

Business Results

First Quarter of Fiscal Year
Ending March 31, 2024

MinebeaMitsumi Inc.

August 4, 2023

Summary of Consolidated Business Results for 1Q

Net sales hit 1Q record high

(Millions of yen)	FY3/23		FY3/24	Change	
	1Q	4Q	1Q	YoY	QoQ
Net sales	251,040	339,718	292,370	+16.5%	-13.9%
Operating income	14,255	34,441	6,079	-57.4%	-82.3%
Profit before taxes	14,274	33,199	7,838	-45.1%	-76.4%
Profit for the period attributable to owners of the parent	10,734	33,068	3,661	-65.9%	-88.9%
Earnings per share, basic (yen)	26.43	80.57	8.96	-66.1%	-88.9%

Foreign Exchange Rates	FY3/23 1Q	FY3/23 4Q	FY3/24 1Q
US\$	¥124.44	¥132.73	¥134.92
Euro	¥134.45	¥141.94	¥146.23
Thai Baht	¥3.68	¥3.91	¥3.93
Chinese RMB	¥19.13	¥19.32	¥19.46

Net Sales, Operating Income / Margin

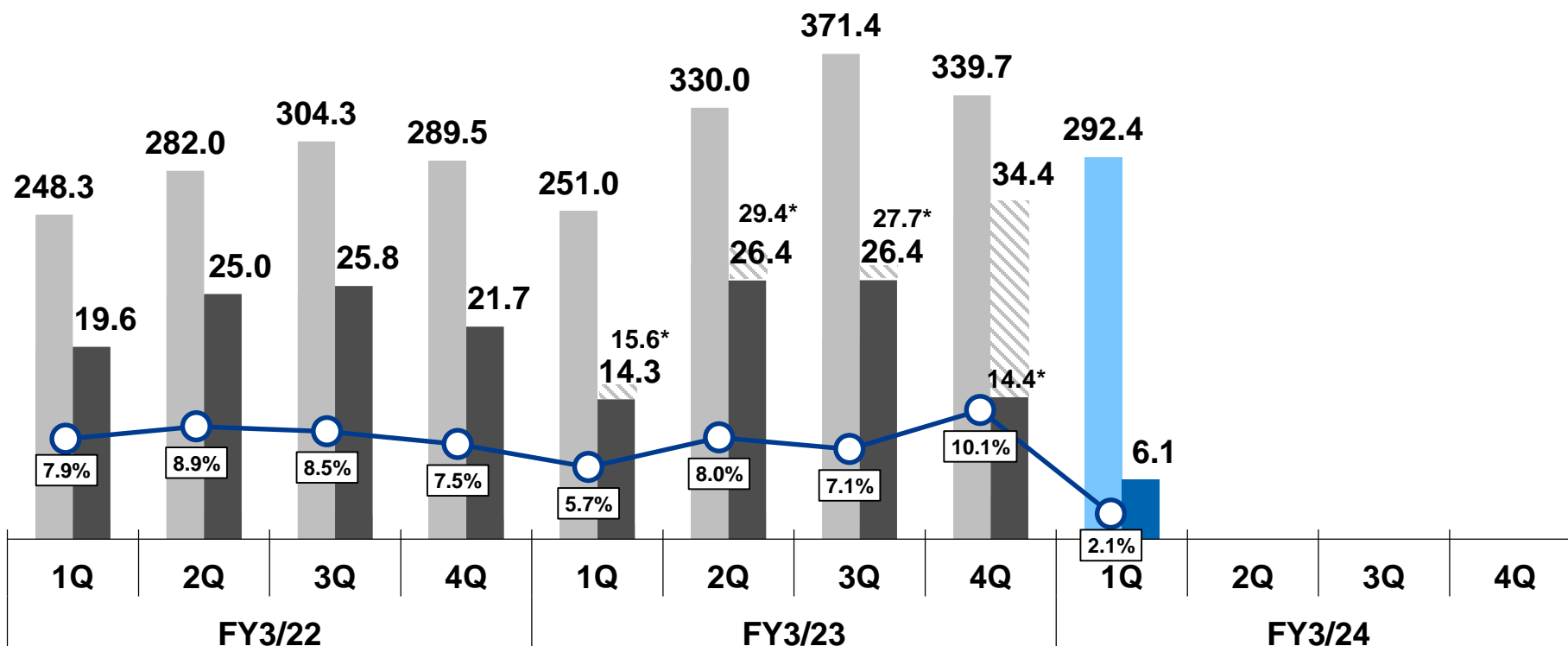
(Billions of yen)

FY3/23 Special factors

	1Q	2Q	3Q	4Q	Full Year
FX forward contract	-1.3	-3.0	-2.9	-1.5	-8.7
Others	-	-	1.7	21.5	23.2
Total	-1.3	-3.0	-1.3	20.0	14.5

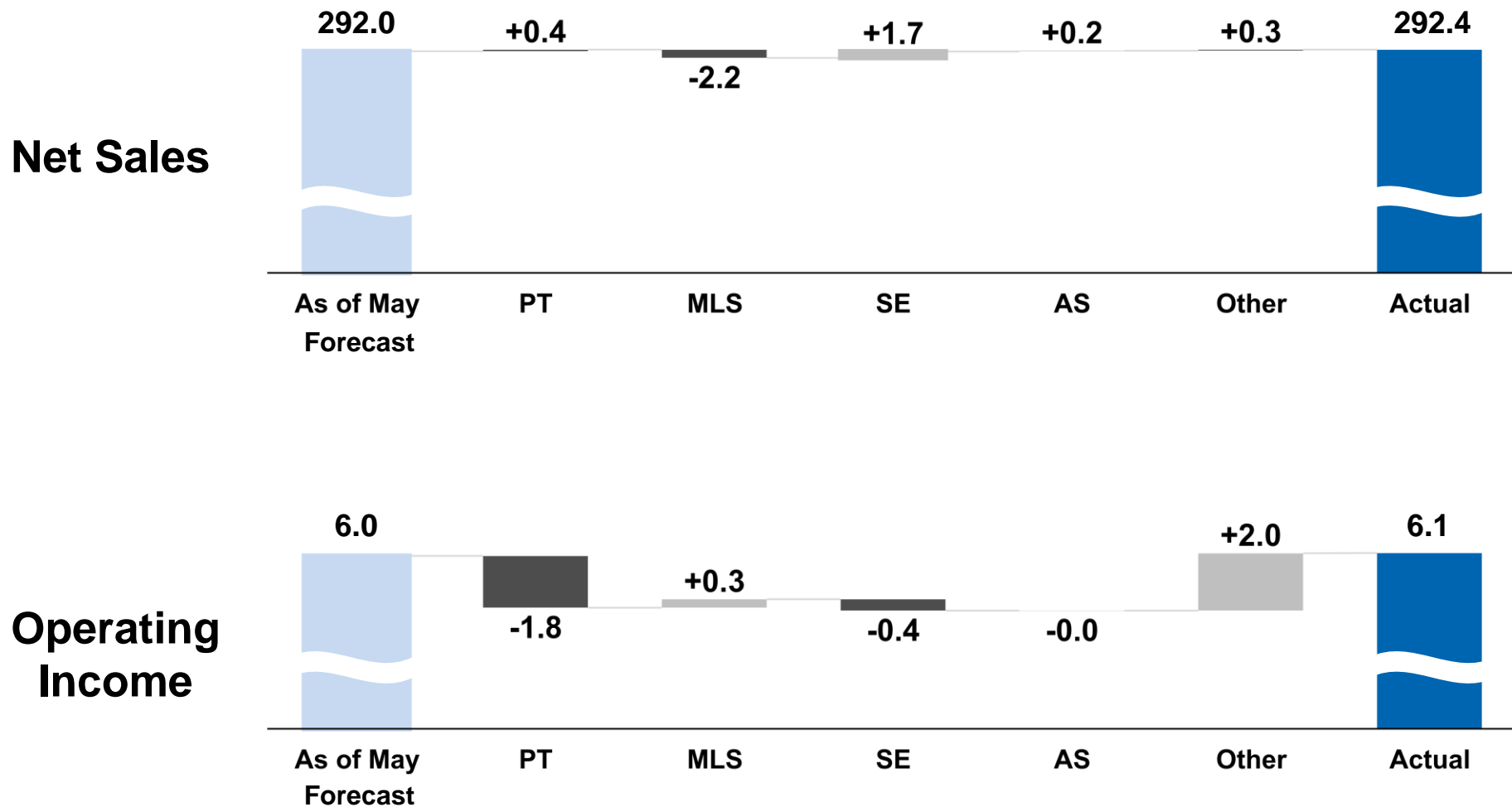
■ Net sales
■ Operating income
○ Operating margin

*Excl. special factors



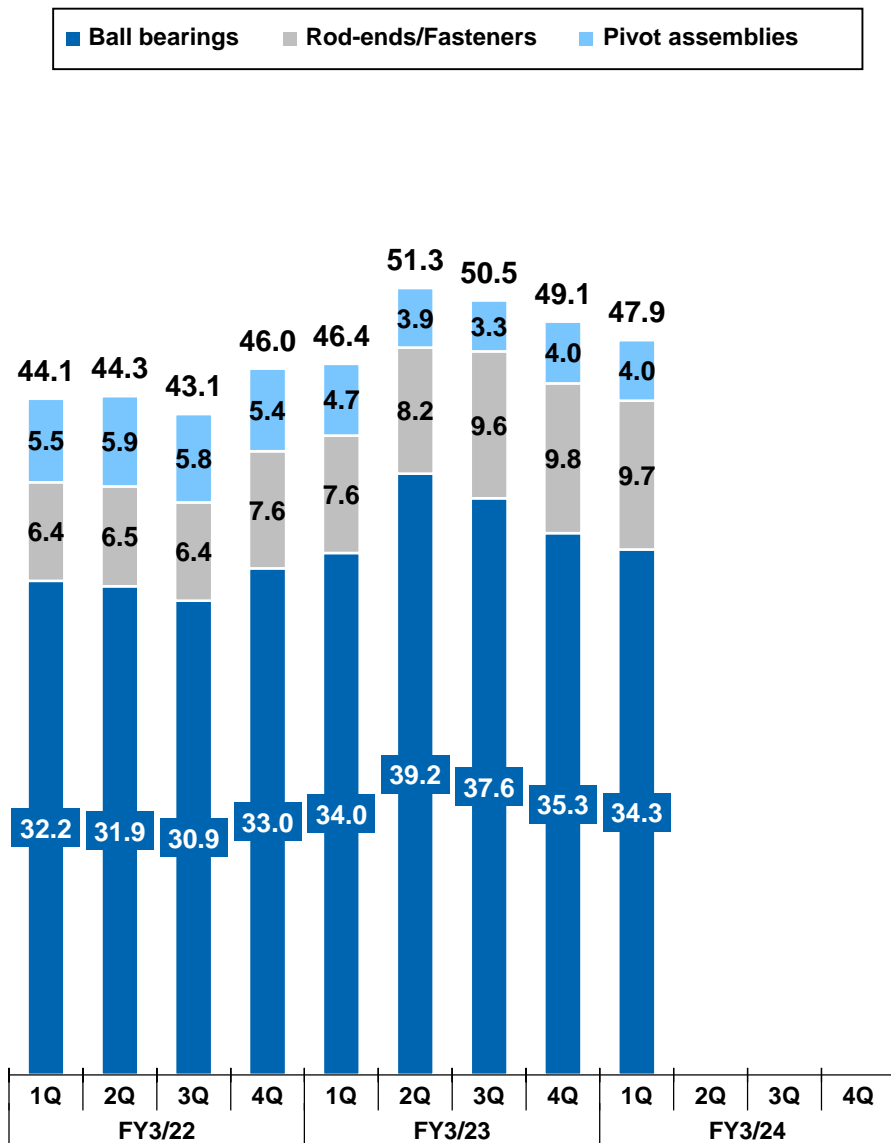
1Q Actual: Differences from the Forecast as of May

(Billions of yen)

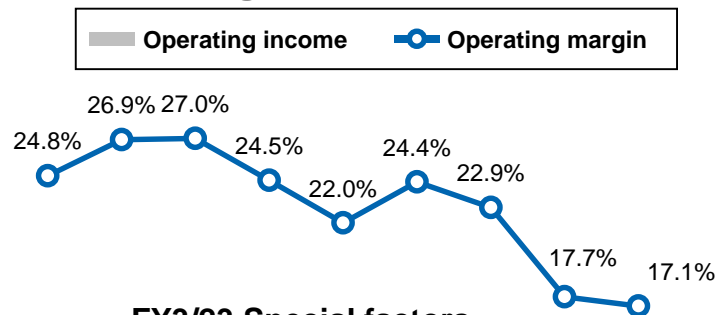


Precision Technologies (PT)

Net sales (Billions of yen)

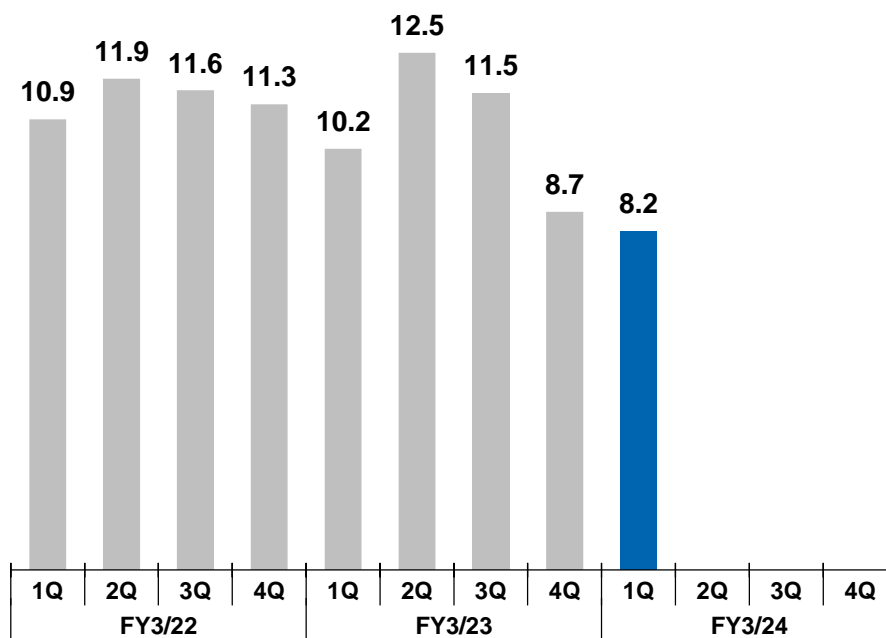


Operating income (Billions of yen)



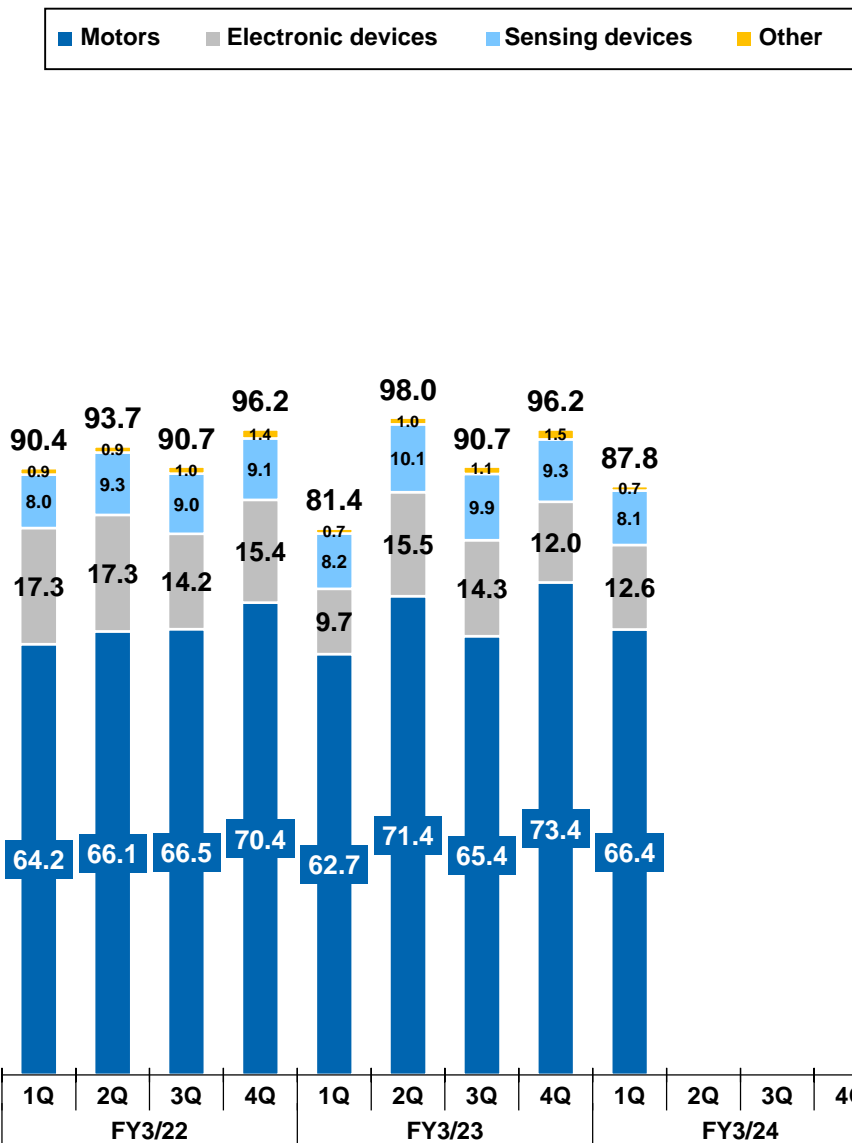
FY3/23 Special factors

	1Q	2Q	3Q	4Q	Full Year
FX forward contract	-0.2	-0.3	-0.4	-0.2	-1.1
Others	-	-	-	-1.4	-1.4
Total	-0.2	-0.3	-0.4	-1.5	-2.4

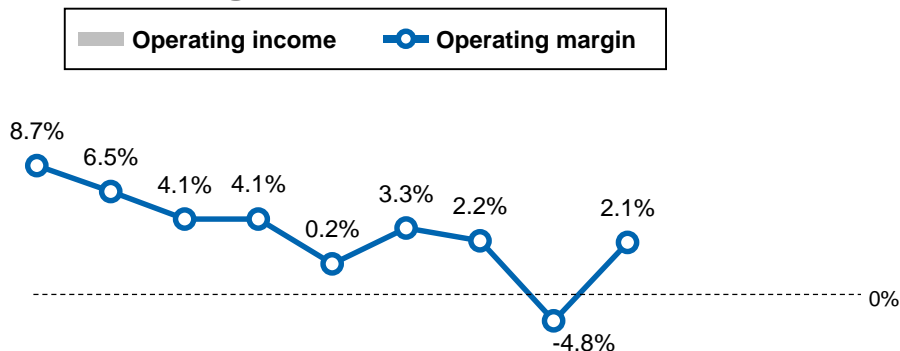


Motor, Lighting & Sensing (MLS)

Net sales (Billions of yen)

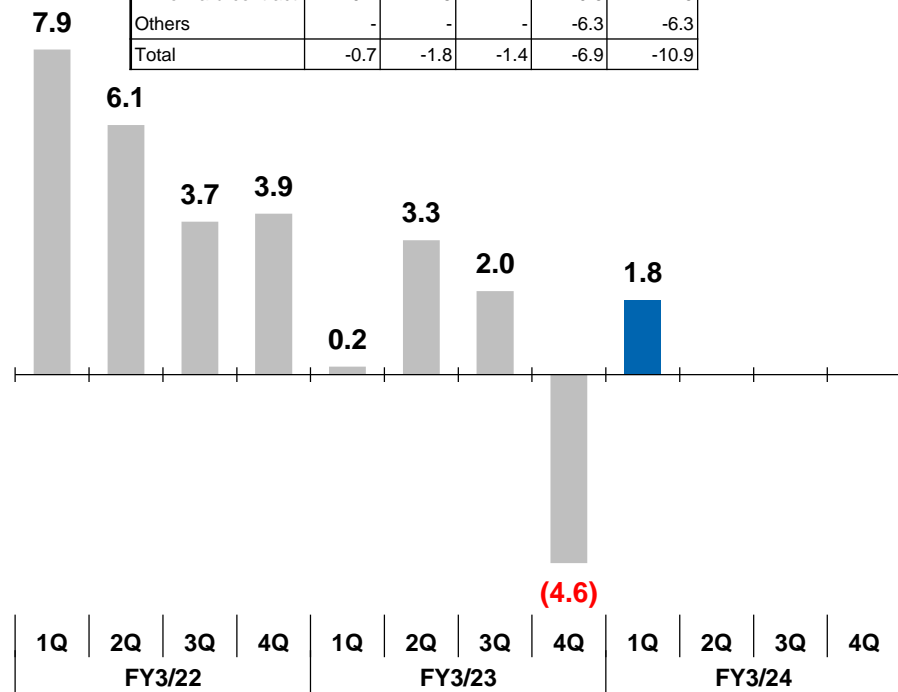


Operating income (Billions of yen)



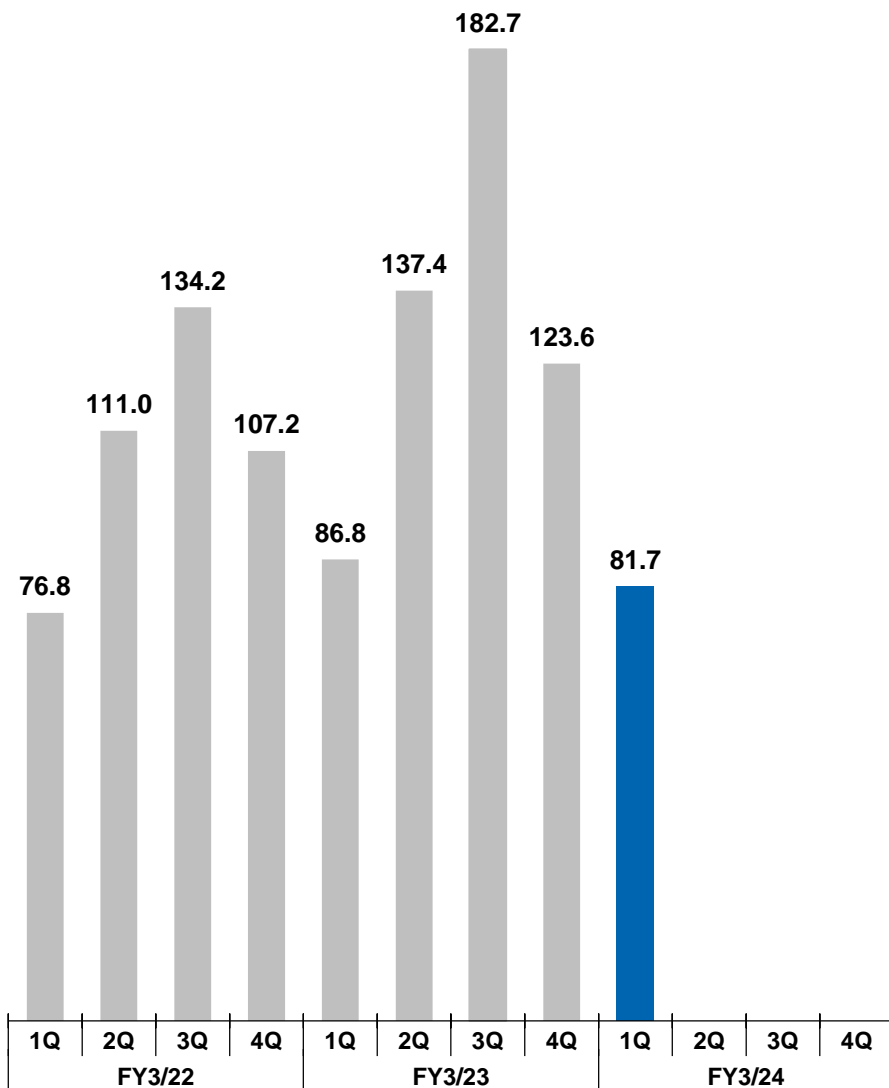
FY3/23 Special factors

	1Q	2Q	3Q	4Q	Full Year
FX forward contract	-0.7	-1.8	-1.4	-0.6	-4.6
Others	-	-	-	-6.3	-6.3
Total	-0.7	-1.8	-1.4	-6.9	-10.9

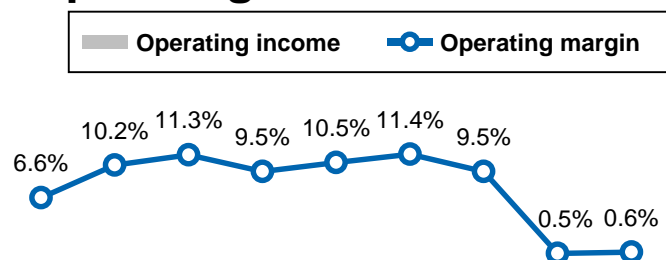


Semiconductors & Electronics (SE)

Net sales (Billions of yen)

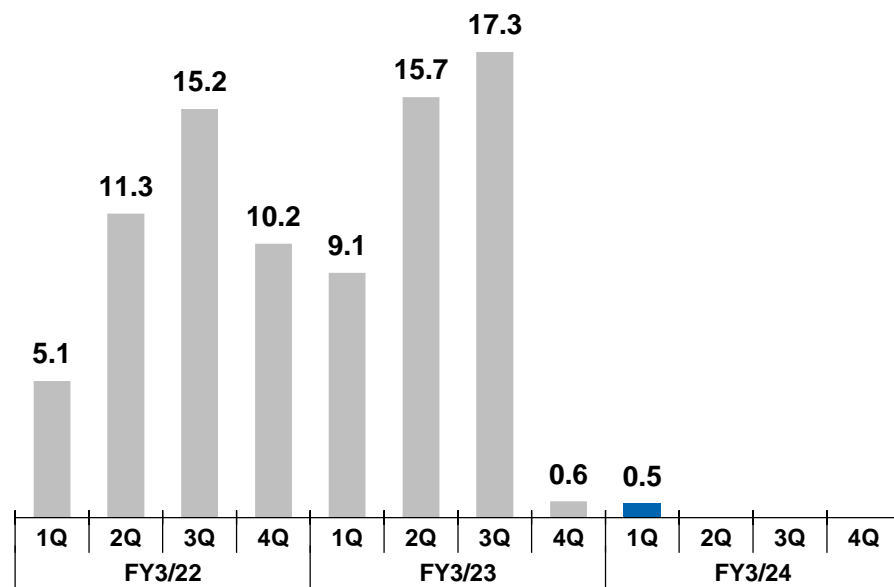


Operating income (Billions of yen)



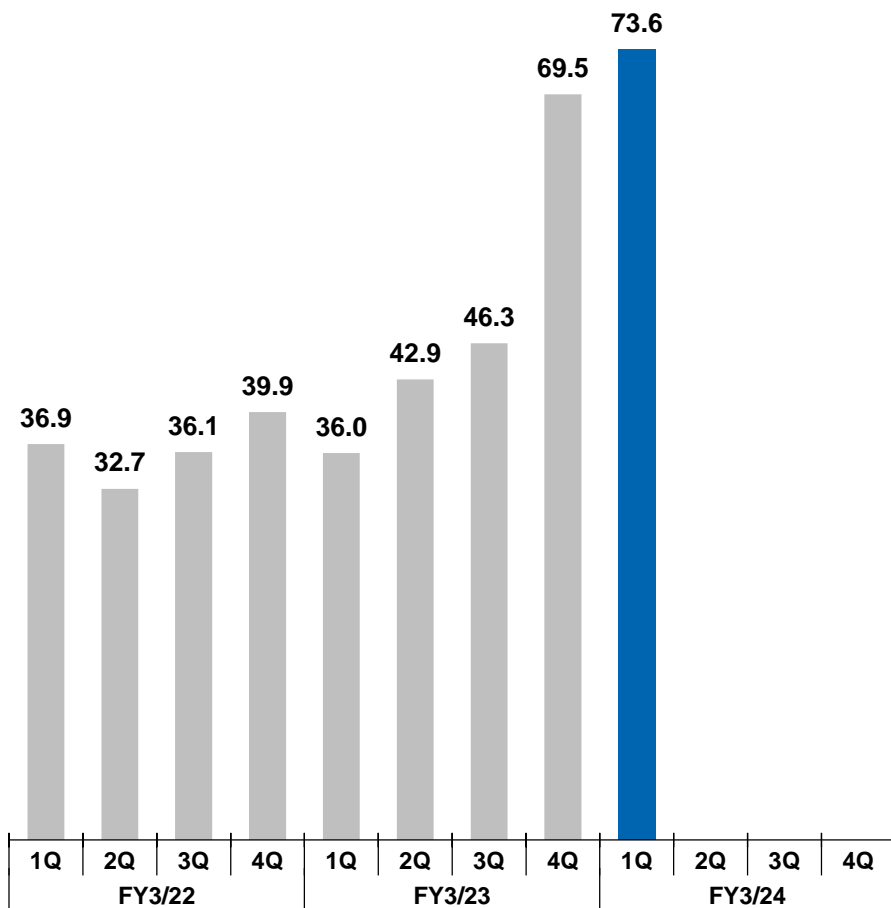
FY3/23 Special factors

	1Q	2Q	3Q	4Q	Full Year
FX forward contract	-0.4	-0.8	-1.2	-0.7	-3.1
Others	-	-	1.7	-3.7	-2.0
Total	-0.4	-0.8	0.5	-4.4	-5.1

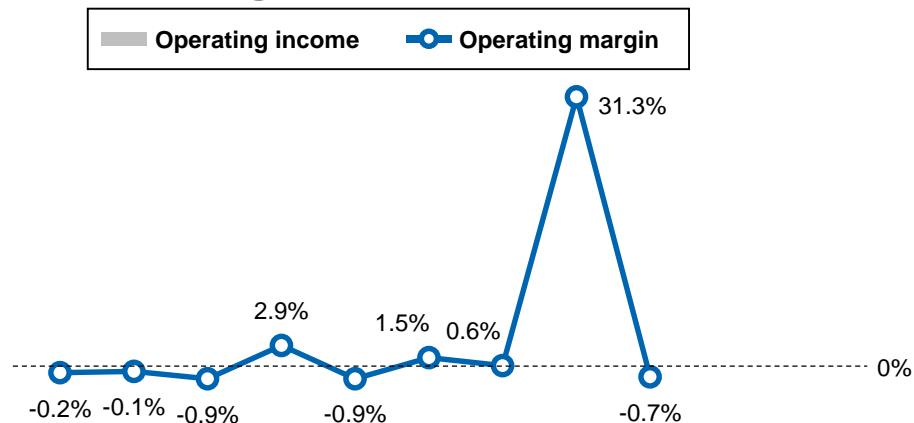


Access Solutions (AS)

Net sales (Billions of yen)

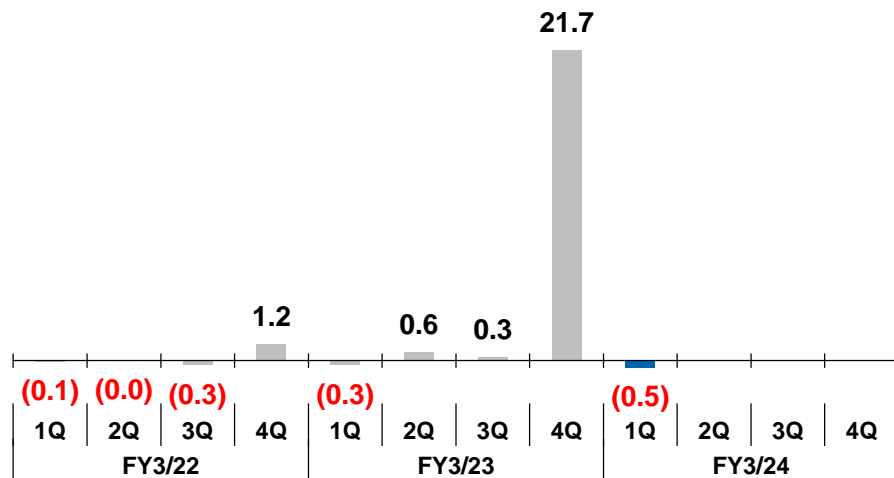


Operating income (Billions of yen)



FY3/23 Special factors

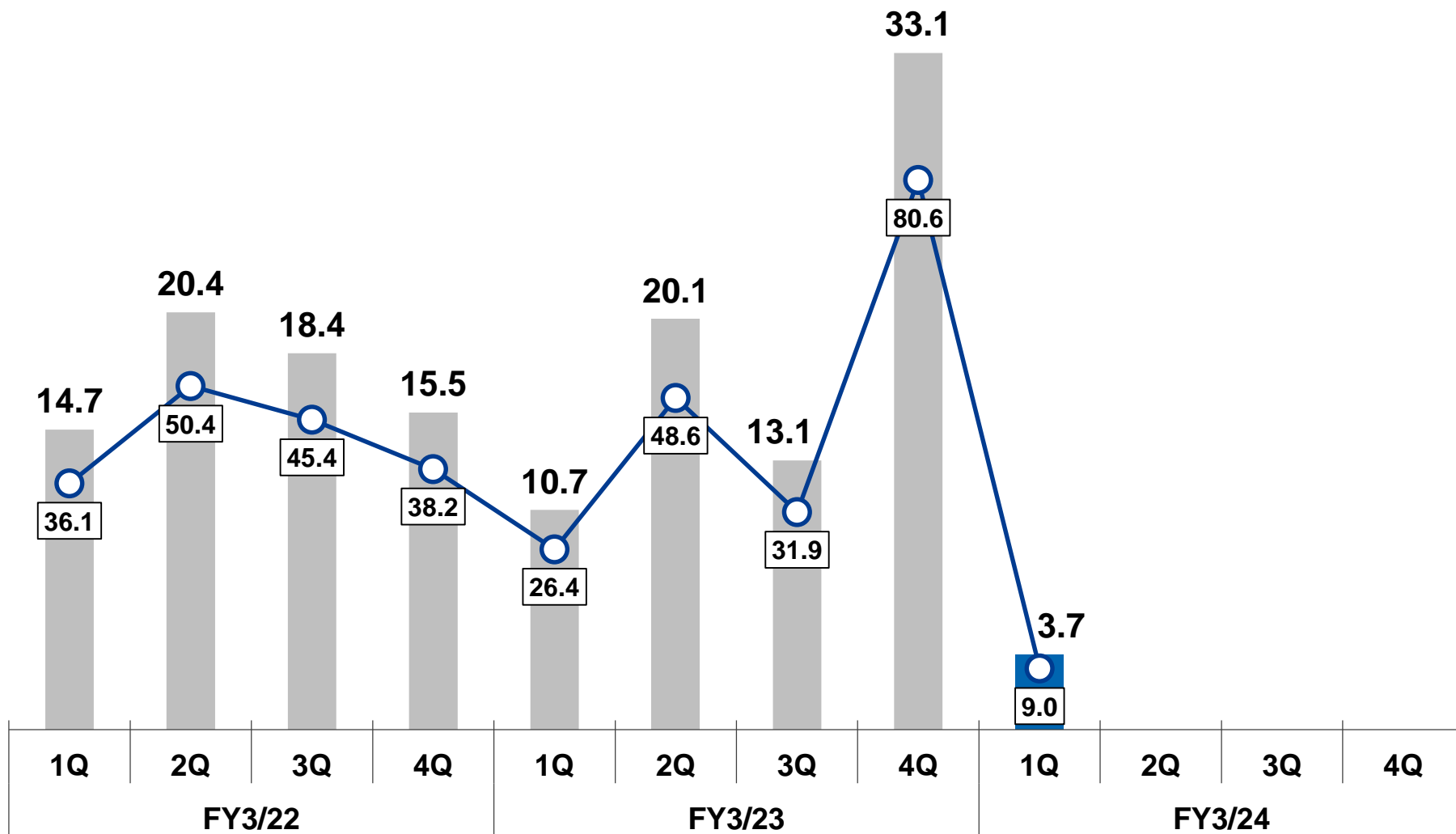
	1Q	2Q	3Q	4Q	Full Year
FX forward contract	-	-	-	-	-
Others	-	-	-	20.2	20.2
Total	-	-	-	20.2	20.2



Profit Attributable to Owners of the Parent / EPS

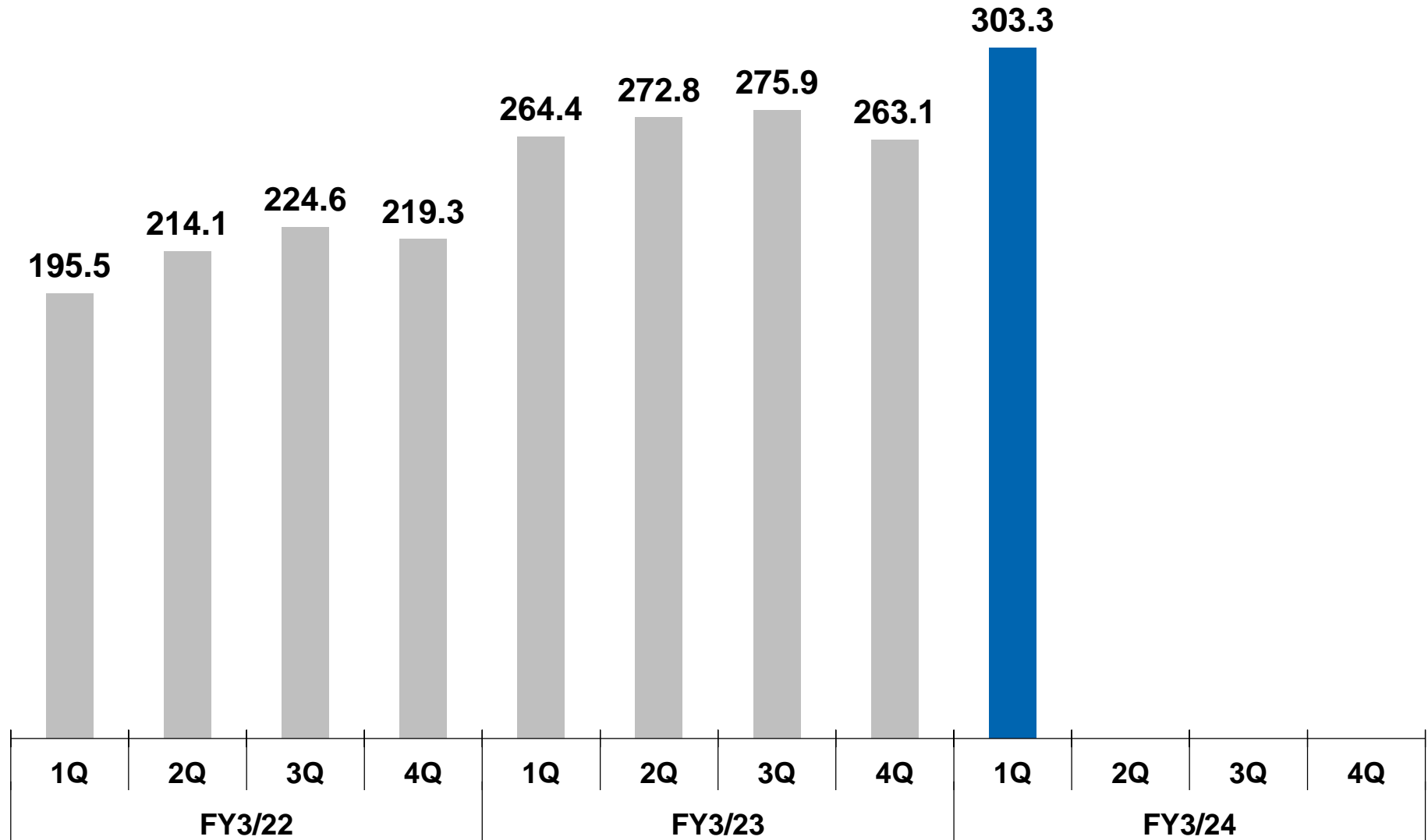
(Billions of yen)

■ Profit for the period attributable to owners of the parent ● Earnings per share, basic (yen)



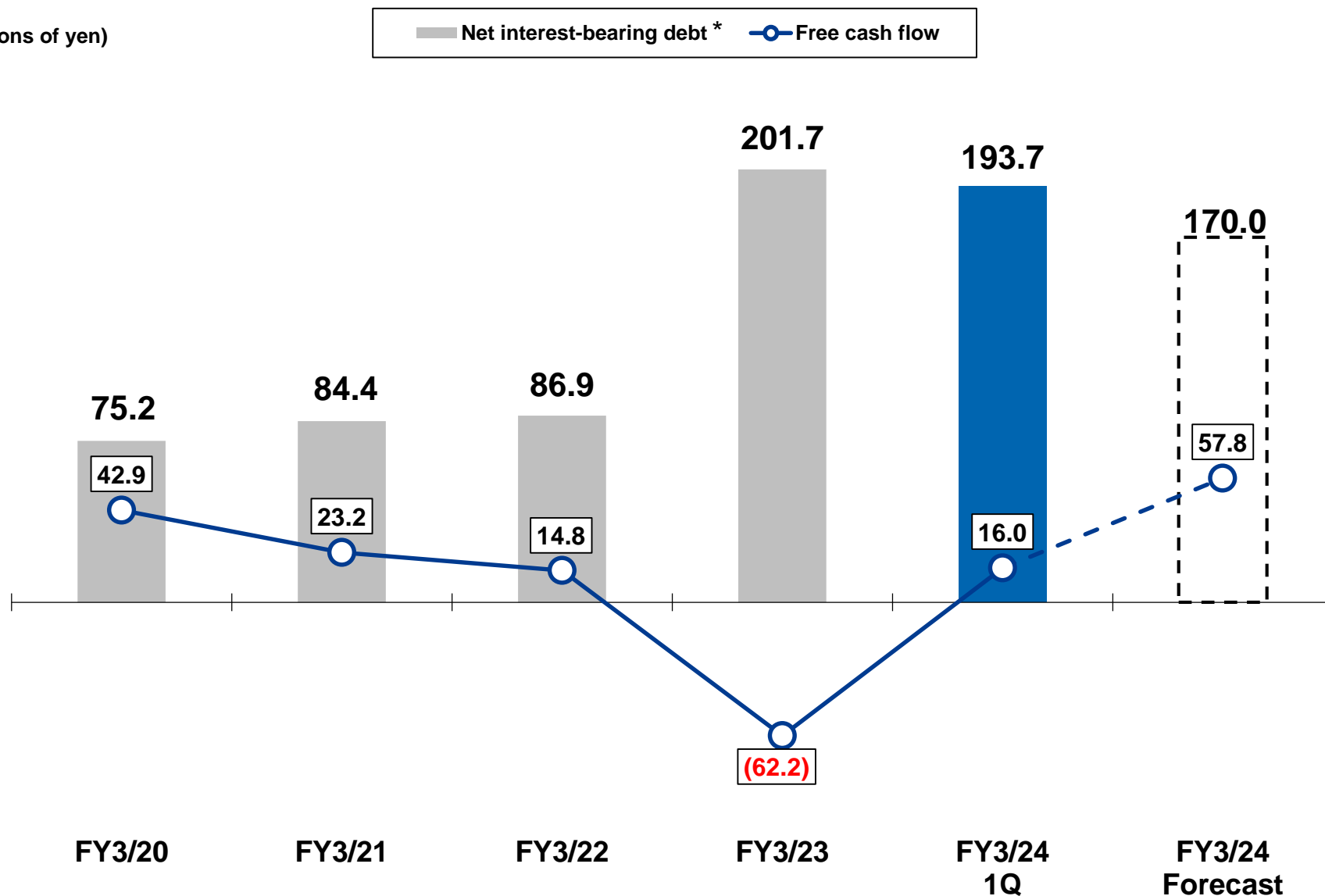
Inventory

(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)

No change from the initial plan under the current uncertain conditions

(Millions of yen)	FY3/23	FY3/24			
	Full Year	1st Half	2nd Half	Full Year	YoY
Net sales	1,292,203	663,000	787,000	1,450,000	+12.2%
Operating income	101,522	28,000	67,000	95,000	-6.4%
Profit before taxes	96,120	26,500	65,500	92,000	-4.3%
Profit for the period attributable to owners of the parent	77,010	20,000	50,000	70,000	-9.1%
Earnings per share, basic (yen)	187.62	48.97	122.44	171.41	-8.6%

Foreign Exchange Rates	FY3/23 Full Year	FY3/24 2Q-4Q Assumptions
US\$	¥134.19	¥130.00
Euro	¥139.90	¥140.00
Thai Baht	¥3.82	¥3.85
Chinese RMB	¥19.68	¥19.40

Forecast for Business Segment

(Millions of yen)	FY3/23	FY3/24			
	Full Year	1st Half	2nd Half	Full Year	YoY
Net sales	1,292,203	663,000	787,000	1,450,000	+12.2%
Precision Technologies (PT)	197,300	99,500	110,500	210,000	+6.4%
Motor, Lighting & Sensing (MLS)	366,275	187,000	218,000	405,000	+10.6%
Semiconductors & Electronics (SE)	530,464	226,000	289,000	515,000	-2.9%
Access Solutions (AS)	194,699	148,500	166,500	315,000	+61.8%
Other	3,465	2,000	3,000	5,000	+44.3%
Operating income	101,522	28,000	67,000	95,000	-6.4%
Precision Technologies (PT)	42,951	22,500	26,500	49,000	+14.1%
Motor, Lighting & Sensing (MLS)	922	4,000	13,000	17,000	x18.4
Semiconductors & Electronics (SE)	42,740	11,500	30,500	42,000	-1.7%
Access Solutions (AS)	22,302	1,500	8,500	10,000	-55.2%
Other	-1,290	-500	-500	-1,000	-
Adjustment	-6,103	-11,000	-11,000	-22,000	-

Overall

- 1Q sales and operating income landed in line with the guidance.
- Although the downturn in data centers is a significant hurdle, recovery is only a matter of time.
- No change in medium to long term business expansion plans.

Precision Technologies (PT)

- Weakness in ball bearings and pivots for data center applications.
- Robust sales for automotive and aircraft components, but will take some time to fully recover.

Motor, Lighting & Sensing (MLS)

- Automotive motors will continue to expand thanks to market recovery and content growth.
- Focus on automotive and tablet applications for backlight with the aim to increase profitability.
- Spindle motors expect recovery for data centers.

Semiconductors & Electronics (SE)

- Semiconductors have bounced back. No change in IGBT/SiC growth scenario.
- Production ramp-up for optical devices as planned in 2Q.

Access Solutions (AS)

- Profitability improvement by PMI is progressing. Operating income to exceed 10 billion yen this fiscal year.

Accelerating growth for data center in medium to long term

Key Points

1 Ball bearing – As of now
Uncertain, but only a matter of time for data center recovery

Ball bearing – Medium to long term

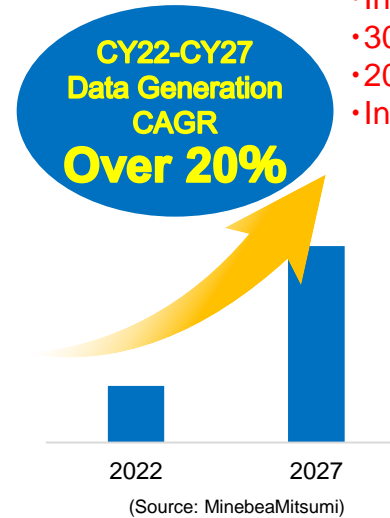
Over 20% CAGR in data generation

Generative AI, Autonomous Car Level 3, M2M, etc.

Add-on from content growth in automotive applications

2 Rod-ends & fasteners
Strong orders in line with full-fledged recovery of aircraft demand after COVID-19
(Taking a close look at supply chain risks)

Outlook of data generation



- Increase in data
- 300-800% increase in power consumption*
- 200% higher temperatures**
- Increase in administrative costs

Increasing demand for HDD components and cooling modules that support data centers in extreme environmental requirements

* Comparison of power consumption of one rack (conventional server: GPU server) 3.3 to 7.5 times higher than conventional (4 kVA to 9 kVA: 30 kVA) Source: MinebeaMitsumi

** Temperature difference between the inlet and outlet sides of a server rack (Conventional rack Δ t: 10°C → GPU rack 20°C or higher) Source: MinebeaMitsumi

Mach Aero Components Private Ltd.
The third plant (India)

Investment amount: 3 billion yen



(Conceptual drawing)

Top-line growth and securing profitability in niche market of automotive motors

Key Points

- 1 Automotive motors
Steady growth in automotive motors and actuators amid electrification, leveraging “Global Niche Top” strategy
AGA, HVAC, Resolver etc.

- 2 Electronic devices
Focus on applications that LED backlight has advantages

- 3 HDD motors
Solid growth in anticipation of data center recovery
High expectation for new HDD recording system

Growth drivers for automotive motor products

Electric

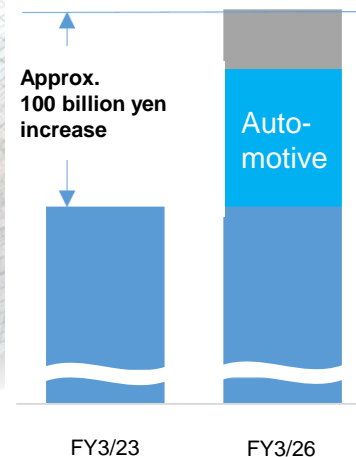
- ▶ AGA *1
- ▶ HVAC Module
- ▶ Resolver
- ▶ Motor for water pump
- ▶ Cooling fan for secondary battery

Autonomous

- ▶ BLDC for LiDAR
- ▶ LATM for LiDAR *2
- ▶ ECU cooling fan

*1 AGA : Active grill shatter actuator
*2 LATM : Limited Angle Torque Motor

Motor sales growth image



Develop applications for LED backlight



In-vehicle cluster panel



Tablet

Steady progress in preparation of power semiconductors

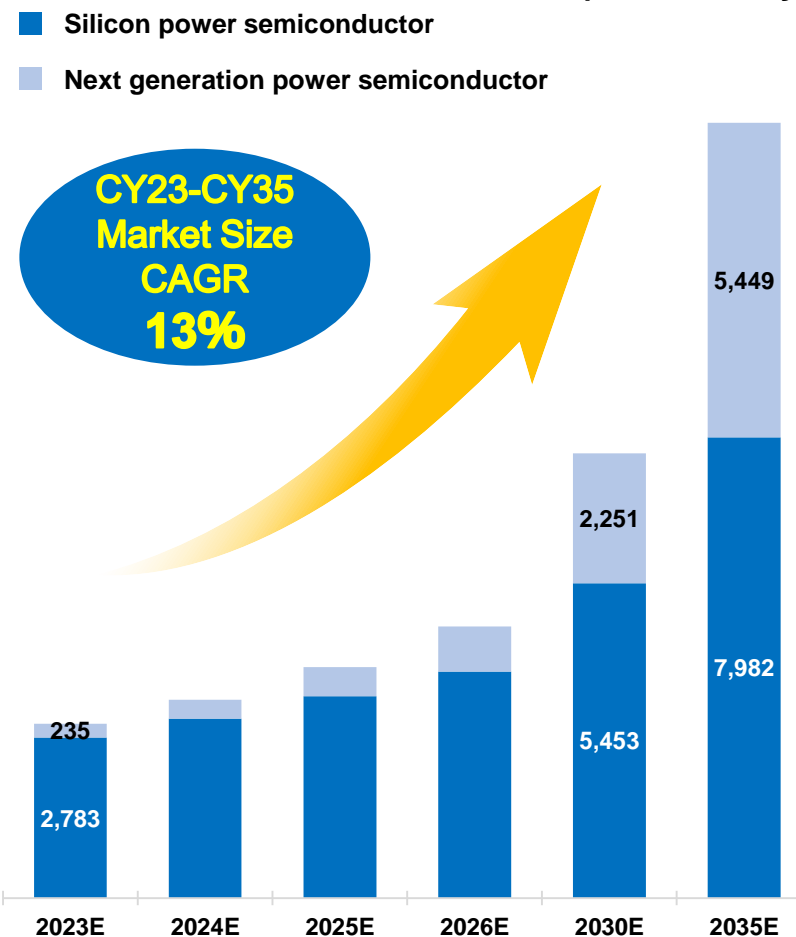
Key Points

- 1 Analog semiconductors
13% CAGR for power semiconductors
Expansion leveraging “Global Niche Top” strategy

Gradual recovery for semiconductor BB ratio

- 2 Optical devices
Steady ramp-up of new products for actuator

Outlook for power semiconductors global market (Billions of yen)



Created by source:
Fuji Keizai, 2023 Next Generation Power Devices
and Power Electronics related Equipment Market and Future Outlook

**Solid progress in PMI.
Secure operating income
of over 10 billion yen
this fiscal year**

Key Points

- 1 Improving profitability due to progress in PMI
- 2 Full utilization of Tier 1 position
- 3 Progress in market proposals via SOGO(=INTEGRATION) products

Products expected as next growth drivers with SOGO and added value

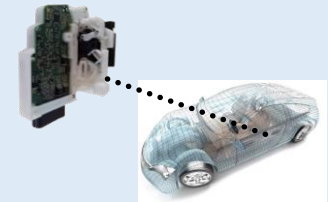
➤ Flush Handle



When a person with a remote control key approaches the car, the handles automatically comes out from the door surface. Contributes to improving design and aerodynamic performance.

➤ Latch

An electrically unlocked latch (a device that locks and unlocks the door) that is smaller and lighter.



➤ Power Closure System CSD (Compact Spindle Drive)

Mounted on both ends of the back door to open and close the door electrically.



CPD (Charge Port Door)

To open/close EV power feed ports.



➤ Door mirror

Increasing demand for composite products.



Difficult situation mainly due to slow recovery in data center

Reasons for no revision to the full year forecast

(Billions of yen)

		1Q	Full year
FY3/20	Net sales	204.4	978.4
	Operating Income		
	Actual	3.3	58.6
	Adjusted (Initial plan)	7.3	62.6 (77.0)
		+55.3	
FY3/24	Net sales	292.4	1,450.0
	Operating Income	6.1	95.0
		+88.9	

+32.4 billion yen

Differences from FY3/20

- **Semiconductors**
Integration of ABLIC
Shiga Plant to be black in the 2nd half
 - **Motors**
x1.7 sales
(over 300 billion yen this fiscal year)
 - **Bearings**
130% sales
 - **Camera actuators**
x3 sales
 - **Access solutions**
x2 sales
- *Decreasing sales for lighting device and game business

Foreign exchange rates

Currency (yen)	AVG FY3/20	Current	%
US\$	109.12	140.00	28%
Euro	121.27	155.00	28%
Thai	3.52	4.00	14%
Chinese	15.68	19.60	25%

Resolution of share buyback (August 4, 2023)

- Number of shares: Up to 4.0 million shares
(equal to 0.98% of total issued shares excluding treasury shares)
- Amount: **Up to 10.0 billion yen**
- Period: From August 7, 2023 to December 22, 2023
- Purpose: In order to improve return on shareholders and improve capital efficiency and to implement agile capital policy according to the business environment.

Dividends:

The annual dividend is targeted around 20% of consolidated payout ratio in principle, maintaining a sustainable and stable dividend in total consideration of business environment.



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.

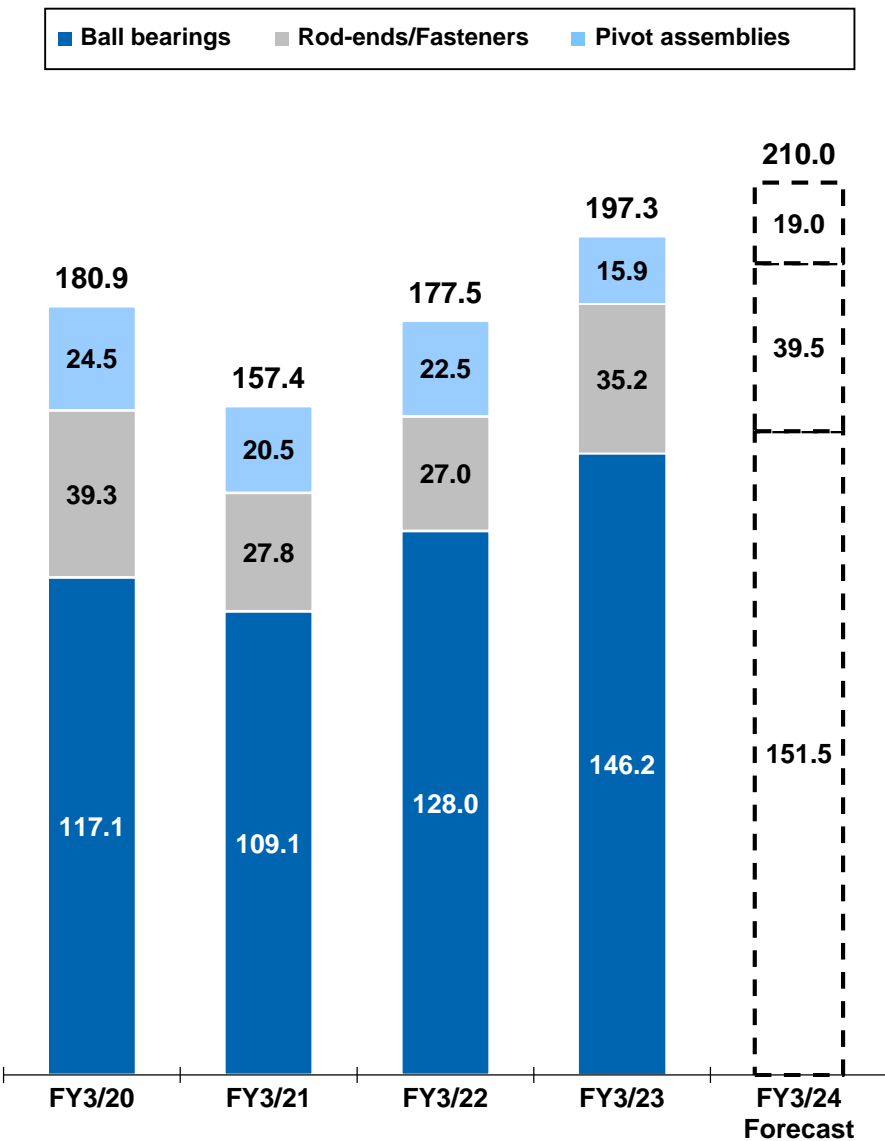
Factors affecting our actual performance include but are not limited to: (i) changes in economic conditions or demand trends related to MinebeaMitsumi's business operations; (ii) fluctuation of foreign exchange rates or interest rates; and (iii) our ability to continue R&D, manufacturing and marketing in a timely manner in the electronics business sector, where technological innovations are rapid and new products are launched continuously.

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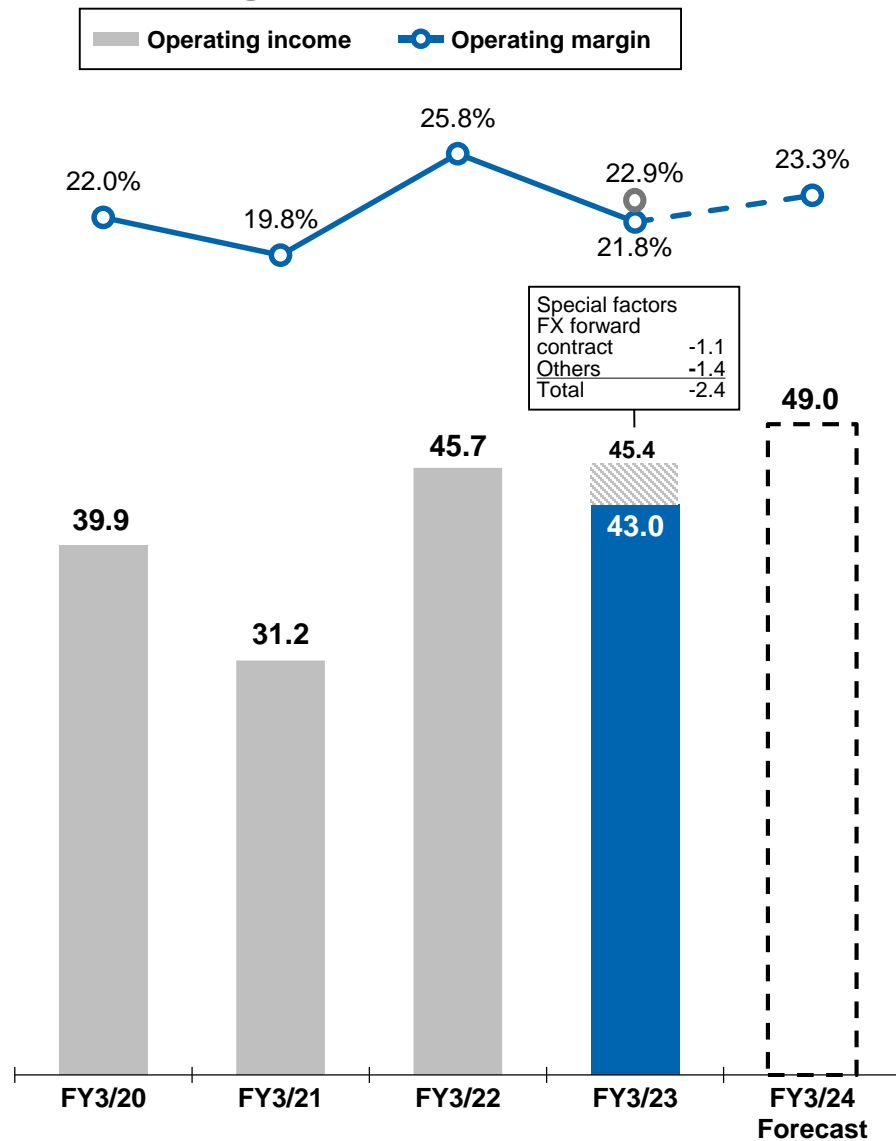
Reference

Precision Technologies (PT)

Net sales (Billions of yen)



Operating income (Billions of yen)



Motor, Lighting & Sensing (MLS)

Net sales (Billions of yen)



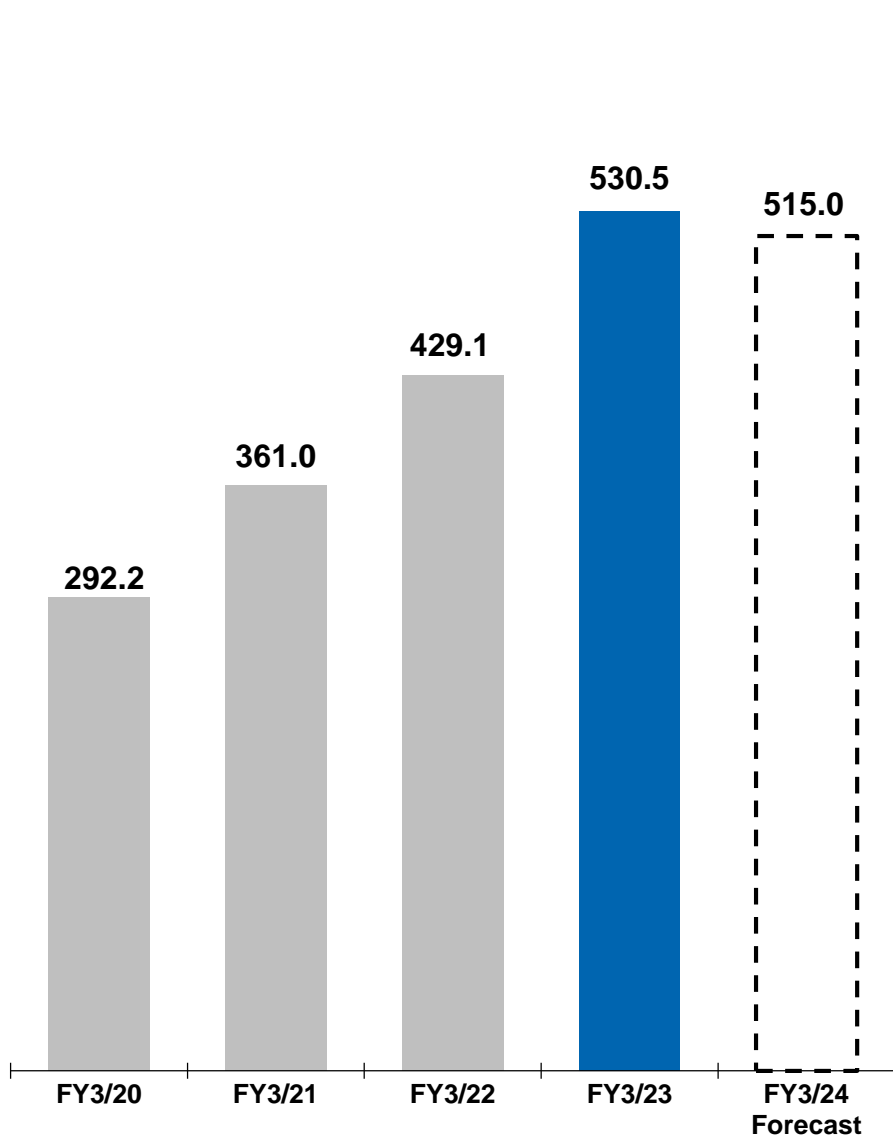
Operating income (Billions of yen)



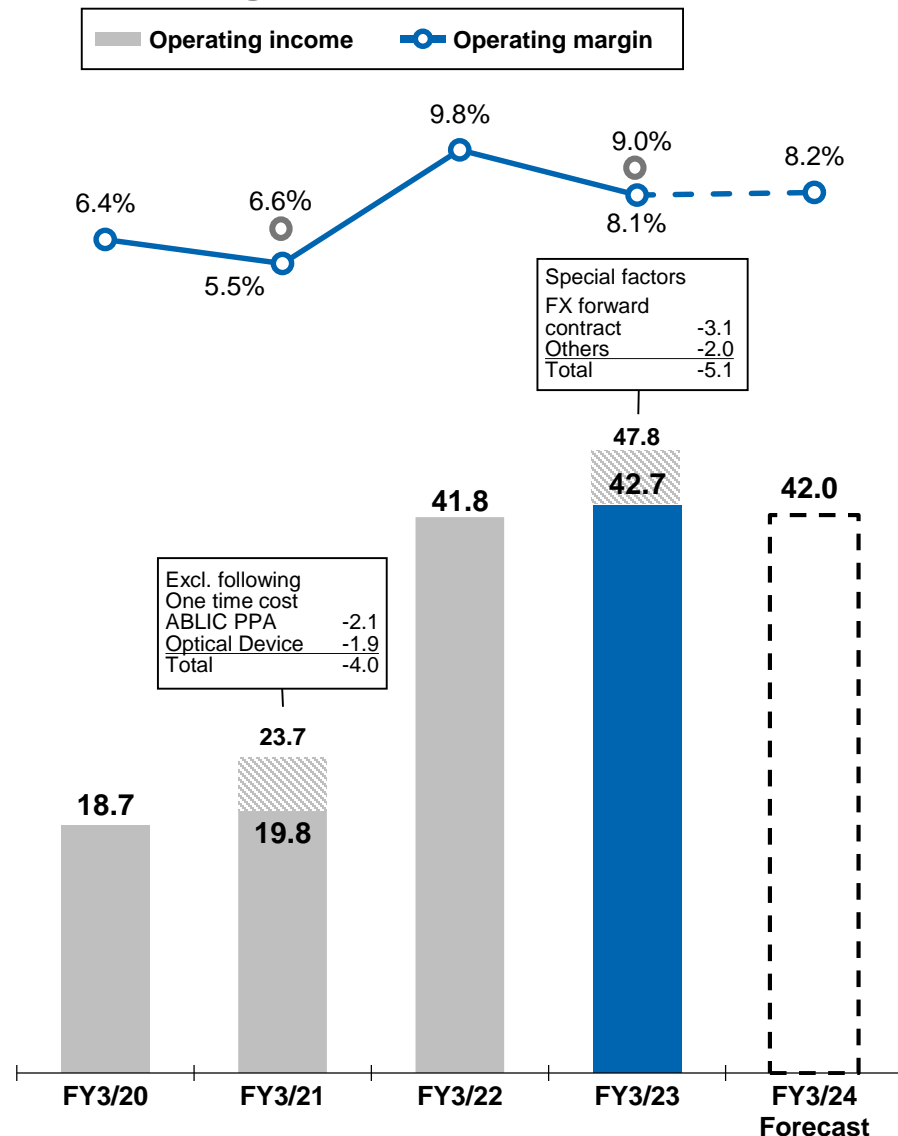
Special factors	
FX forward contract	-4.6
Others	-6.3
Total	-10.9

Semiconductors & Electronics (SE)

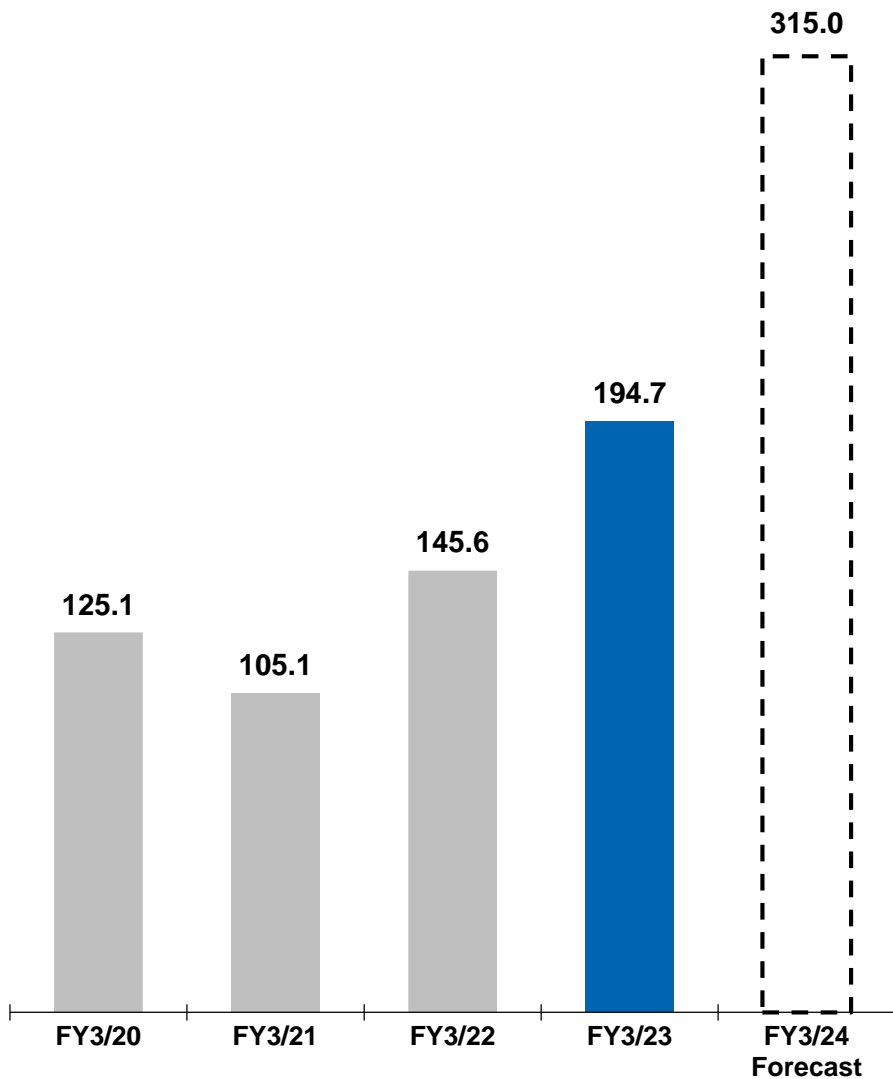
Net sales (Billions of yen)



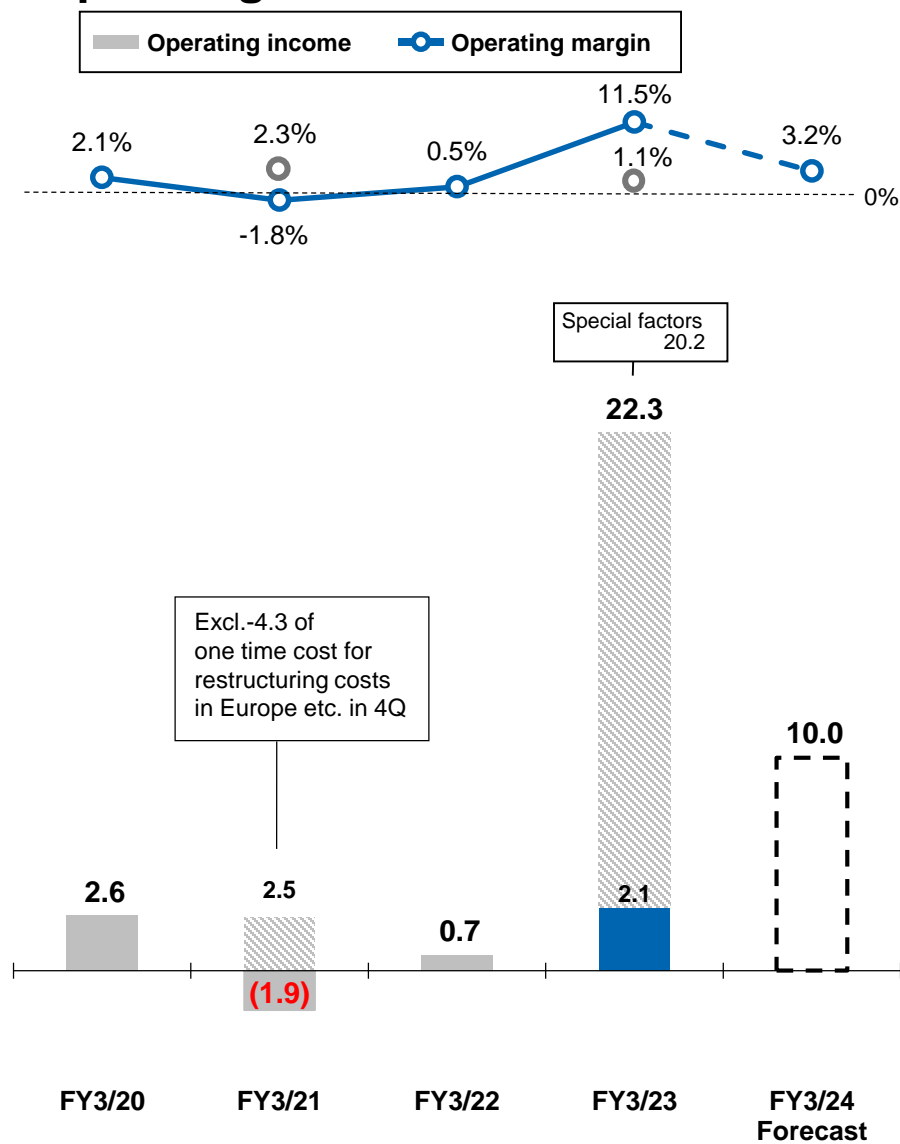
Operating income (Billions of yen)



Net sales (Billions of yen)

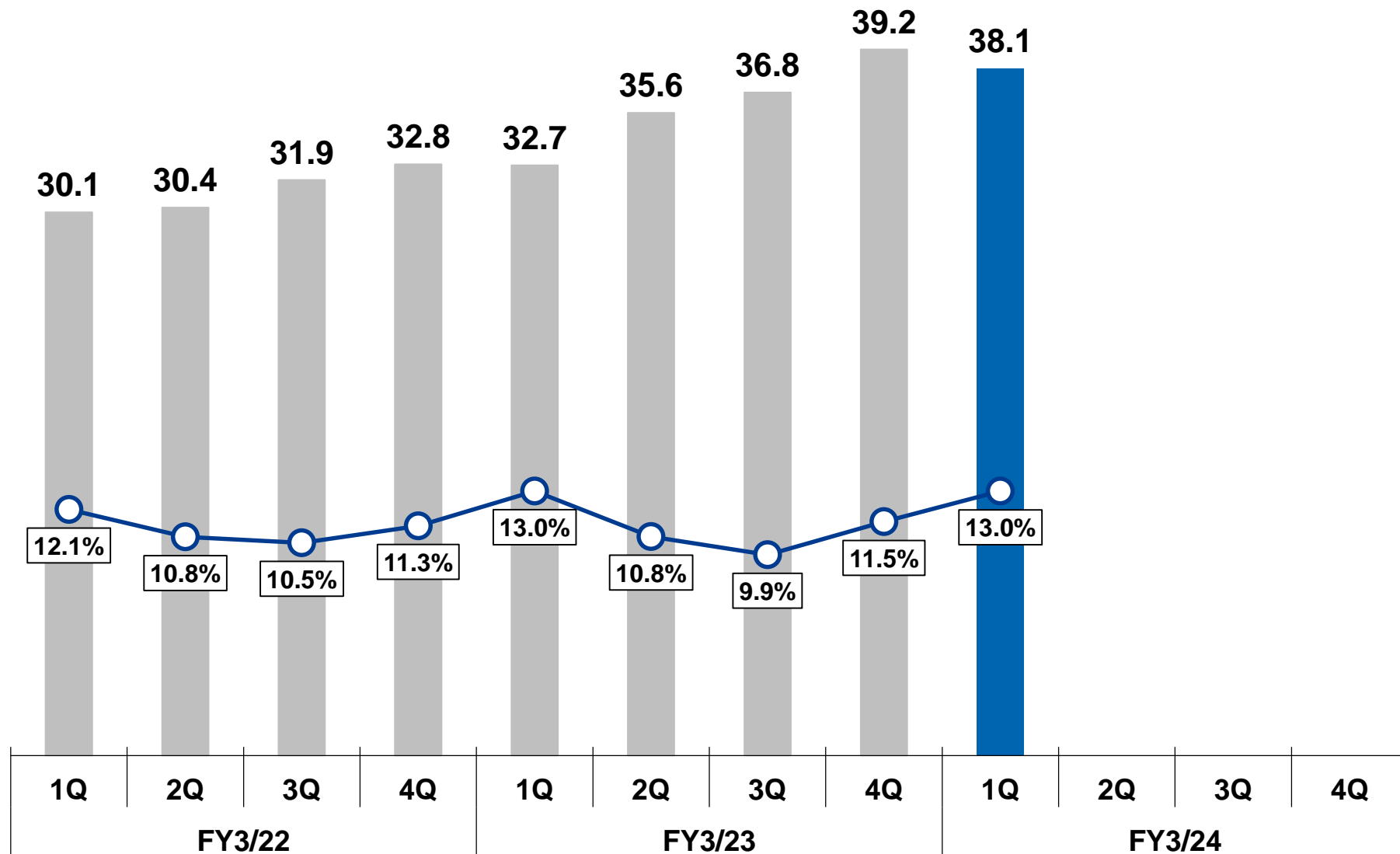
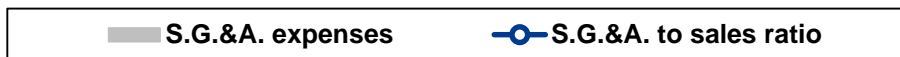


Operating income (Billions of yen)



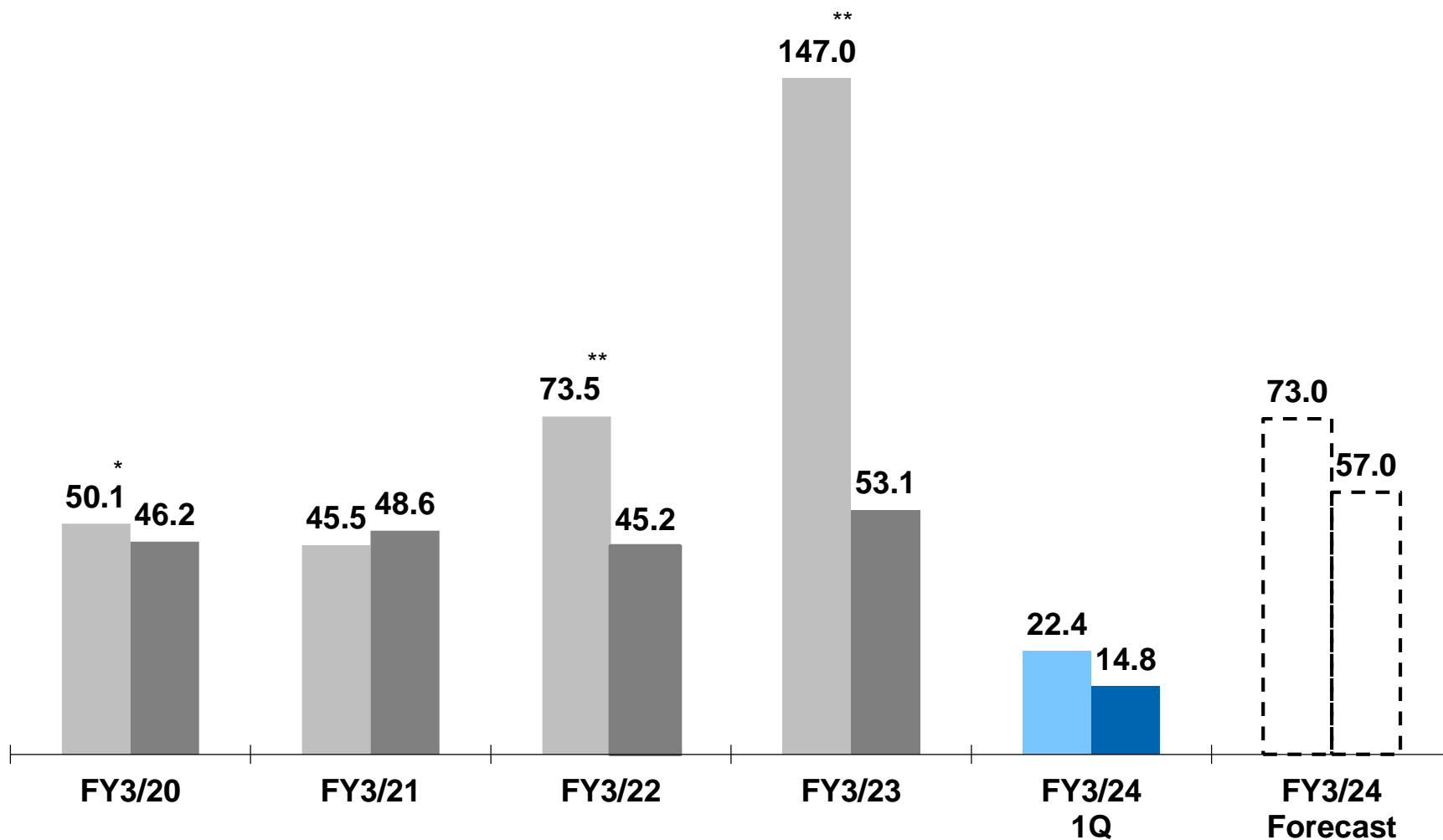
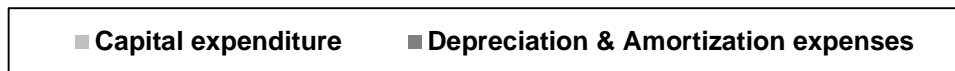
S.G.&A. Expense / Ratio

(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 Access Solutions (AS) business are pre-merger result and based on JGAAP, and are not included in the Total until FY3/19.

$$\text{MinebeaMitsumi ROIC} = \frac{\text{NOPAT (Operating income + extraordinary profit/loss) x (1-tax rate)}}{\text{Invested capital (Notes receivable/accounts receivable + inventories + non-current assets - notes payable/accounts payable)}}$$

Calculated using business assets (trade receivable/payable, inventories, non-current assets) by segment

