

Business Results

First Quarter of Fiscal Year
Ending March 31, 2022

MinebeaMitsumi Inc.

August 4, 2021

Summary of Consolidated Business Results for 1Q

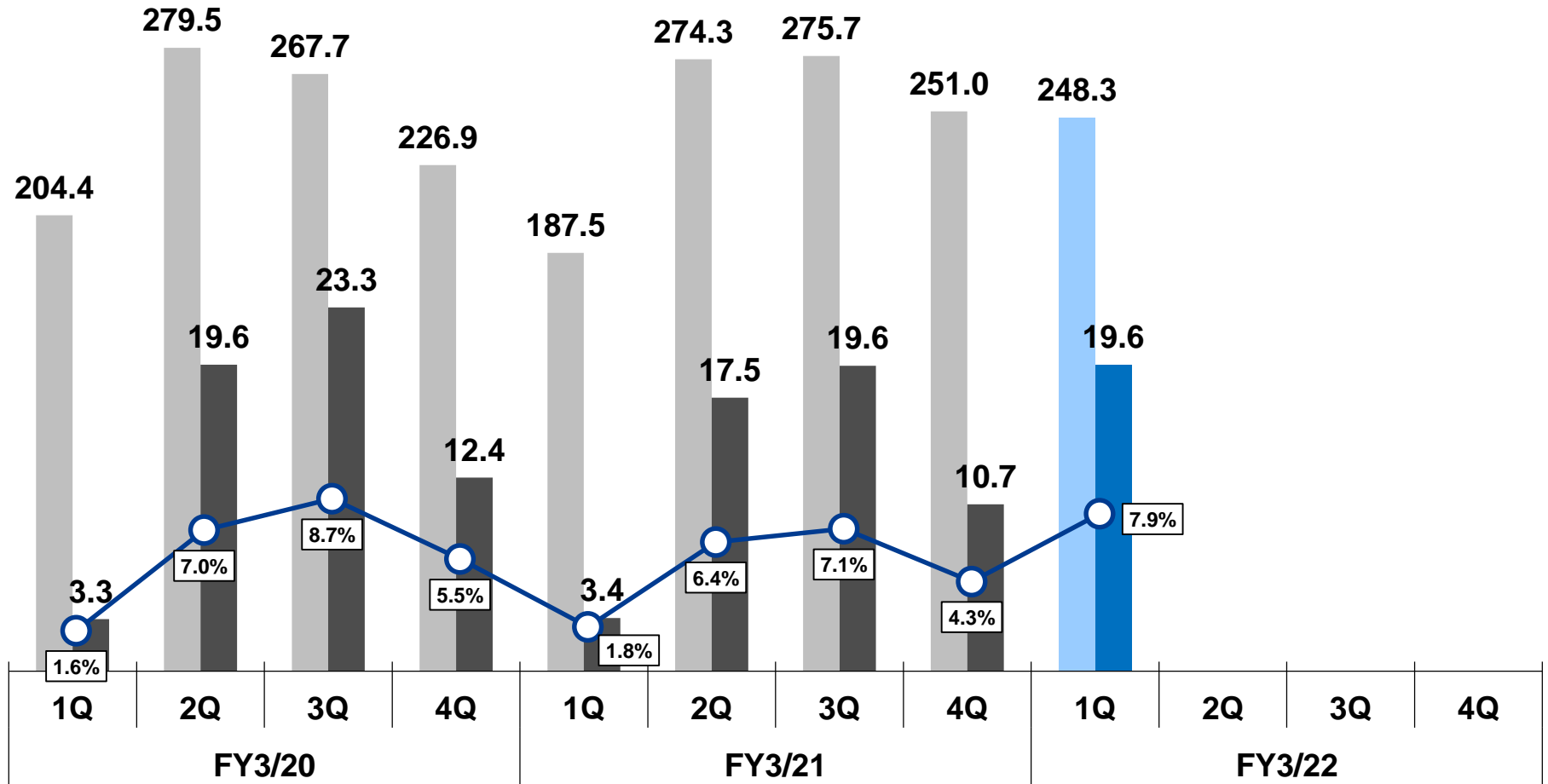
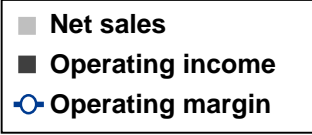
Net sales and Operating income hit 1Q record highs

(Millions of yen)	FY3/21		FY3/22	Change	
	1Q	4Q	1Q	YoY	QoQ
Net sales	187,463	250,985	248,305	+32.5%	-1.1%
Operating income	3,409	10,692	19,628	X5.8	+83.6%
Profit before taxes	3,319	9,928	19,603	X5.9	+97.5%
Profit for the period attributable to owners of the parent	2,216	7,192	14,659	X6.6	X2.0
Earnings per share, basic (yen)	5.43	17.64	36.11	X6.7	X2.0

Foreign Exchange Rates	FY3/21 1Q	FY3/21 4Q	FY3/22 1Q
US\$	¥107.74	¥104.74	¥108.99
Euro	¥118.23	¥127.53	¥130.84
Thai Baht	¥3.34	¥3.47	¥3.50
Chinese RMB	¥15.12	¥16.17	¥16.80

Net Sales, Operating Income/margin

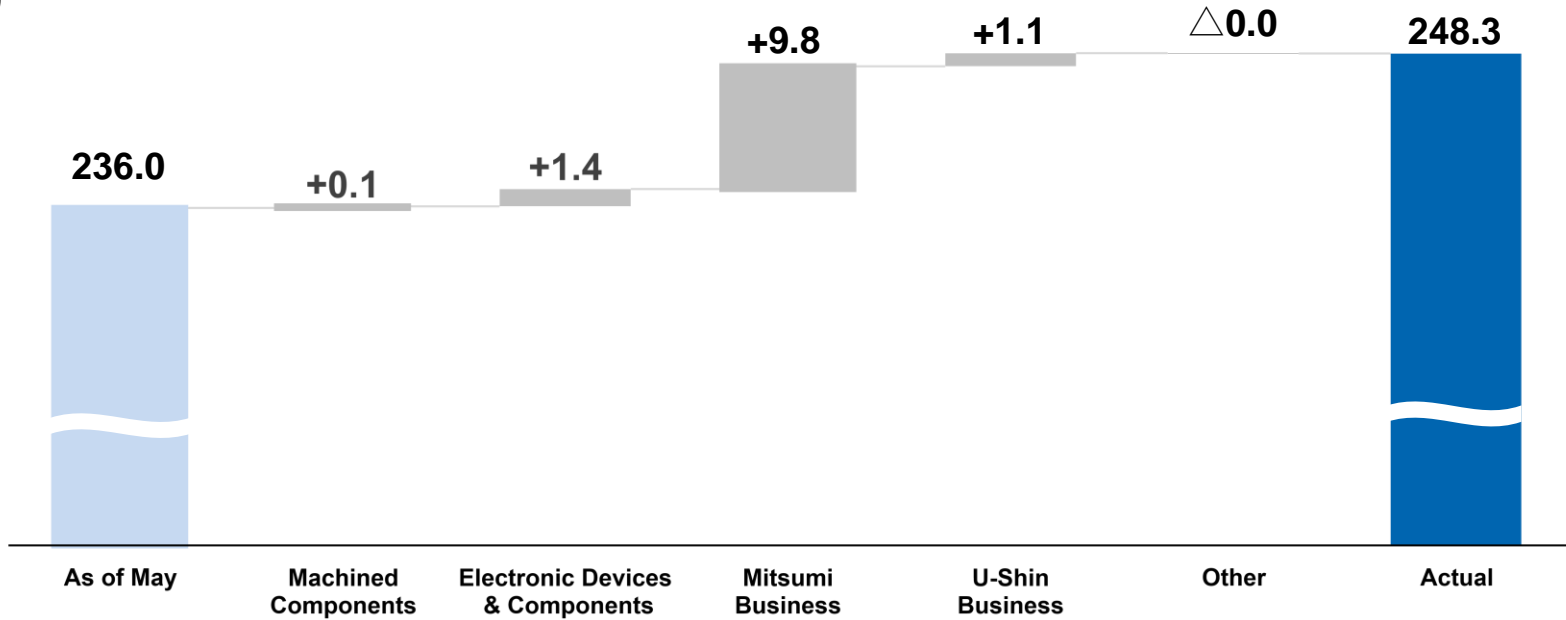
(Billions of yen)



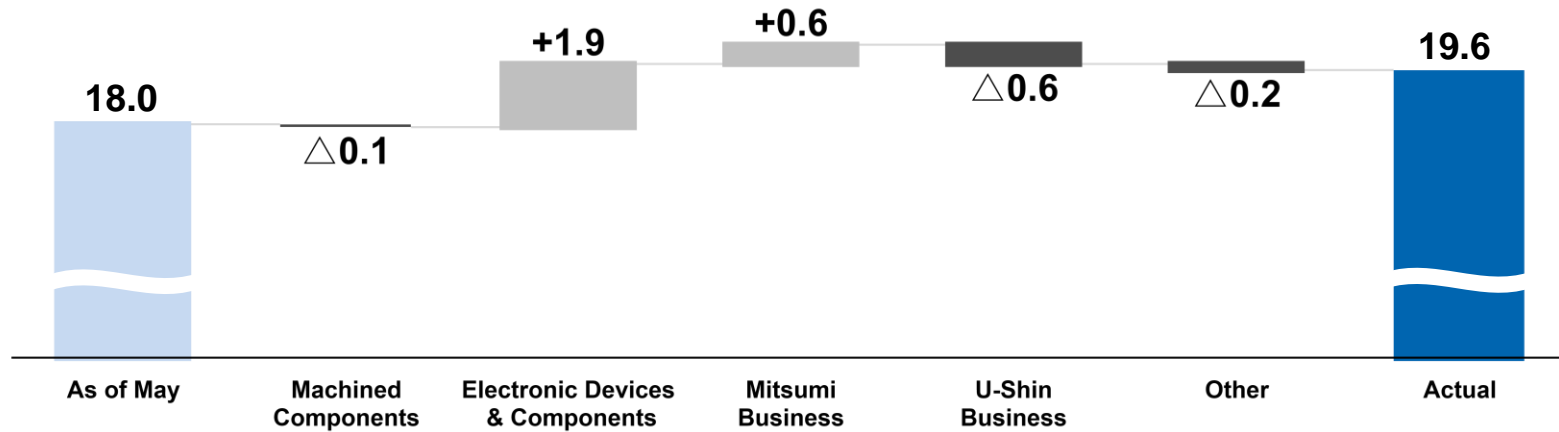
1Q Actual: Differences from the Forecast as of May

(Billions of yen)

Net Sales

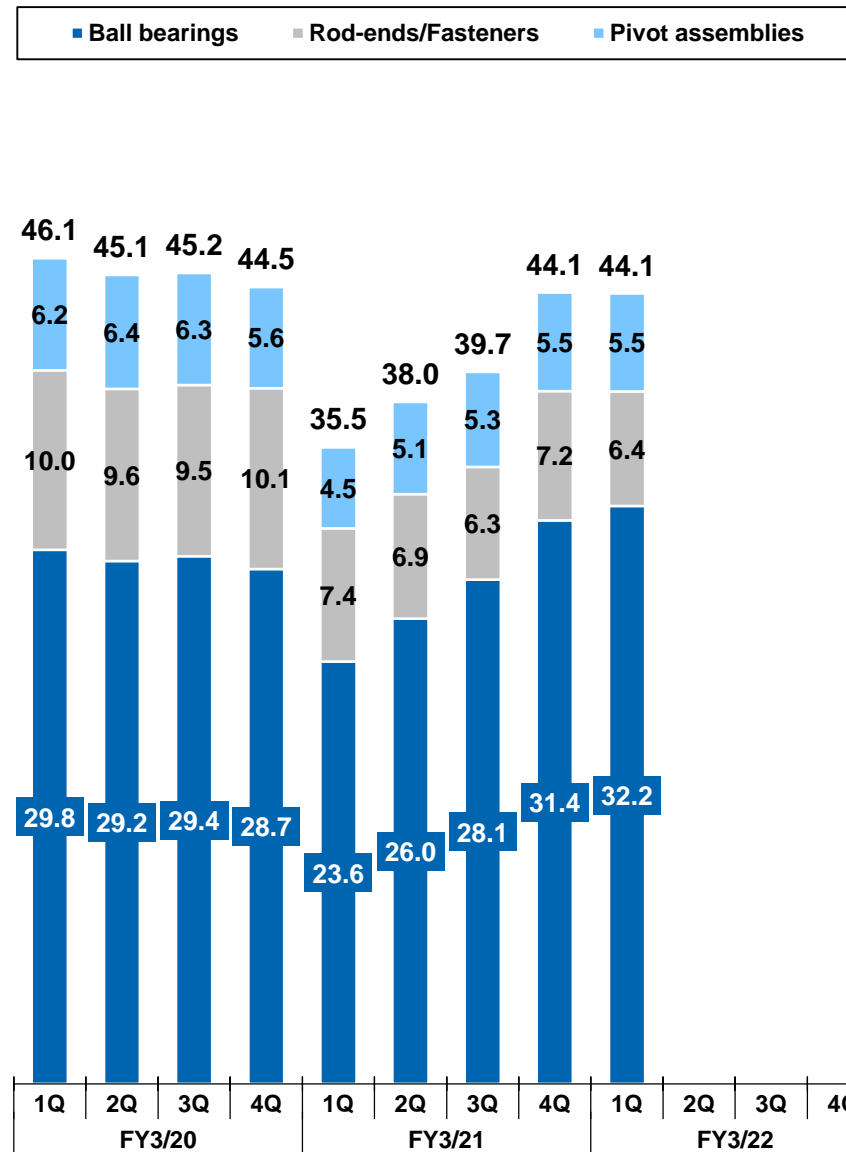


Operating Income

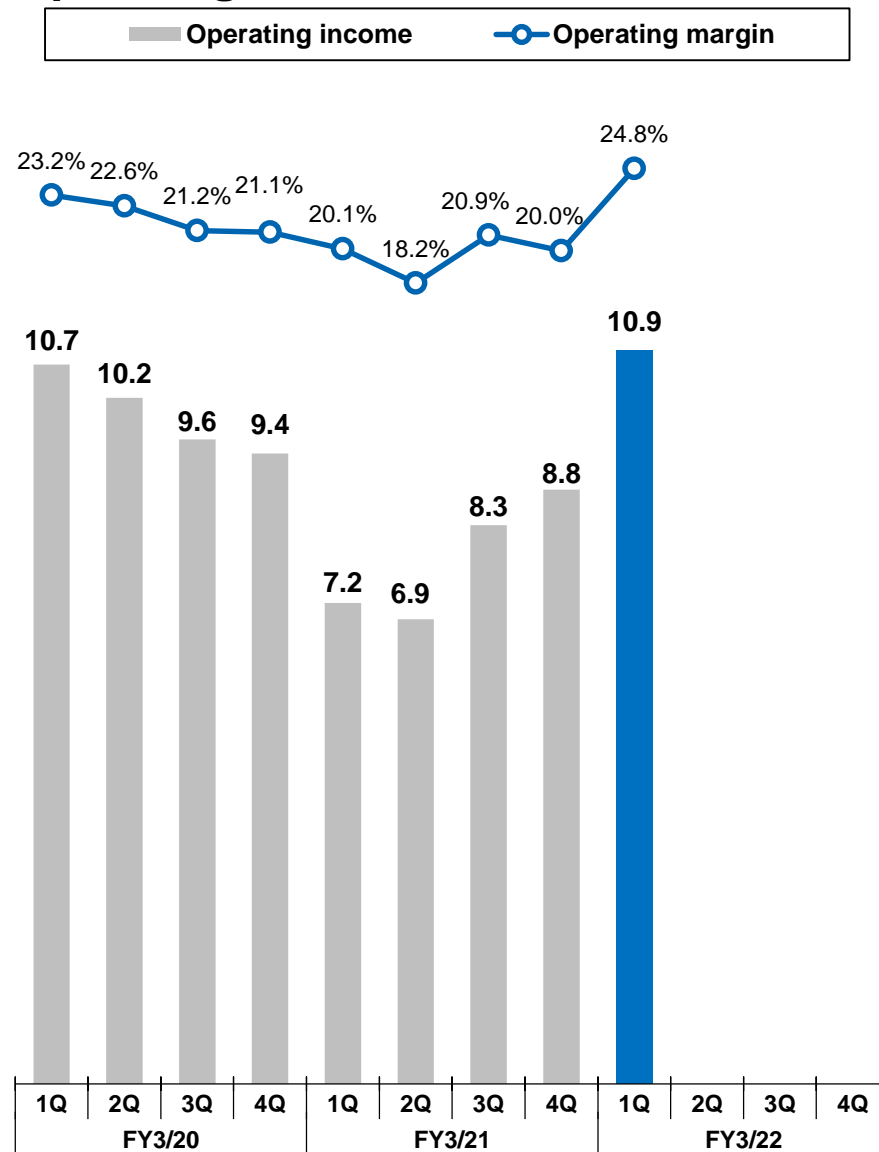


Machined Components

Net sales (Billions of yen)

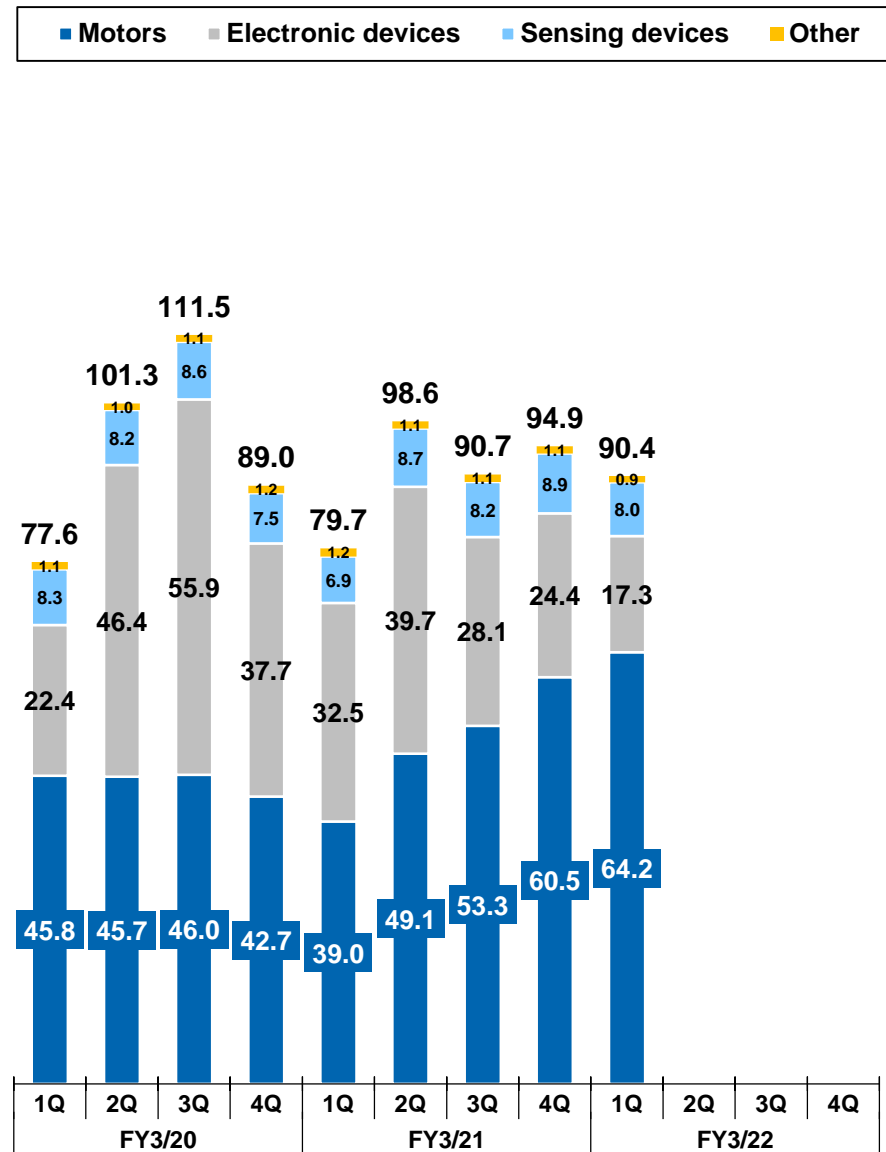


Operating income (Billions of yen)

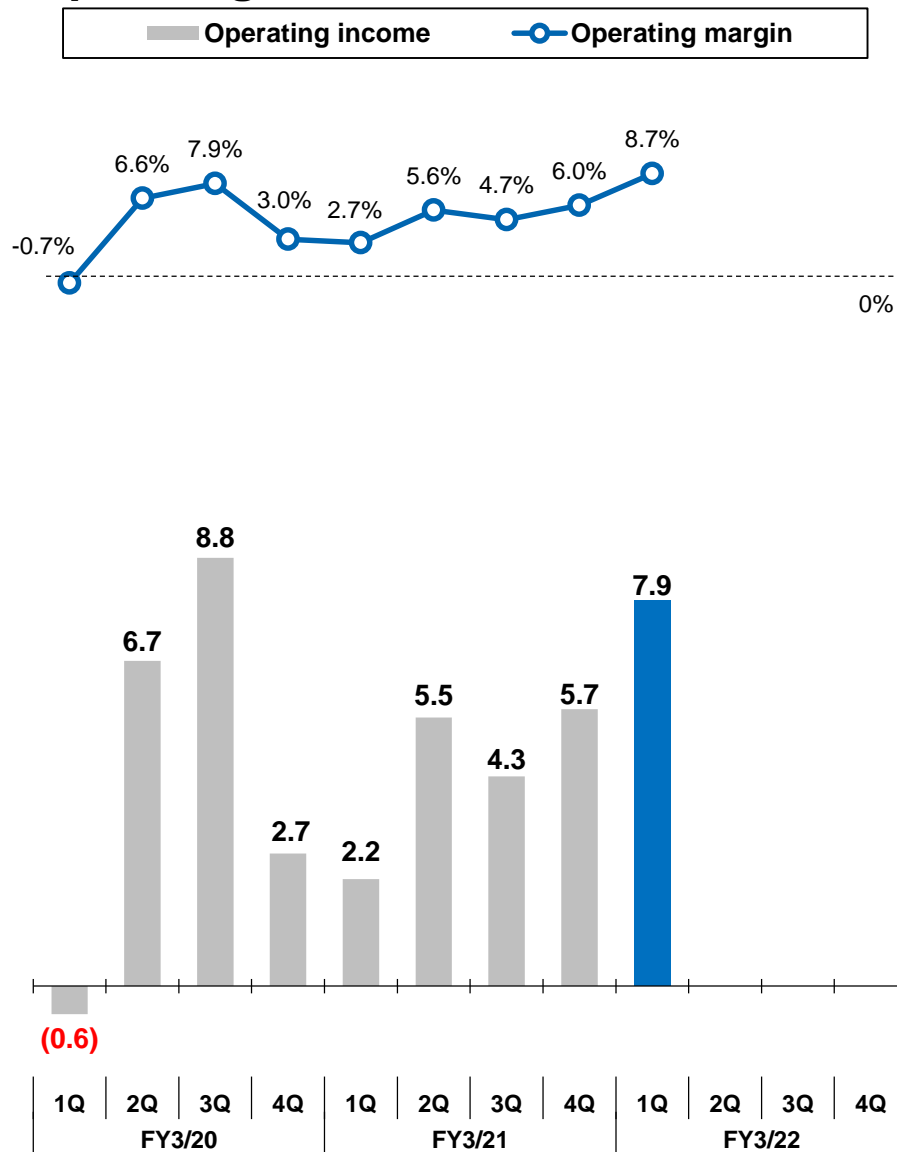


Electronic Devices & Components

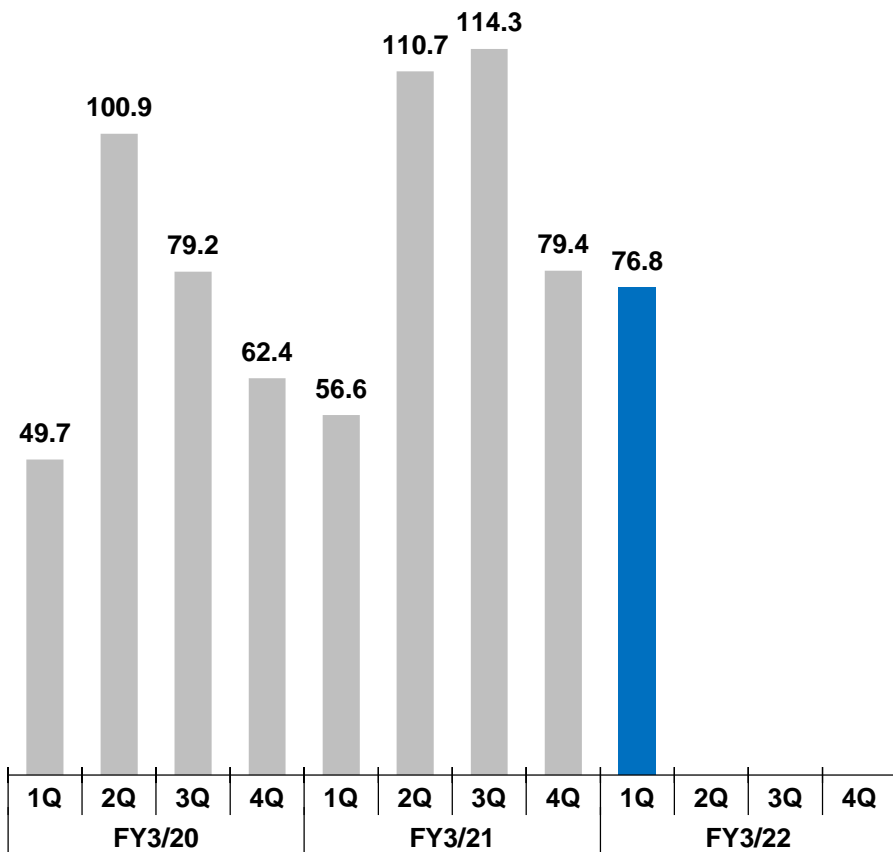
Net sales (Billions of yen)



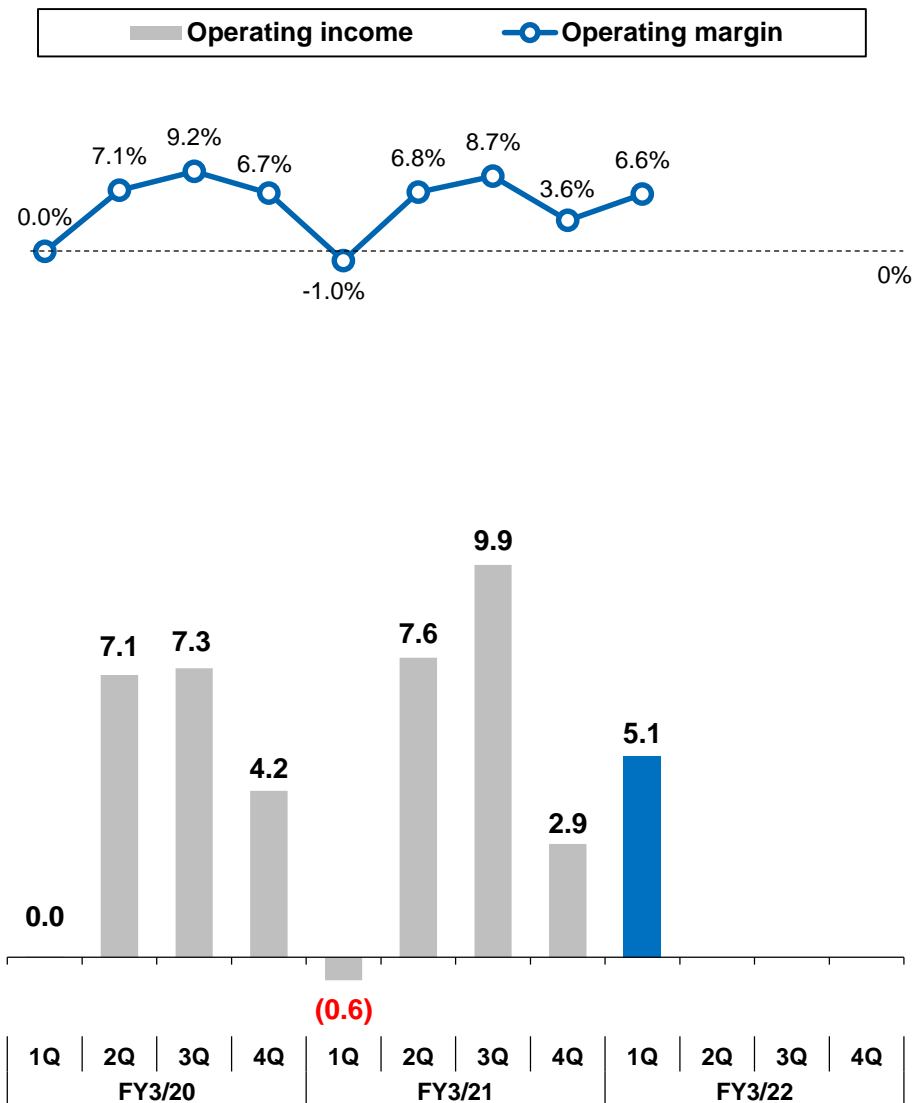
Operating income (Billions of yen)



Net sales (Billions of yen)



Operating income (Billions of yen)

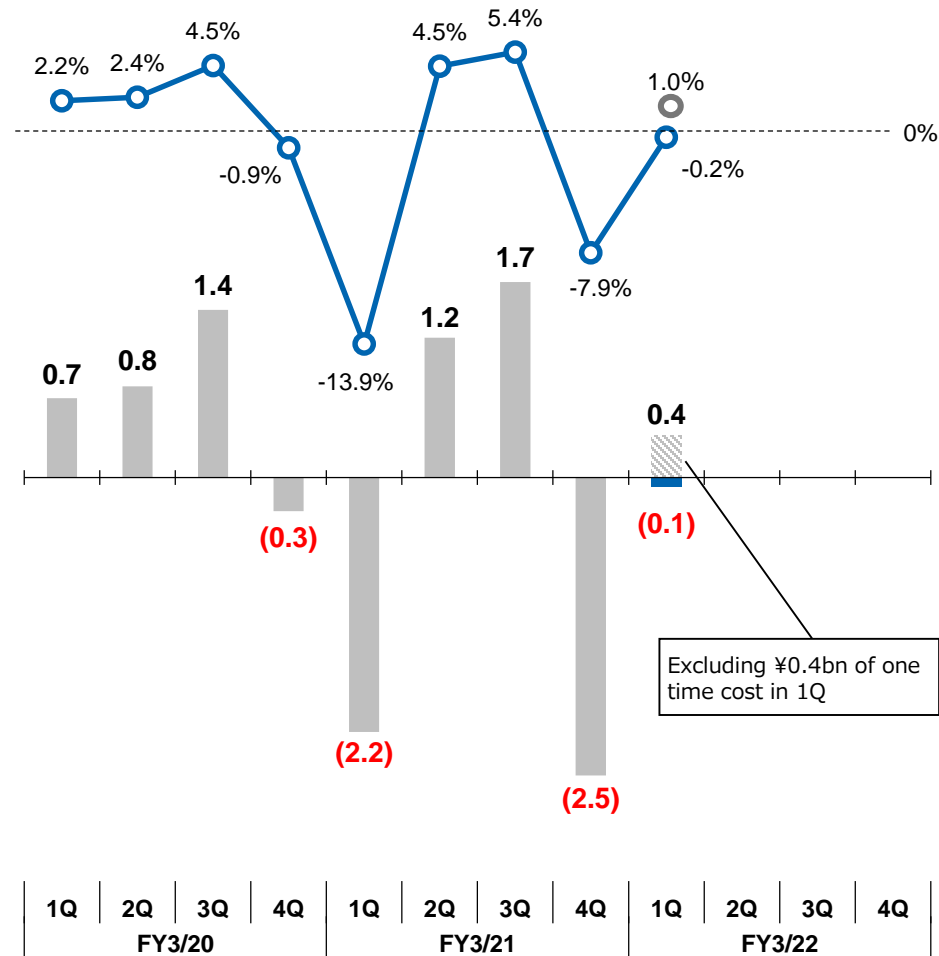


U-Shin Business

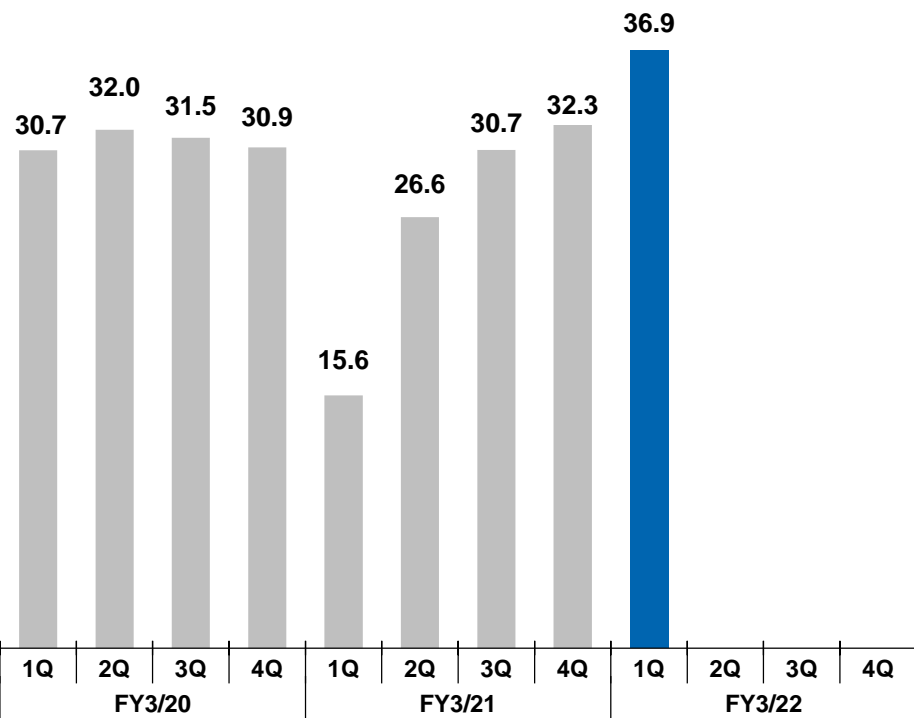
Net sales (Billions of yen)

Operating income (Billions of yen)

Operating income Operating margin

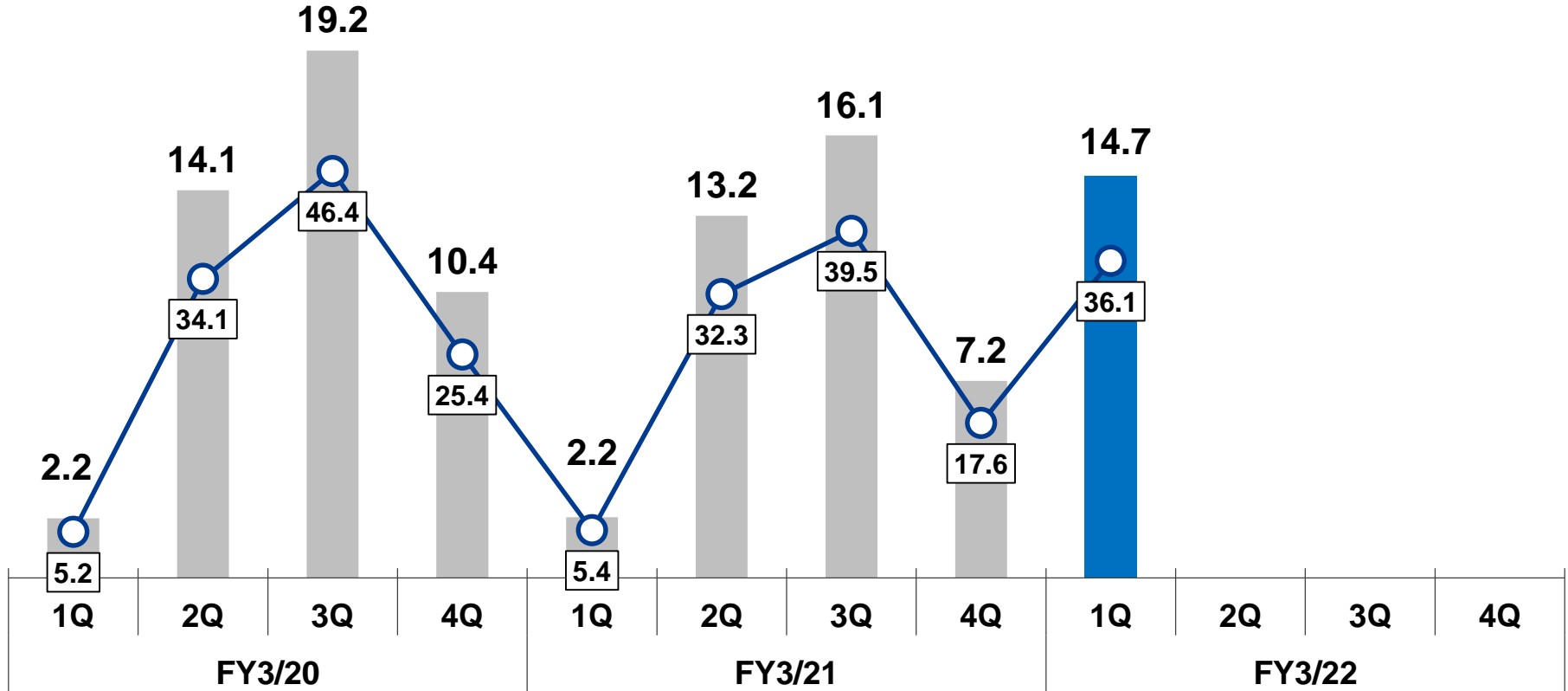
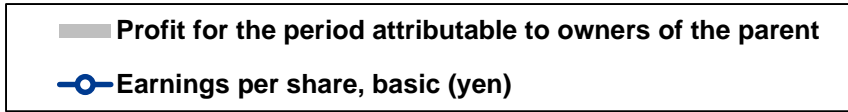


Excluding ¥0.4bn of one time cost in 1Q



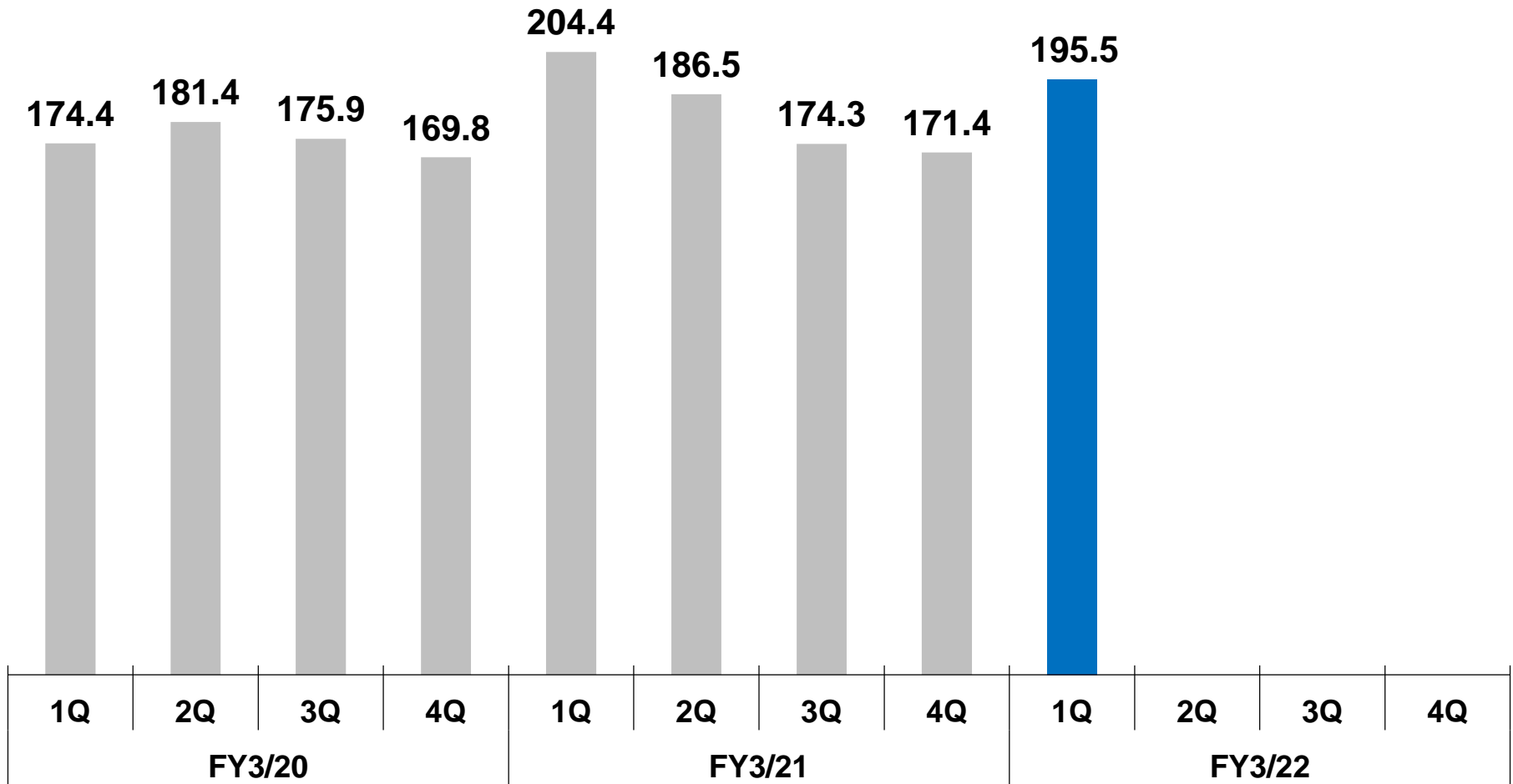
Profit attributable to owners of the parent / EPS

(Billions of yen)



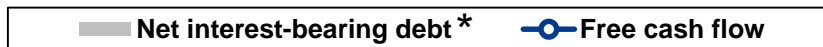
Inventory

(Billions of yen)

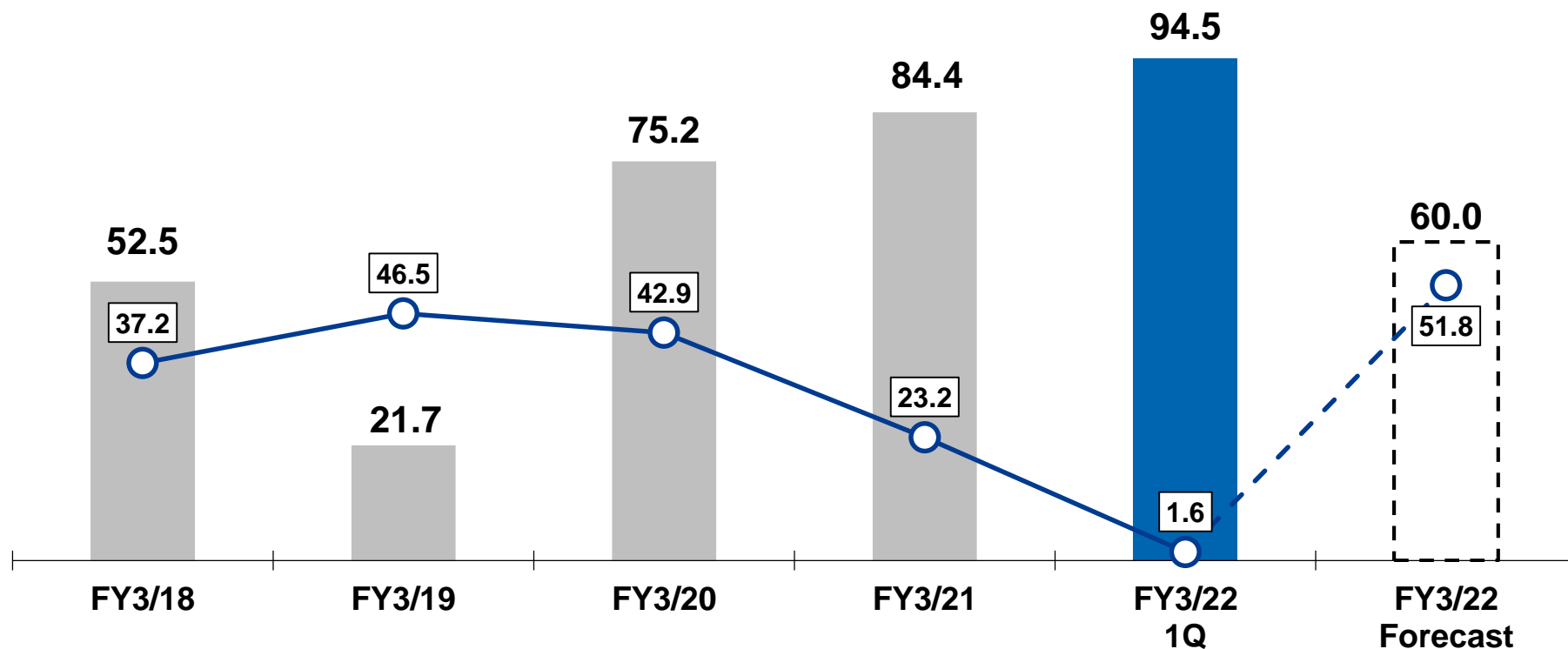


Net interest-bearing debt / Free cash flow

*JGAAP for FY3/18



(Billions of yen)



*Net interest-bearing debts : "Bonds and borrowings" - ("Cash and cash equivalents" + Time deposit more than 3 months)

Forecast for Fiscal Year Ending March 31, 2022

Made upward revision to full-year forecast (1H only)

(Millions of yen)	FY3/21	FY3/22			
	Full Year	1st Half	2nd Half	Full Year	YoY
Net sales	988,424	537,000	513,000	1,050,000	+6.2%
Operating income	51,166	45,000	42,000	87,000	+70.0%
Profit before taxes	49,527	44,500	41,500	86,000	+73.6%
Profit for the period attributable to owners of the parent	38,759	34,500	33,500	68,000	+75.4%
Earnings per share, basic (yen)	94.95	84.99	82.53	167.52	+76.4%

Foreign Exchange Rates	FY3/21 Full Year	FY3/22 2Q Assumptions	FY3/22 2H Assumptions
US\$	¥105.79	¥110.00	¥107.00
Euro	¥123.22	¥130.00	¥130.00
Thai Baht	¥3.40	¥3.45	¥3.45
Chinese RMB	¥15.52	¥17.00	¥16.50

No change for the 2H foreign exchange assumptions

Forecast for Business Segment

(Millions of yen)	FY3/21 Full Year (Adjusted)	FY3/22			
		1st Half	2nd Half	Full Year	YoY
Net sales	988,424	537,000	513,000	1,050,000	+6.2%
Machined components	157,411	91,000	84,000	175,000	+11.2%
Electronic devices and components	345,595	190,000	165,000	355,000	+2.7%
Mitsumi business	352,277	179,000	191,000	370,000	+5.0%
U-Shin business	132,112	76,600	72,400	149,000	+12.8%
Other	1,029	400	600	1,000	-2.8%
Operating income	51,166	45,000	42,000	87,000	+70.0%
Machined components	31,223	23,000	20,500	43,500	+39.3%
Electronic devices and components	17,685	15,500	10,500	26,000	+47.0%
Mitsumi business	20,458	13,500	16,500	30,000	+46.6%
U-Shin business	-2,594	1,000	3,500	4,500	-
Other	-1,908	-1,000	-1,000	-2,000	+4.8%
Adjustment	-13,698	-7,000	-8,000	-15,000	+9.5%

Overall

- **1Q net sales and operating income both hit record highs. (X5.8 year-on-year)**
- **Diversified business portfolio offsets negative factors, such as weak demand for aircraft-related products, declining demand due to semiconductor shortage, and rising raw material prices.**
- **Made upward revision to full-year forecast. (1H only)**

Machined components

- **1Q operating margin for machined components made V-shaped recovery as projected.**
- **Decided to make additional investment in multi-purpose factory to increase ball bearing production capacity.**
- **Some positive signs in the aircraft-related business.**

Electronic devices and components/ Mitsumi

- **Launched series of new automotive products, primarily motors.**
 - **Significantly augmented tangible and intangible resources for analog semiconductors.**
- 1H operating income of ¥10B now in sight this fiscal year.**
- => They may surpass Access products and move up to the third spear in the ranking!**
- **Customer interest in camera actuators is steadily rising.**

U-Shin

- **Shift to high value-added products continues. (Won the first vendor for large projects!)**
- **Moved ahead with ongoing structural reforms.**

Key Points

1 Form part of the multi-purpose factory into a miniature/small-sized ball bearing factory!

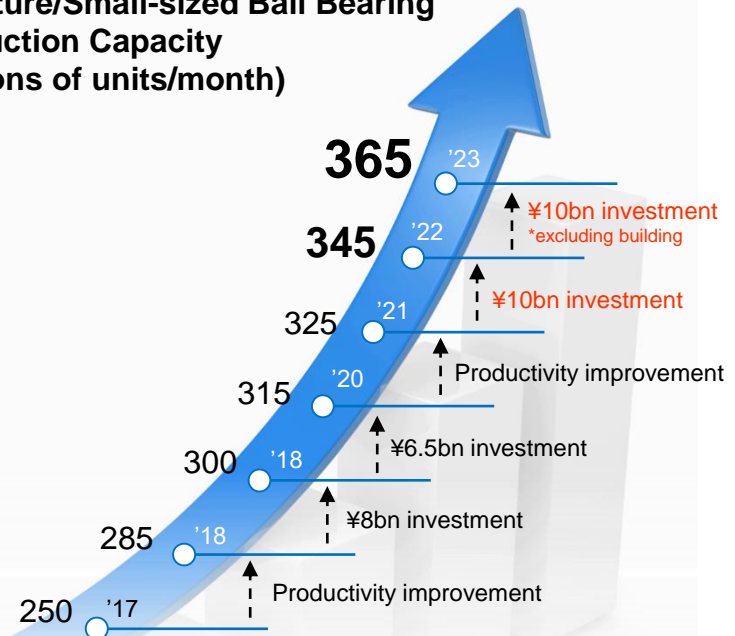
Establish monthly capacity of 365 million units ASAP

2 External sales keep growing

Strong demand growth continues in all applications
=> Automotive, data center, high-end home appliances, etc.

3 Higher production capacity to bring operating margin up

Miniature/Small-sized Ball Bearing Production Capacity (millions of units/month)



Install ball bearing manufacturing equipment in the multi-purpose factory

- Amount to be invested Building: ¥4billion
Equipment: ¥10 billion (Phase 1)
- Planned construction site Bang Pa-in Plant, Thailand
- Start of operation (plan) Around August 2022
- Production capacity 20 million units/month



Multi-purpose factory (Bang Pa-in Plant, Thailand)

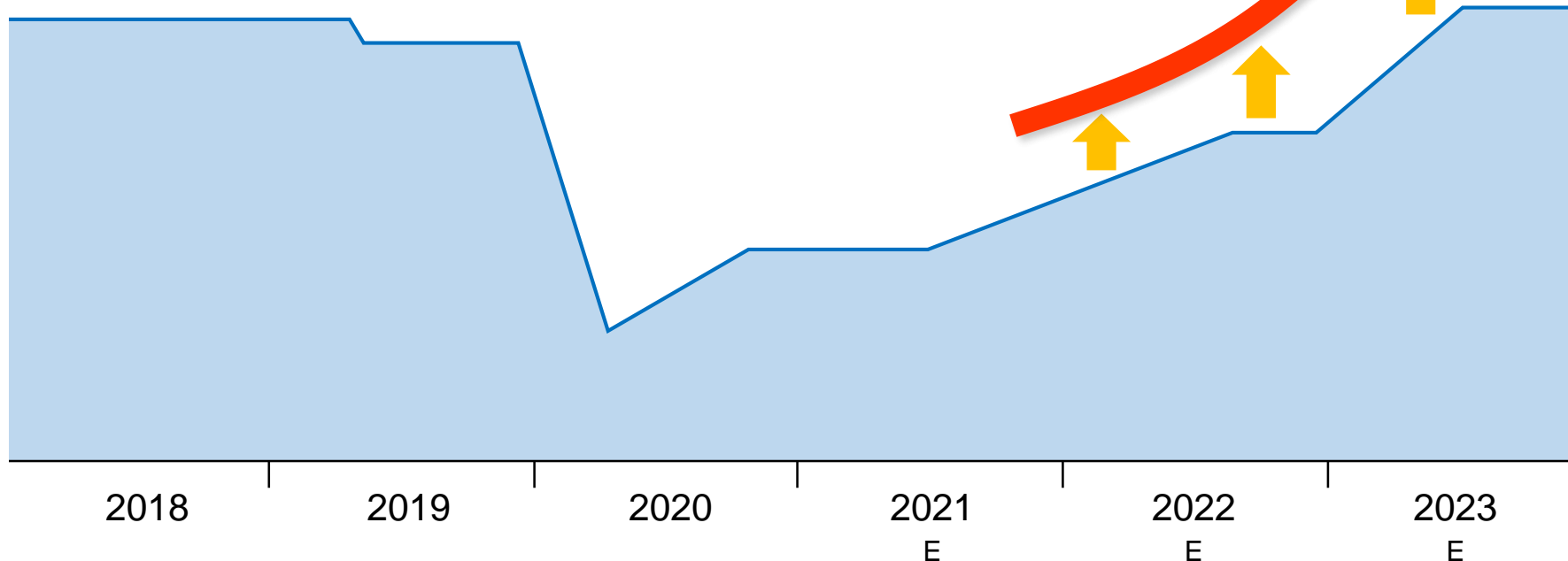
Trend of commercial aircraft production rate

(Source: MinebeaMitsumi)

External environment

- Recovery of passenger demand
- Initiatives to reduce CO₂ in airlines
- Increasing demand for new production of energy-saving aircrafts

Possibility of moving production plan forward?



Key Points

1 Continually launching new products/large projects for automotive motors

- Resolver for EV traction motors
- Cooling fan for EV rechargeable batteries
- DC motor for EPBs
- Active grill actuator, etc.

2 High value-added product strategy benefits HDDs as well

3 Pursue synergy with semiconductor business

Examples of automotive motors that are expected to grow exponentially

Safety



DC motor for EPB

Comfort



Stepping motor for HVAC



Expect CAGR at 20% or higher for sales of motor for autos (FY3/21-FY3/25)

Environment



Resolver for traction motor



Cooling fan for EV rechargeable battery



Actuator for valves



Active grill actuator

Key Points

1 Improvements in tangible resources

- Leverage **6-inch/8-inch wafer fabs** to increase efficiency
 - Make an additional ¥10+ bn investment in an 8-inch wafer fab to **up company-wide production capacity by 50%**
- > **Subsidy granted**

2 Improvements in intangible resources

- Secure **engineering/development workforce of 300**
- Leverage **mixed-signal semiconductors** to make analog semiconductors more competitive
- Accelerate synergy via **INTEGRATION with businesses including motors**

3 Solve facility issues with further room for expansion

Analog semiconductor production sites

Wafer

Chitose
(6-inch)



Takatsuka
(6-inch)



Yasu
(8-inch)



New!!

Assy

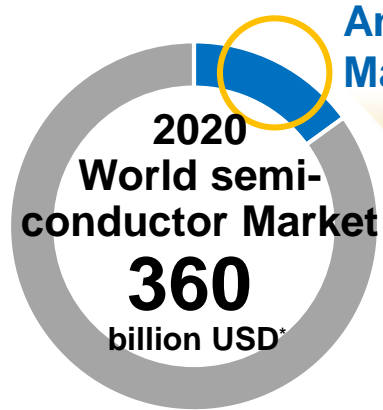
Cebu
(Philippines)



Akita



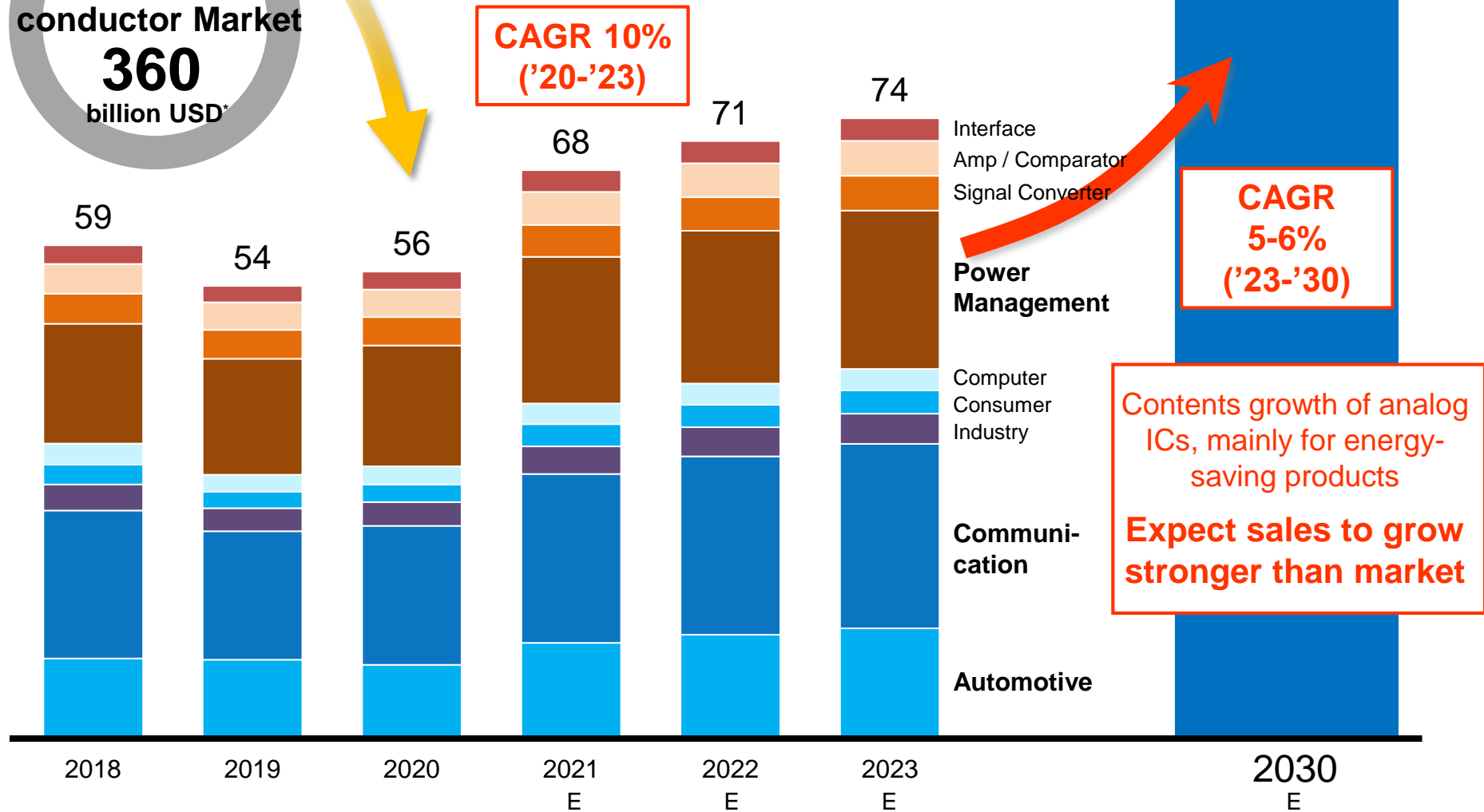
[Reference] Outlook of Analog Semi-conductor Market



Analog Semi-conductor Market

Outlook of Analog Semi-conductor Market* (billion USD)

CAGR 10%
('20-'23)



Key Points

1 Start of new OIS for major customers going smoothly

- Off to a good start again this fiscal year
=> Huge year-on-year increases in sales and profit thanks to increasing adoption rate of high value-added models
- Continue to respond proactively to growing OIS technology



2 Increase sales of next-generation OIS to pioneer technological innovations in smartphone cameras

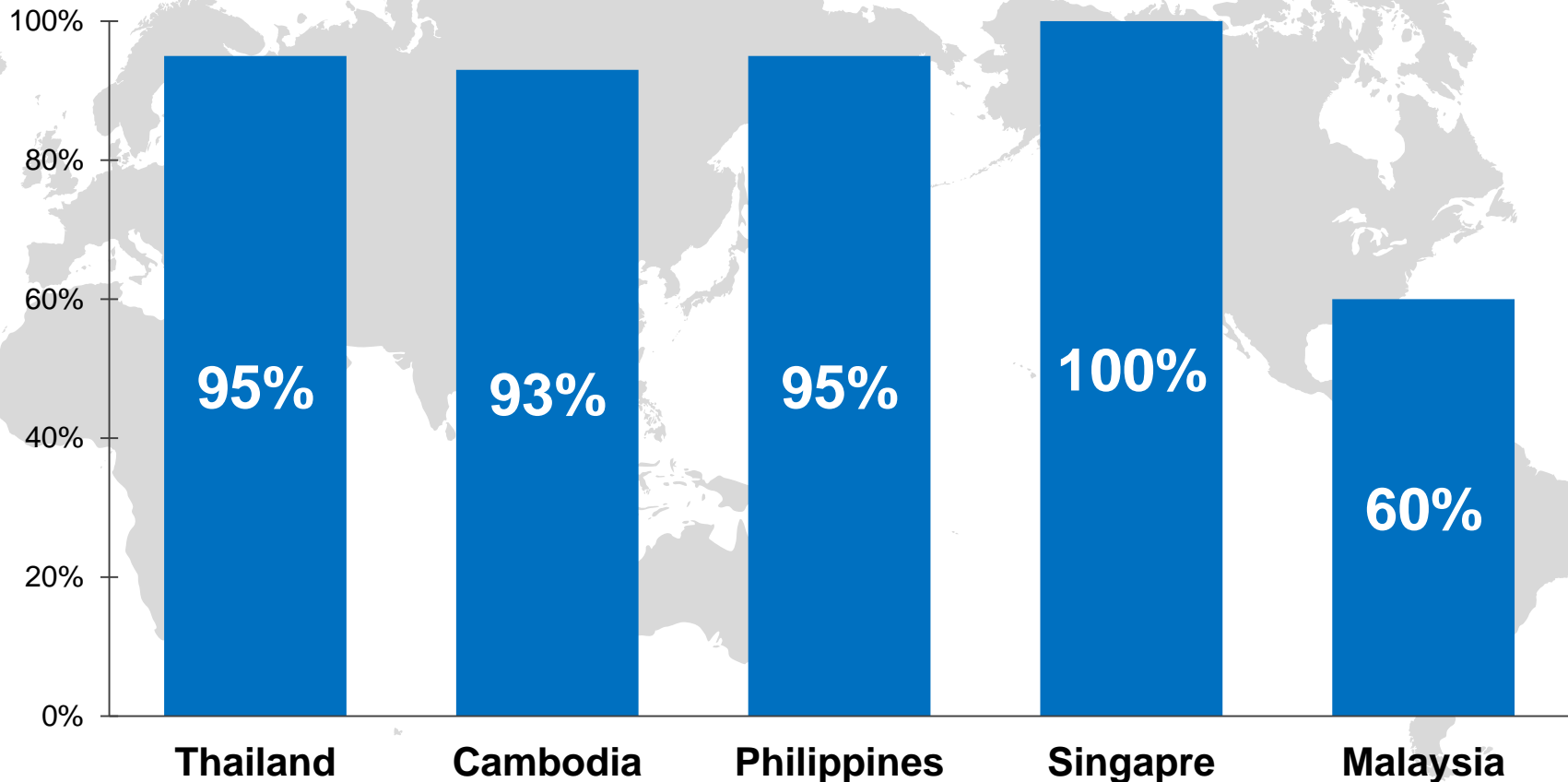
3 Game-related sales expected to be strong again this fiscal year

Boost sales with 3 spears + 1 + 1
(Bearings, motors, analog semiconductors, OIS, game consoles)



**Despite sporadic outbreaks of infection,
overall operations are about the same as normal
(Held nearly 200 CEO-led meetings on countermeasures in 18 months)**

Capacity utilization rates of major southeast Asian locations (as of July 31, 2021)



Resolution of share buyback (August 4, 2021)

- Number of shares: Up to 3 million shares
(equal to 0.74% of total issued shares excluding treasury shares)
- Amount: Up to 10.0 billion yen
- Period: From August 5, 2021 to October 29, 2021
- Purpose: In order to improve return on shareholders and improve capital efficiency and to implement agile capital policy according to the business environment.

[For reference] KPIs for determining remuneration of CEO and other directors who are executive officers

Profit, sales growth rate, performance compared against the Nikkei average, and operating margin, **plus market capitalization which was added this year.**

Donations to Single-Parent Support Organization: 70th Anniversary Project

We wish to express our deepest sympathies to those who are experiencing difficulties due to the spread of the novel coronavirus, and have decided to make the following charitable donations.

- Purpose: Support single-parent families with high school aged children
- Donations to be used for:
"We Support High School Students!," a project of the certified NPO, Single Mothers Forum
- First donation—50 million yen
=> Plan to donate up to 100 million yen depending on our performance



Making a donation to Single Mothers Forum

Completion of 60th Anniversary Project

Support for children who lost their parents in the Great East Japan Earthquake

(announced on August 8, 2012)

- Established a scholarship fund to support orphans
- 138 children from first graders to third year junior high school students (at that time)
- Donated a total of 100 million yen



Graduation event for the Great East Japan Earthquake scholarship fund

Completion of COVID-19 workplace vaccination in Japan

- Target: Employees and their families, etc. of MinebeaMitsumi group who wish to get vaccination
- Date: June 24, 2021 and onwards
- Location: Tokyo HQ, Karuizawa, Hamamatsu, Fujisawa, Hiroshima, Chitose

Completed to nearly 13,000 employees

Awarded the “Excellence Awards” of the “3rd ASEAN-OSHNET Award” for the first time for a Japanese Company.

- ASEAN-OSHNET Award: Selects companies with good occupational safety and health systems and performance in each ASEAN country
- "Excellence Awards": Given to one company with the best occupational health and safety management systems in each country.



Award Ceremony (Remote)

Released “ESG Information Index” on MinebeaMitsumi corporate website

We have organized our environmental, social and governance (ESG) activities as well as sustainability initiatives in line with the GRI Standards, and provided links to relevant information.

Please refer to our website → <https://www.minebeamitsumi.com/english/csr/list/data/>

From the FY3/21Q3 Investor Meeting
Presentation on Feb. 5, 2021

The possibility of realizing the estimated breakdown announced in 2017 has been raised toward FY3/23!

Estimated breakdown (FY3/23)

- Machined Components **¥50 bn**
- Electronic Devices & Components **¥30 bn**
- Mitsumi **¥30 bn**
- U-shin **¥10 bn**
- HQ Expenses **¥-20 bn**

Upside from M&A!

(Reference)
Estimated breakdown (FY3/21)
announced in May 2017

- Machined Components **¥50 bn**
- Electronic Devices & Components **¥30 bn**
- Mitsumi **¥20 bn**
- M&A **¥15 bn**
- HQ Expenses **¥-15 bn**



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.

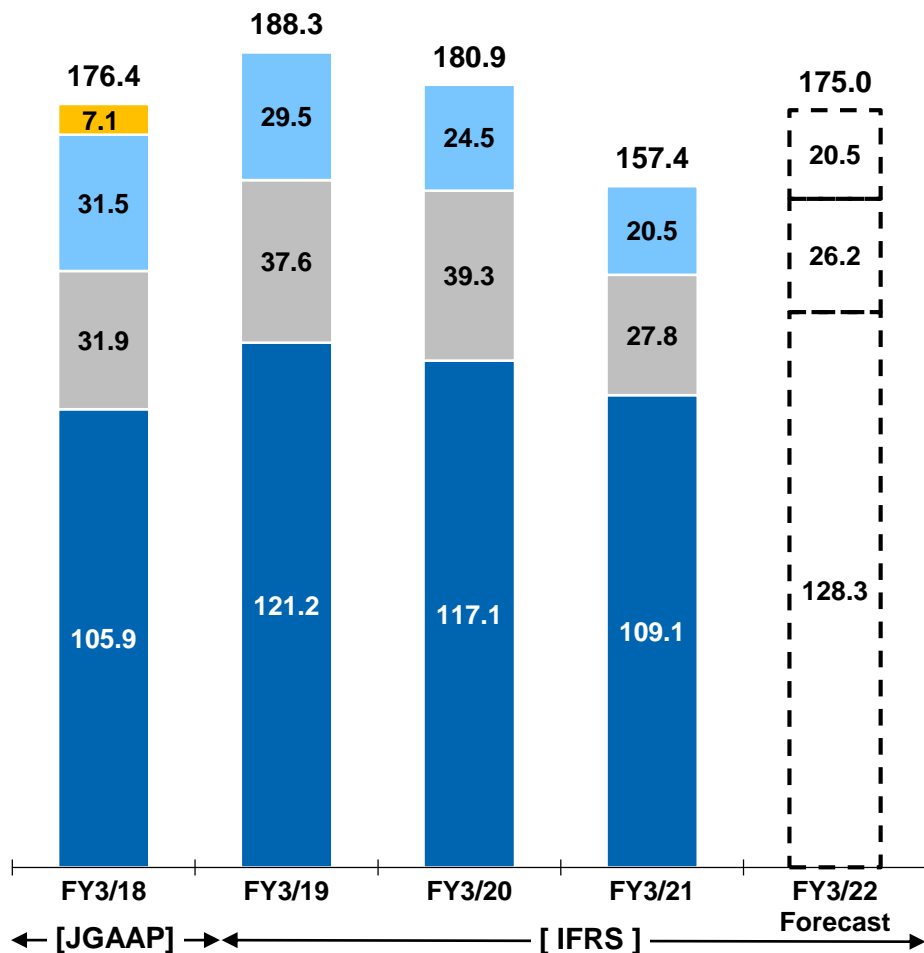
Factors affecting our actual performance include but are not limited to: (i) changes in economic conditions or demand trends related to MinebeaMitsumi's business operations; (ii) fluctuation of foreign exchange rates or interest rates; and (iii) our ability to continue R&D, manufacturing and marketing 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

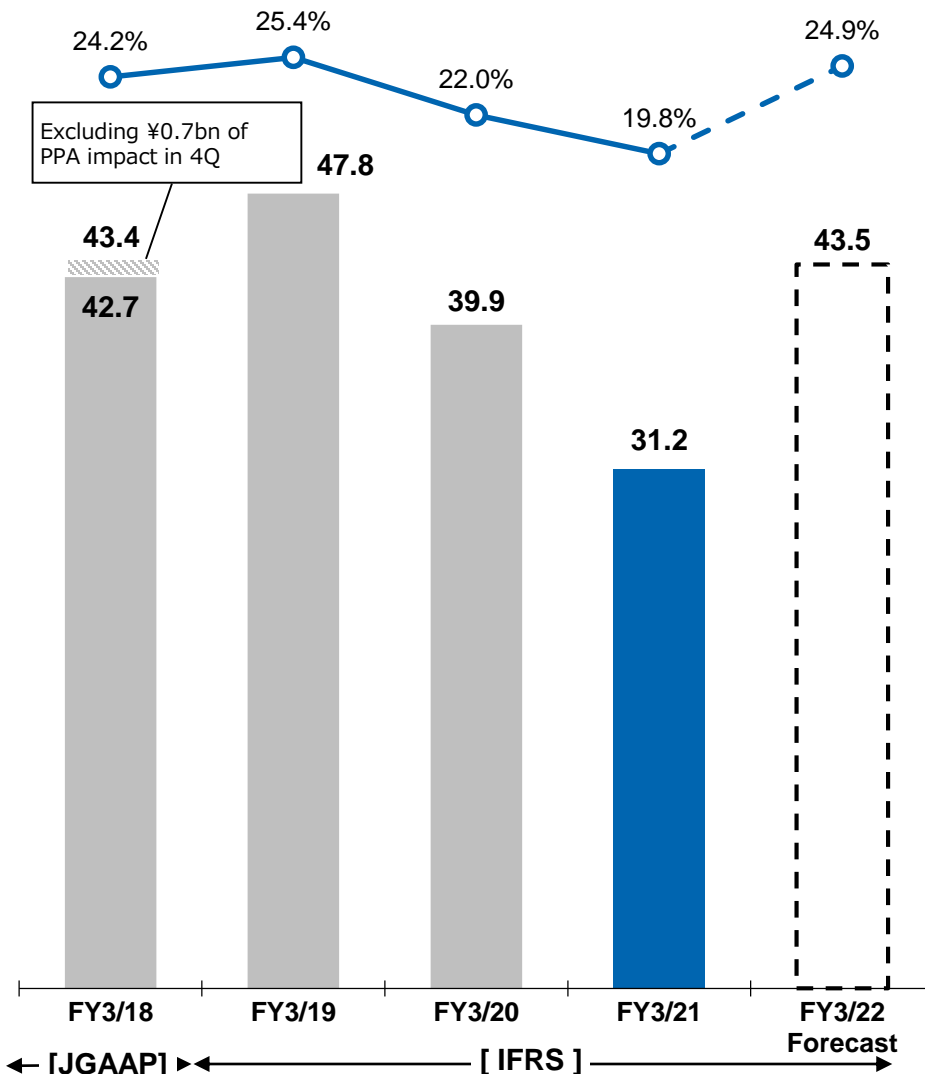
Net sales (Billions of yen)

■ Ball bearings ■ Rod-ends/Fasteners ■ Pivot assemblies ■ Other



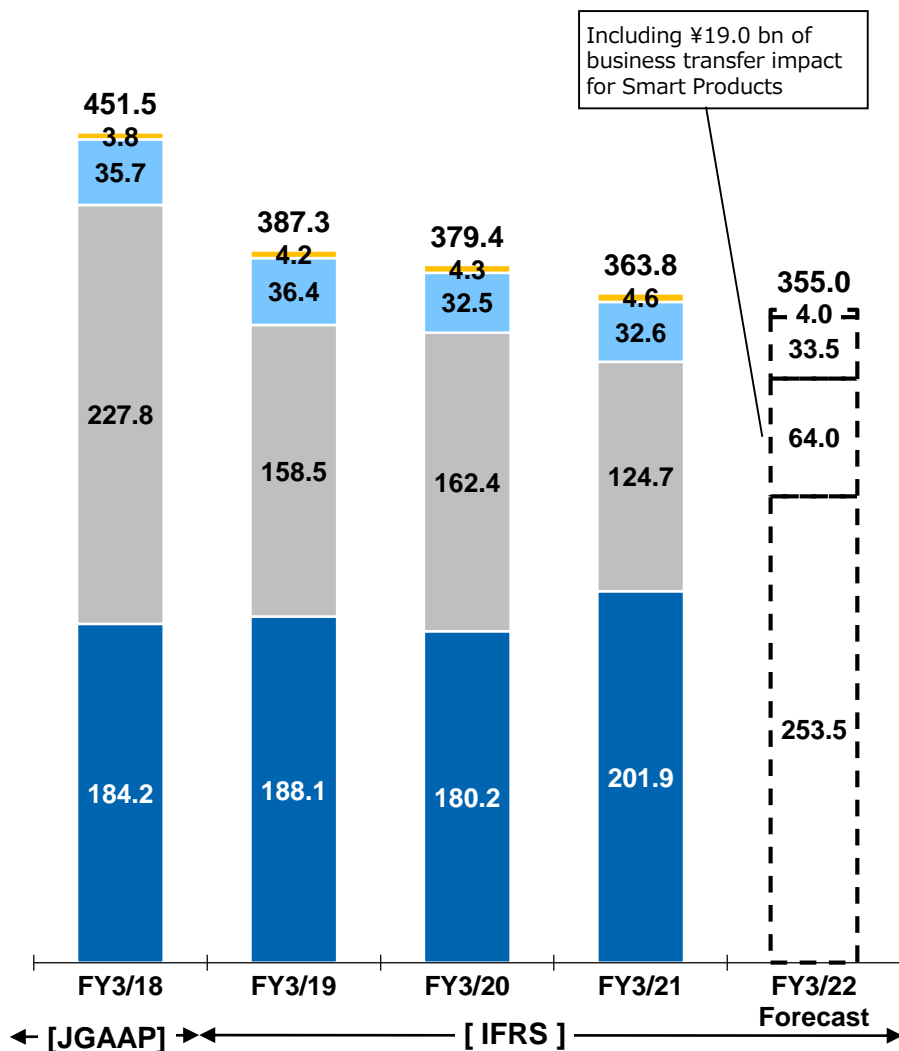
Operating income (Billions of yen)

■ Operating income ○ Operating margin



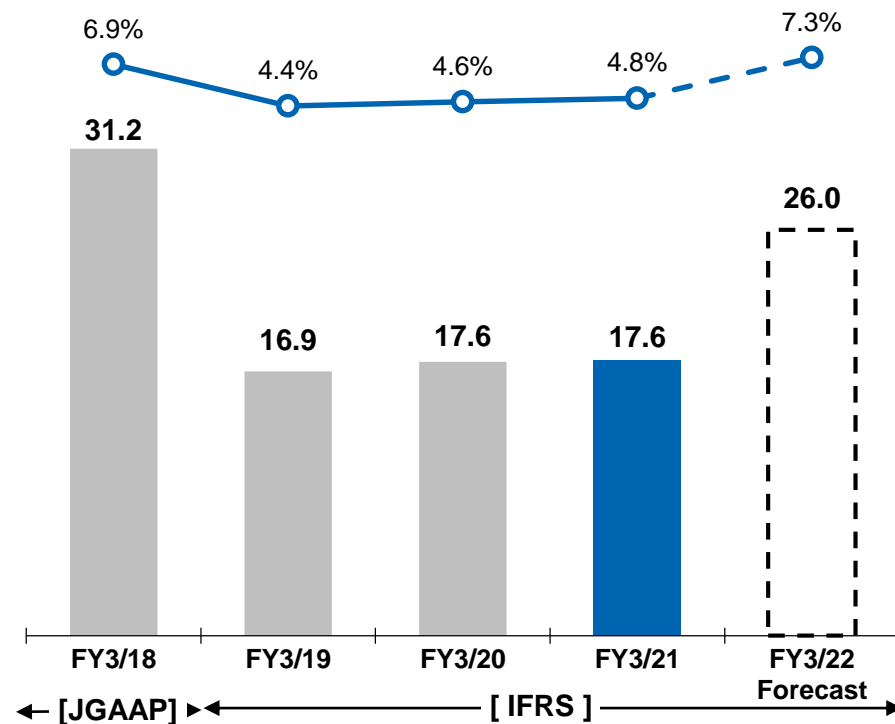
Net sales (Billions of yen)

■ Motors ■ Electronic devices ■ Sensing devices ■ Other

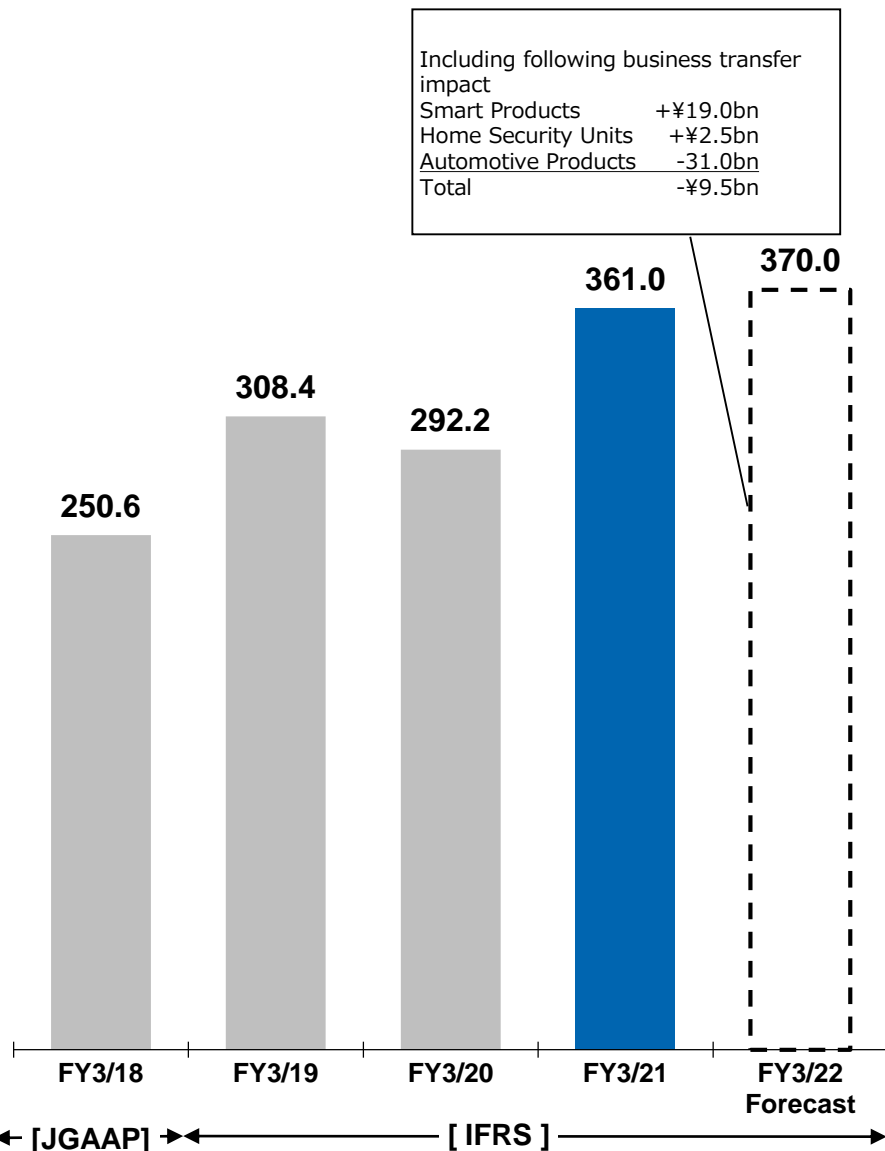


Operating income (Billions of yen)

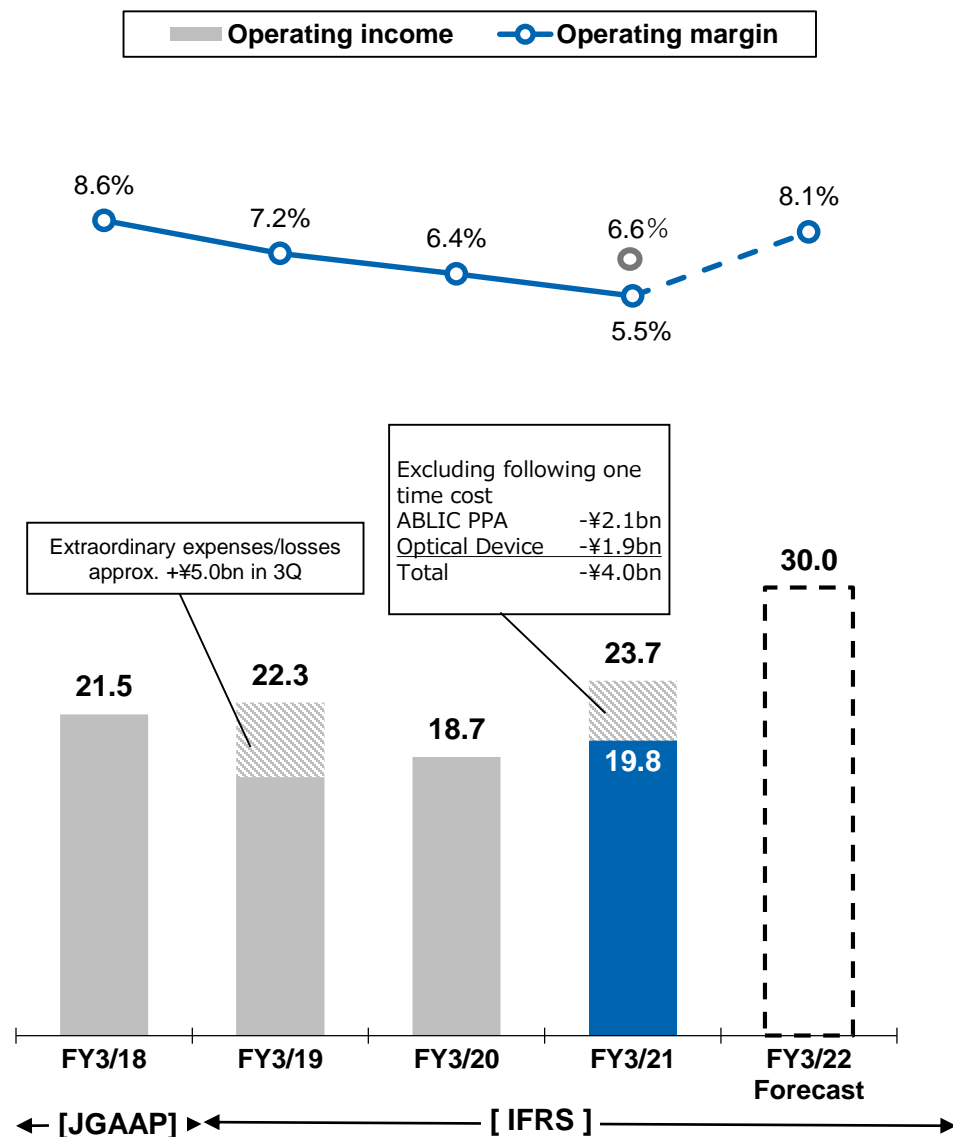
■ Operating income ○ Operating margin



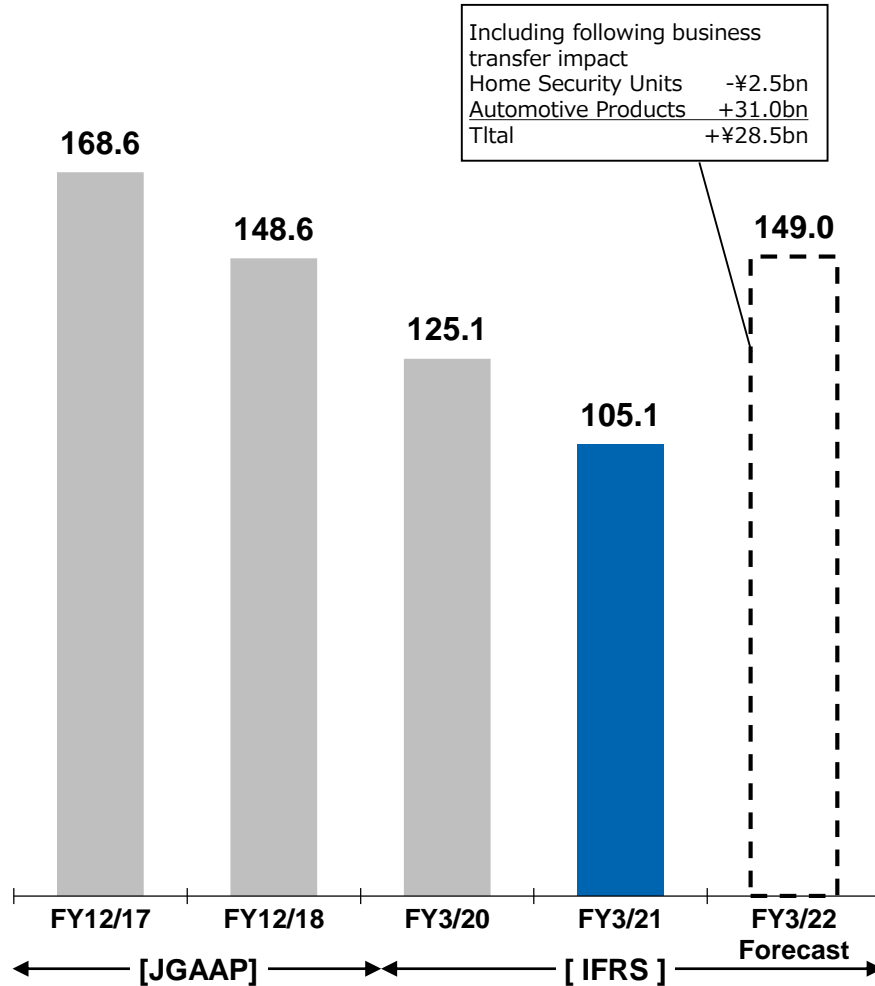
Net sales (Billions of yen)



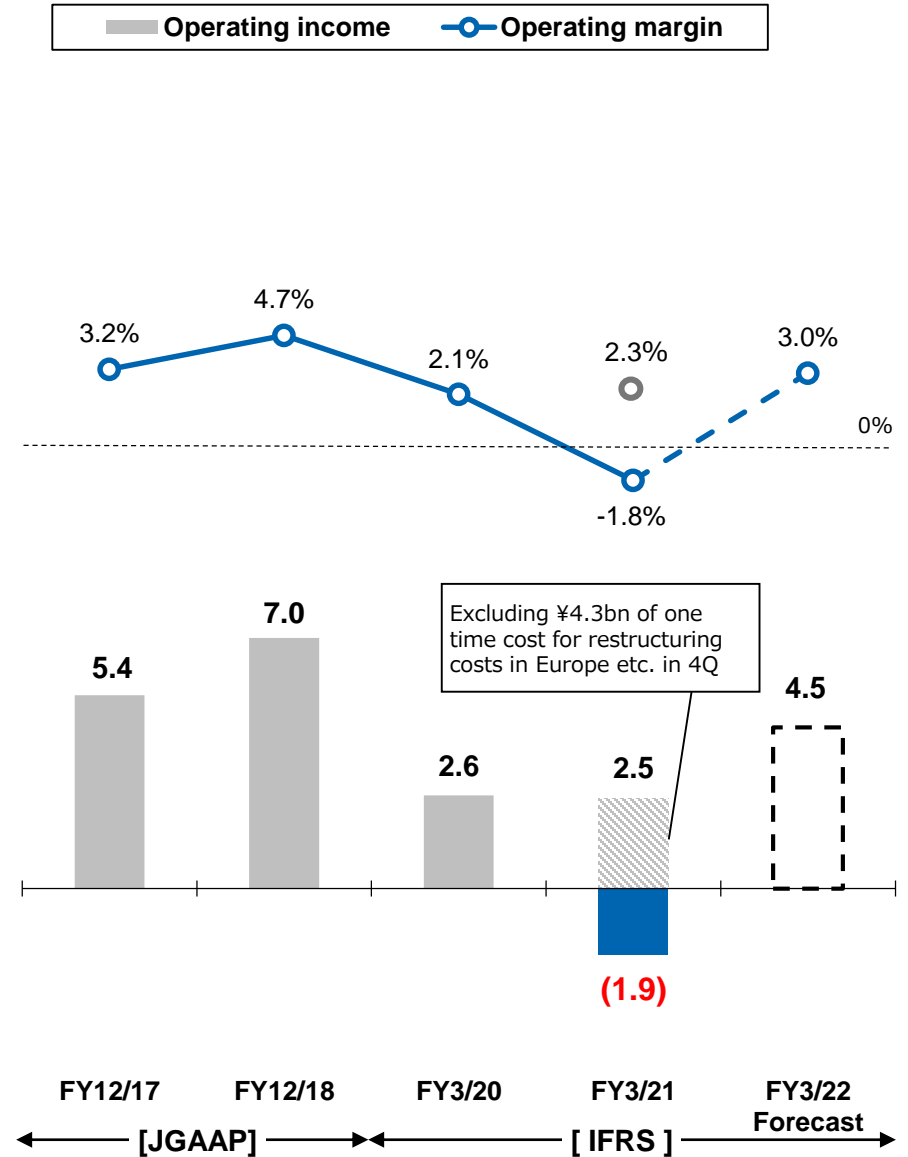
Operating income (Billions of yen)



Net sales (Billions of yen)

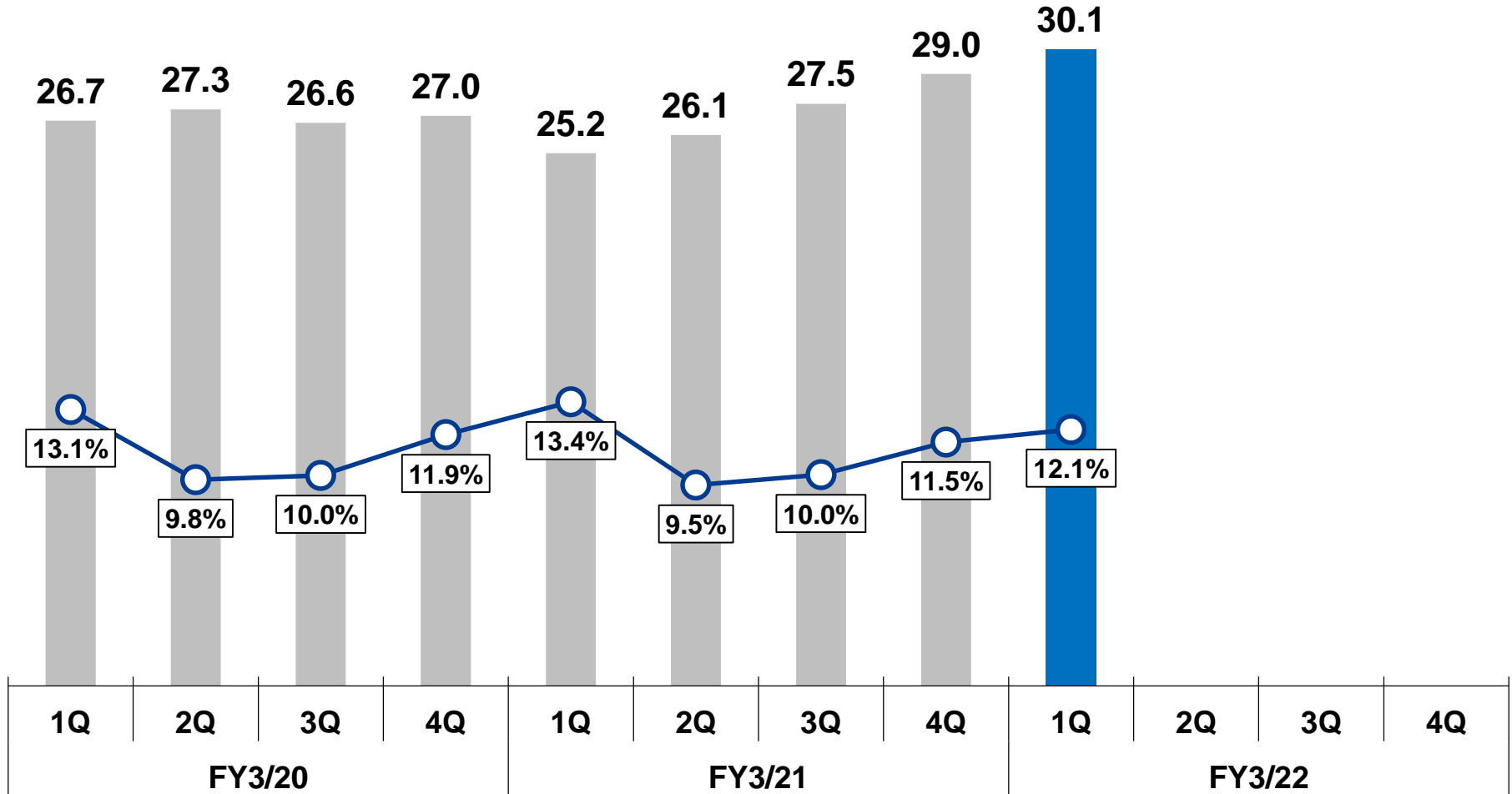


Operating income (Billions of yen)



S.G.&A. expense / ratio

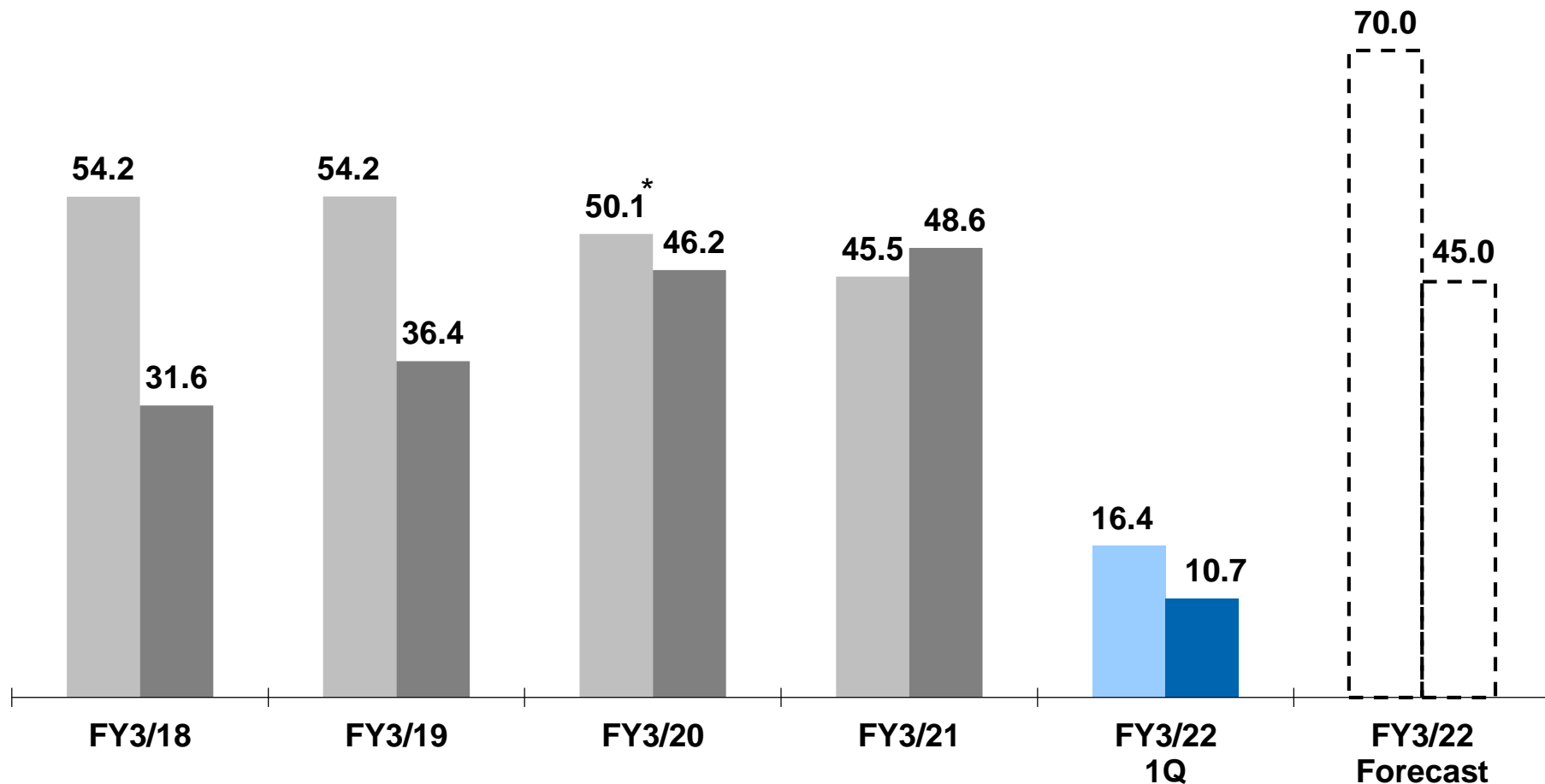
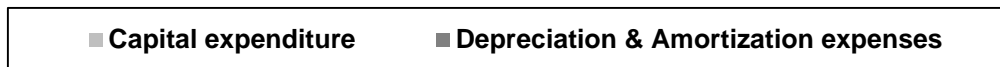
(Billions of yen)



Capital Expenditure / D&A Expense

*JGAAP for FY3/18

(Billions of yen)



* 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

