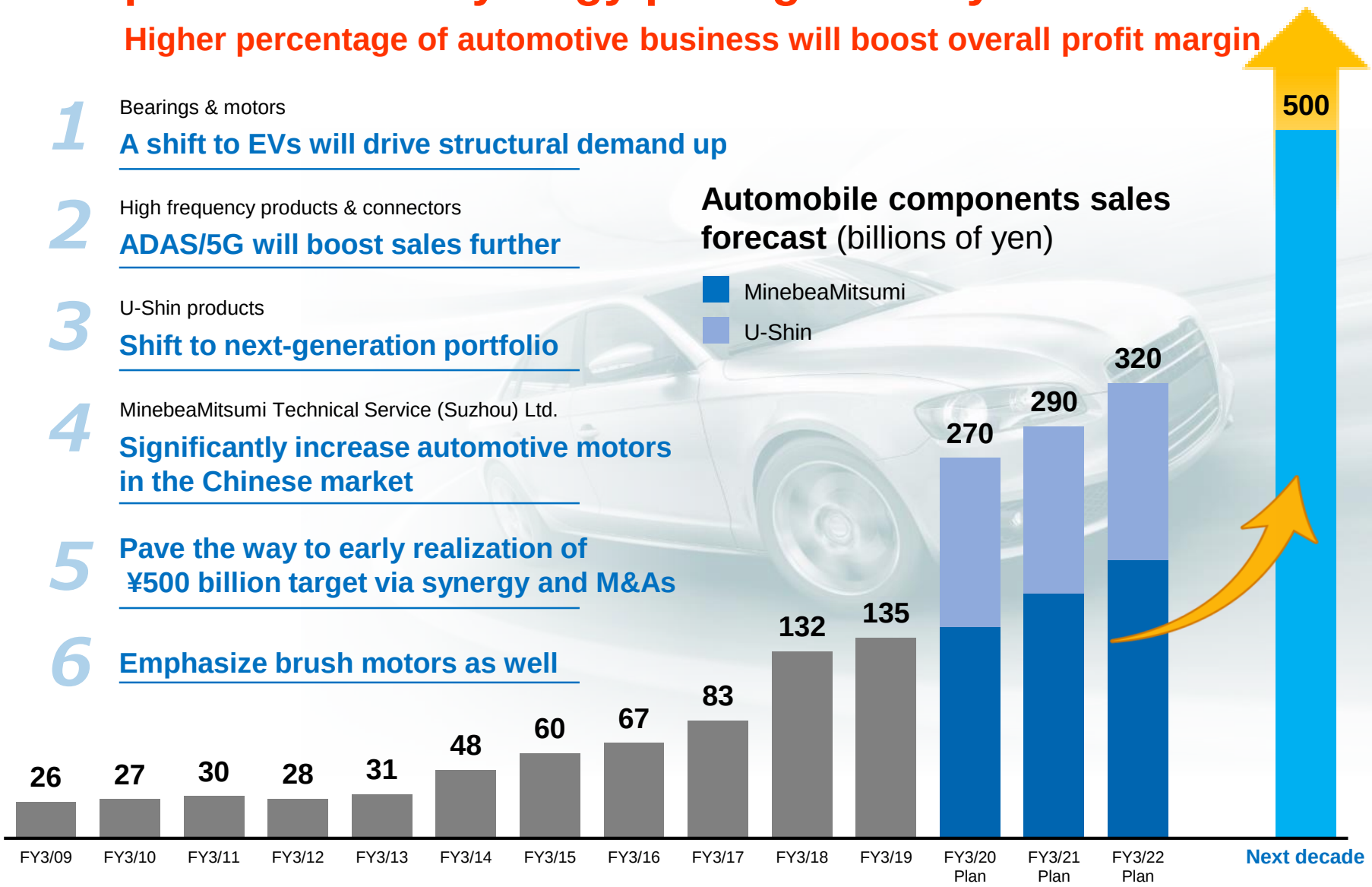
3 U-Shin products
Shift to next-generation portfolio

4 MinebeaMitsumi Technical Service (Suzhou) Ltd.
Significantly increase automotive motors in the Chinese market

5 **Pave the way to early realization of ¥500 billion target via synergy and M&As**

6 **Emphasize brush motors as well**

Automobile components sales forecast (billions of yen)



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

Aircraft components next decade

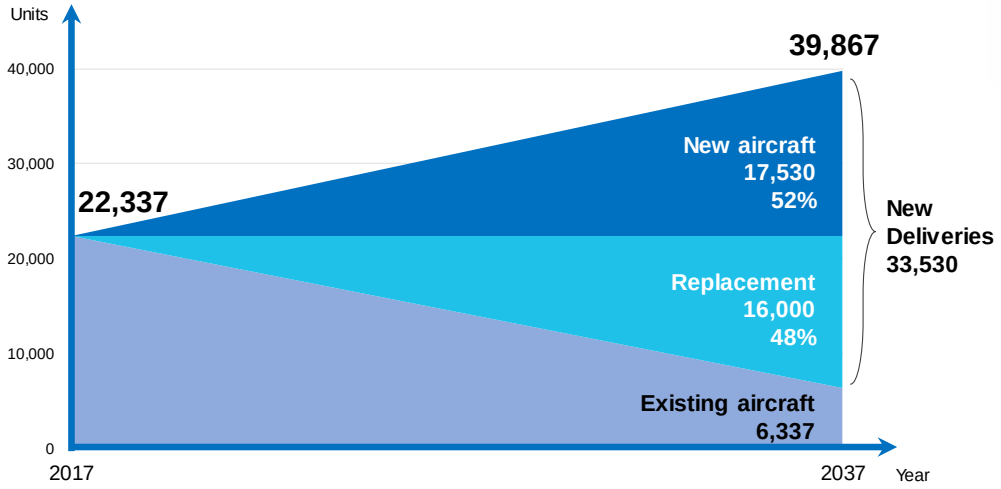
MinebeaMitsumi
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Achieve sales growth that exceeds market growth through market share increase and structural growth

Keywords

- Production will increase mainly for small and medium-sized aircraft
- New products through synergy
- Increase sales per aircraft through mechanical parts sales
- Offset business
- Seek both organic growth and M&As

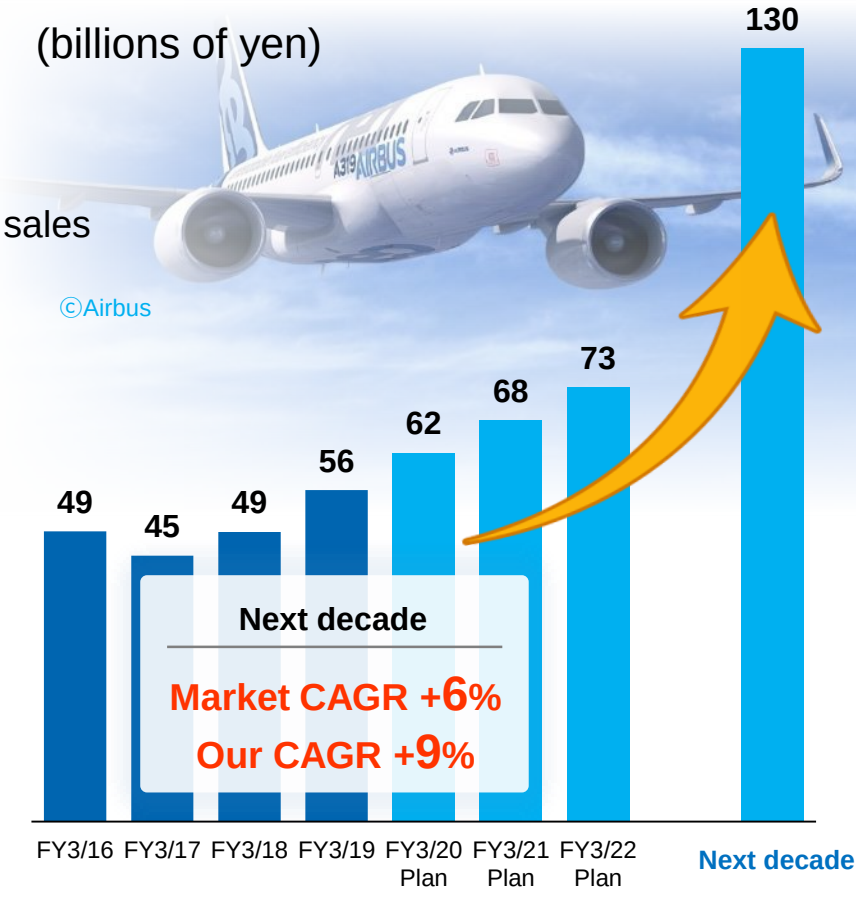
Commercial Aircraft Demand Forecast



Source: Japan Aircraft Development Corporation (JADC)

Aircraft components sales forecast

(billions of yen)



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

Why MinebeaMitsumi Exceeds Market Growth

MinebeaMitsumi
Passion to Create Value through Difference

Stronger industry presence

- Ultra-precision machining technology
- Ability to produce ultra-high quality, including special processing
- Proven track record for mass producing key components across the globe
- Network of global production sites to ensure business continuity for customers

Increase sales per aircraft

- Expand sales of high value-added mechanical parts lead to higher ASP
- Take advantage of price competitiveness to increase market share

Mechanical Parts
CAGR
+11%



Synergy of M&As

- Topline synergy via diverse technology portfolio and larger customer base
- Cost synergy via effective use of locations

Create technological synergy

Expand business in Asia

- Huge growth in demand for domestically-produced aircraft in China
- Offset businesses in Asian countries to create more business opportunities

Net sales in Asia
CAGR
+15%

(Reference) Aircraft components

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Leading Edge

Wing and Airframe



Slat Track





Spoiler Actuator



Passenger Door



Engine









Landing Gear





Home Appliance / OA / HDD next decade

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Maintain higher market share for higher-quality products



High-end home appliance

- Oligopolization strategy for ball bearings used in high-end home appliances
- Growing demand for energy-saving products make motors more sophisticated
- "INTEGRATION" synergy in smart house appliance components

Oligopolize



OA

- Create cash cows with large share in the OA market
- Thoroughgoing cost reduction

Cash cows



HDD

- Focus on the high-end market to generate steady profits despite structural decline in the low-end market
- Number of pivot assemblies per one HDD will increase due to technological innovation and eventually hit bottom in the long run

Focus on high-end

Medical components next decade

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Passion to Create Value through Difference

Huge business opportunity on advanced technology for medical / healthcare industry



1 Watching relief for elderly people

Development of bed sensor for medical institution and consumer market

2 Common use of artificial organs

3D printing technology of C&A

3 Telesurgery

Precision ball bearings for medical robots

MINEGE™ (ultra high sensitivity strain gauge)

Home equipment business next decade

MinebeaMitsumi
Passion to Create Value through Difference

Significant expansion of home equipment business centered on synergy from Mitsumi & U-Shin

1 Security / Relief

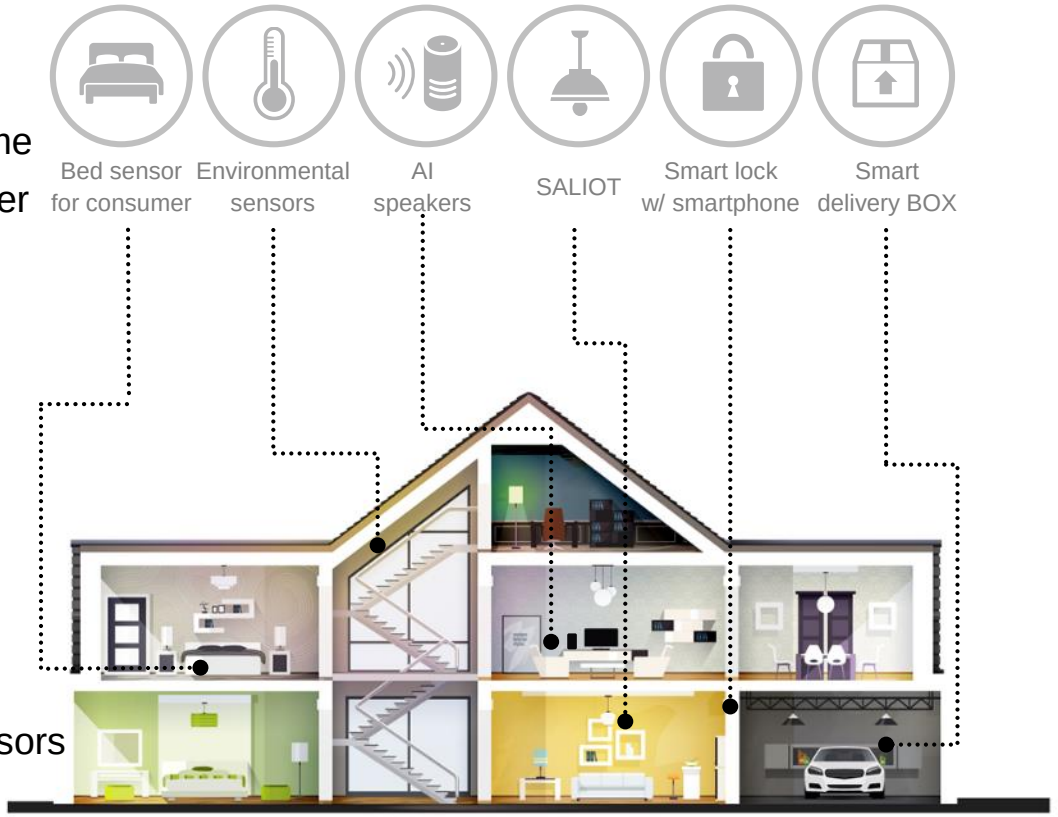
Access products and sensors for crime prevention, watching, and anti-disaster

2 Convenience through IoT

Connected products utilizing AI and big data

3 Energy & resource saving

Energy management system utilizing smart meters and environmental sensors



Cultivate New Markets with IoT and AI/Big Data

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Expand business horizons with edge devices

- Cultivate new markets for top next-generation technologies -

Data collection | Data accumulation | Data utilization

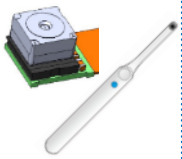
Edge device

Environmental sensor



- Temperature
- Humidity
- Wind
- Illuminance
- Air pressure

Camera



- Still image
- Moving image

Bed sensor



- Weight
- Movement
- Breath
- Heart beat

SALIOT



- Illumination
- Quantity of light
- Maintenance

Transportation robot



- Indoor mapping
- Time & distance of transportation

AI speaker



- Voice

Weight gauge



- Weight
- Maintenance

Street light



- Wattmeter
- Environmental data

Parking sensor



- Parking info

Access products



- Lock system

IoT Platform



Services



Indoor environment



Behavior



Health care



Factory utilization



Quality control



Outdoor IoT



Watching & relief



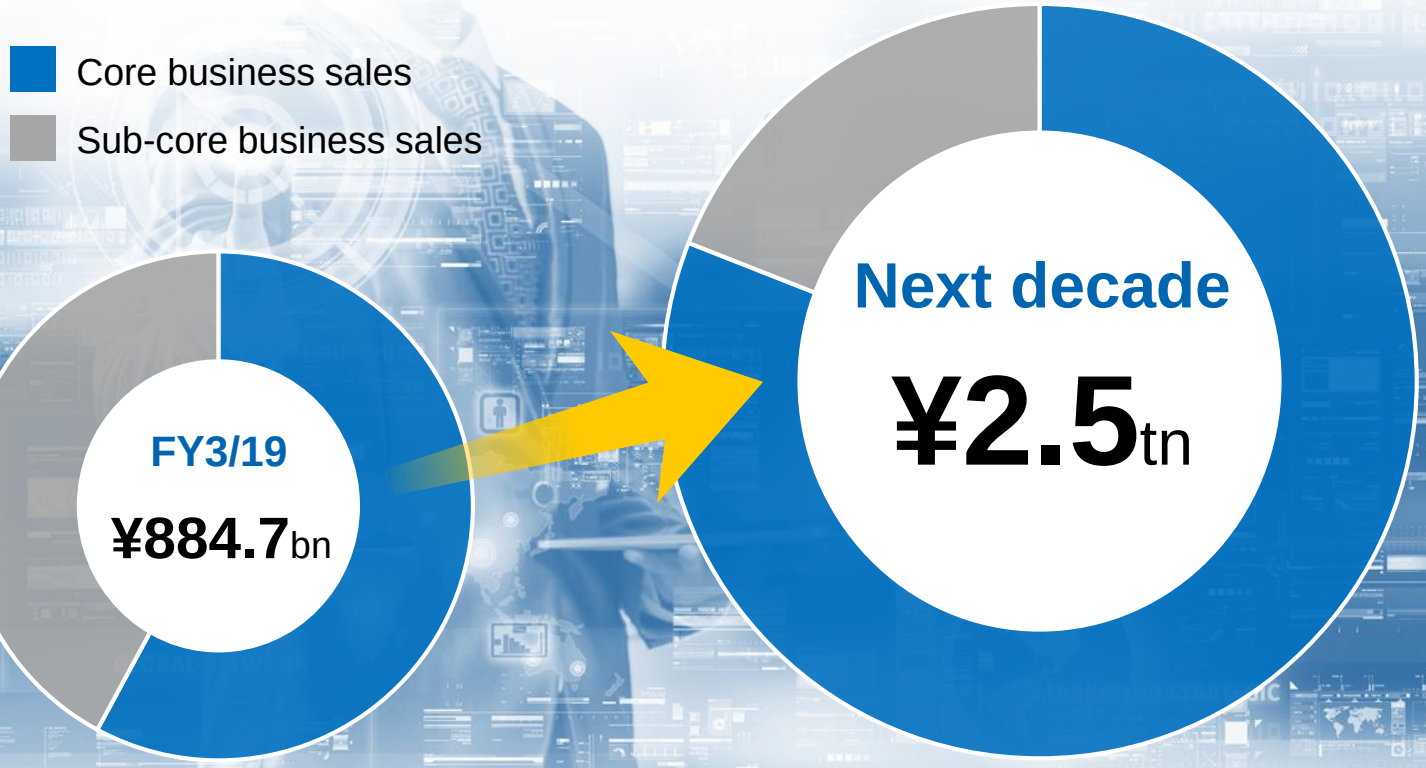
Breakdown detection

Strengthen via INTEGRATION

Large Portfolio Shift to Core Businesses

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Reduce performance volatility while enhancing risk management

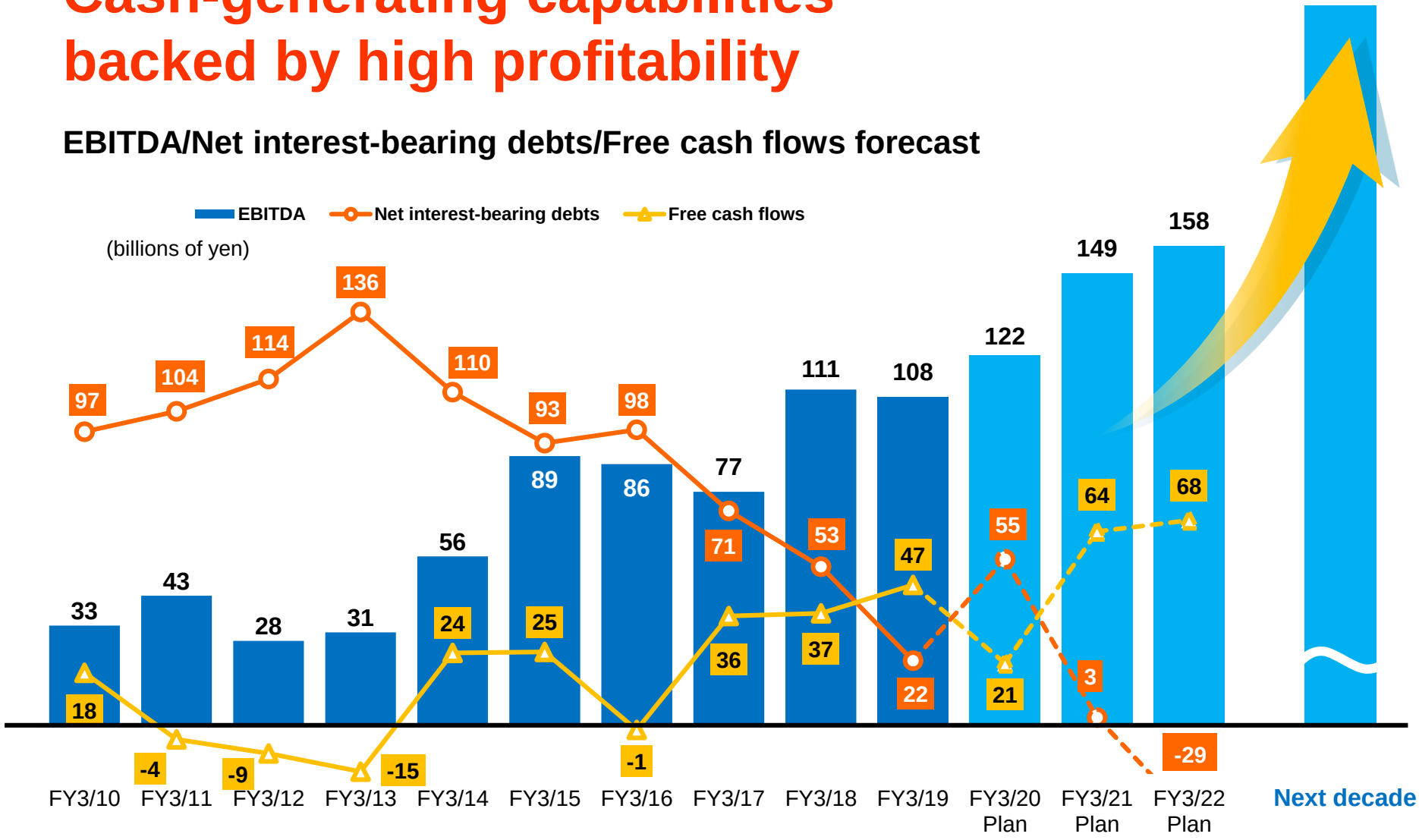


Core businesses will contribute more to bottom line

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Cash-generating capabilities backed by high profitability

EBITDA/Net interest-bearing debts/Free cash flows forecast



Figures might change when large-scale M&As are executed
*JGAAP until FY3/18, IFRS since FY3/19

Capital Deployment

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Flexibly allocate cash for organic growth purposes first, and then for M&As and shareholder return

Operating cash flow

Allocate cash generated in step with increasing profits for organic growth

Organic growth

- **R&D** → **3**% of net sales
- **CAPEX** → **50**% of EBITDA

Free cash flow

Allocate flexibly after securing funds needed for organic growth

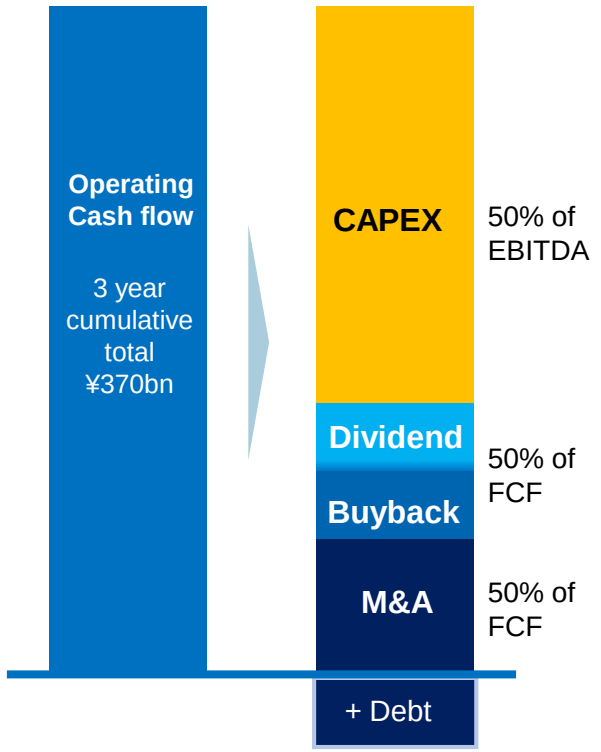
M&A growth

- **M&As aimed at reducing performance volatility**
  50% of FCF **+ Debt**
  Maintain financial discipline
  (Within 0.2 D/E ratio)

Shareholders return

- **Dividend & share buyback**
  50% of FCF
  (Adjust the ratio of dividend to share buyback amount according to the stock price.
  Aim to execute buybacks within the appropriate threshold)

Next 3 years cash flow



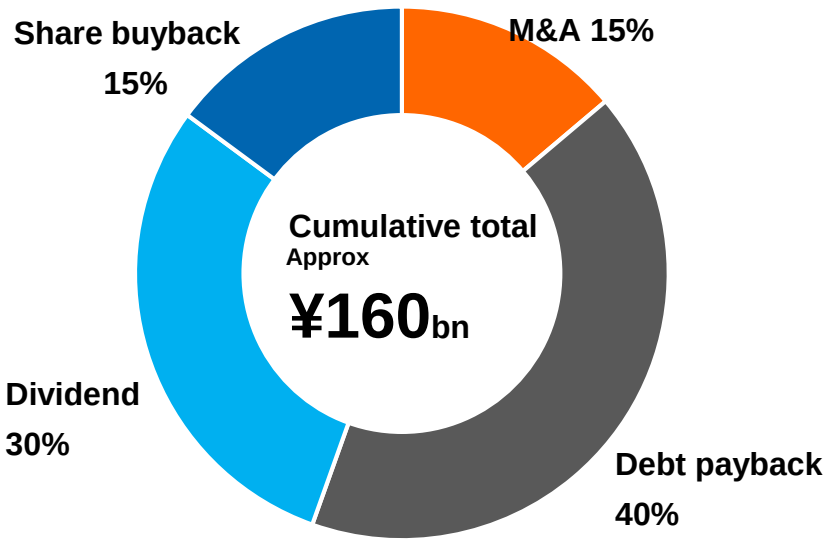
Cumulative FCF for the next decade years will be ¥800 billion to ¥1 trillion

(Reference) Past and Future of Free Cash Flow

MinebeaMitsumi
Passion to Create Value through Difference

Shift to clear cash allocation focused on growth investing and shareholder return

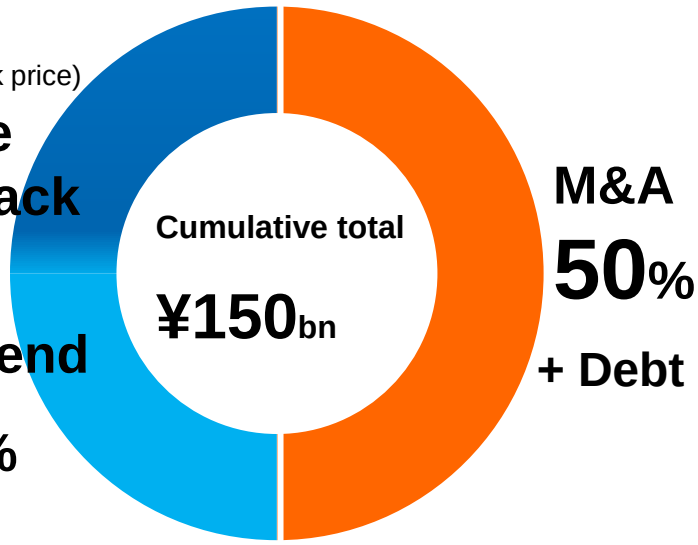
Usage of free cash



Cumulative FCF for the last decade

(dependent on stock price)

Share buyback + Dividend 50%



Cumulative FCF for the next 3 years

*Cumulative FCF for the next decade will be ¥800 billion to ¥1 trillion

KPI target

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Vision

Sales ¥2.5tn
and / or
Operating income ¥250bn

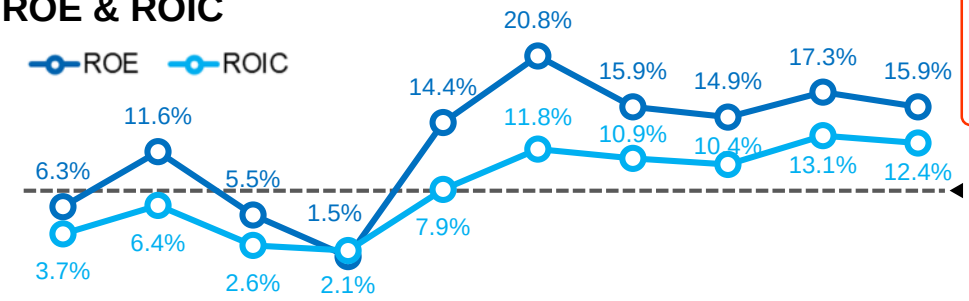
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EPS growth +15% or more
Next decade CAGR

×

R O E 15% or more

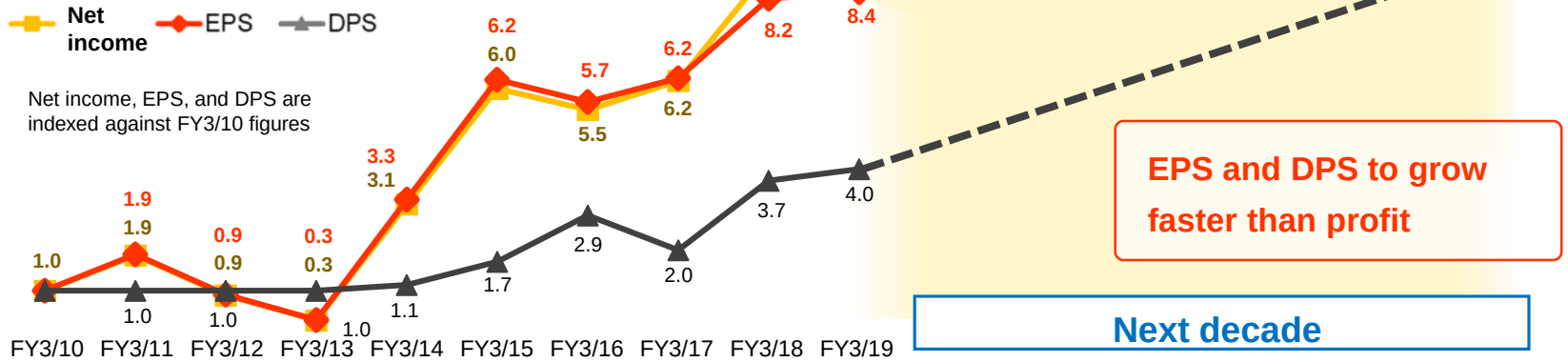
ROE & ROIC



Maintain higher ROE and ROIC than equity cost

Shareholder`s equity cost (max)
8%

Net income, EPS and DPS



EPS and DPS to grow faster than profit

Next decade

MinebeaMitsumi

Passion to Create Value through Difference

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.

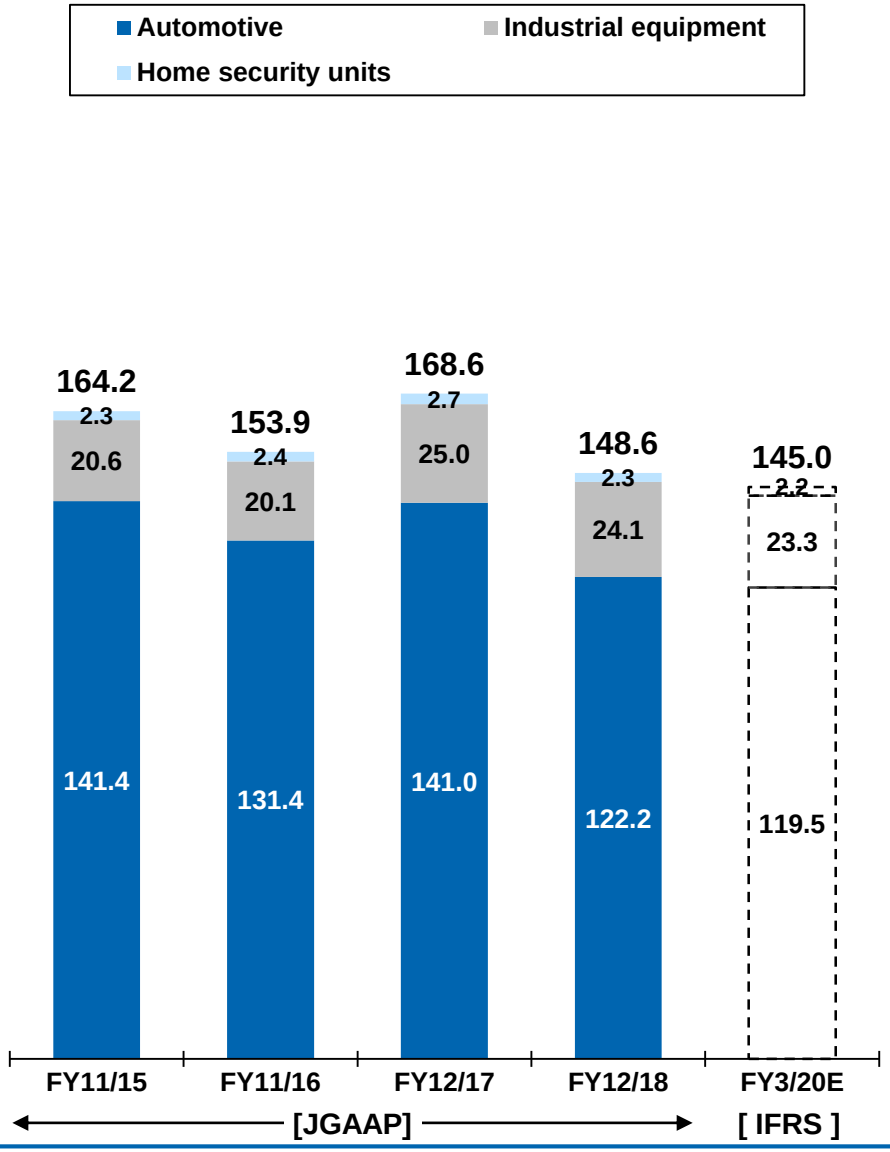
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Reference

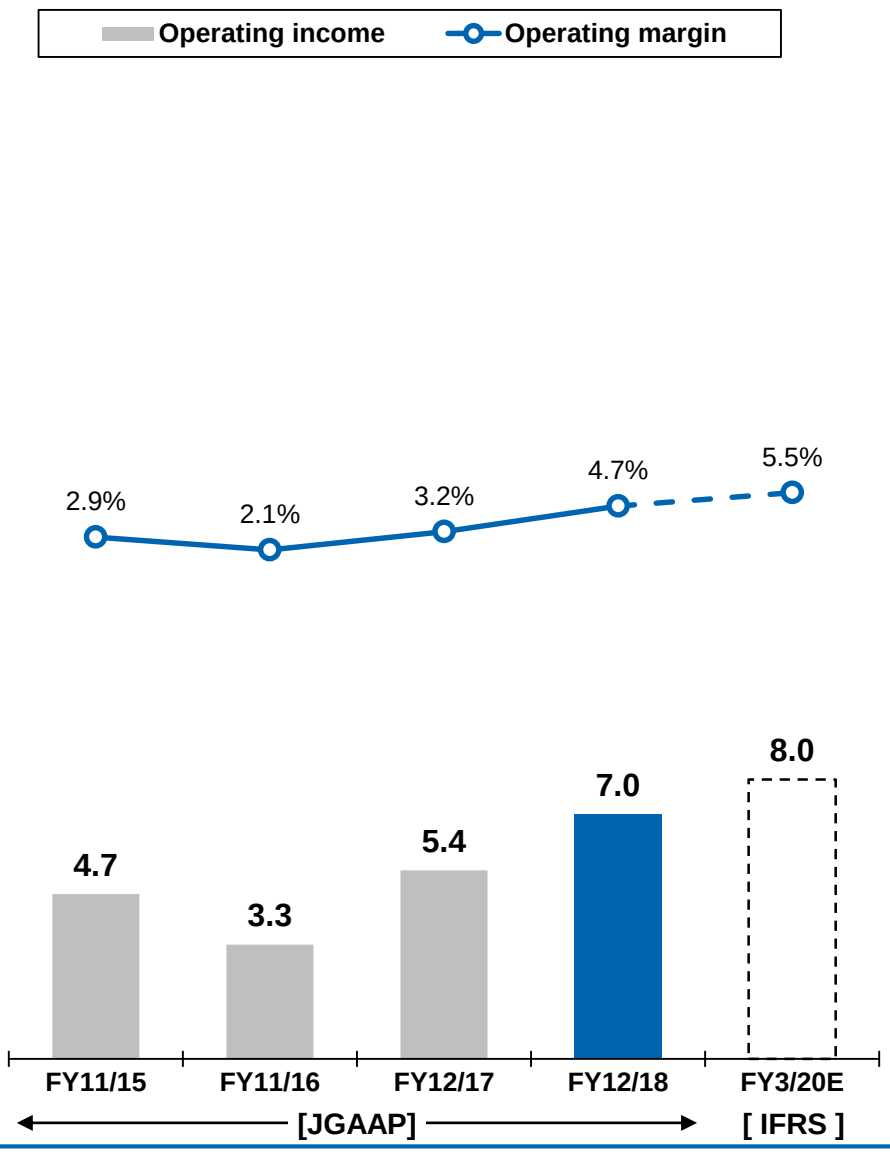
U-Shin Business

As a result of change of the fiscal year end, FY12/17 consists of 13 months.
Both net sales and operating income until FY12/18 are pre-merger results.
FY3/20 does not include Jan.-Mar. results. JGAAP until FY12/18, IFRS since FY3/20.

Net sales (Billions of yen)



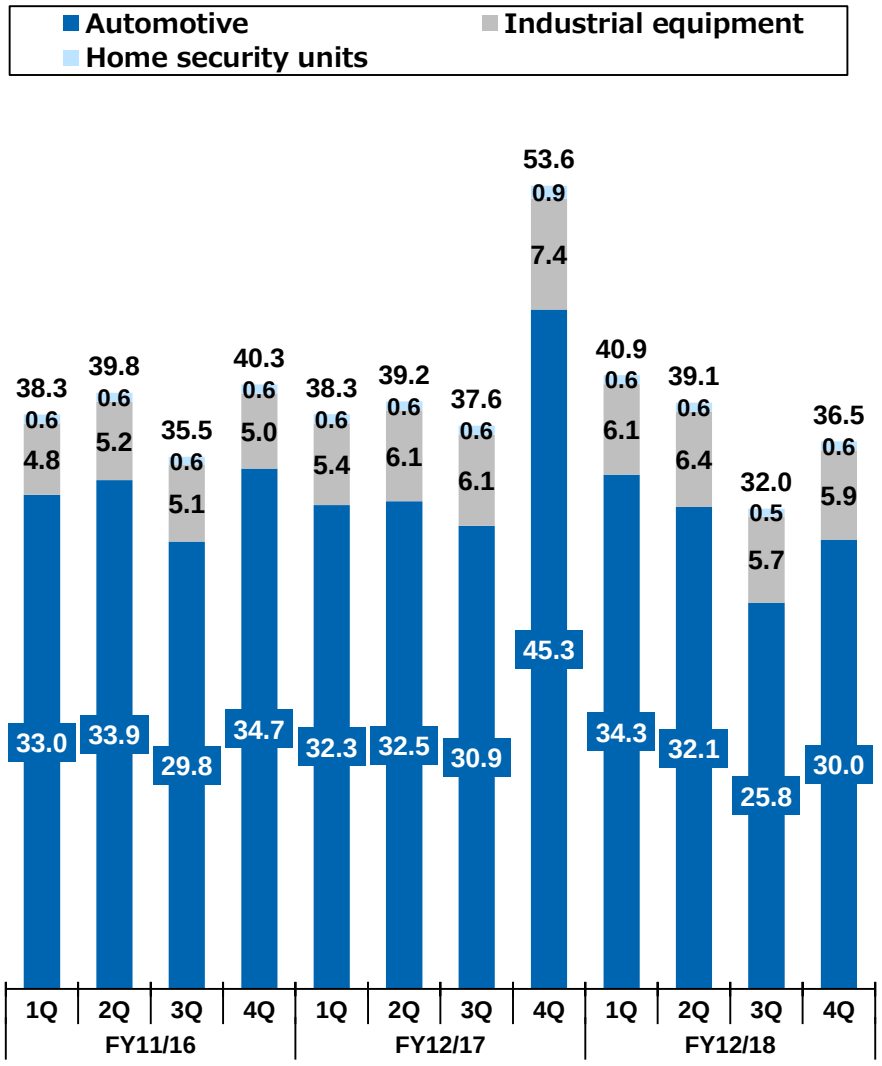
Operating income (Billions of yen)



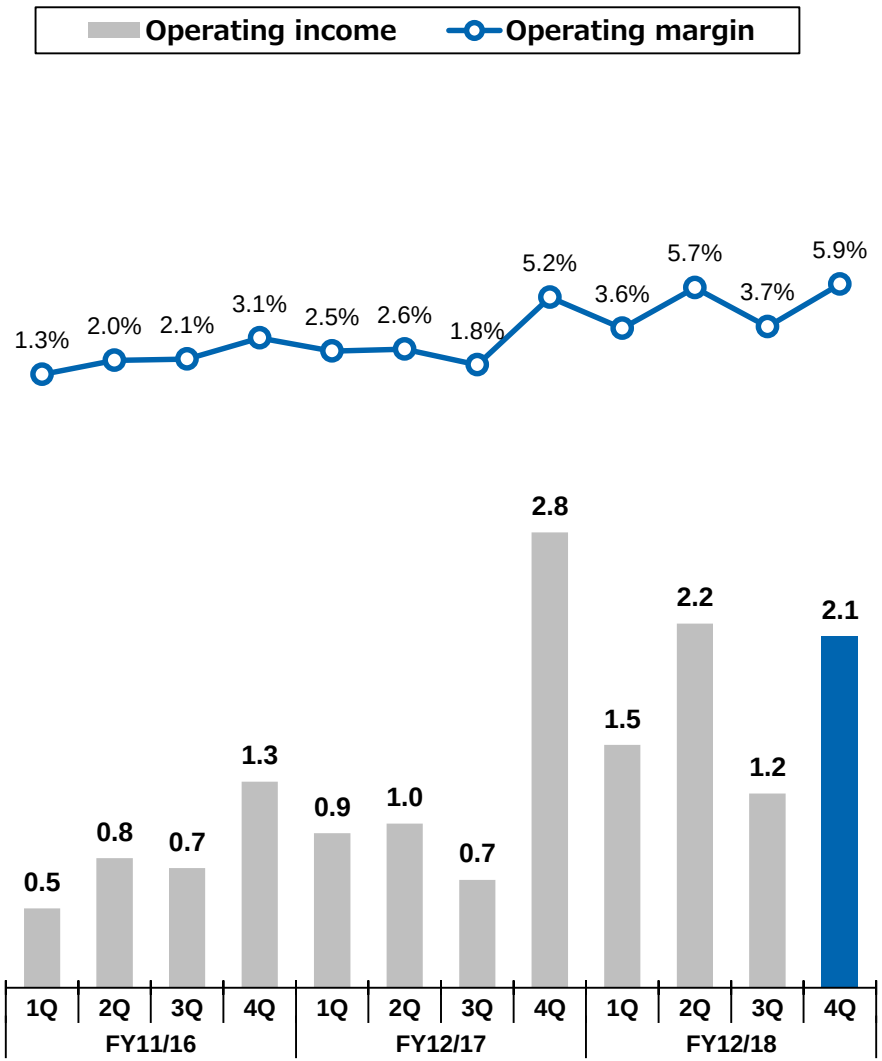
U-Shin Business

As a result of change of the fiscal year end, 4Q of FY12/17 consists of 4 months.
Both net sales and operating income are pre-merger results.
JGAAP until FY12/18.

Net sales (Billions of yen)

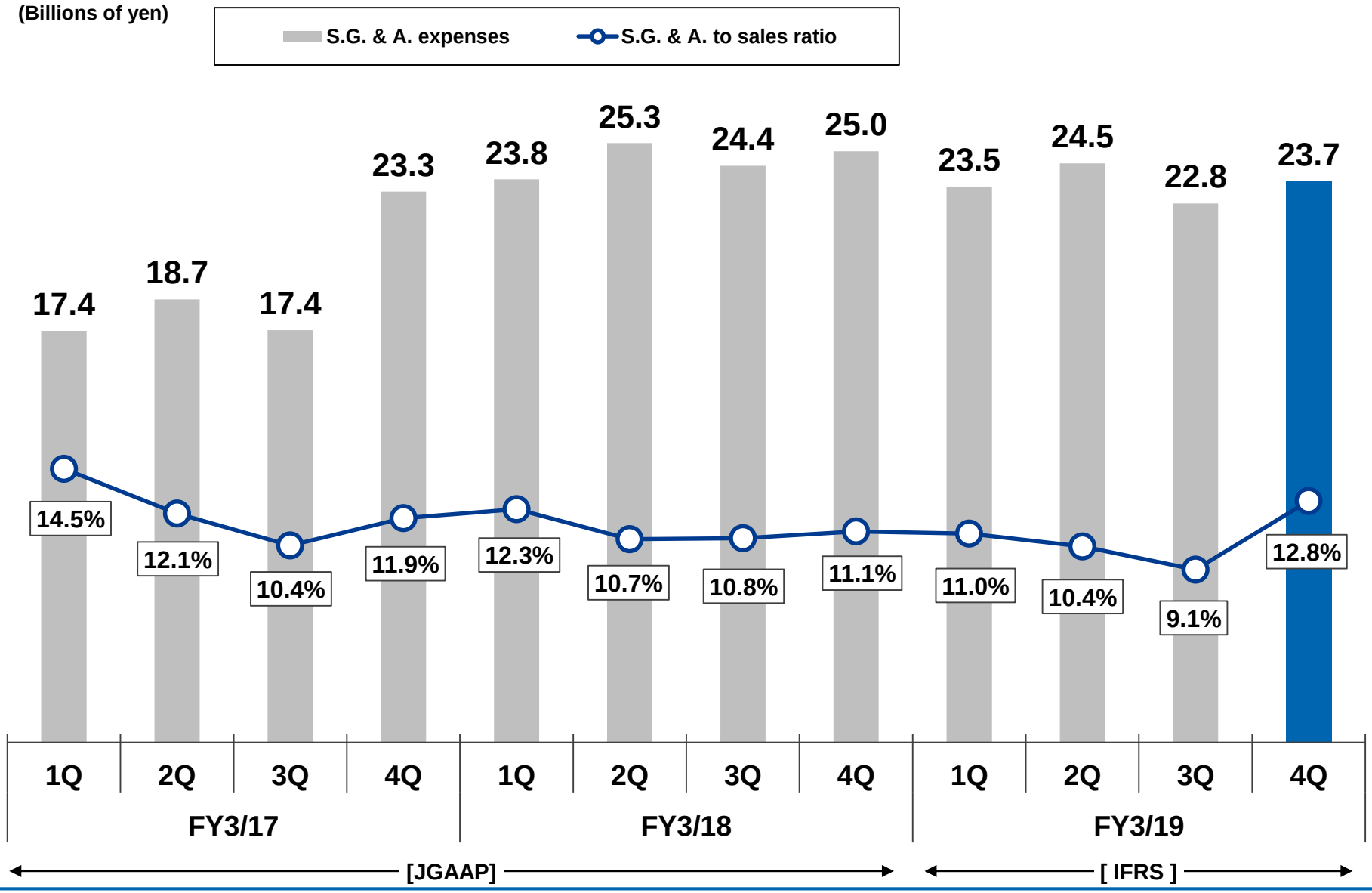


Operating income (Billions of yen)



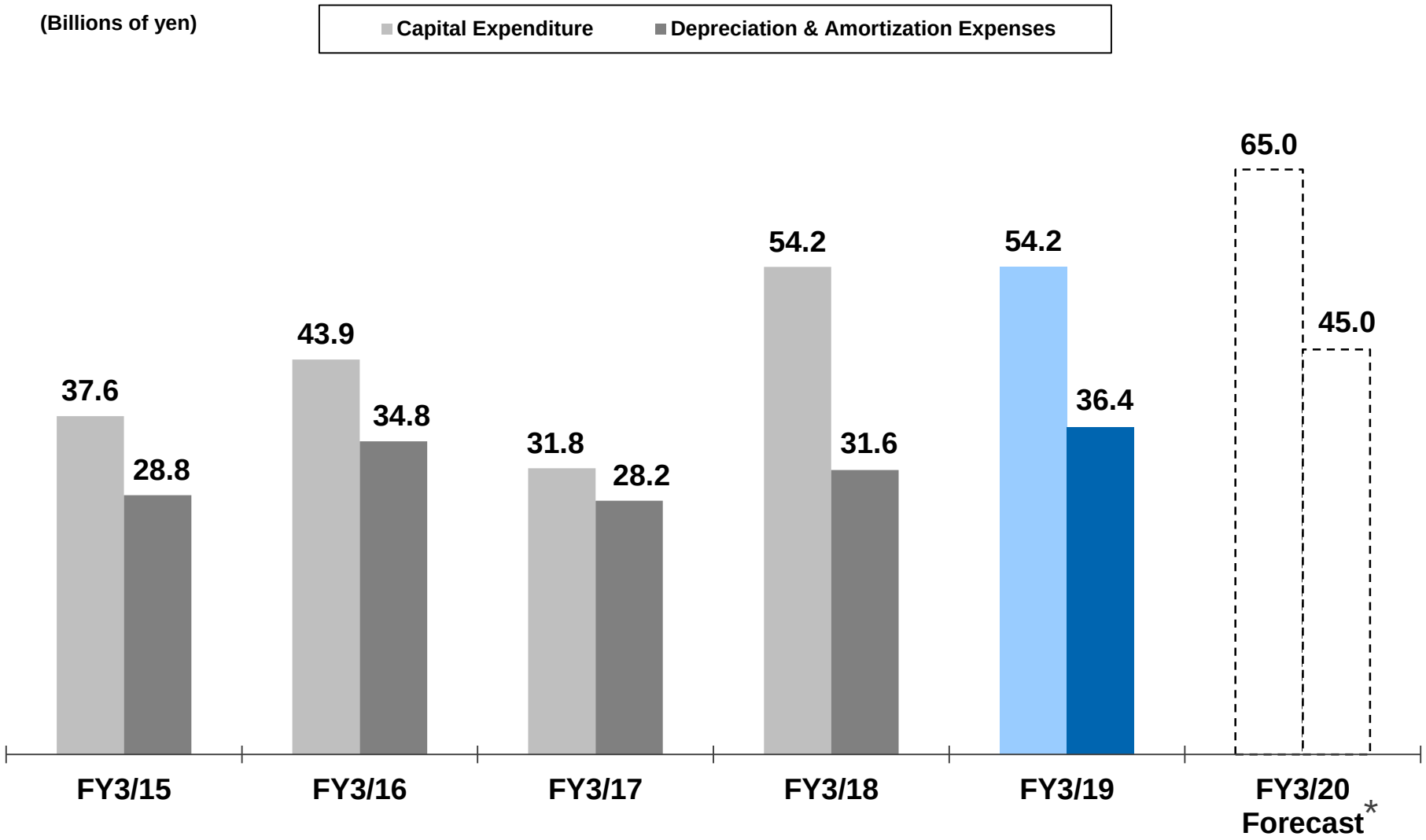
S.G.&A. Expence

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



Capital Expenditure & Depreciation

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

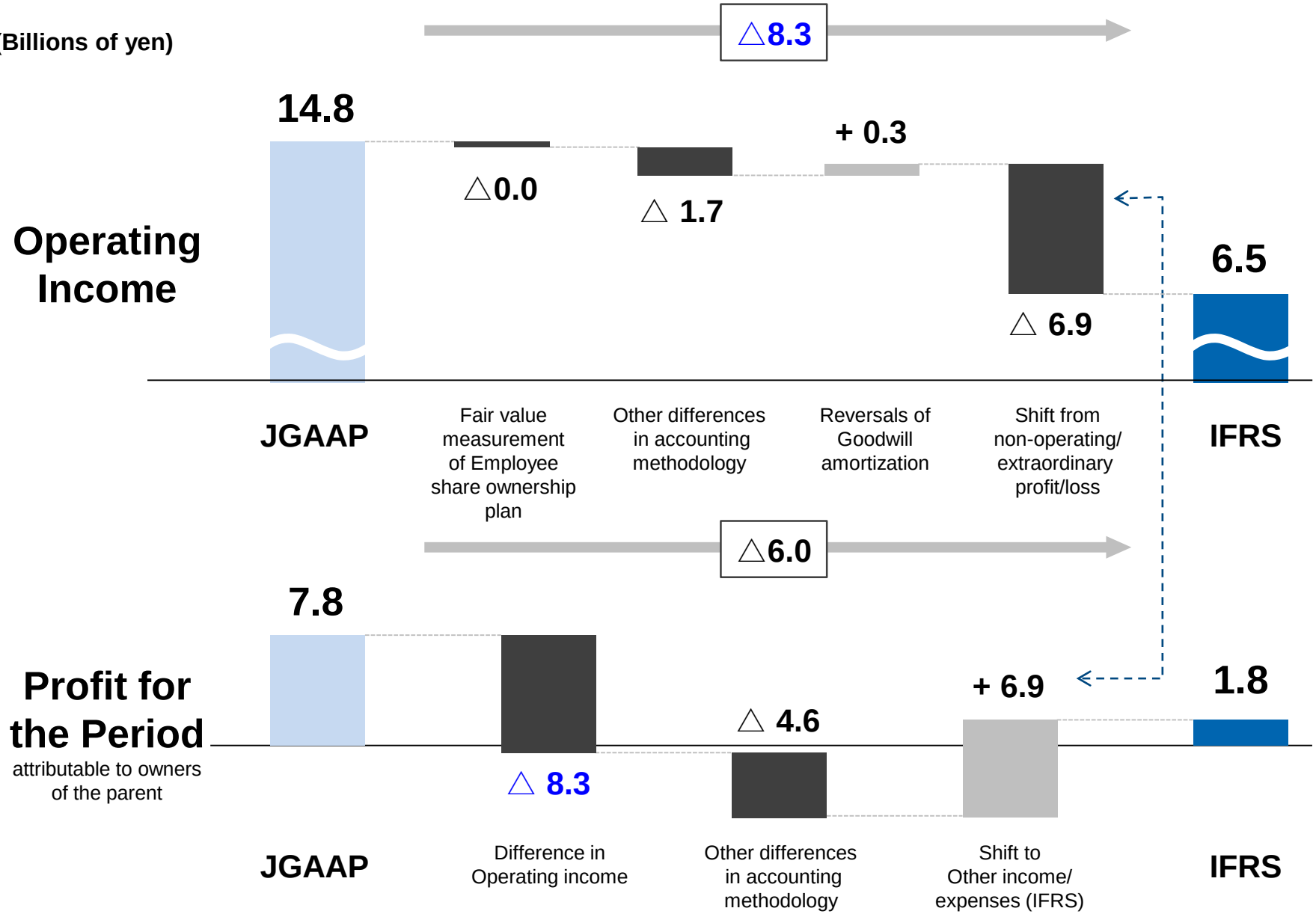


*FY3/20 Forecast includes ¥8.9bn of CAPEX and ¥4.5bn of D&A expenses for U-Shin

[JGAAP] [IFRS]

Difference between JGAAP and IFRS for 4Q of FY3/18

(Billions of yen)



Sustainability Topics

Sustainability Management Division Established

- Established the Sustainability Management Division at the Tokyo Head Office
- Compliance Promotion Office, CSR Promotion Office, Internal Auditing Office, Internal Control Promotion Office, Security Trade Control Office, and Trade Compliance Control Office have been transferred.

Making Oversight Independent from Business Units to Further Strengthen Corporate Governance

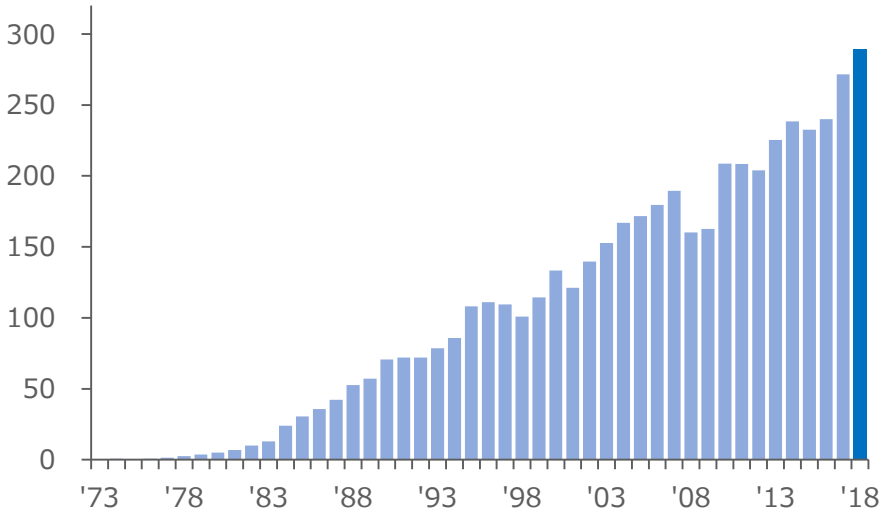
Implementing the MinebeaMitsumi Green Products System

- Introduced an in-house system to certify products with certain functions as "environmentally-friendly products (Green Products)"
- Setting sales targets for environmentally-friendly products and disclosing progress
- To be reported on the next Integrated Report

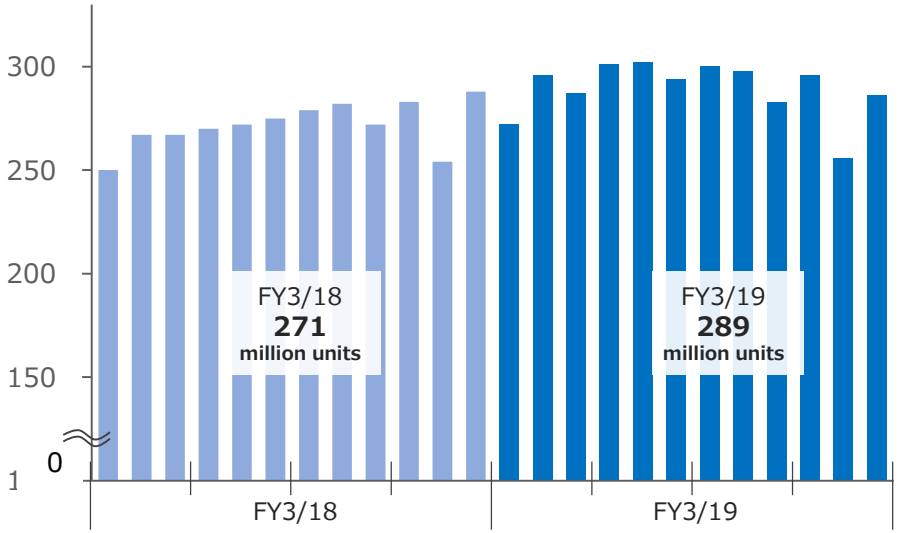
We will conduct our business activities with consideration for the environment, and will contribute to the Protection of the Global Environment and Sustainable Development of Society in accordance with the “Five Principles”, which is the foundation of our management philosophy.

Ball Bearing -Production/Sales-

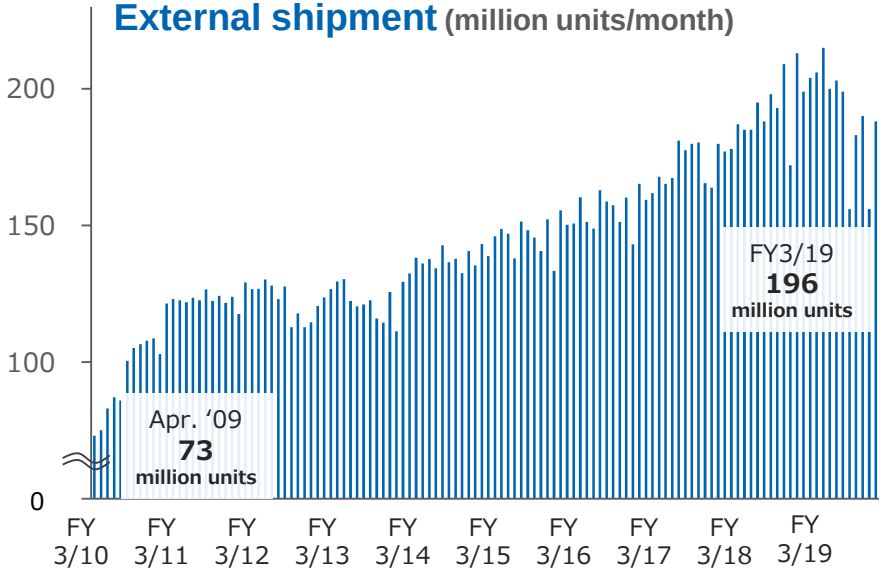
Production (monthly average, million units)



Production (million units/month)



External shipment (million units/month)



Internal shipment (million units/month)

