

# Business Results

Third Quarter of Fiscal Year  
Ending March 31, 2023

**MinebeaMitsumi Inc.**

**February 3, 2023**

# Summary of Consolidated Business Results for 3Q

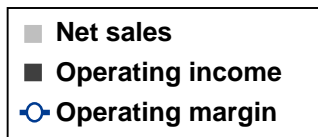
## Net sales hit a quarterly record high

(Millions of yen)	FY3/22	FY3/23		Change	
	3Q	2Q	3Q	YoY	QoQ
Net sales	304,348	330,021	371,424	+22.0%	+12.5%
Operating income	25,832	26,394	26,432	+2.3%	+0.1%
Profit before taxes	25,122	28,184	20,463	-18.5%	-27.4%
Profit for the period attributable to owners of the parent	18,395	20,060	13,148	-28.5%	-34.5%
Earnings per share, basic (yen)	45.42	48.62	31.87	-29.8%	-34.5%

Foreign Exchange Rates	FY3/22 3Q	FY3/23 2Q	FY3/23 3Q
US\$	¥112.47	¥135.32	¥144.25
Euro	¥130.44	¥139.28	¥143.93
Thai Baht	¥3.39	¥3.79	¥3.89
Chinese RMB	¥17.52	¥20.05	¥20.22

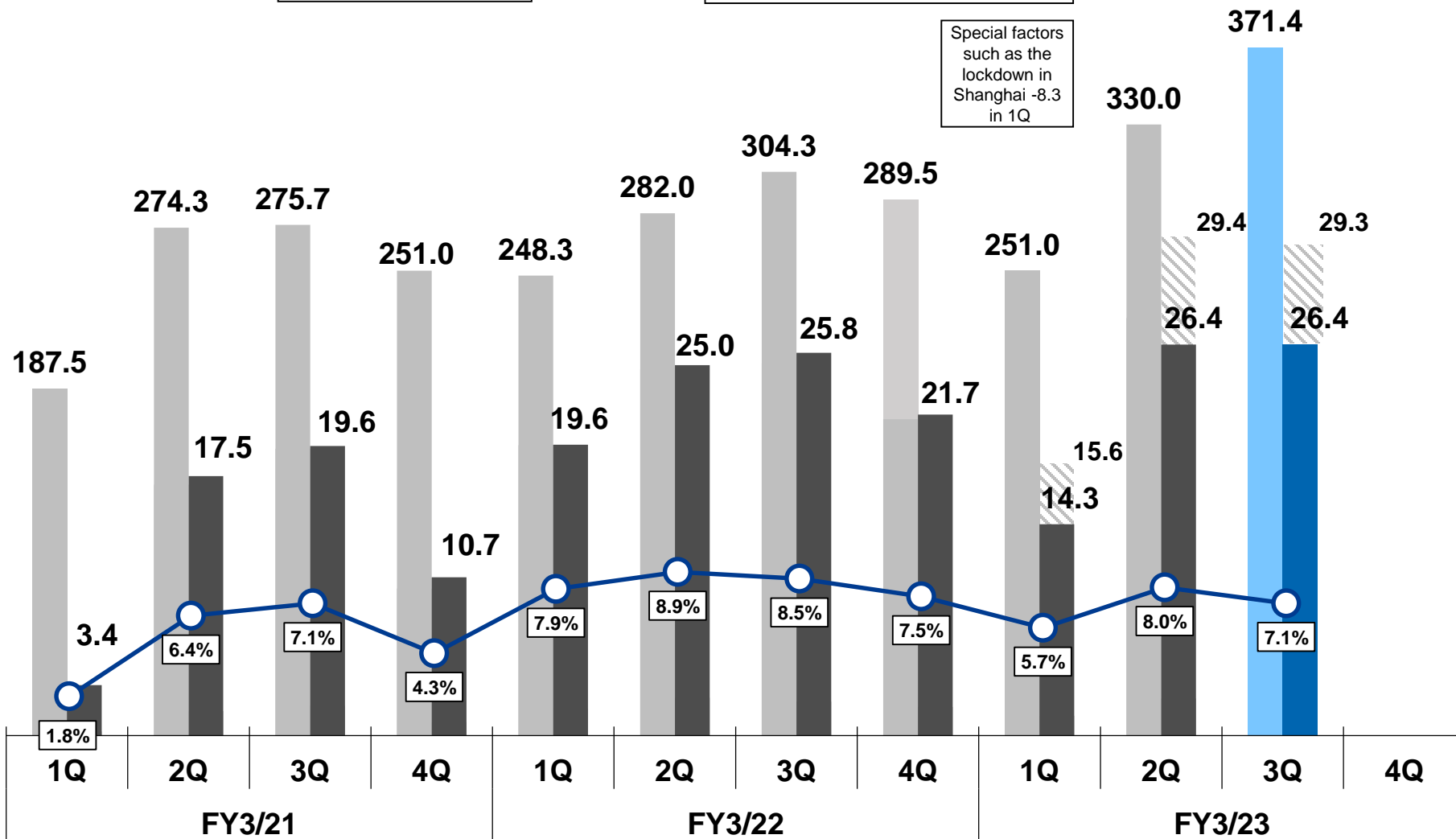
# Net Sales, Operating Income / Margin

(Billions of yen)



	1Q	2Q	3Q
Excl. FX	12.8	21.0	27.4
FX effects	+2.8	+8.4	+1.9
FX forward Contract	-1.3	-3.0	-2.9
Actual	14.3	26.4	26.4

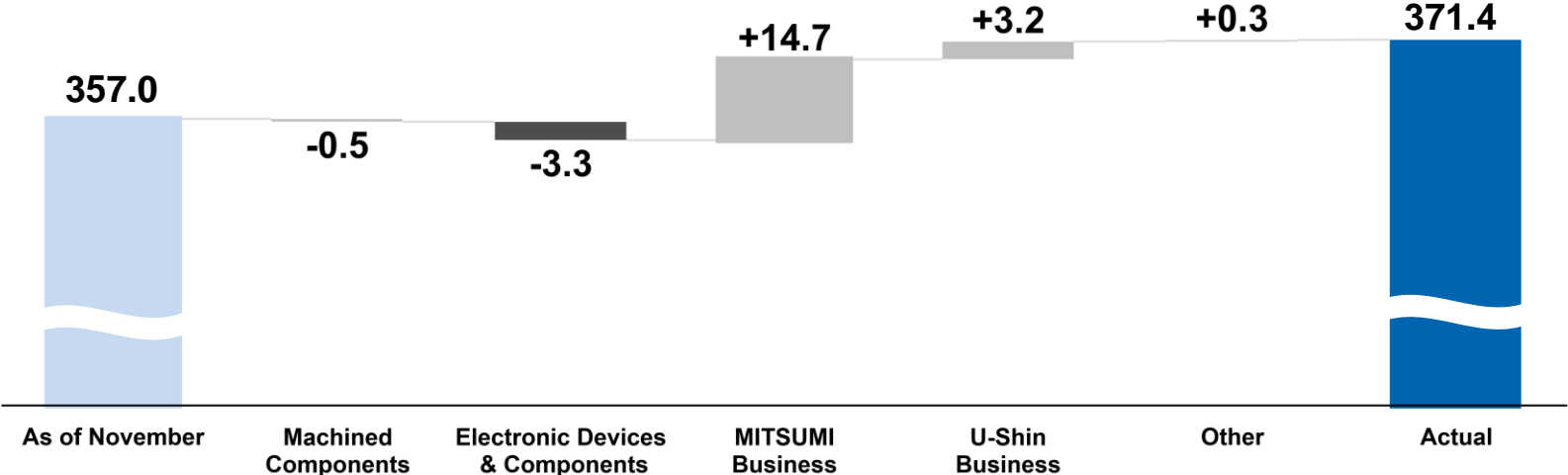
Special factors such as the lockdown in Shanghai -8.3 in 1Q



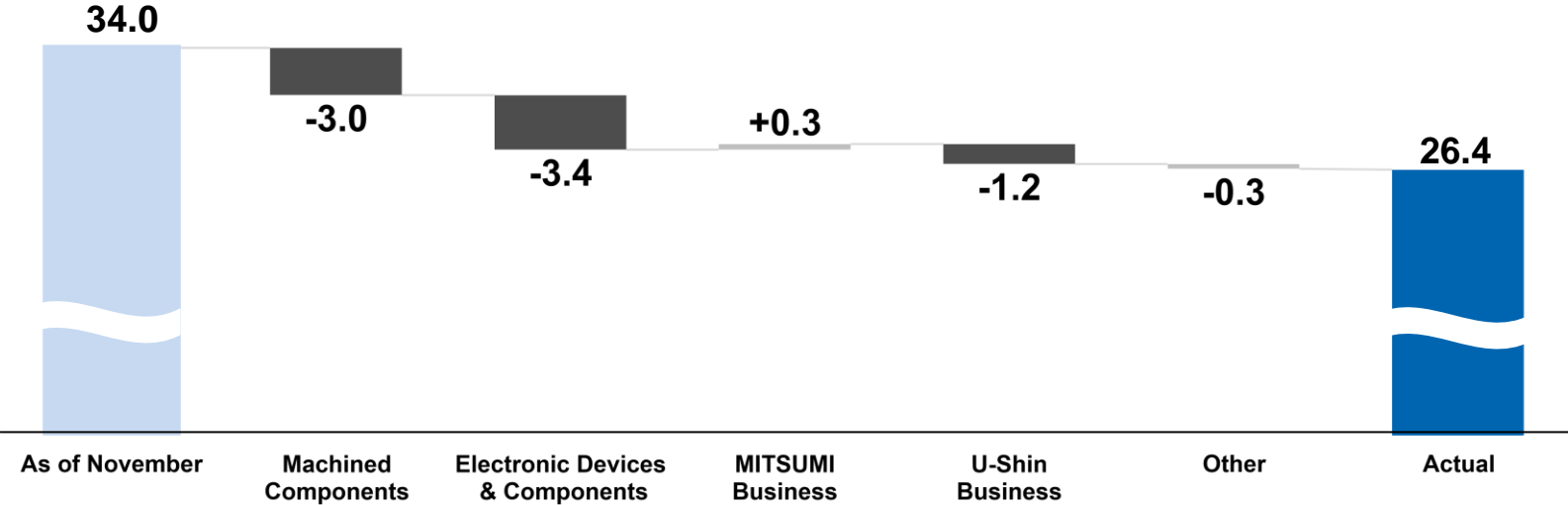
# 3Q Actual: Differences from the Forecast as of November

(Billions of yen)

## Net Sales

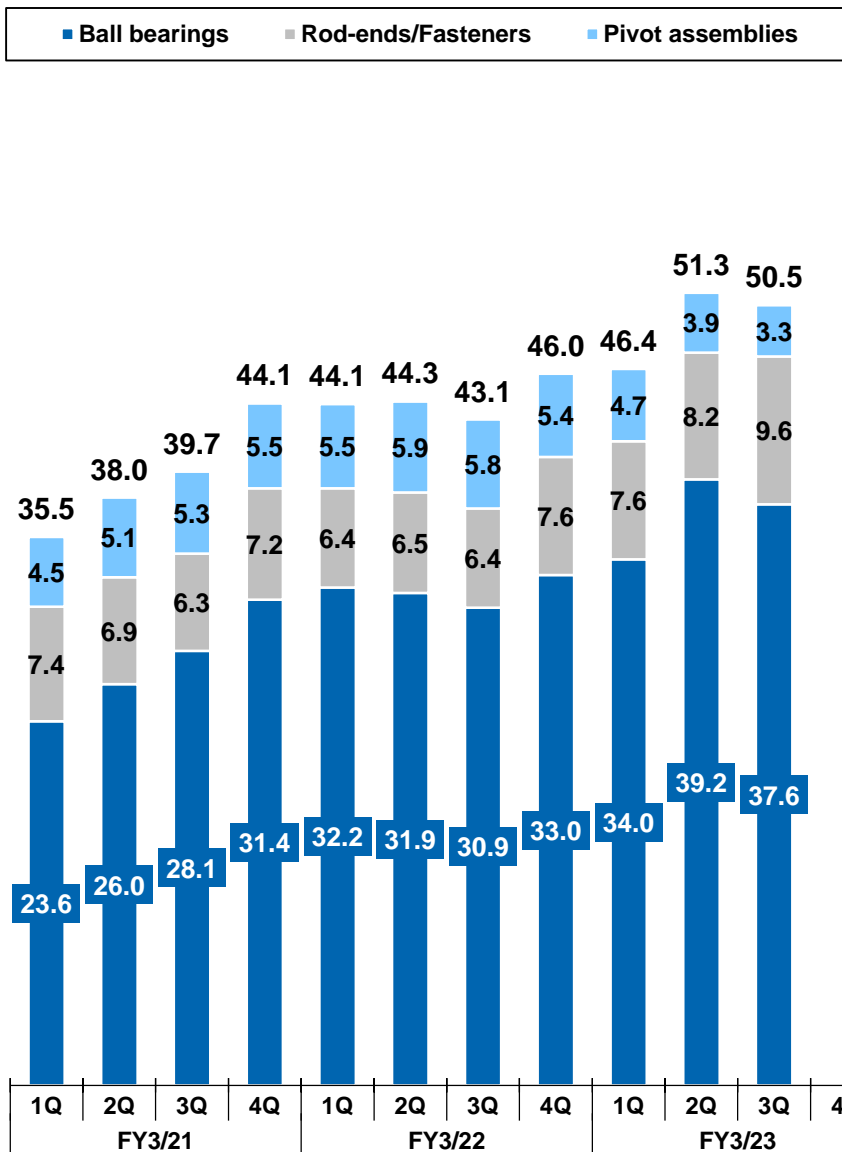


## Operating Income

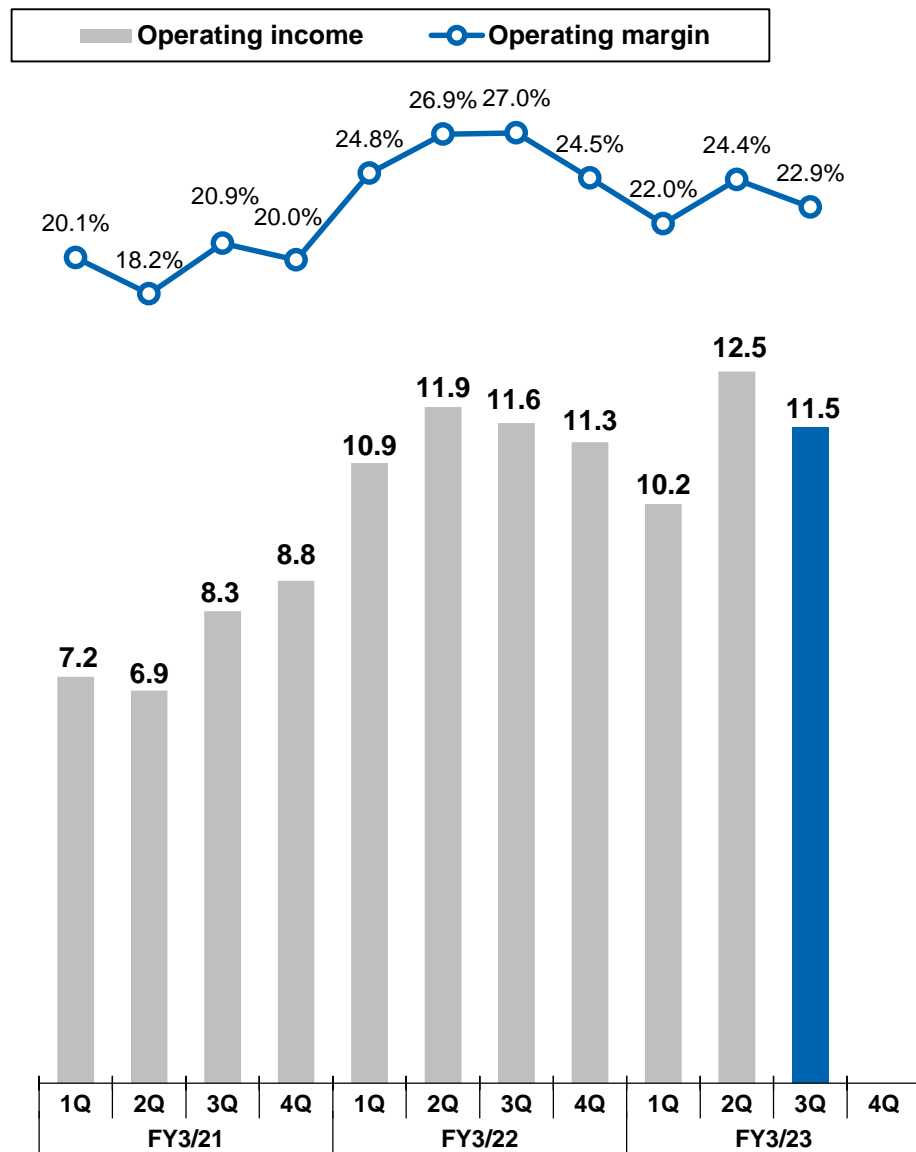


# Machined Components

## Net sales (Billions of yen)

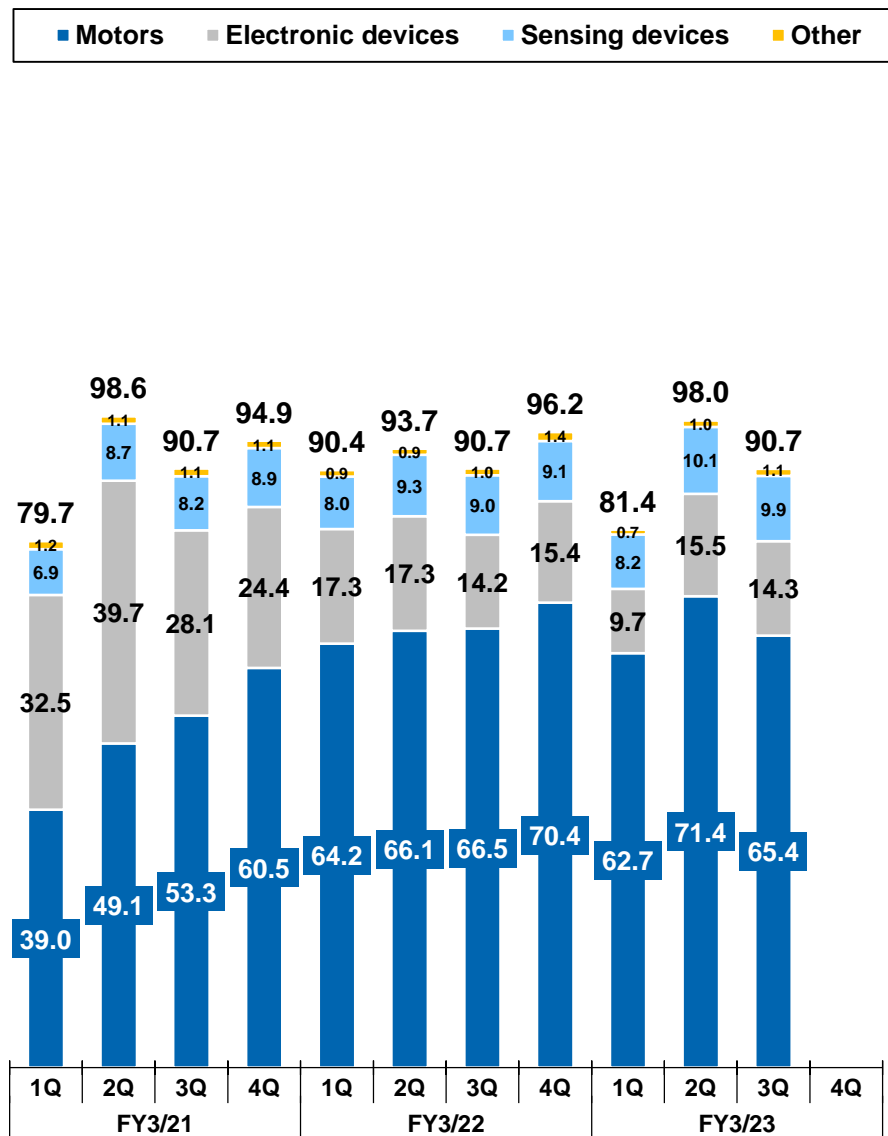


## Operating income (Billions of yen)

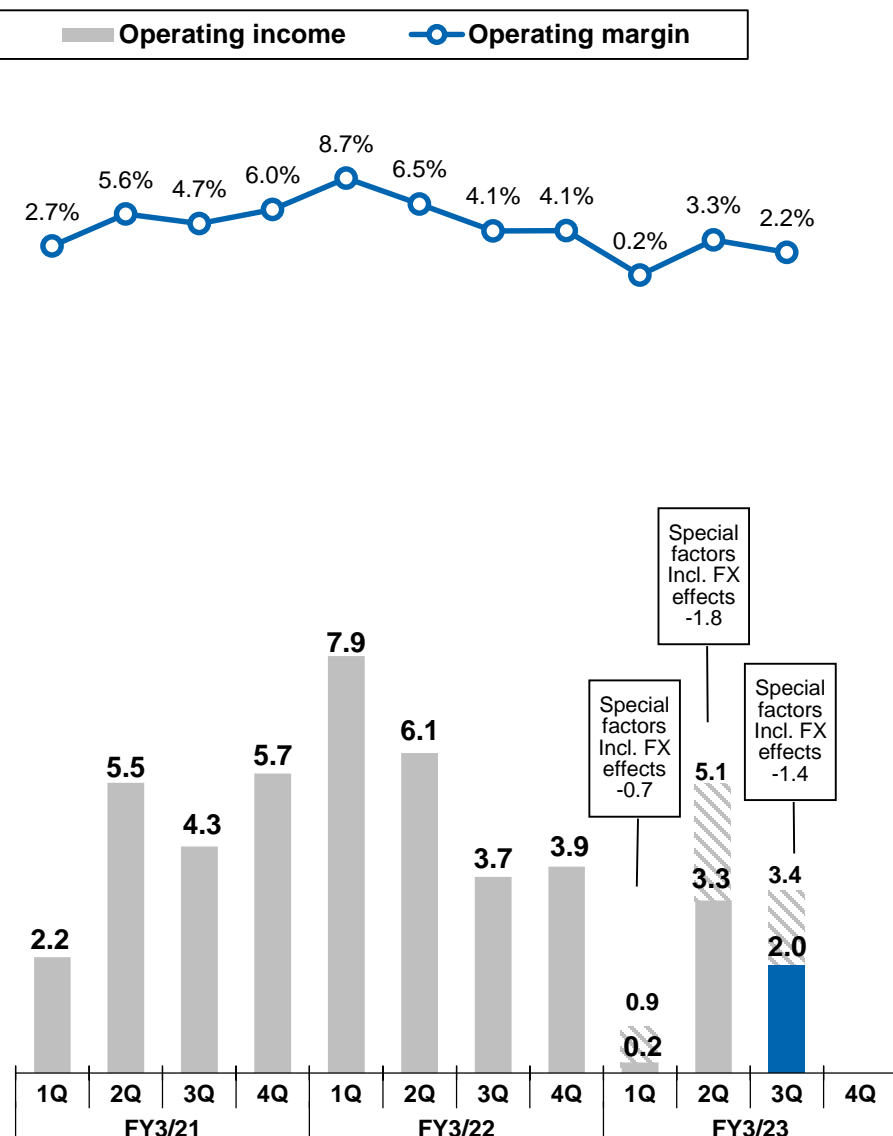


# Electronic Devices & Components

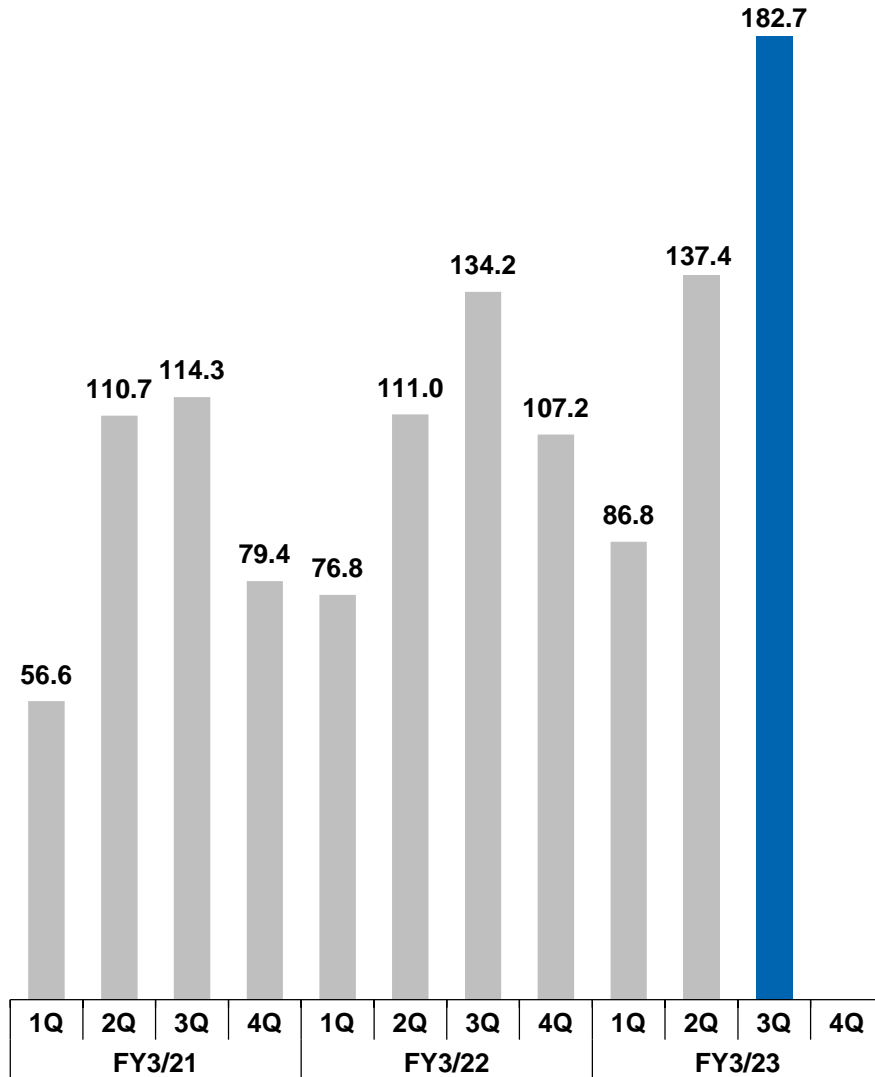
## Net sales (Billions of yen)



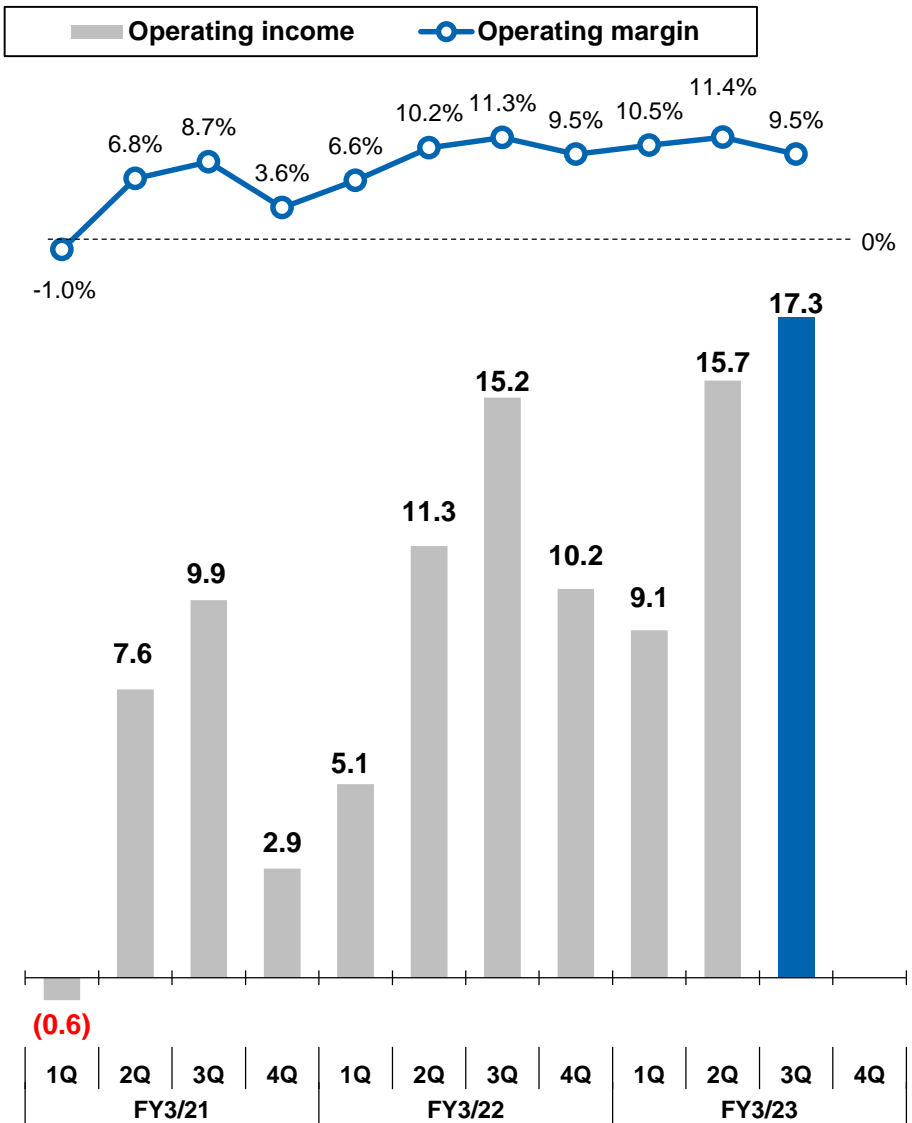
## Operating income (Billions of yen)



## Net sales (Billions of yen)

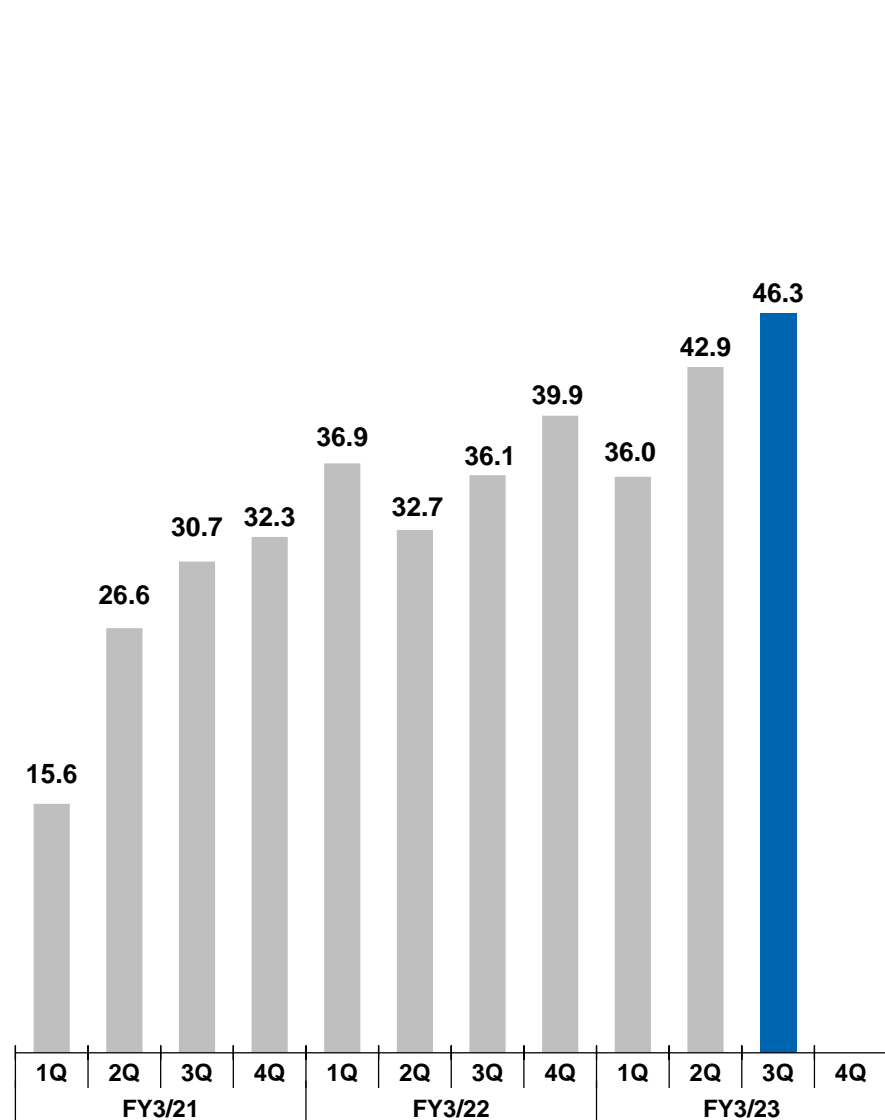


## Operating income (Billions of yen)

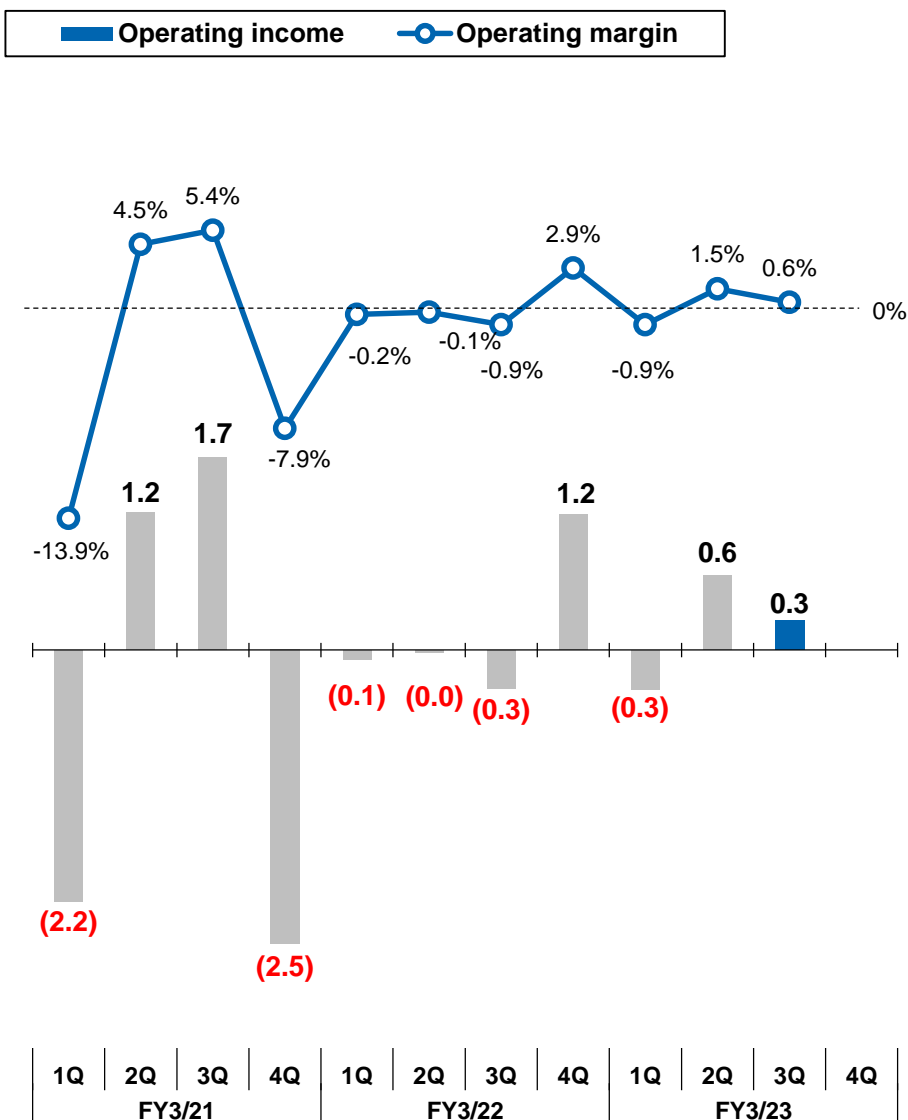


# U-Shin Business

## Net sales (Billions of yen)



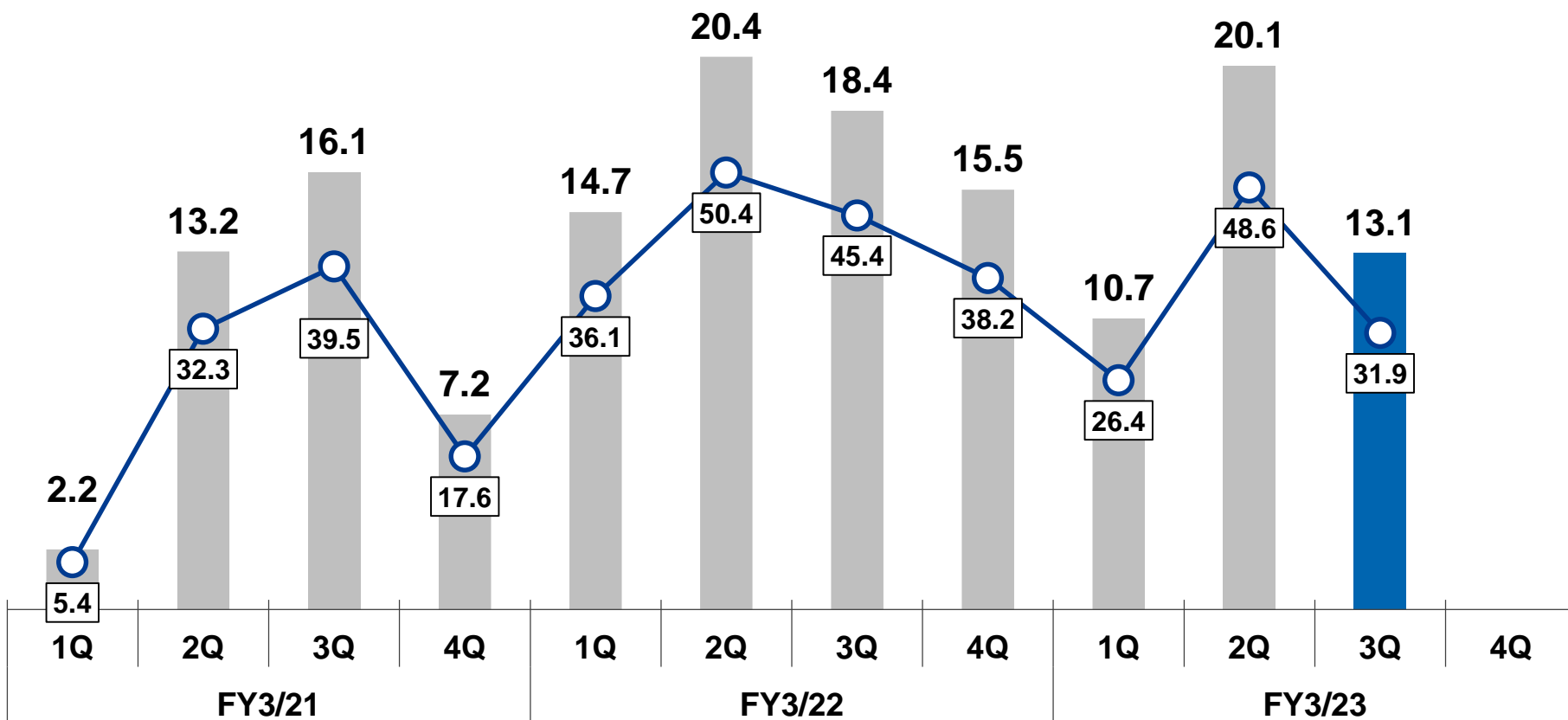
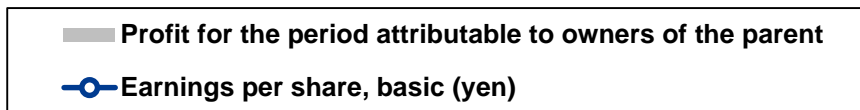
## Operating income (Billions of yen)





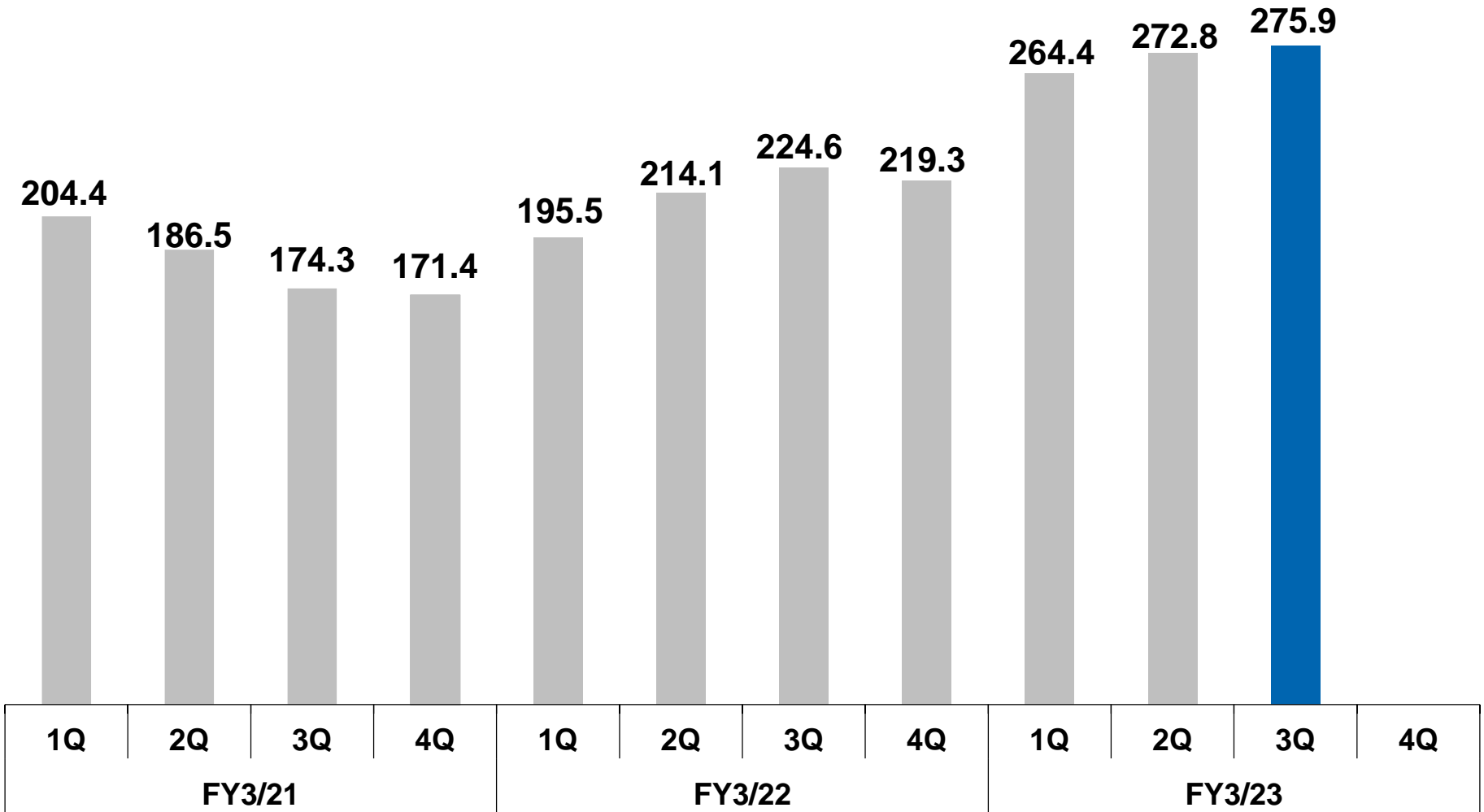
# Profit Attributable to Owners of the Parent / EPS

(Billions of yen)



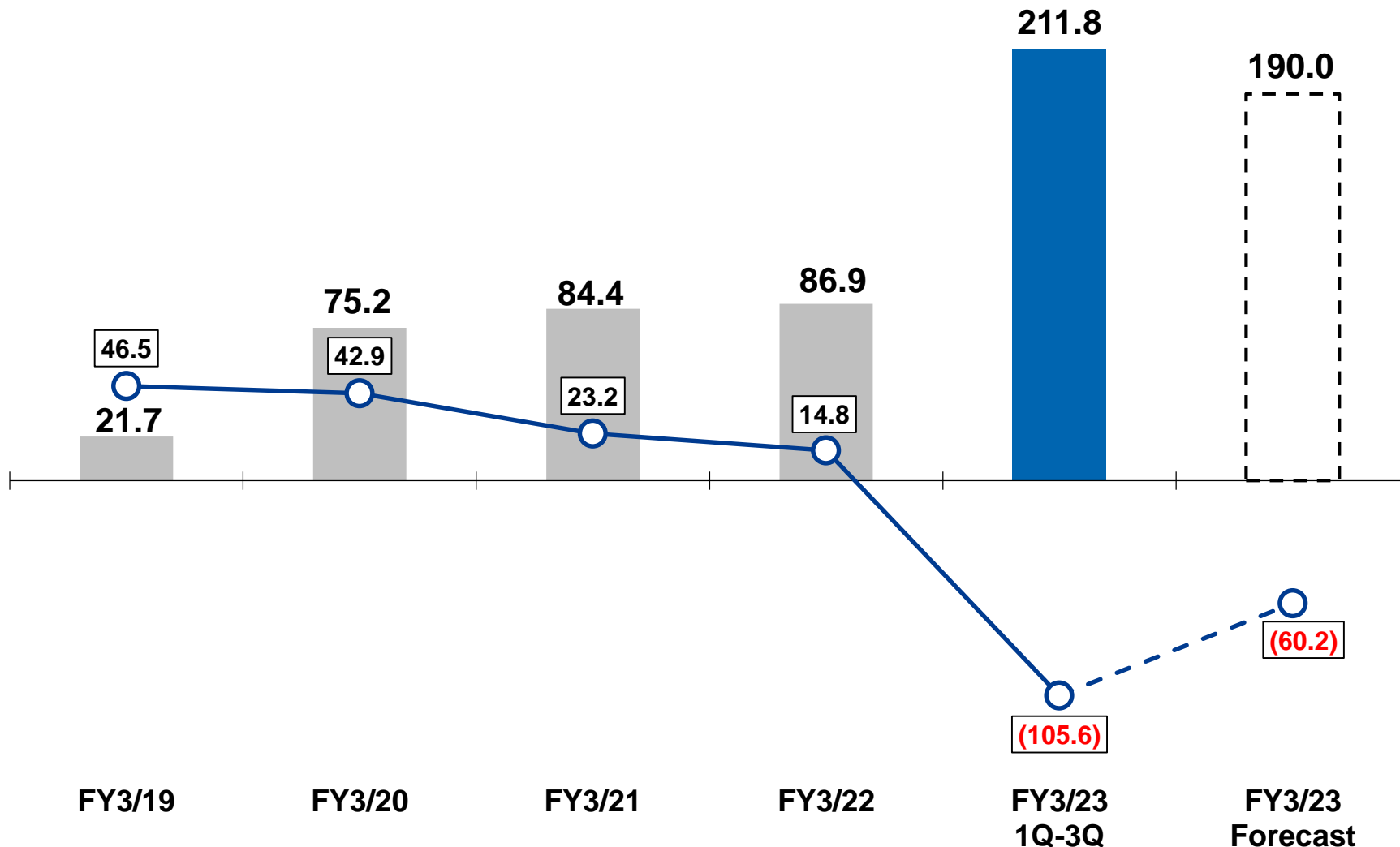
# Inventory

(Billions of yen)



# Net Interest-bearing Debt / Free Cash Flow

(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, 2023

## Full-year forecast revised Net sales, OP, etc. all to hit record highs

(Millions of yen)	FY3/22	FY3/23			
	Full Year	1st Half	2nd Half	Full Year	YoY
Net sales	1,124,140	581,061	718,939	1,300,000	+15.6%
Operating income	92,136	40,649	59,351	100,000	+8.5%
Profit before taxes	90,788	42,458	52,542	95,000	+4.6%
Profit for the period attributable to owners of the parent	68,935	30,794	40,206	71,000	+3.0%
Earnings per share, basic (yen)	170.08	75.22	97.54	172.76	+1.6%

Foreign Exchange Rates	FY3/22 Full Year	FY3/23 4Q Assumptions
US\$	¥111.55	¥125.00
Euro	¥130.47	¥135.00
Thai Baht	¥3.44	¥3.85
Chinese RMB	¥17.35	¥19.00

# Forecast for Business Segment

(Millions of yen)	FY3/22 Full Year	FY3/23			
		1st Half	2nd Half	Full Year	YoY
<b>Net sales</b>	<b>1,124,140</b>	<b>581,061</b>	<b>718,939</b>	<b>1,300,000</b>	<b>+15.6%</b>
<b>Machined components</b>	<b>177,470</b>	<b>97,688</b>	<b>97,312</b>	<b>195,000</b>	<b>+9.9%</b>
<b>Electronic devices and components</b>	<b>371,023</b>	<b>179,405</b>	<b>184,595</b>	<b>364,000</b>	<b>-1.9%</b>
<b>MITSUMI business</b>	<b>429,116</b>	<b>224,164</b>	<b>318,836</b>	<b>543,000</b>	<b>+26.5%</b>
<b>U-Shin business</b>	<b>145,577</b>	<b>78,946</b>	<b>116,054</b>	<b>195,000</b>	<b>+33.9%</b>
<b>Other</b>	<b>954</b>	<b>858</b>	<b>2,142</b>	<b>3,000</b>	<b>x3.1</b>
<b>Operating income</b>	<b>92,136</b>	<b>40,649</b>	<b>59,351</b>	<b>100,000</b>	<b>+8.5%</b>
<b>Machined components</b>	<b>45,717</b>	<b>22,726</b>	<b>21,274</b>	<b>44,000</b>	<b>-3.8%</b>
<b>Electronic devices and components</b>	<b>21,561</b>	<b>3,463</b>	<b>3,537</b>	<b>7,000</b>	<b>-67.5%</b>
<b>MITSUMI business</b>	<b>41,846</b>	<b>24,793</b>	<b>25,207</b>	<b>50,000</b>	<b>+19.5%</b>
<b>U-Shin business</b>	<b>732</b>	<b>301</b>	<b>3,699</b>	<b>4,000</b>	<b>x5.5</b>
<b>Other</b>	<b>-1,429</b>	<b>-692</b>	<b>-308</b>	<b>-1,000</b>	<b>-</b>
<b>Adjustment</b>	<b>-16,291</b>	<b>-9,942</b>	<b>5,942</b>	<b>-4,000</b>	<b>-</b>

## Overall

- **3Q operating income fell short of our target** due to declining sales resulting from the slowdown in the market, especially the data center related market, as well as sharp exchange rate fluctuations.
- In light of the above, operating capacity will be curtailed in 4Q, but full-year operating profit will **finally reach 100 billion yen**.
- Reduce fixed costs, accelerate synergies in connectors and access products, and set the stage for **growth in the coming year**.

## Machined components

- Profitability for ball bearings fell slightly due to production cutbacks.
- Aircraft components sales are finally entering a full-fledged recovery phase.

## Electronic devices and components/ MITSUMI

- The motor business was affected by production adjustments in the HDD market, but sales of other motors generally remained firm. HDD bottomed out in December and customer inventory adjustment is over.
- MITSUMI is on track **to achieve record profits**, including before the business integration.
- The profitability of analog semiconductors remained high despite a minor slowdown.

## U-Shin

- Add on revenues from the integration of Honda Lock.
- Continued shift to high-value-added products.

## Revised full-year forecasts

**Achieve operating profit of 100 billion yen including one-off gains despite restructuring to further strengthen our business structure**

- Upside of negative goodwill associated with the recent M&A
- Downside of lower sales and the impact of a sharply deteriorating foreign exchange rates environment

(Millions of yen)

	FY3/22 Full Year	FY3/23			
		1Q - 3Q	4Q	Full Year	YoY
Net sales	1,124,140	<b>952,485</b>	<b>347,515</b>	<b>1,300,000</b>	+15.6%
Operating income	92,136	<b>67,081</b>	<b>32,919</b>	<b>100,000</b>	+8.5%
Profit for the period attributable to owners of the parent	68,935	<b>43,942</b>	<b>27,058</b>	<b>71,000</b>	+3.0%
Earnings per share, basic (yen)	170.08	<b>107.06</b>	<b>65.70</b>	<b>172.76</b>	+1.6%

## Business profits will increase

### Improvements in external environment

Semiconductor shortage: All affected markets will recover  
COVID-19: Back to normal due to “living with COVID-19”  
Aircraft related: Will fully recover



### Bearings

End of inventory adjustment and recovery of automobile industry and data center related businesses



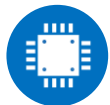
### Aircraft related

Operating income returning to pre-pandemic level by the second half



### Motors

End of customer production adjustments, and continued strong growth of automotive products



### Analog semiconductors

Shiga Plant's contribution to earnings in addition to continued strong performance



### OIS

Continued strong performance, all efforts focused on improving yields



### Access products

In addition to profitability improvement at U-Shin, Minebea AccessSolutions (formerly Honda Lock) will contribute to profits

### Uncertain conditions

Slowdown in macro economy: Sluggish demand  
Interest rate/currency fluctuations: Deterioration of operating environment  
Increasing inflation: Rising raw material costs and expenses



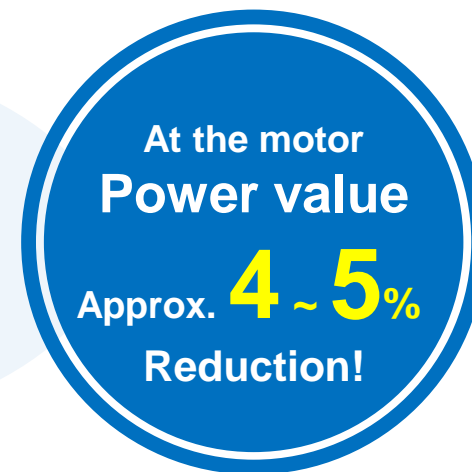
## Innovative precision enhancements improve rotational performance

### Contribution to solving social issues



## Difference

Between our conventional and **Super bearings**



### Expected benefits

- ↑ Improved motor efficiency through reduced torque
- ↑ Improved quietness and product life
- ↓ Reduction of CO<sub>2</sub> emissions

### Possible uses

- Air conditioners
- Data centers Fan motors
- Home appliance motors, etc.

Within this FY,  
Mass production is  
scheduled to start

In the second half of  
the next FY, 35 mil.  
units/month

## Synergies between Minebea AccessSolutions (formerly Honda Lock) and U-Shin

### Product synergies (Promoting cross-selling)

	U-Shin	MAS
Door latches	○	×
Spindle drive unit	○	×
Heater controls	○	×
Overhead controls	○	×
Door mirrors	×	○
Wheel sensors	×	○
Kick sensors	×	○

\*MAS = Minebea AccessSolutions

**Minebea AccessSolutions**



### Location synergies (1) (Production capacity and absorption of expansion)

	U-Shin	MAS
China (Zhongshan)	○ ←	×
Thailand	○ ←	×
Mexico	×	○ →
Brazil	×	○ →

### Location synergies (2) (Acquisition of new bases)

	U-Shin	MAS
Europe	○	×
America	×	○
Vietnam	×	○
Indonesia	×	○

## Resolution of share buyback (February 3, 2023)

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- Number of shares: Up to 4.5 million shares  
(equal to 1.09% of total issued shares excluding treasury shares)
- Amount: **Up to 10.0 billion yen**
- Period: From February 6, 2023 to June 23, 2023
- Purpose: In order to improve return on shareholders and improve capital efficiency and to implement agile capital policy according to the business environment.

## Issuance of Green Bonds

MinebeaMitsumi's first Green Bonds to be used for financing or refinancing projects that meet the eligibility criteria of our Green Bond Framework (production and R&D of ball bearings; procurement of decarbonized power sources).

Name	Minebea Mitsumi 10th Unsecured Bonds (with an inter-bond pari passu clause) (Minebea Mitsumi Green Bond)
Maturity	5 years
Issue Amount	JPY 25 billion
Coupon Rate	0.42% (Annual)
Issue Date	November 25, 2022

## MinebeaMitsumi gets A- and A on CDP

### Climate Change and Water Security Questionnaires

The UK based non-profit organization, CDP, gave MinebeaMitsumi A- and A ratings on its Climate Change 2022 and Water Security 2022 questionnaires that determine how well companies manage climate change and water risks.





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.

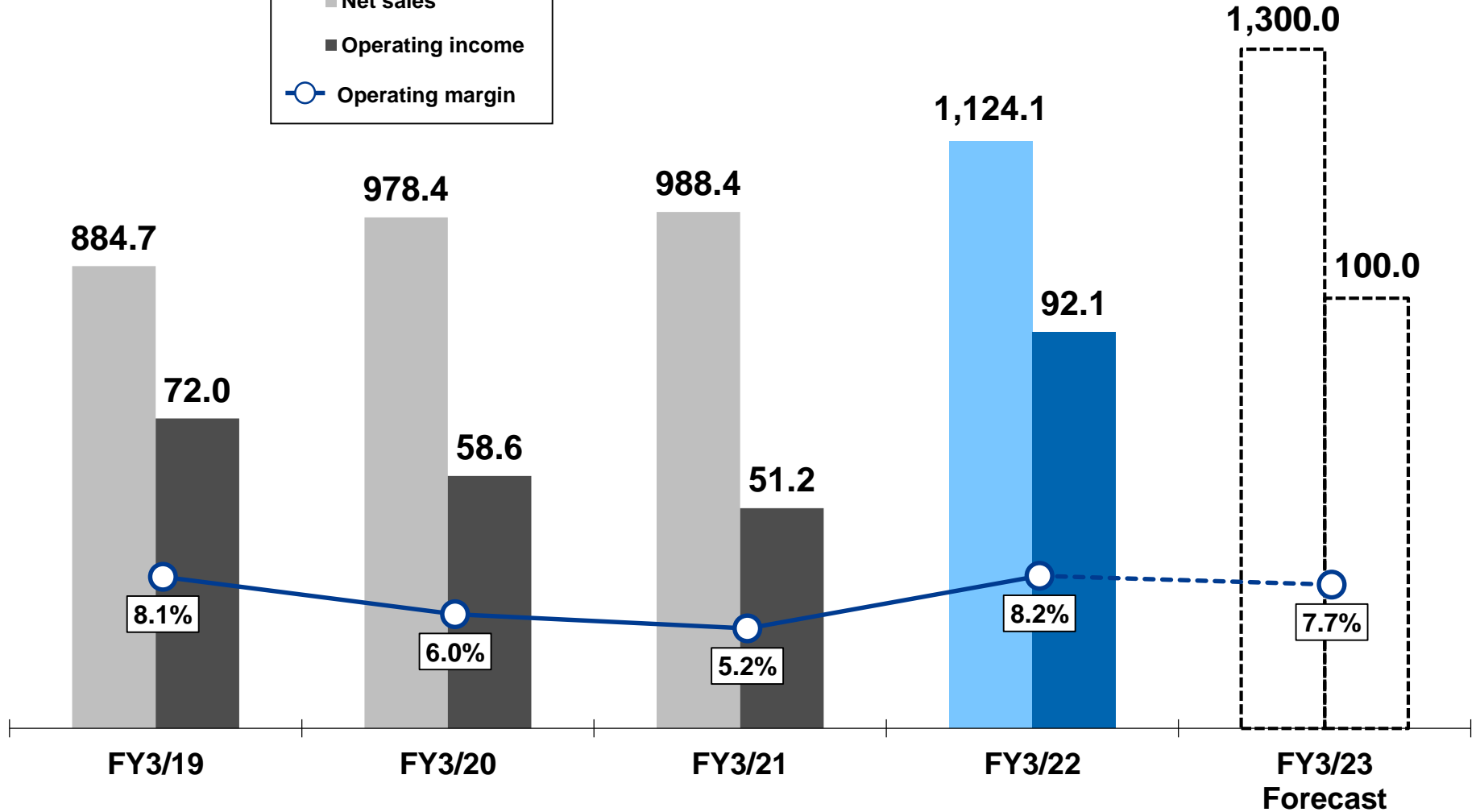
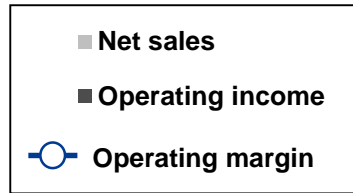
Factors affecting our actual performance include but are not limited to: (i) changes in economic conditions or demand trends related to MinebeaMitsumi's business operations; (ii) fluctuation of foreign exchange rates or interest rates; and (iii) our ability to continue R&D, manufacturing and marketing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

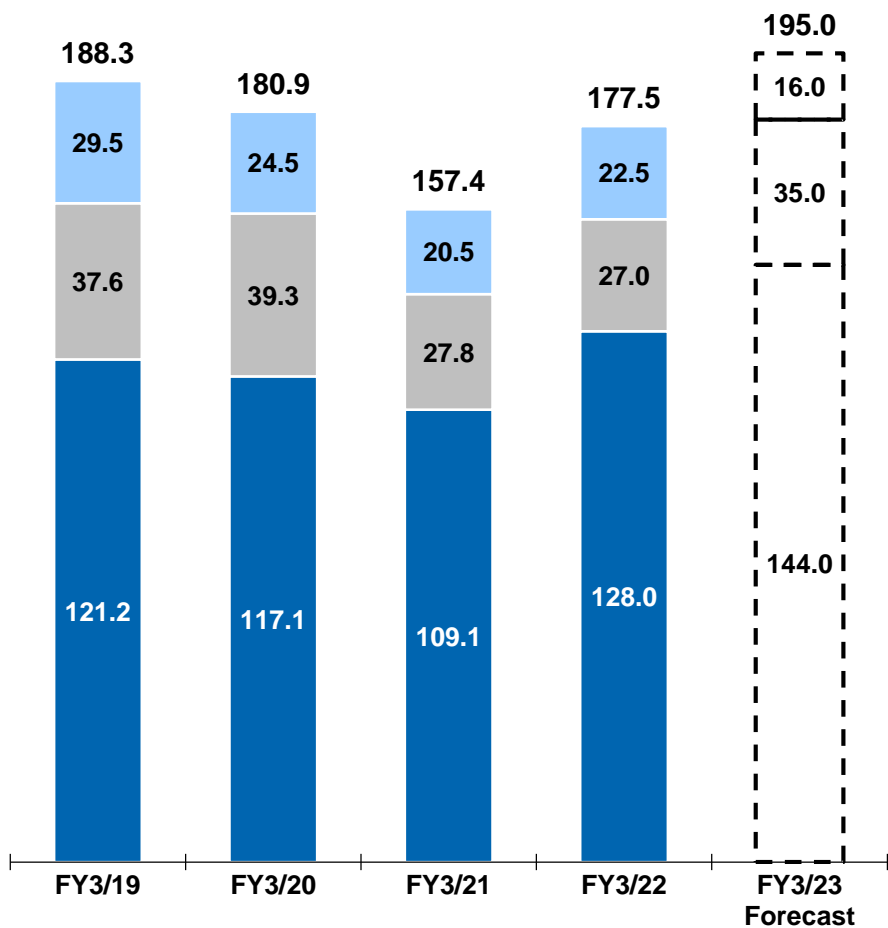
(Billions of yen)



# Machined Components

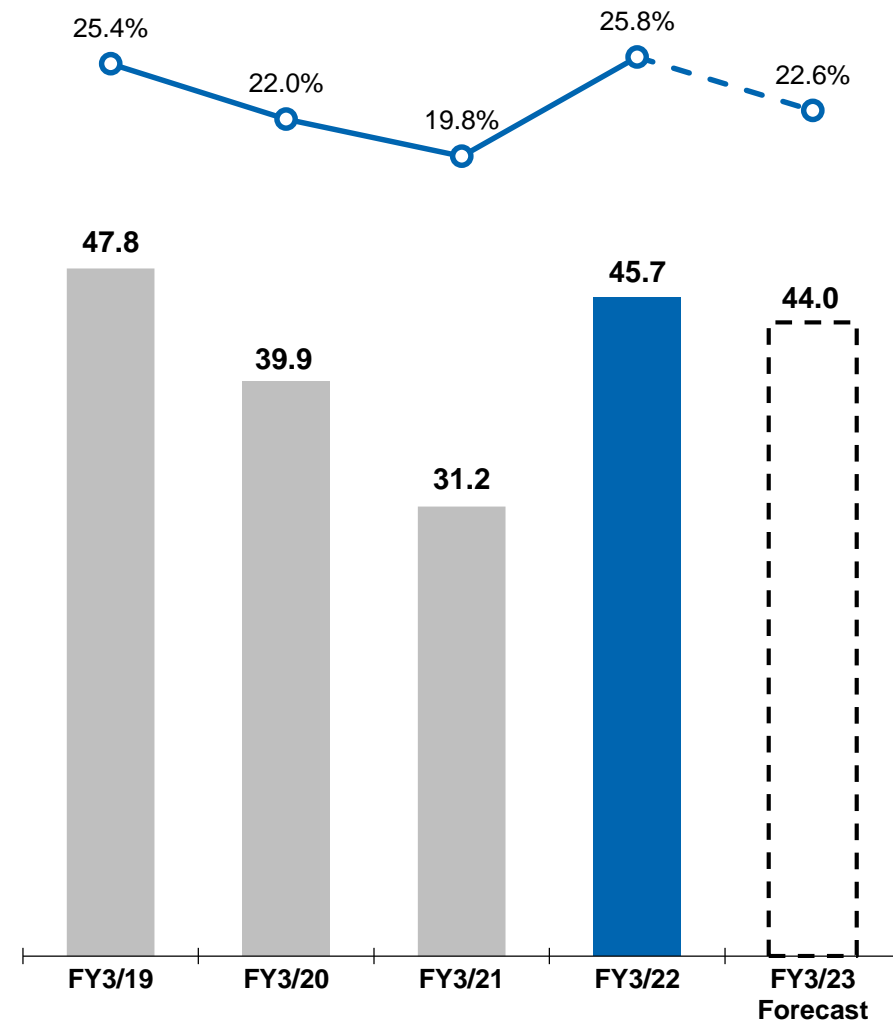
## Net sales (Billions of yen)

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



## Operating income (Billions of yen)

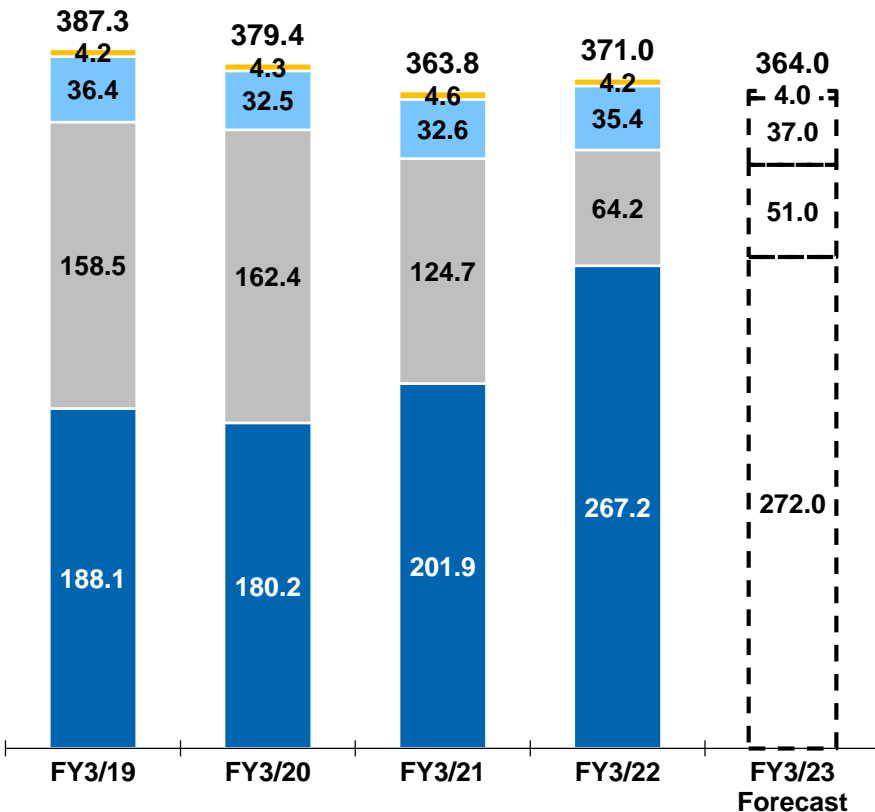
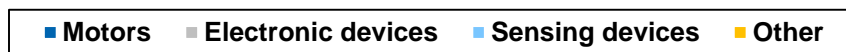
■ Operating income ○ Operating margin



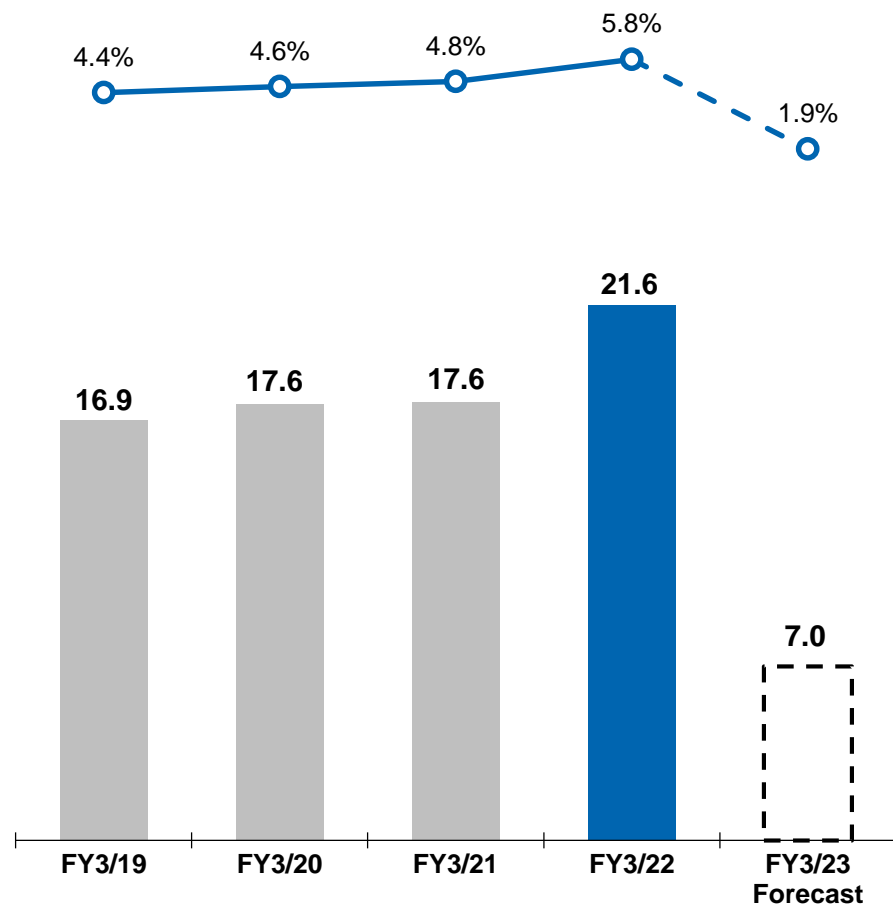
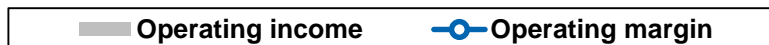


# Electronic Devices & Components

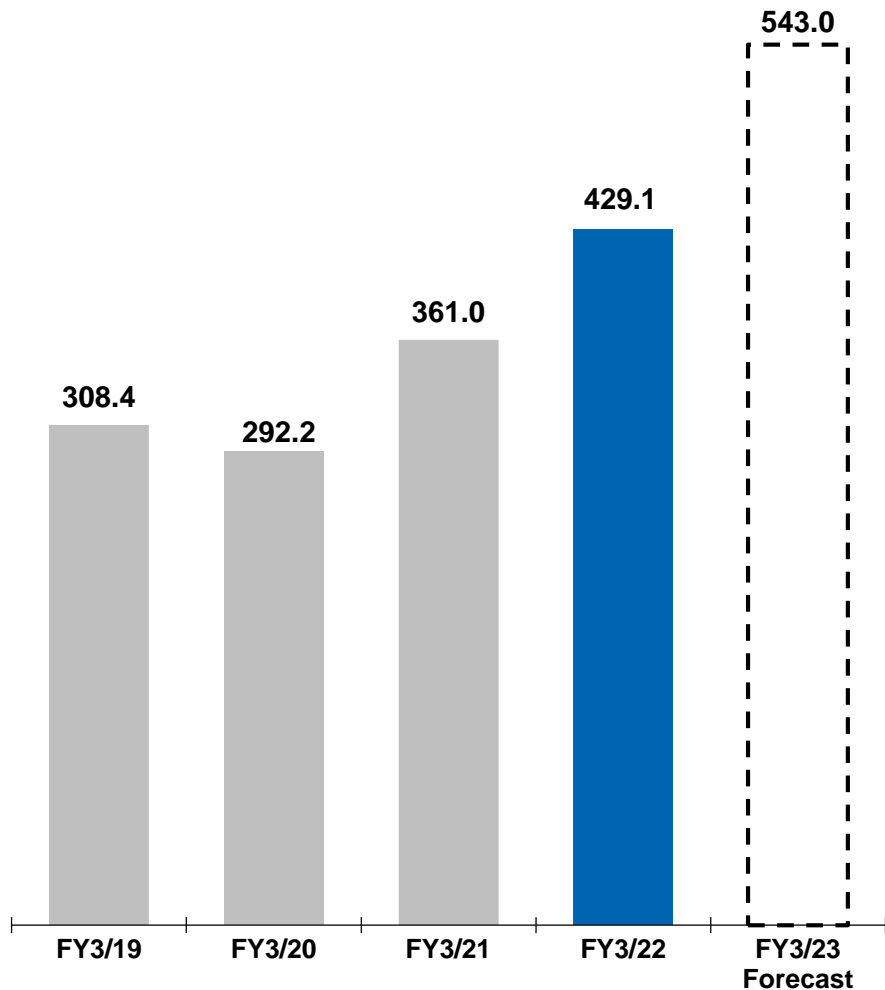
## Net sales (Billions of yen)



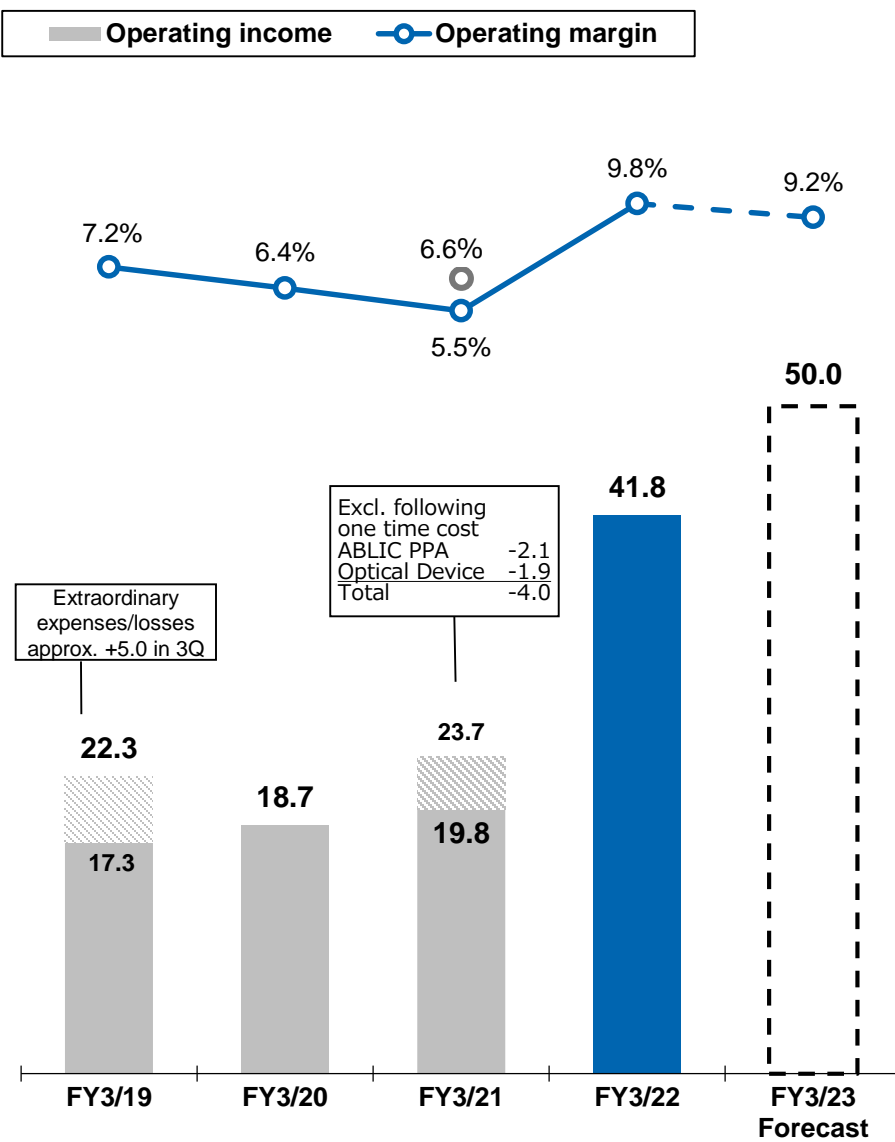
## Operating income (Billions of yen)



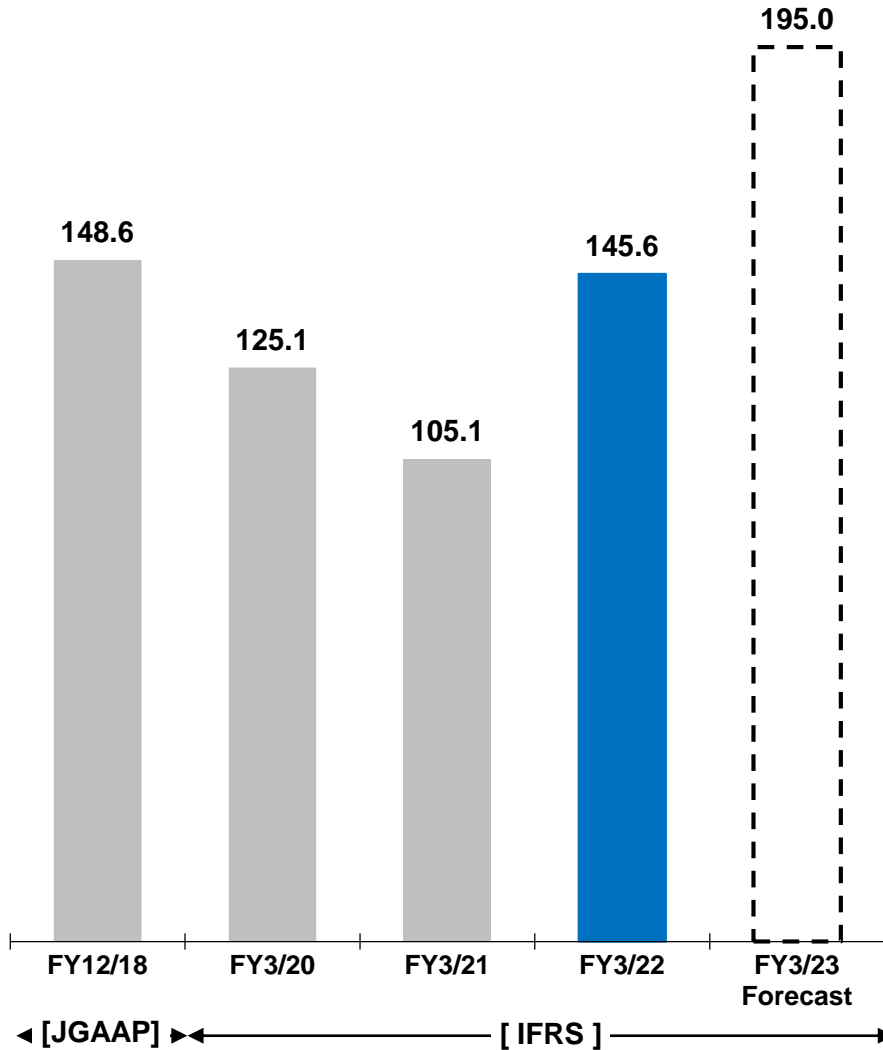
## Net sales (Billions of yen)



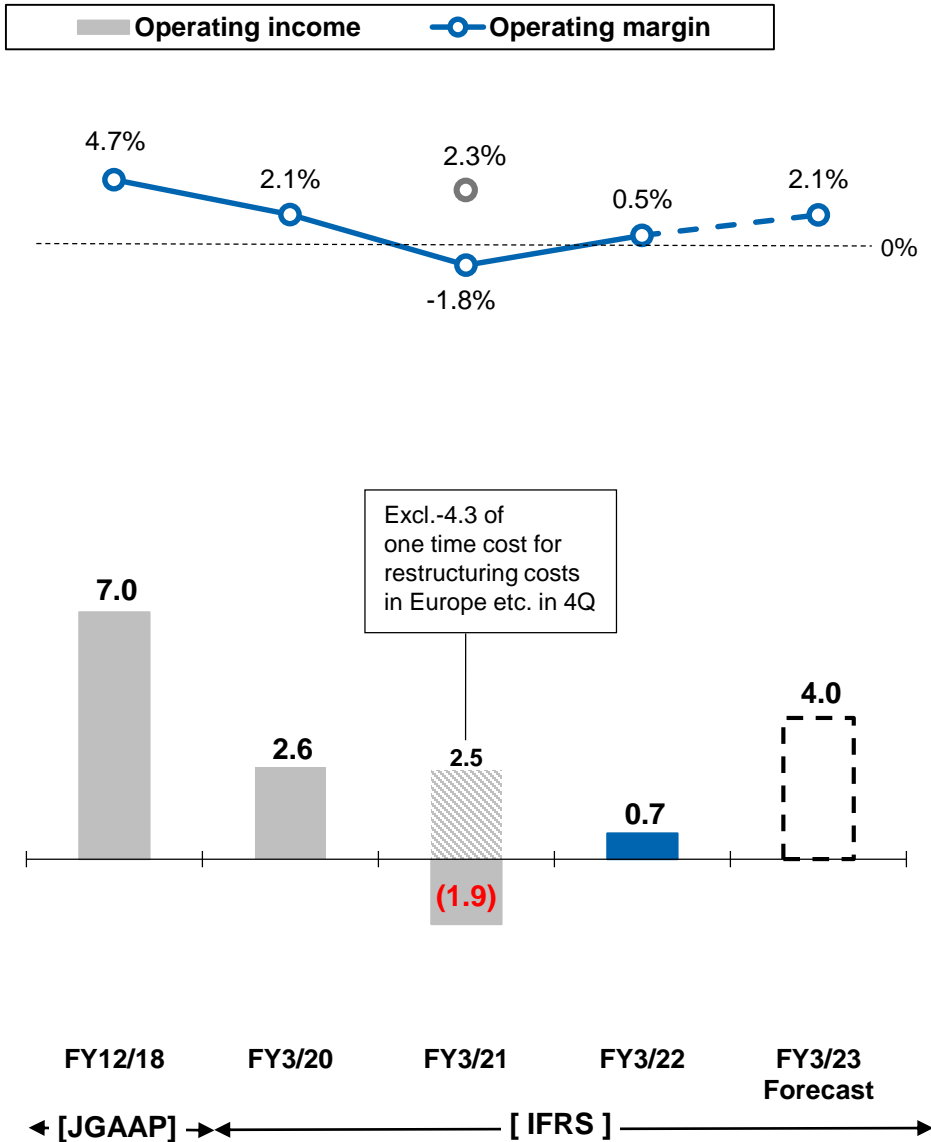
## Operating income (Billions of yen)



## Net sales (Billions of yen)

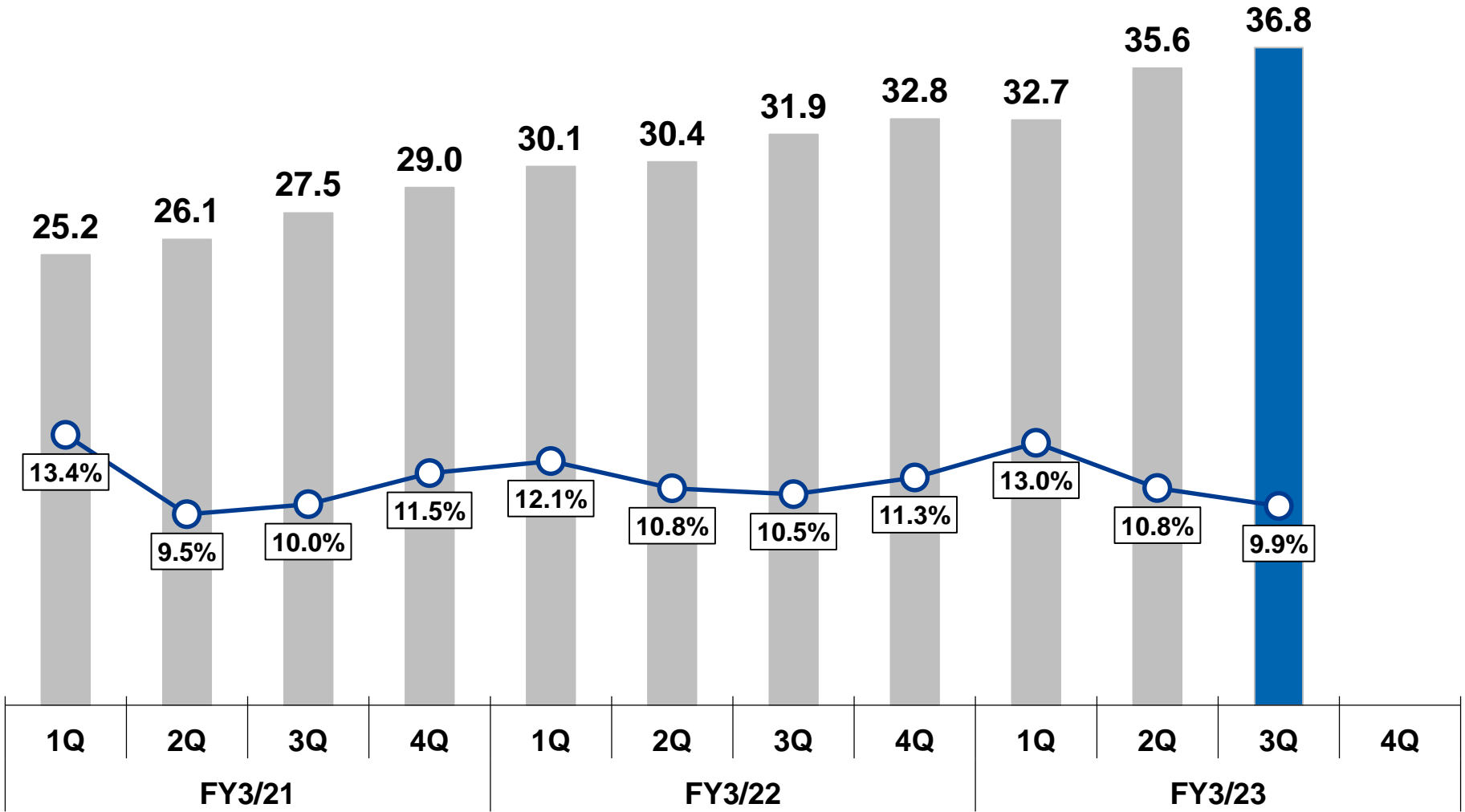
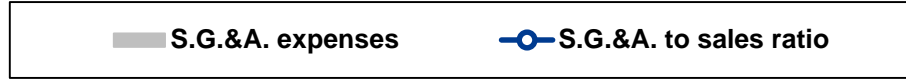


## Operating income (Billions of yen)



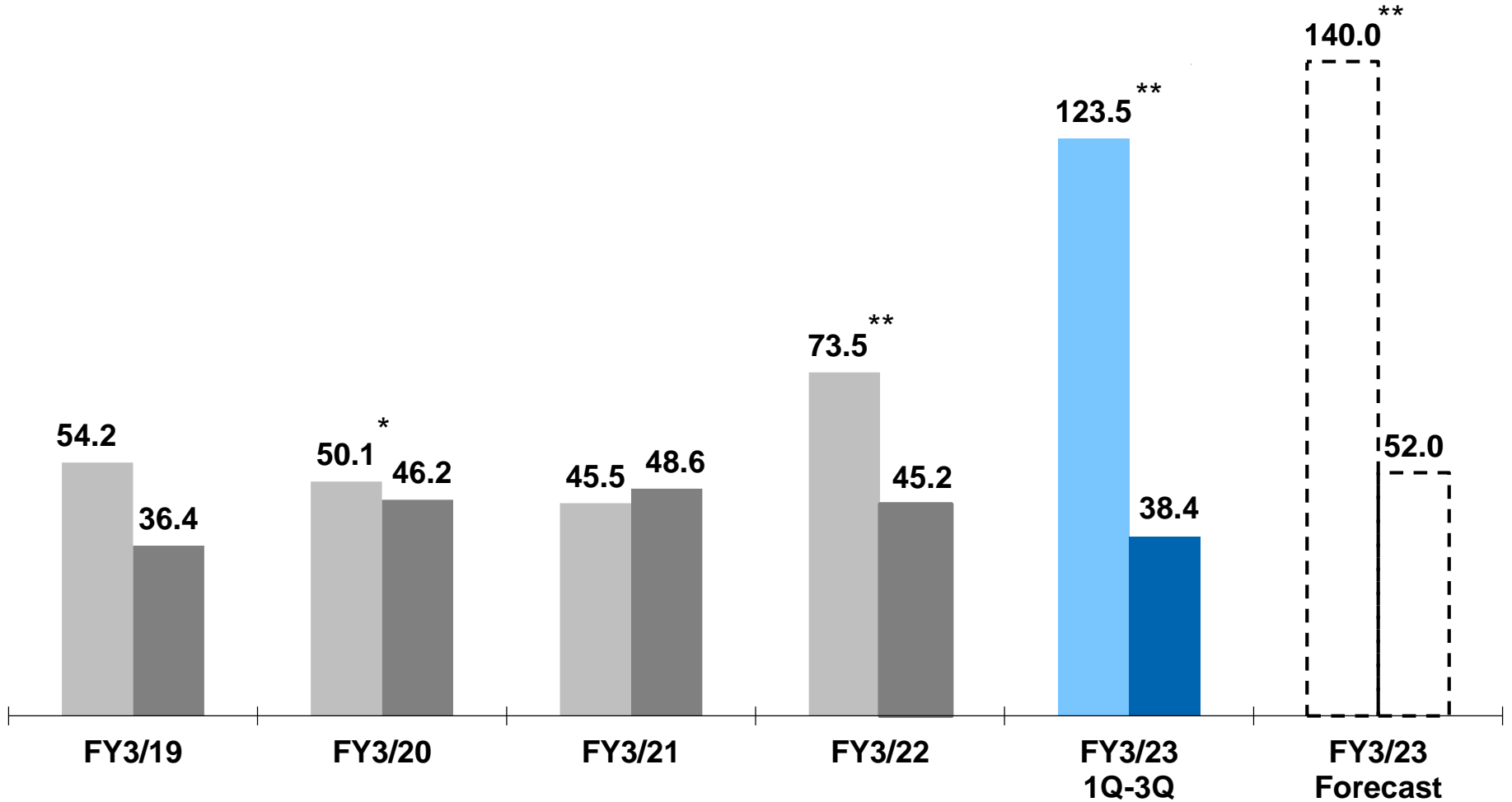
# S.G.&A. Expense / Ratio

(Billions of yen)



# Capital Expenditure / D&A Expense

(Billions of yen)



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

\*\* Capital expenditures of FY3/22 & FY3/23 include new HQ building acquisition expenses

# ROIC (Return On Invested Capital)

ROIC for U-Shin business are pre-merger result and based on JGAAP, and are not included in the Total until FY3/19. 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

