

November 2, 2023

Company Name:	MINEBEA MITSUMI Inc.
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Announcement of Acquisition of All Shares of Hitachi Power Semiconductor Device, Ltd. and Acquisition of Business

MINEBEA MITSUMI Inc. (the "Company") hereby announces that it has decided to acquire the shares of Hitachi Power Semiconductor Device, Ltd. ("Hitachi Power Device") from Hitachi, Ltd. ("Hitachi") (the "Acquisition of Shares"), as a result of which Hitachi Power Device will become a subsidiary of the Company, and further acquire the overseas sales business concerning the power device business of the Hitachi group from Hitachi (the "Acquisition of Business"). The Company has entered into a share purchase agreement with Hitachi as of today.

1. Reason for the Acquisition of Shares and Business

The Company's basic strategy is to identify the products as its core business called the "Eight Spears" in which the Company can demonstrate its strength such as super-precision processing technologies and mass production technologies and which would not be easily eliminated from the market, and to provide the customers with new values by INTEGRATION^{*1}. Its analog semiconductor business, which also covers power semiconductors, is one of the "Eight Spears." In addition to lithium-ion battery protection ICs, power management ICs, timer ICs, MEMS^{*2} sensors, magnetic sensors, and automotive memories, the Company aims to further expand the business in the power semiconductor space, including IGBTs^{*3}, and eventually expand its analog semiconductor business and increase the business value, achieving growth in sales from the current 80 billion yen level to 300 billion yen by 2030 in that field with help of M&A.

Hitachi Power Device is a semiconductor manufacturer that provides power semiconductor products, which are key devices in the electrification and motorization of industries and social infrastructure. It has established a solid position in a high-growth end market with its highly competitive product portfolio by producing numerous cost-competitive products that achieve both miniaturization and high performance based on its advanced basic technology assets and module fabrication technology. In particular, Hitachi Power Device has superior technologies and products backed by its strong technological development capabilities in power semiconductors such as high-voltage SiC, high-voltage IGBT, SG (side gate)-IGBT for EV, high-voltage IC, and diodes for alternators.

As mentioned above, although the Company has been planning and promoting the expansion of its IGBT business, it only involved expansion of the chip business and the Company lacked module fabrication technology in the portfolio. Once the Acquisition of Shares and the Acquisition of Business are completed, the Company will acquire back-end process technologies and production capacity for packaging and module fabrication. This will allow the Company to deploy a vertically integrated business for power semiconductors covering development through to production harmonizing the Company's existing traditional chip manufacturing capabilities. Furthermore, through the integration of technology teams and the INTEGRATION between the unique technologies of Hitachi Power Device, including SG-IGBT, and the Company's chip manufacturing technology, the Company hopes to unleash the synergy between the power device business and its existing internal operations, such as achieving a performance close to SiC with Si power devices and developing the SiC power device business by leveraging the high-voltage SiC technology held by Hitachi Power Device's SiC engineer group, and strive to become a leader in the power semiconductor market with a competitive edge. The Company has been contracted by Hitachi Power Device as their front-end fab, and SG-IGBT is already in prototyping at its Shiga plant. As such, the Company believes that it will be able to incorporate added value from the first day of vertical integration.

The Company understands that the demand for power semiconductors is increasing not only in relation to EVs but also in various areas such as GX (green transformation), renewable energy including wind and solar, power and power grids, large transportation equipment including railways, data centers, medical and healthcare applications including heavy ion radiotherapy and MRI, and industrial and machining equipment. In addition to the mass market, by leveraging its unique strengths in the niche markets, the Company aims to realize significant synergies and achieve a growth exceeding 300 billion yen with its analog semiconductor business.

*1 INTEGRATION means "combining" rather than "simple gathering." The Company will evolve its "core products" by combining and utilizing its proprietary technologies and will create new products in various fields through the INTEGRATION of the evolved products.

*2 Micro Electro Mechanical Systems

*3 Insulated Gate Bipolar Transistor, a type of power semiconductor device

2. Outline of the Company to Become a Subsidiary

(As of November 2, 2023)

(1) Company name	Hitachi Power Semiconductor Device, Ltd.	
(2) Location	5-2-2, Omikacho, Hitachi-shi, Ibaraki	
(3) Title and name of representative	Masahiko Suzuki, President	
(4) Business	Design, production and sale of semiconductor components Design, production and sale of semiconductor application equipment and components	
(5) Amount of capital	450 million yen	
(6) Date of establishment	October 1, 2013	
(7) Major shareholders and shareholding ratio	Hitachi, Ltd.	100.0%
	Capital relationship	Not applicable

(8) Relationship between the Company group and Hitachi Power Device	Personnel relationship	Not applicable
	Business relationship	Certain transactions involving products
(9) Operating results and financial position over 3 years	Not disclosed under the confidentiality obligations between the parties	

3. Outline of the Business to be Acquired

(1) Business to be acquired	Overseas sales business concerning the power device business
(2) Operating results of the business to be acquired	Not disclosed under the confidentiality obligations between the parties
(3) Assets and liabilities of the business to be acquired	Accounts receivable and inventory related to the overseas sales business concerning the power device business as of the business transfer date as well as relevant assets and liabilities necessary for the smooth transfer as separately agreed between the parties

4. Outline of the Company Selling the Shares and Business

(1) Company name	Hitachi, Ltd.	
(2) Location	6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo	
(3) Title and name of representative	Keiji Kojima, President & CEO	
(4) Business	Development, production, and sales of products and provision of services relating to Digital Systems & Services, Green Energy & Mobility, Connected Industries	
(5) Amount of capital	462,817 million yen (FY ended March 2023)	
(6) Date of establishment	February 1, 1920	
(7) Net assets	5,335,567 million yen (FY ended March 2023)	
(8) Total assets	12,501,414 million yen (FY ended March 2023)	
(9) Major shareholders and shareholding ratio (As of March 31, 2023)	The Master Trust Bank of Japan, Ltd. (Trust Account)	18.20%
	Custody Bank of Japan, Ltd. (Trust account)	6.67%
	State Street Bank and Trust Company 505223 (Standing proxy: Mizuho Bank, Ltd.)	2.64%
	Government of Norway (Standing proxy: Citibank, N.A.)	2.62%
	Nippon Life Insurance Company	2.13%
	Hitachi Group Employee Stock Purchase Plan	2.10%
	SSBTC CLIENT OMNIBUS ACCOUNT (Standing proxy: The Hongkong and Shanghai Banking Corporation Ltd.)	2.09%
	NATSCUMCO (Standing proxy: Mizuho Bank, Ltd.)	1.85%
	State Street Bank West Client Treaty 505234 (Standing proxy: Mizuho Bank, Ltd.)	1.83%
	J.P. Morgan Chase Bank 385632 (Standing proxy: Mizuho Bank, Ltd.)	1.57%

(10) Relationship between the Company group and Hitachi	Capital relationship	Not applicable
	Personnel relationship	Not applicable
	Business relationship	Certain transactions involving products
	Status applicable to related parties	Not applicable

5. Number of Shares to be Acquired, Purchase Price, and Shareholdings Before and After the Acquisition

(1) Number of shares held by the Company before the transfer	0 shares (Number of voting rights: 0) (Percentage of voting rights held: 0.0%)
(2) Number of shares to be acquired by the Company	450,000 shares (Number of voting rights: 450,000)
(3) Purchase price	Not disclosed under the confidentiality obligations between the parties
(4) Number of shares to be held by the Company after the transfer	450,000 shares (Number of voting rights: 450,000) (Percentage of voting rights held: 100.0%)

6. Schedule

(1) Date of resolution of the Board of Directors	November 2, 2023
(2) Execution date of the Share Purchase Agreement	November 2, 2023
(3) Implementation date of the Acquisition of Shares (Note)	The date of the share transfer is still undecided at this moment, while we aim to execute the transfer as soon as possible.

(Note) The implementation date of the Acquisition of Shares and Acquisition of Business is subject to change depending on notifications to the Fair Trade Commission and other relevant authorities (including those based on foreign laws) as well as the status of obtaining permits and approvals.

7. Future Outlook

Impact of this transaction on the Company's consolidated business performance for the fiscal year ending March 31, 2024 is expected to be minimal. We will promptly disclose relevant information once any event that needs to be disclosed occurs.