

Business Results

Fiscal Year Ended March 31, 2018

MinebeaMitsumi Inc.

May 8, 2018

1. Financial Results
2. Policy and Strategy

Financial Results

Katsuhiko Yoshida

Managing Executive Officer

Summary of Consolidated Business Results

Net sales as well as operating, ordinary, and net income totals for full year hit record highs

| (Millions of yen) | FY3/17 | FY3/18 | Change YoY | FY3/18 Forecast (February 2018 Forecast) | |
|---|-----------|-----------|---------------|---|--------------|
| | Full Year | Full Year | | Full Year | VS. Forecast |
| Net sales | 638,926 | 879,139 | +37.6% | 850,000 | 103.4% |
| Operating income | 49,015 | 79,162 | +61.5% | 80,000 | 99.0% |
| Ordinary income | 48,393 | 78,038 | +61.3% | 79,500 | 98.2% |
| Income attributable to owners of the parent | 41,146 | 59,382 | +44.3% | 62,000 | 95.8% |
| Net income per share (yen) | 107.33 | 141.14 | +31.5% | 147.37 | 95.8% |

| Foreign Exchange Rates | FY3/17 Full Year | FY3/18 Full Year |
|------------------------|---------------------|---------------------|
| US\$ | ¥108.76 | ¥111.19 |
| Euro | ¥119.34 | ¥129.36 |
| Thai Baht | ¥3.09 | ¥3.35 |
| Chinese RMB | ¥16.18 | ¥16.70 |

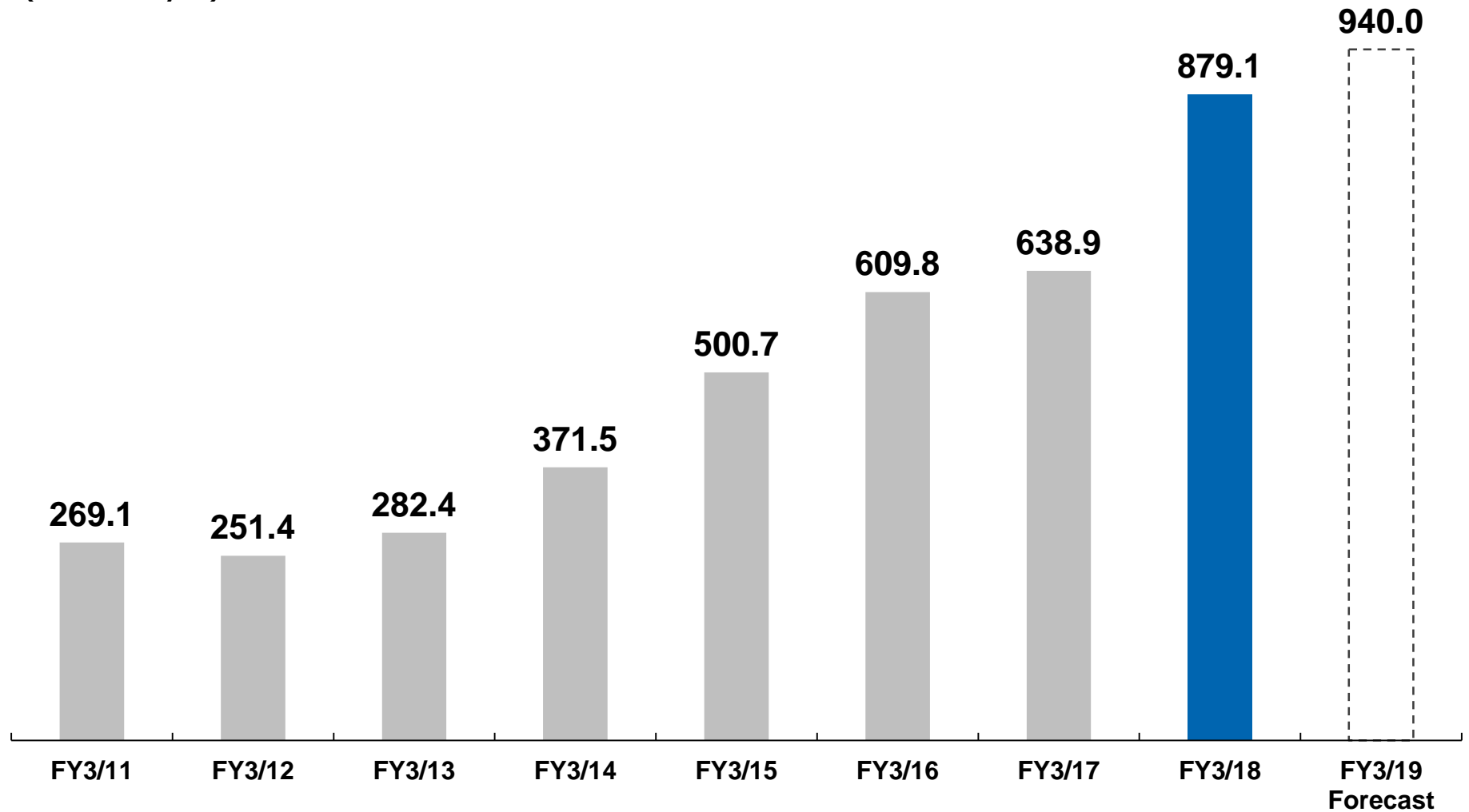
Summary of Consolidated Business Results for 4Q

Net sales hit 4Q record highs

| (Millions of yen) | FY3/17 4Q | FY3/18 | | Change | |
|---|--------------|---------|---------|--------|--------|
| | | 3Q | 4Q | YoY | QoQ |
| Net sales | 196,418 | 225,900 | 224,211 | +14.1% | -0.7% |
| Operating income | 14,300 | 22,437 | 14,773 | +3.3% | -34.2% |
| Ordinary income | 13,621 | 22,353 | 13,522 | -0.7% | -39.5% |
| Income attributable to owners of the parent | 16,233 | 17,278 | 7,827 | -51.8% | -54.7% |
| Net income per share (yen) | 39.65 | 41.22 | 18.67 | -52.9% | -54.7% |

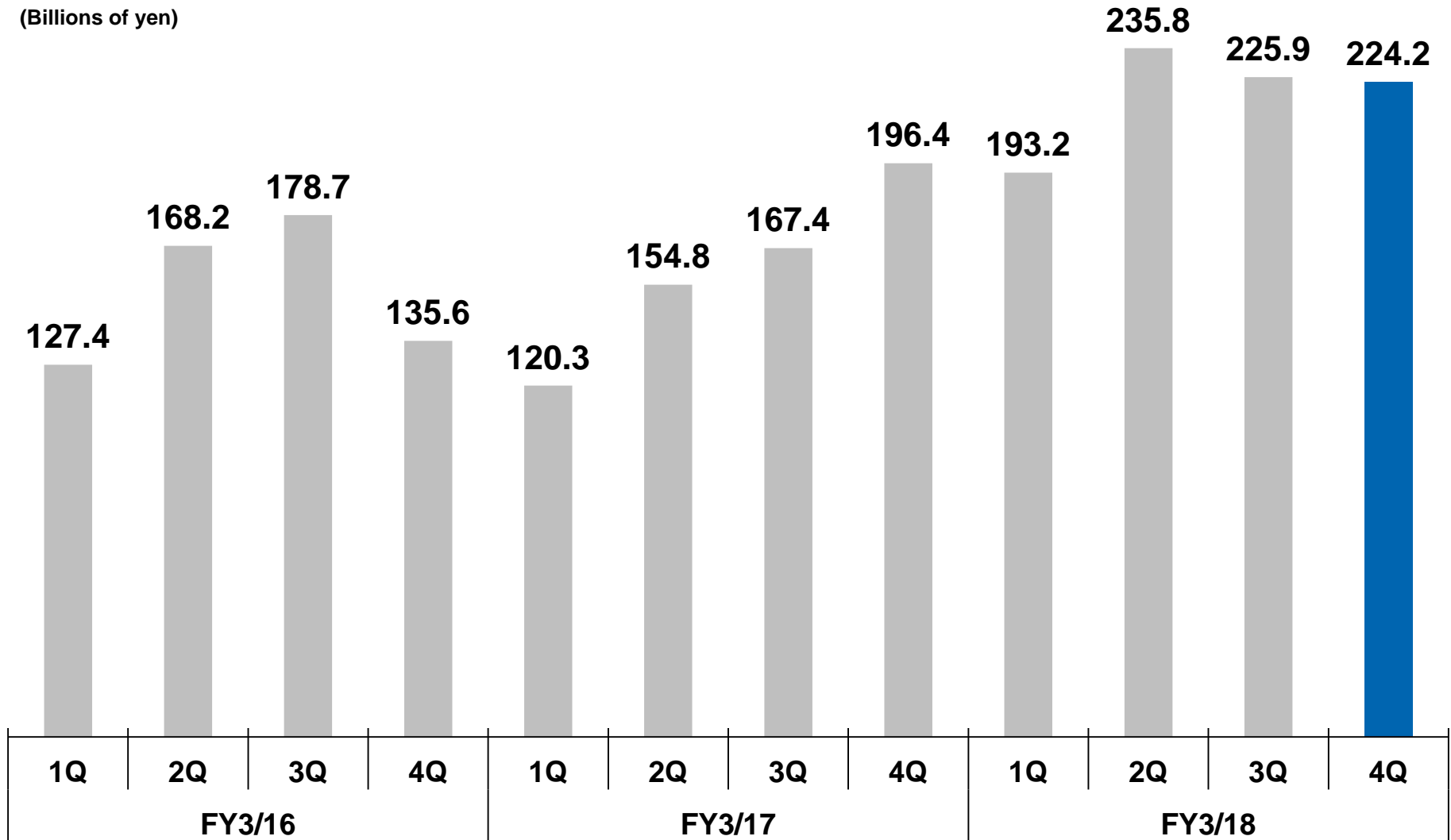
| Foreign Exchange Rates | FY3/17 4Q | FY3/18 3Q | FY3/18 4Q |
|------------------------|--------------|--------------|--------------|
| US\$ | ¥114.29 | ¥112.65 | ¥109.72 |
| Euro | ¥121.14 | ¥132.47 | ¥133.77 |
| Thai Baht | ¥3.24 | ¥3.41 | ¥3.45 |
| Chinese RMB | ¥16.54 | ¥16.95 | ¥17.16 |

(Billions of yen)



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

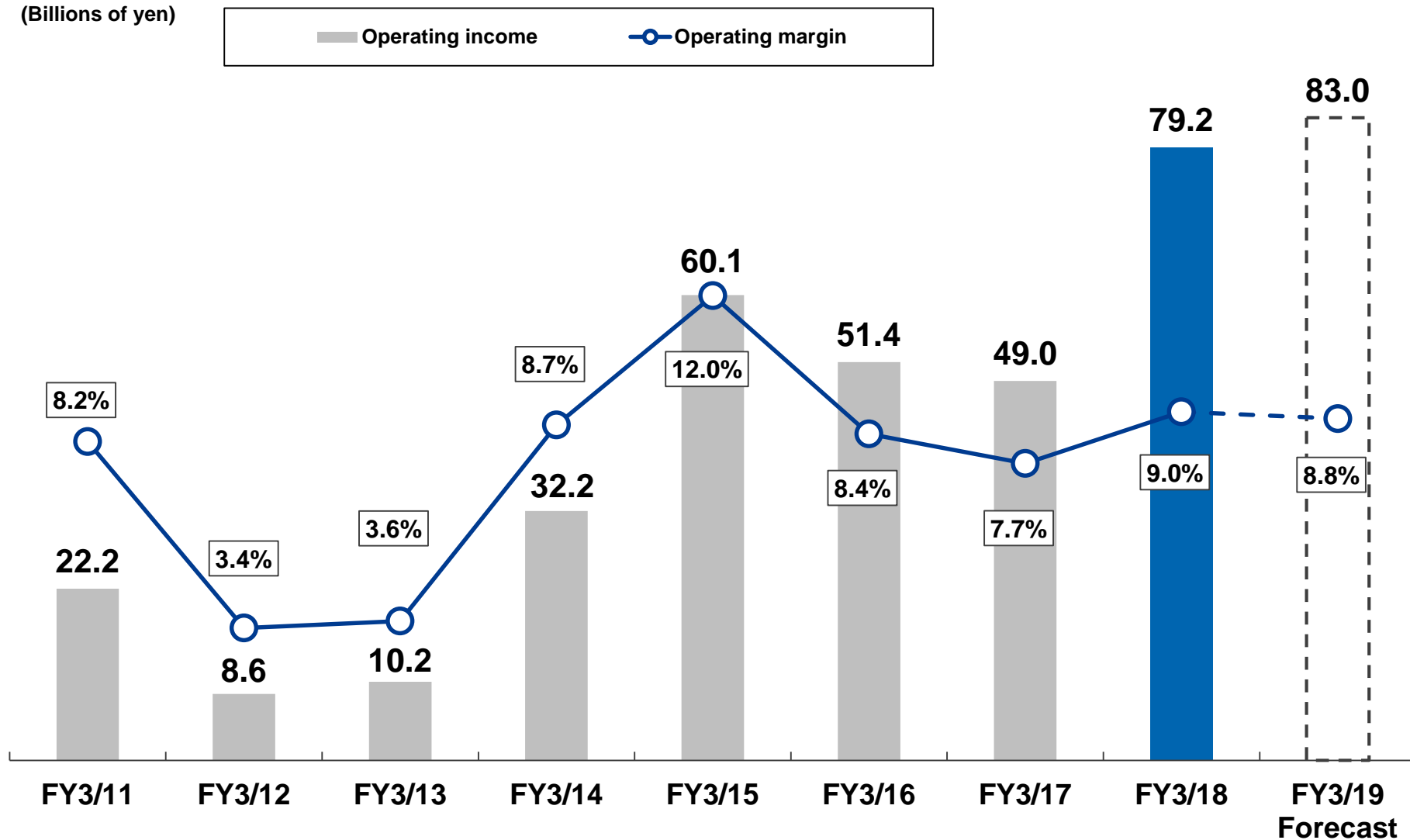
(Billions of yen)



Operating Income

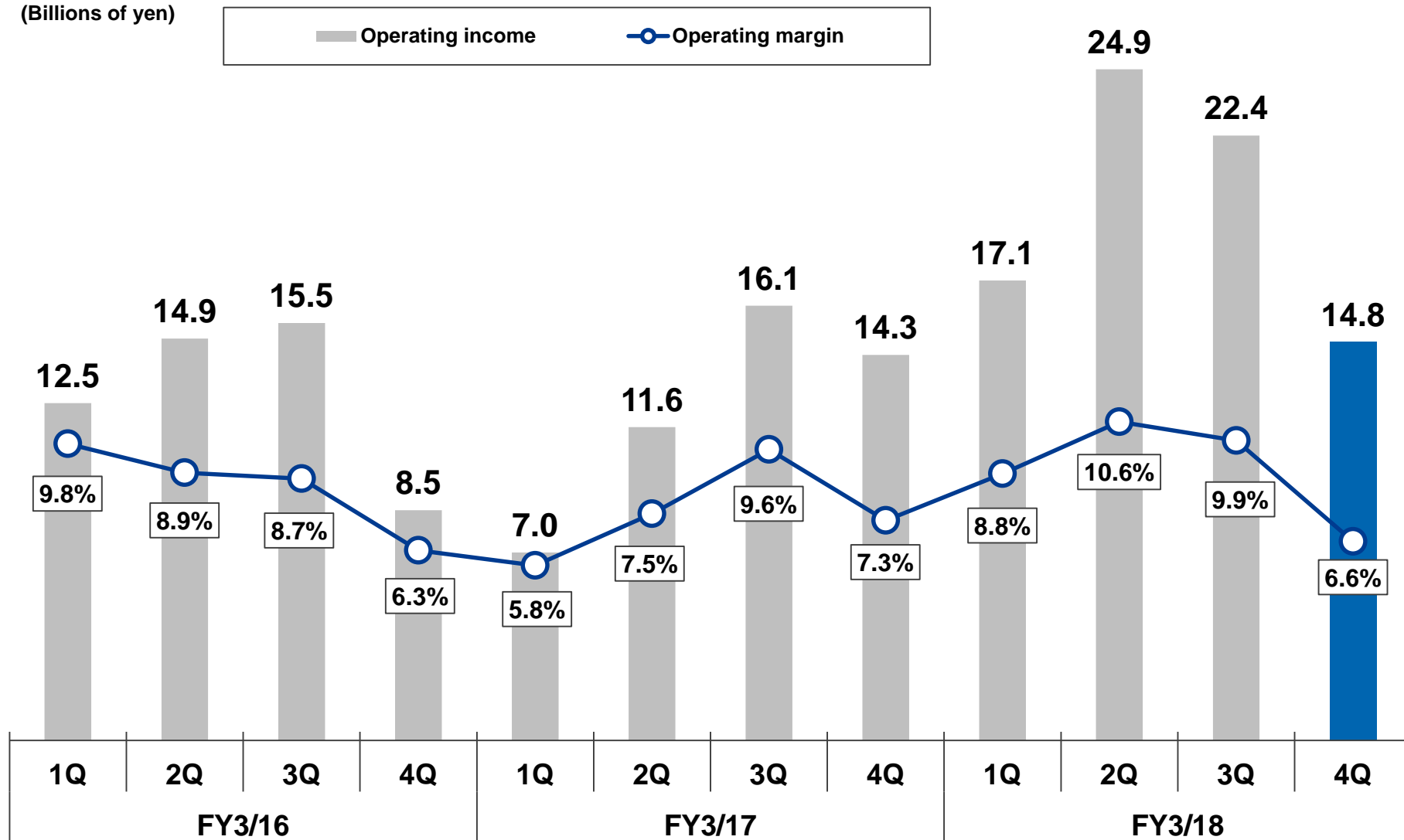
Yearly

(Billions of yen)

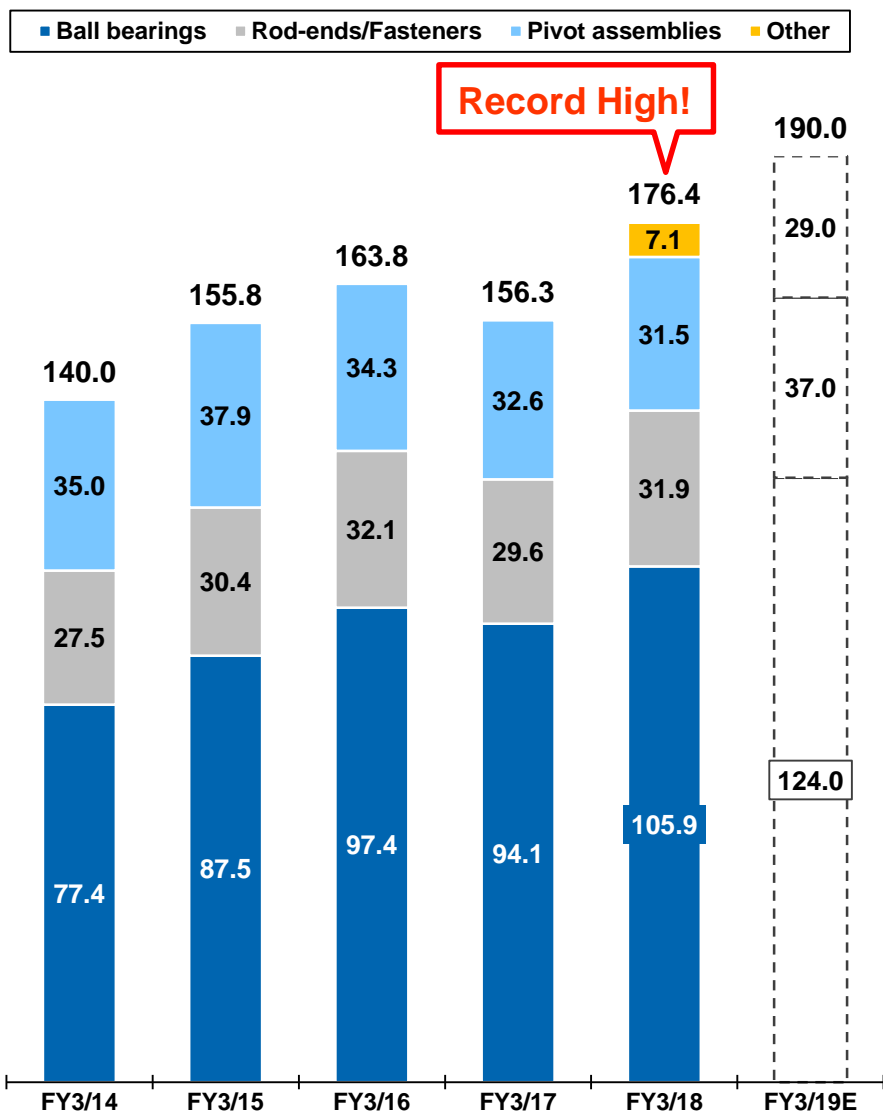


*JGAAP until FY3/18, IFRS for FY3/19

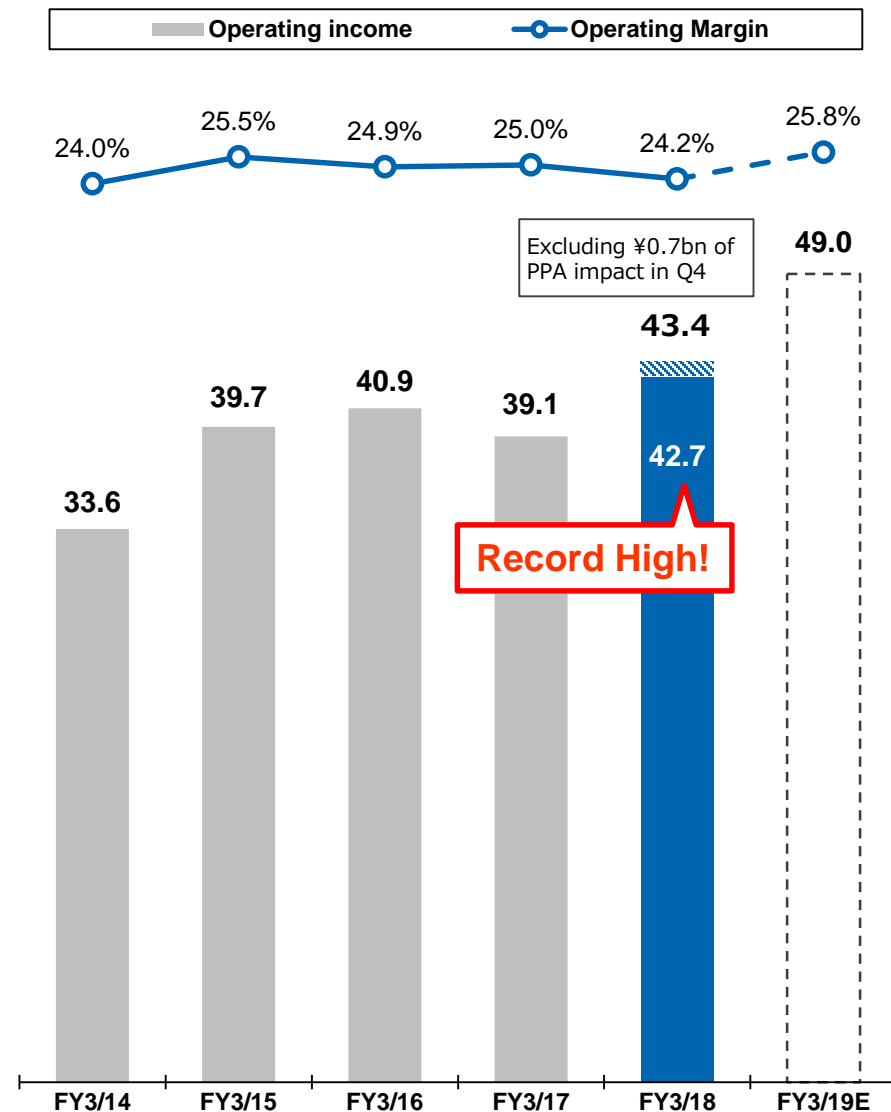
(Billions of yen)



Net sales (Billions of yen)

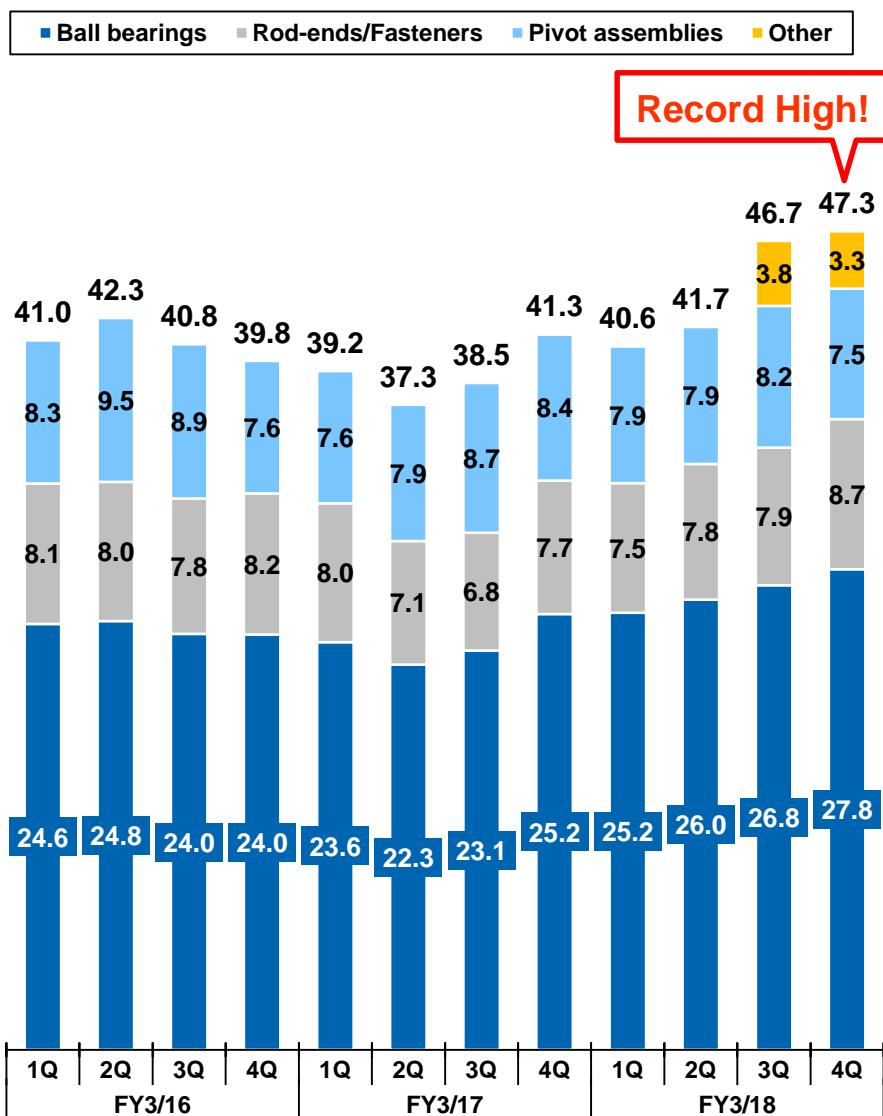


Operating income (Billions of yen)

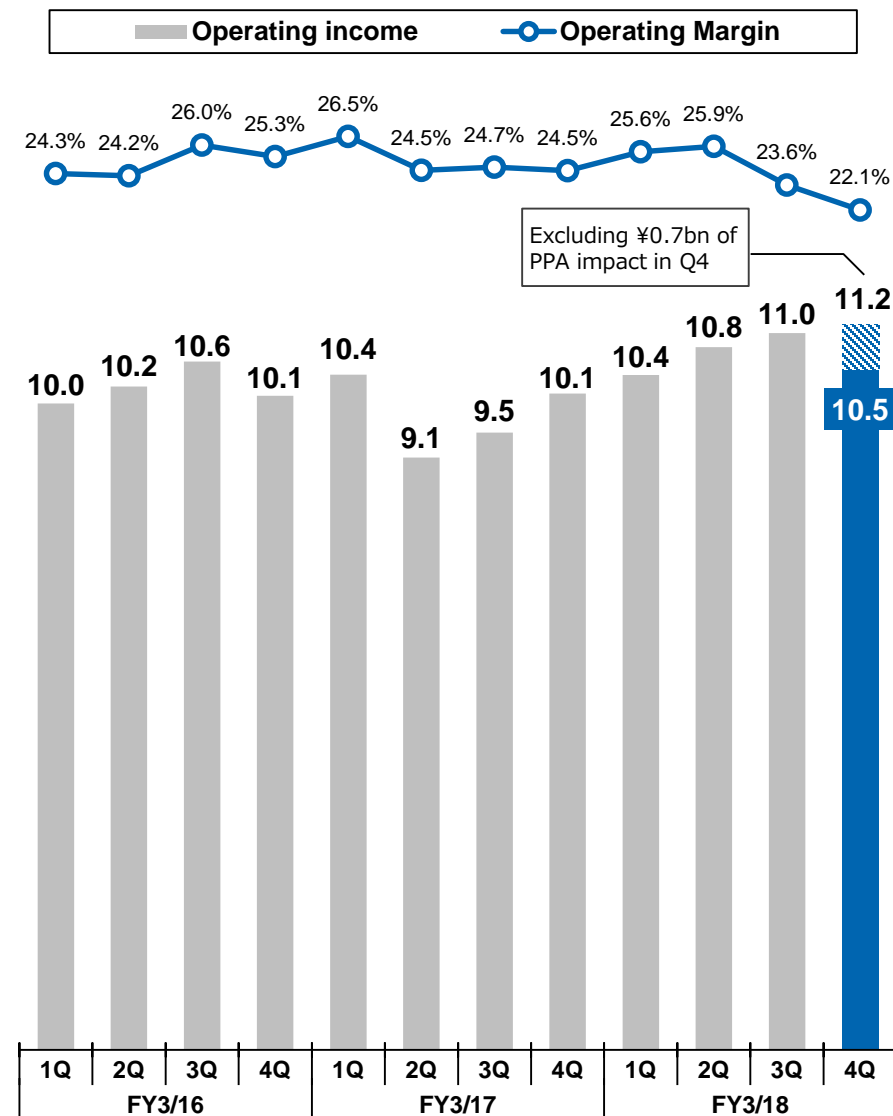


*JGAAP until FY3/18, IFRS for FY3/19

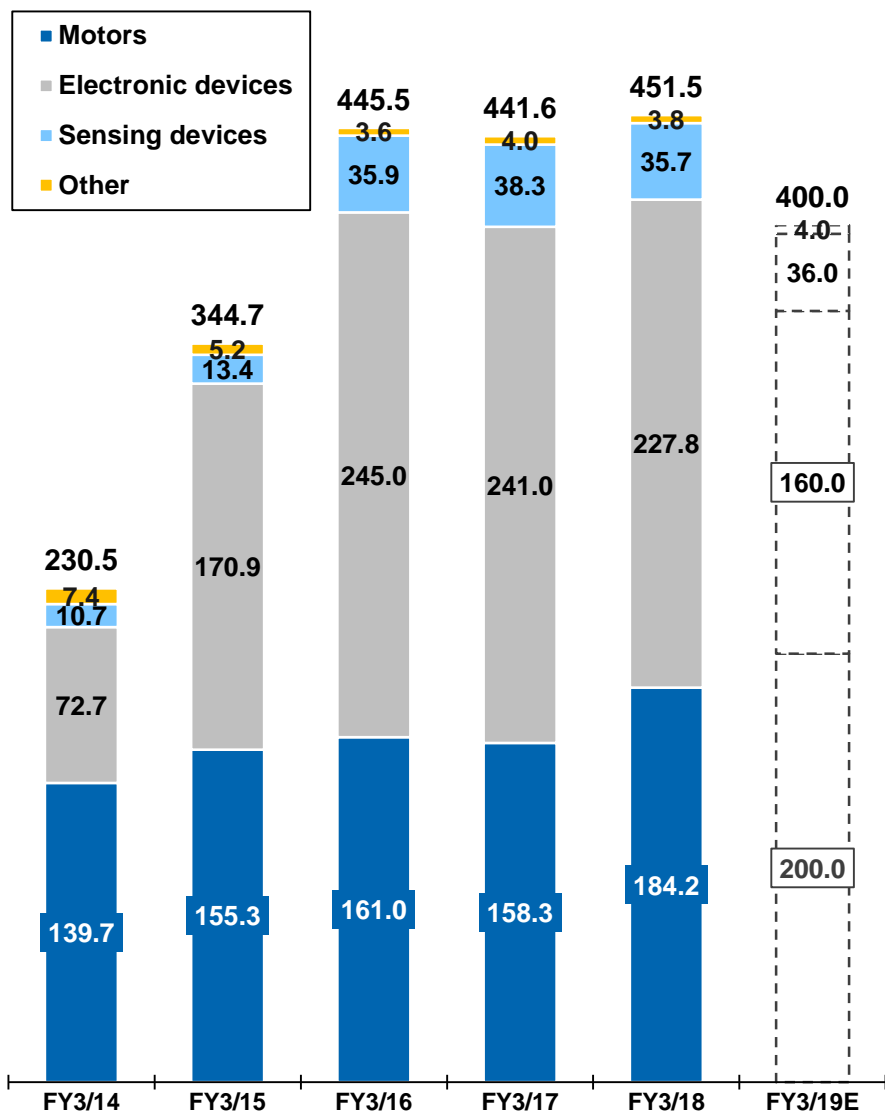
Net sales (Billions of yen)



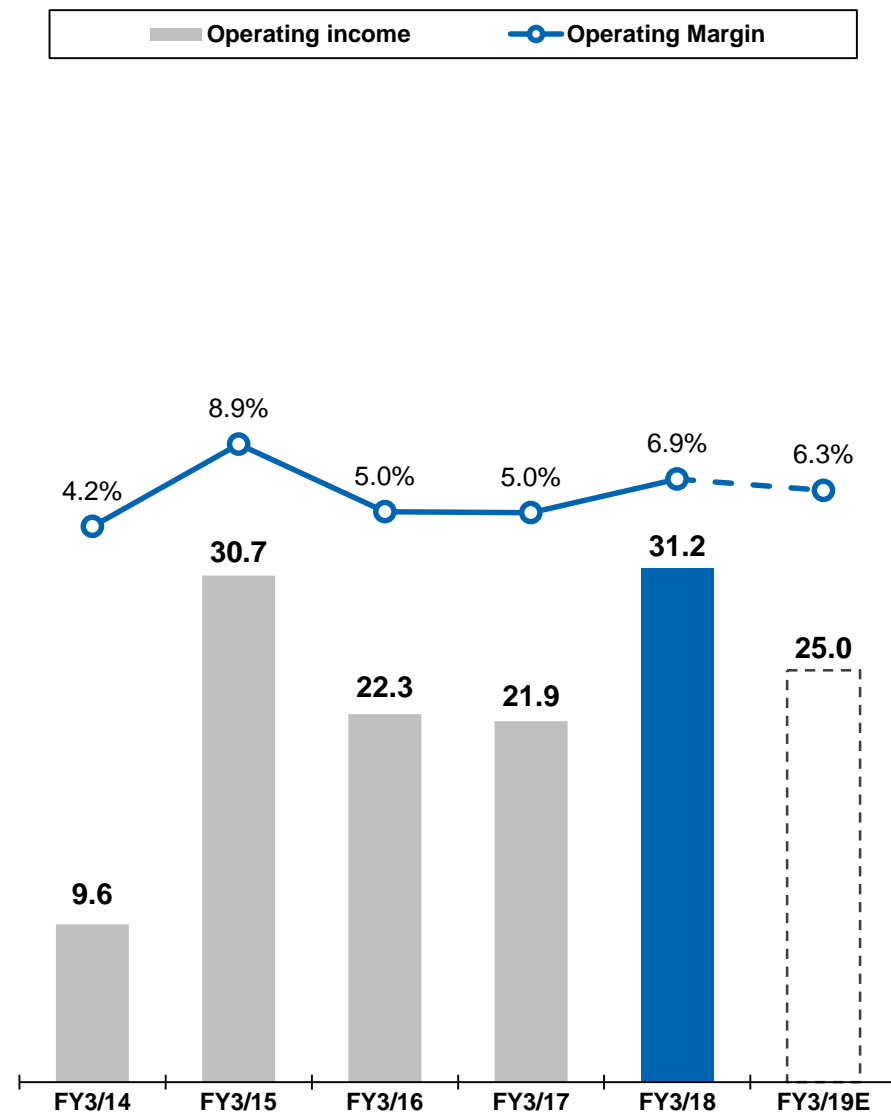
Operating income (Billions of yen)



Net sales (Billions of yen)

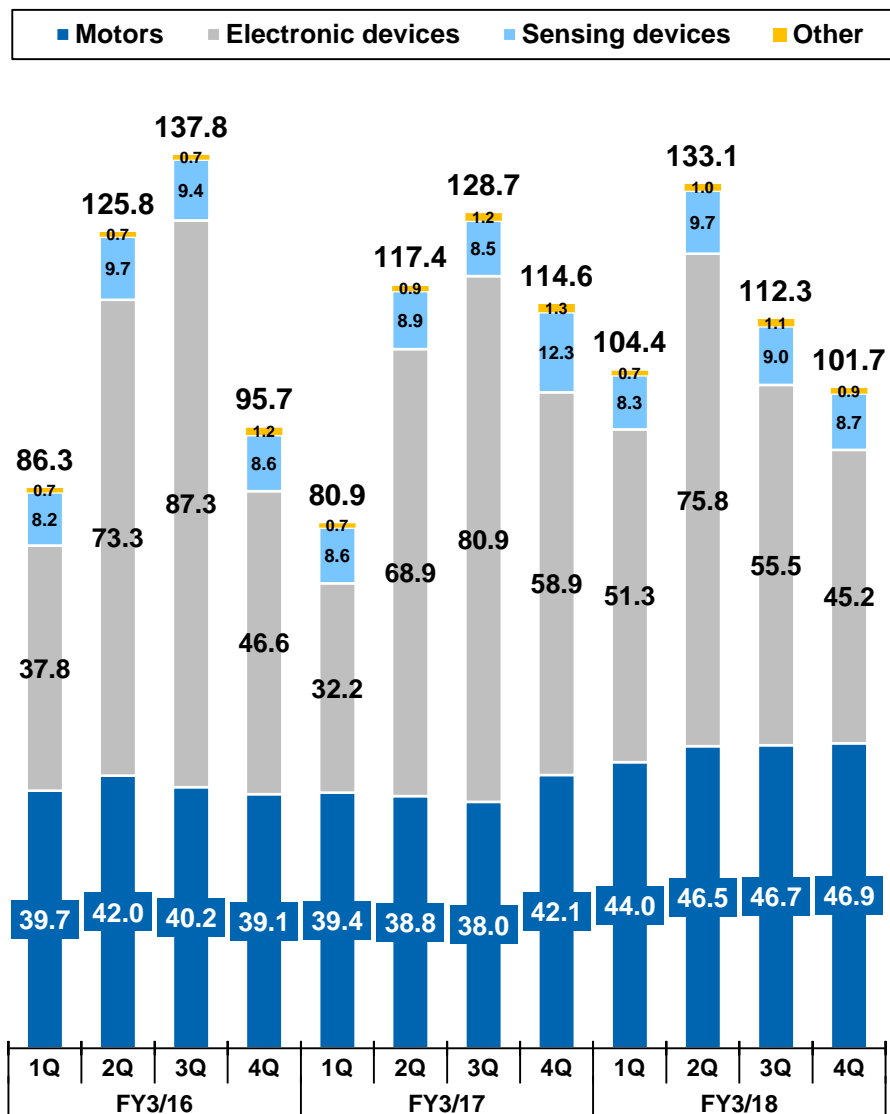


Operating income (Billions of yen)

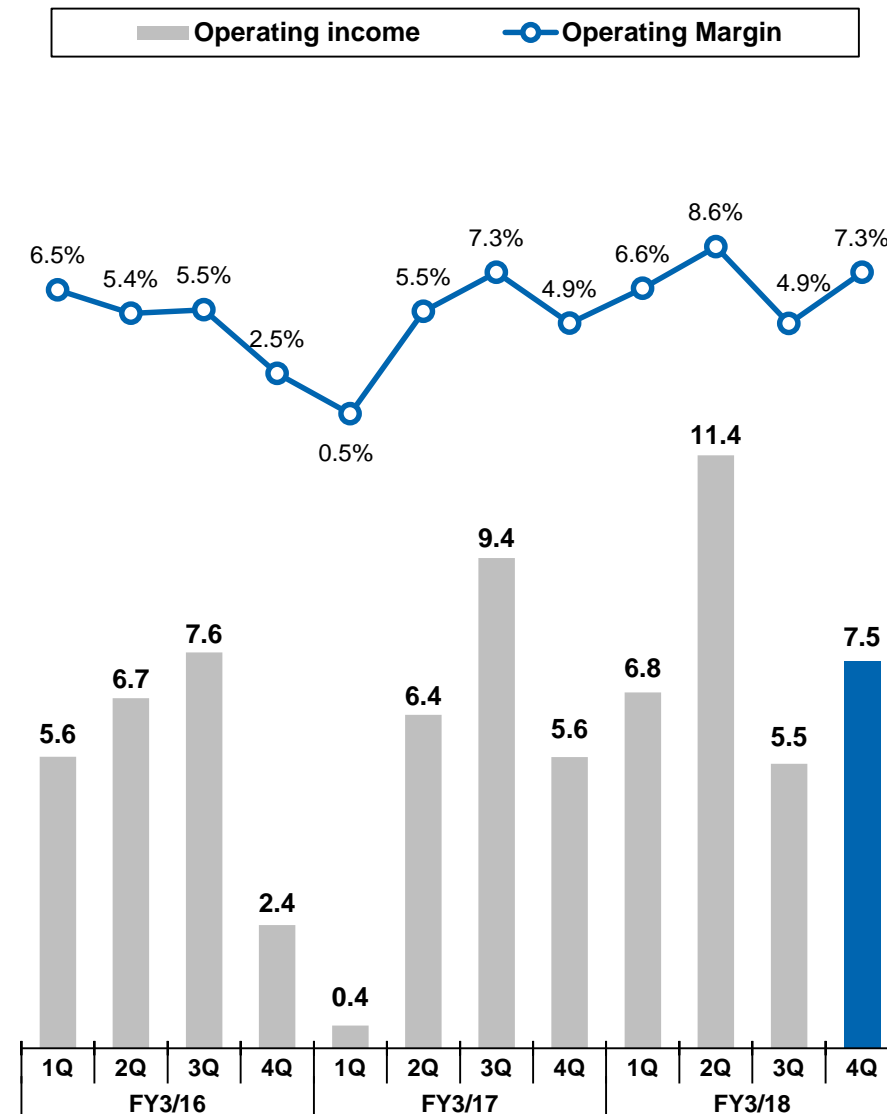


*JGAAP until FY3/18, IFRS for FY3/19

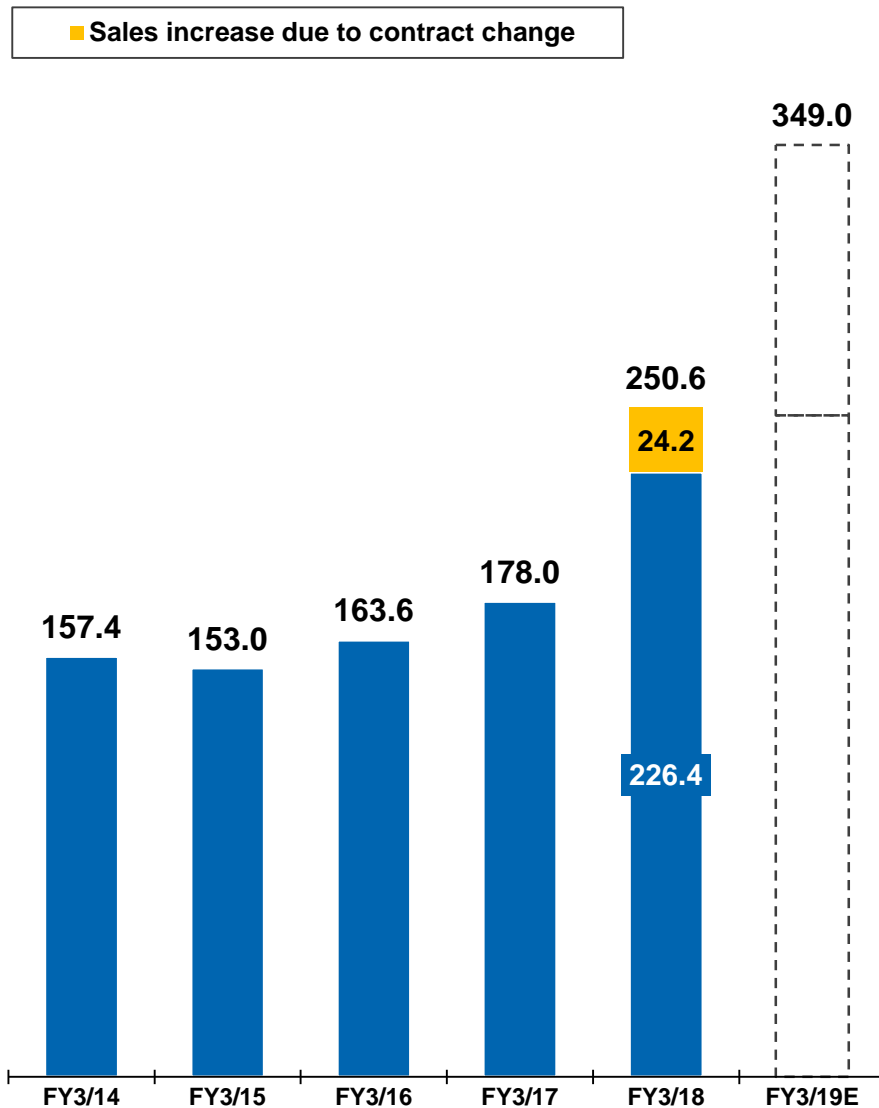
Net sales (Billions of yen)



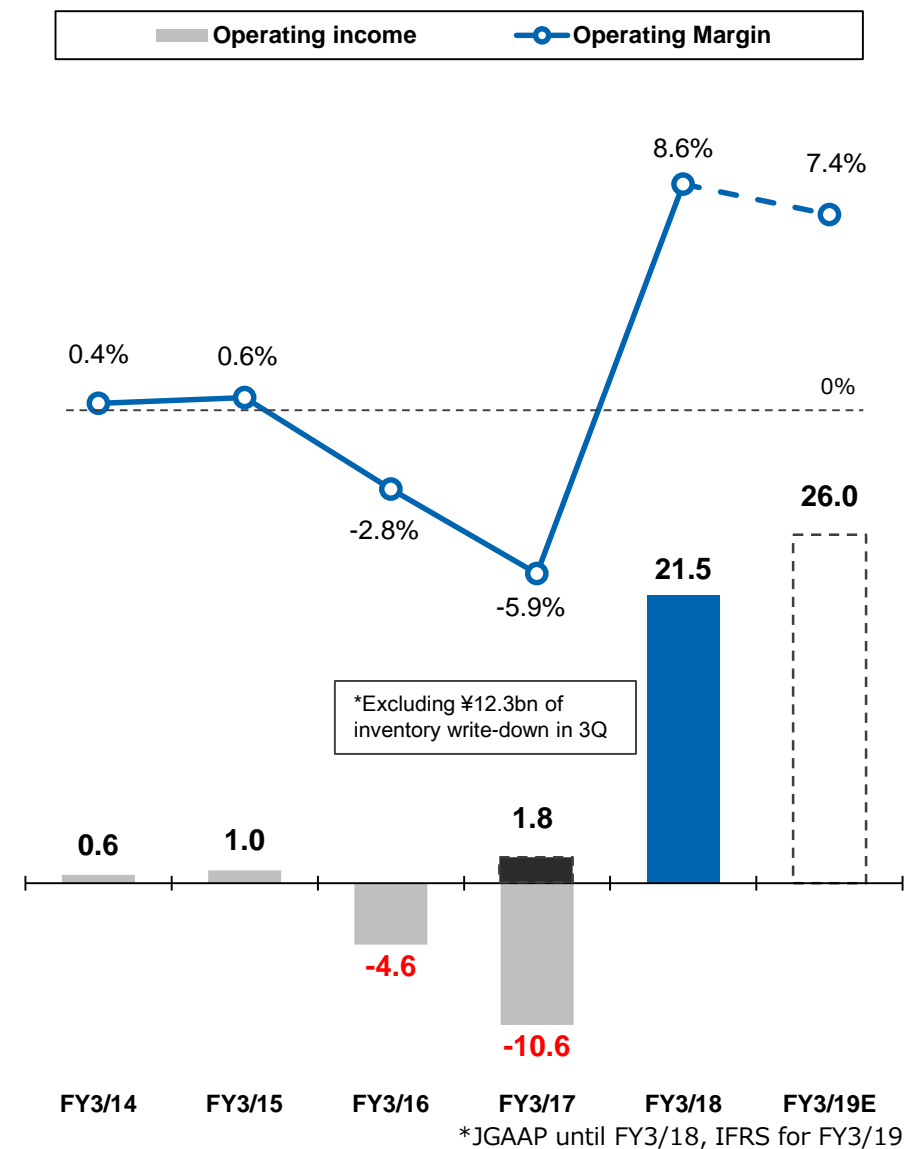
Operating income (Billions of yen)



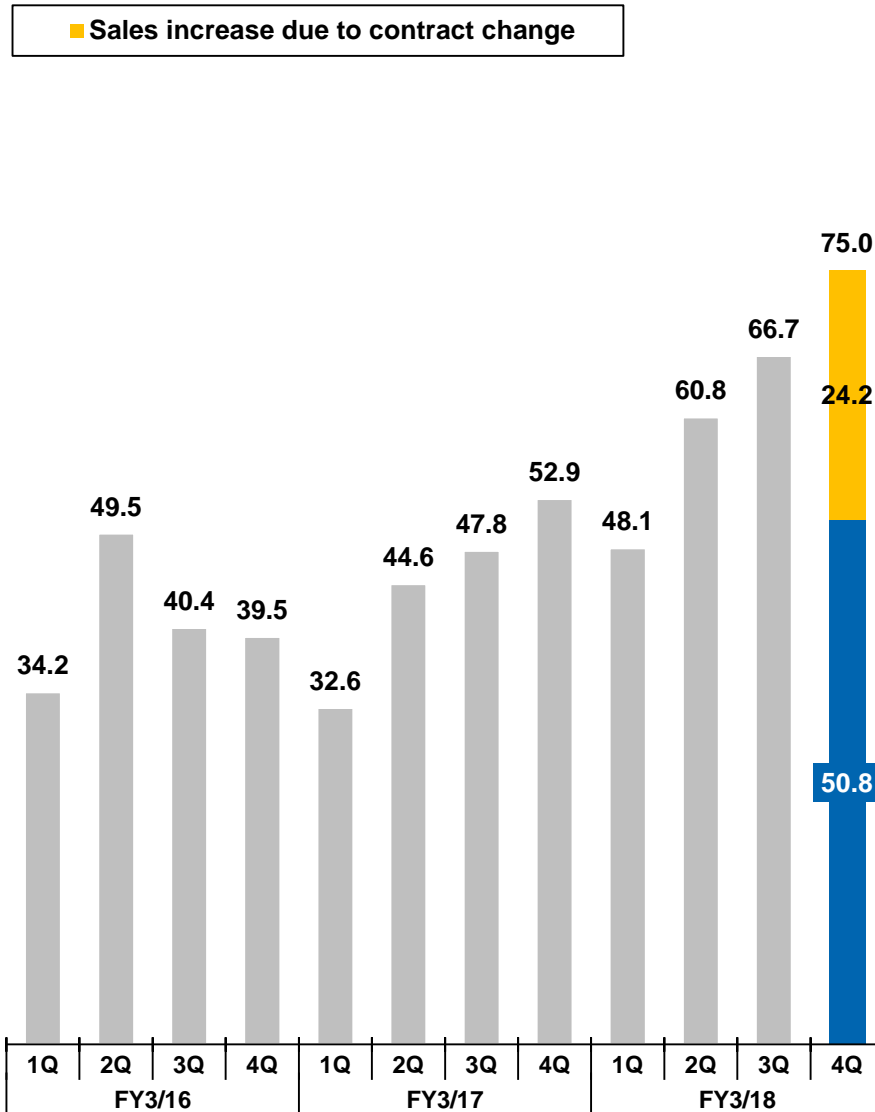
Net sales (Billions of yen)



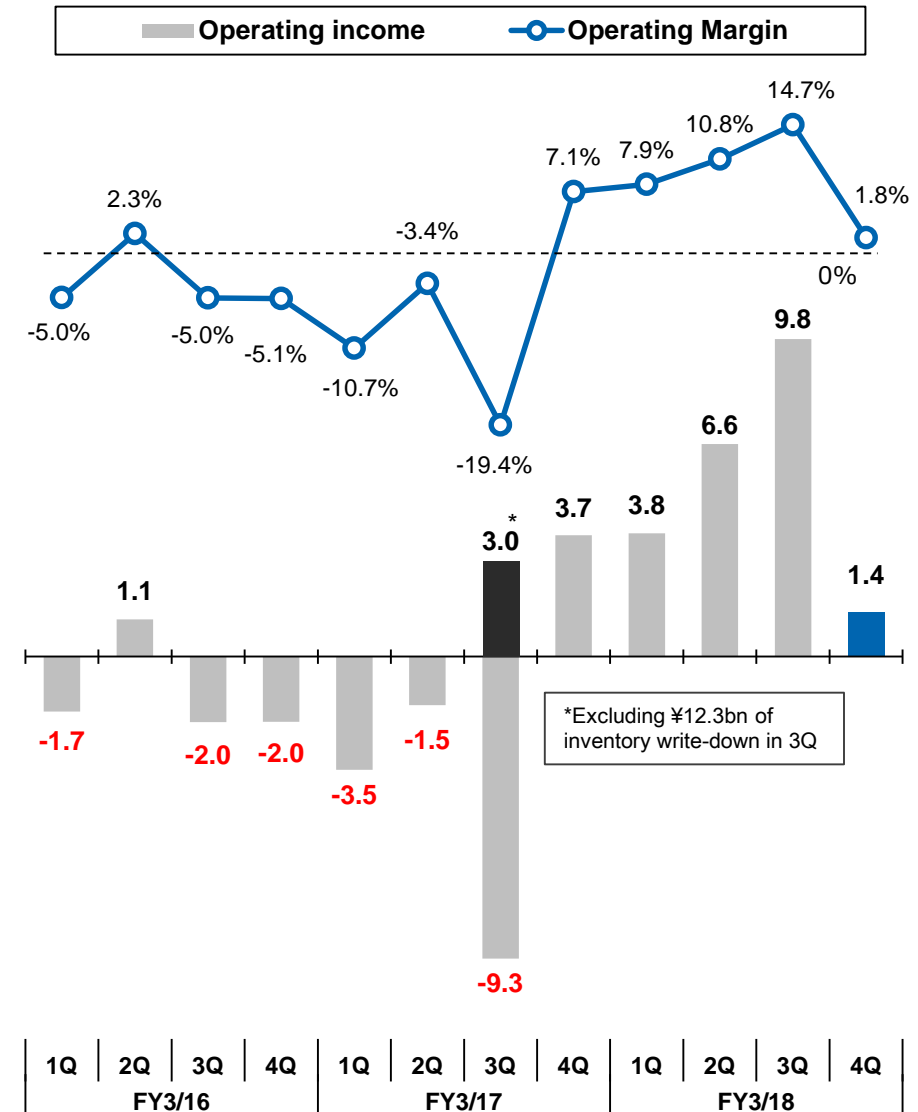
Operating income (Billions of yen)



Net sales (Billions of yen)

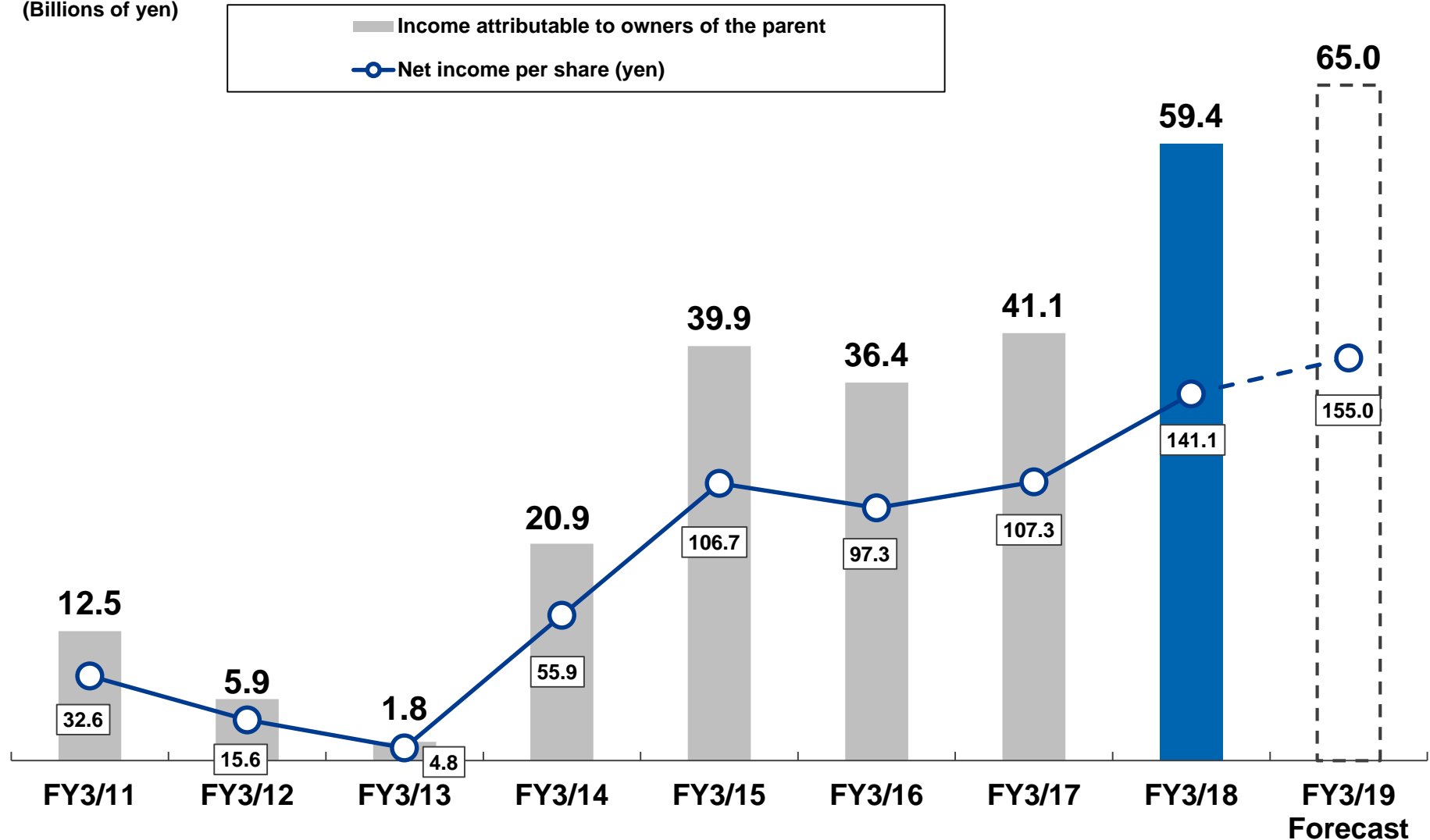


Operating income (Billions of yen)



Net income hit record high

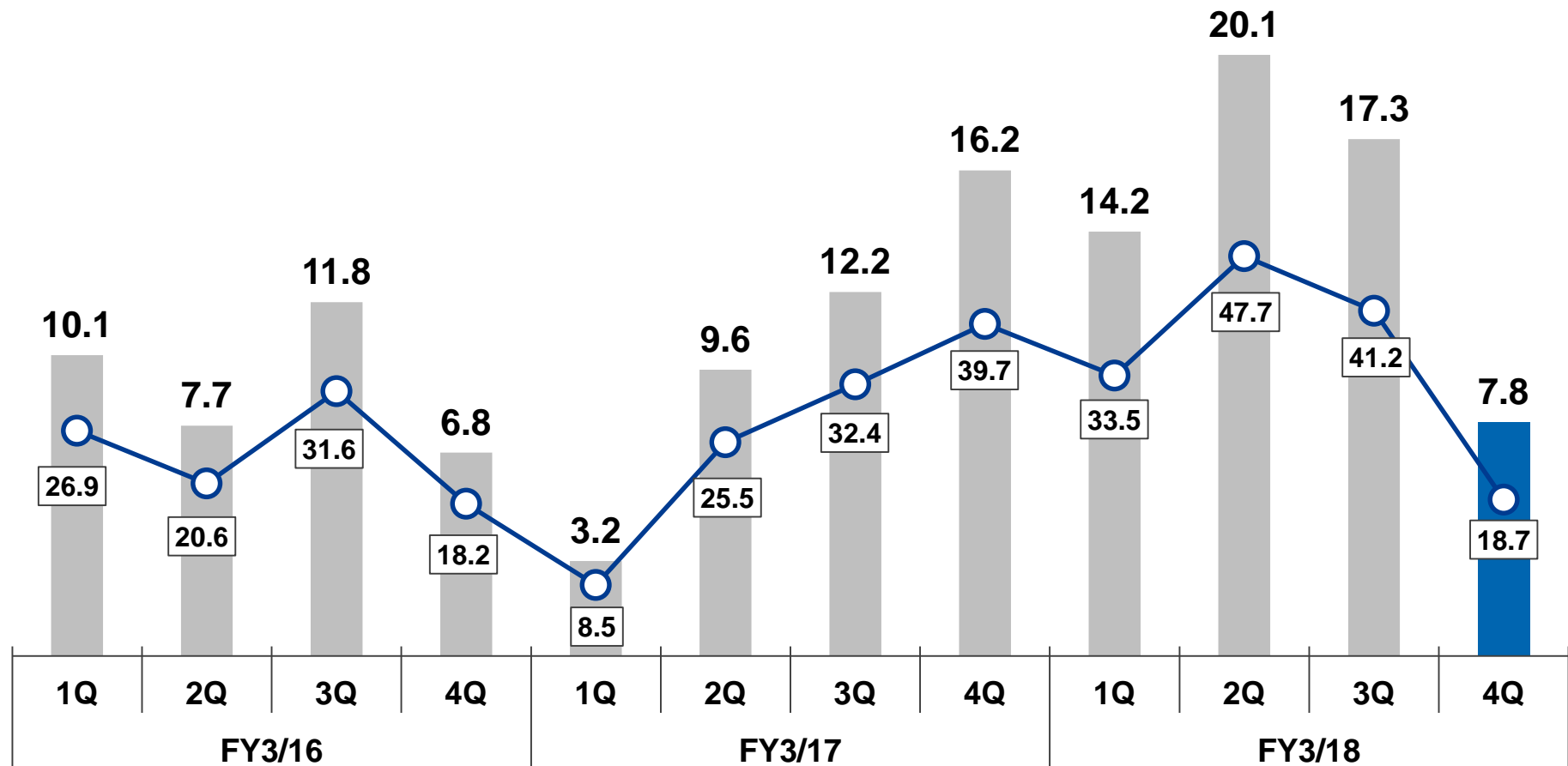
(Billions of yen)



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

(Billions of yen)

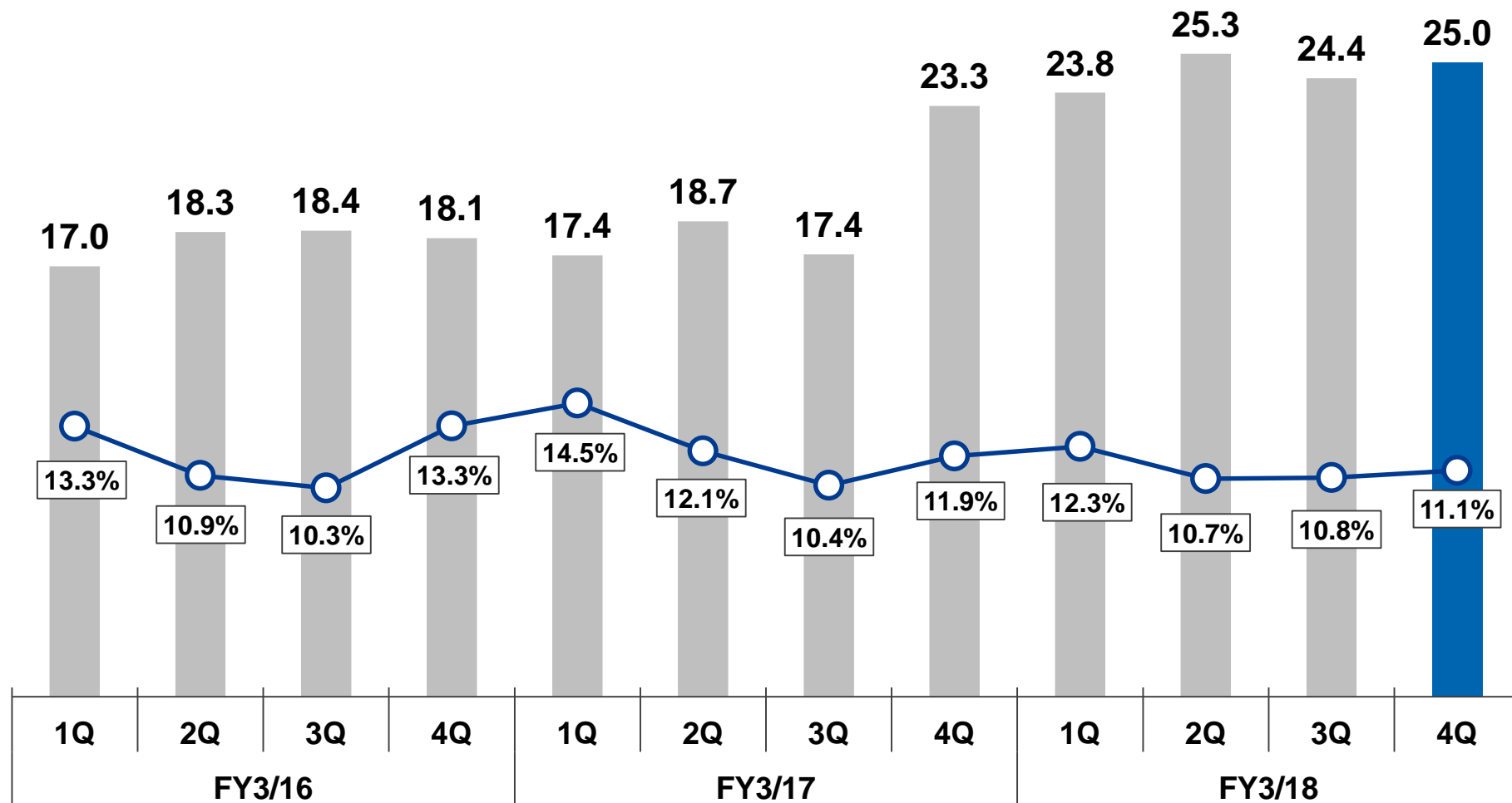
Income attributable to owners of the parent
Net income per share (yen)



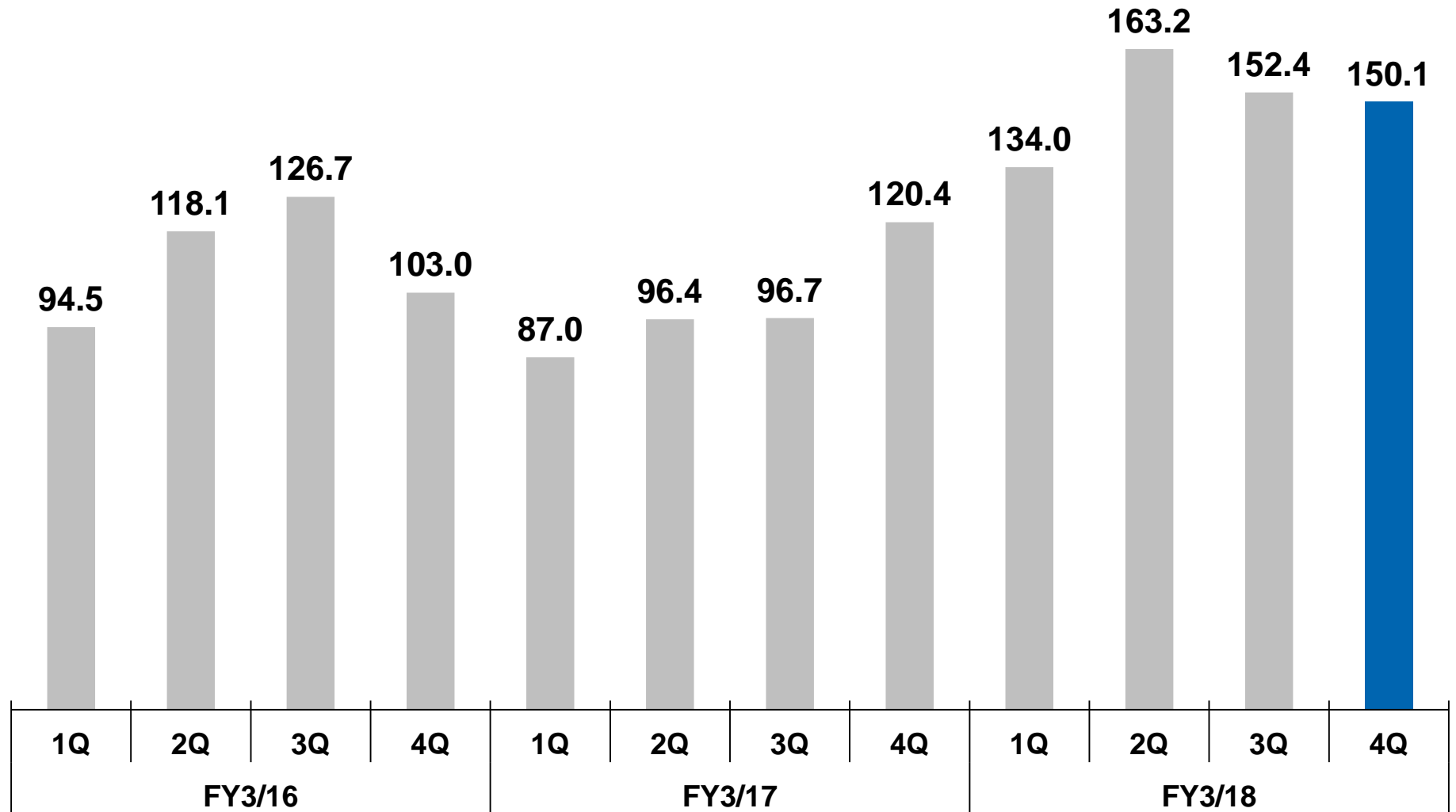
(Billions of yen)

■ S.G. & A. expenses

—○ S.G. & A. to sales ratio



(Billions of yen)

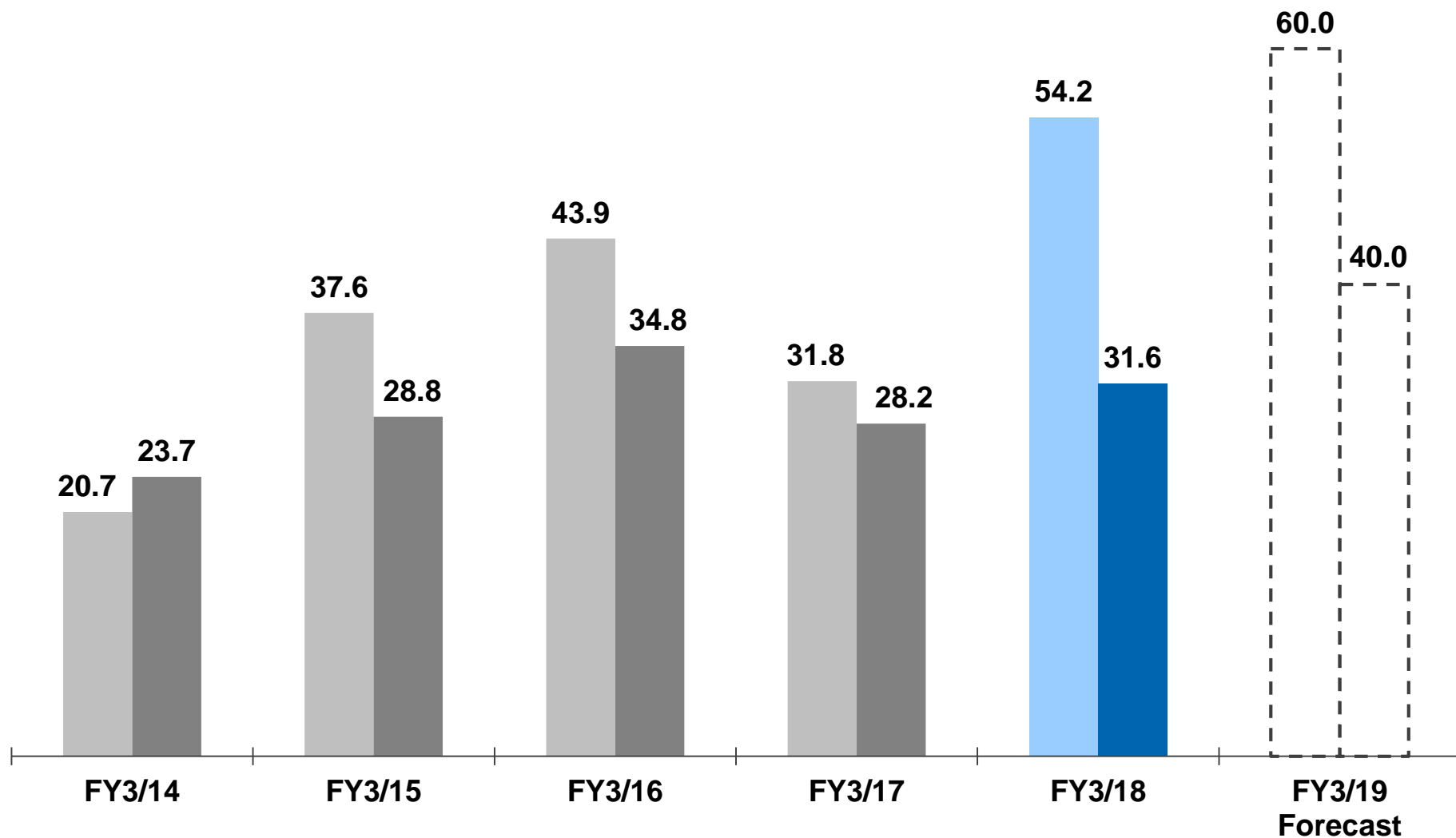


Capital Expenditure & Depreciation

Yearly

■ Capital Expenditure ■ Depreciation & Amortization Expenses

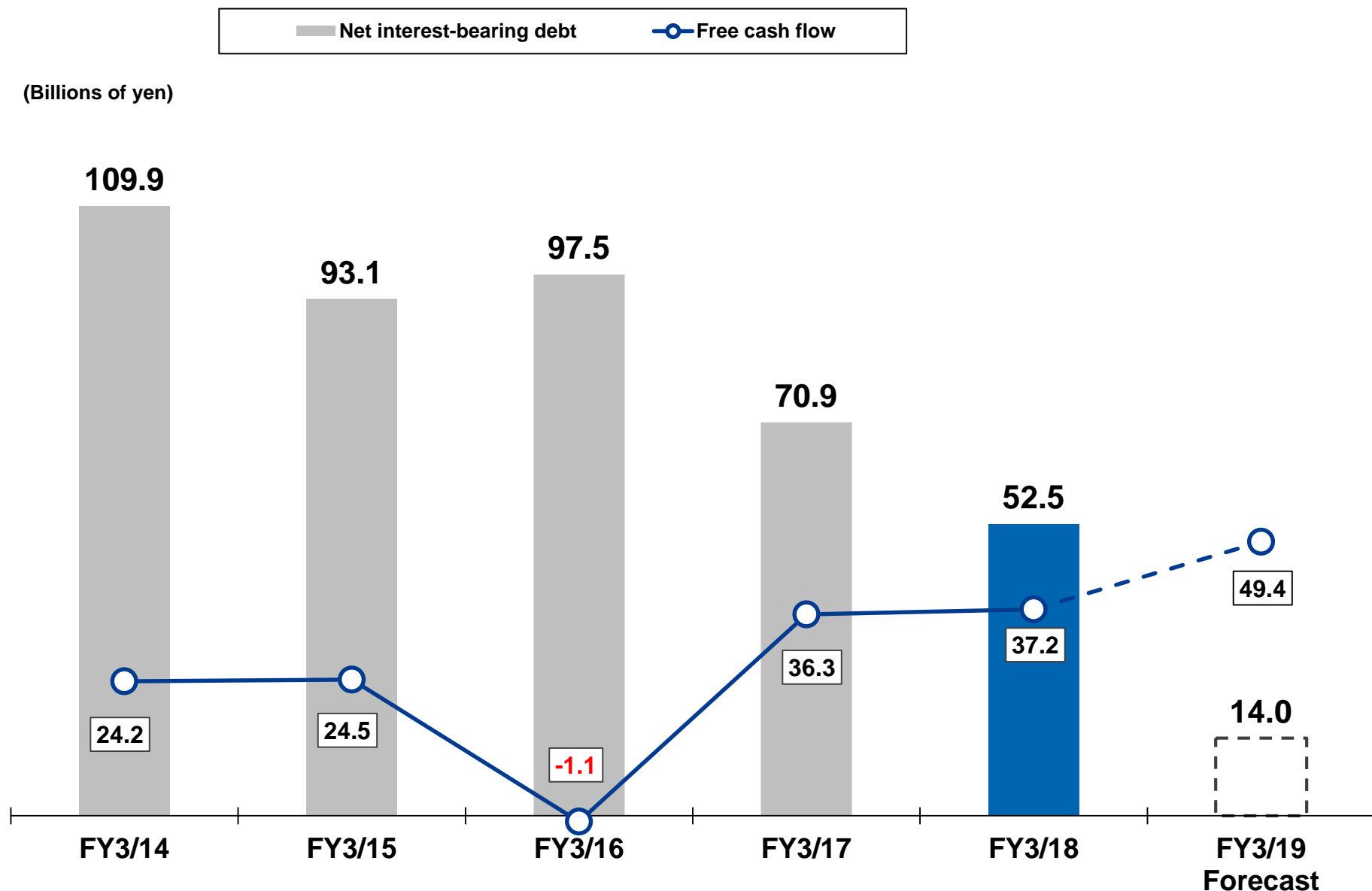
(Billions of yen)



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

Net Interest-Bearing Debt/Free Cash Flow

Yearly



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

Forecast for Fiscal Year Ending March 31, 2019

**Expecting net sales, operating income & net income
hit record highs**

| (Millions of yen) | FY3/18 | FY3/19 | | | |
|---|-----------|----------|----------|-----------|-------|
| | Full Year | 1st Half | 2nd Half | Full Year | YoY |
| Net sales | 879,139 | 453,800 | 486,200 | 940,000 | +6.9% |
| Operating income | 79,162 | 31,500 | 51,500 | 83,000 | +4.8% |
| Ordinary income | 78,038 | | | | |
| Income attributable to owners of the parent | 59,382 | 24,500 | 40,500 | 65,000 | +9.5% |
| Net income per share (yen) | 141.14 | 58.42 | 96.58 | 155.00 | +9.8% |

| Foreign Exchange Rates | FY3/18 Full Year | FY3/19 Full Year Assumptions |
|------------------------|------------------|------------------------------|
| US\$ | ¥111.19 | ¥105.00 |
| Euro | ¥129.36 | ¥130.00 |
| Thai Baht | ¥3.35 | ¥3.39 |
| Chinese RMB | ¥16.70 | ¥16.90 |

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

Forecast for Business Segment

| (Millions of yen) | FY3/18 Full Year | FY3/19 | | | |
|-----------------------------------|---------------------|----------|----------|-----------|--------|
| | | 1st Half | 2nd Half | Full Year | YoY |
| Net sales | 879,139 | 453,800 | 486,200 | 940,000 | +6.9% |
| Machined components | 176,391 | 94,500 | 95,500 | 190,000 | +7.7% |
| Electronic devices and components | 451,460 | 174,400 | 225,600 | 400,000 | -11.4% |
| Mitsumi business | 250,592 | 184,400 | 164,600 | 349,000 | +39.3% |
| Other | 695 | 500 | 500 | 1,000 | +43.9% |
| Operating income | 79,162 | 31,500 | 51,500 | 83,000 | +4.8% |
| Machined components | 42,727 | 23,600 | 25,400 | 49,000 | +14.7% |
| Electronic devices and components | 31,189 | 5,300 | 19,700 | 25,000 | -19.8% |
| Mitsumi business | 21,512 | 11,100 | 14,900 | 26,000 | +20.9% |
| Other | -125 | -300 | -200 | -500 | X4.0 |
| Adjustment | -16,140 | -8,200 | -8,300 | -16,500 | +2.2% |

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

Shareholders Return

| | FY3/17 Actual | | FY3/18 Actual |
|-------------------|------------------|---|------------------|
| Interim dividend | 7 yen/share | → | 13 yen/share |
| Year-end dividend | 7 yen/share | → | 13 yen/share |
| Total | 14 yen/share | → | 26 yen/share |

Total return ratio*, including share buyback, reached about 33%**

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

* * Accumulated share buyback: 4,658,200 shares, 8,351,607,184 yen

Management Policy & Business Strategy

May 8, 2018

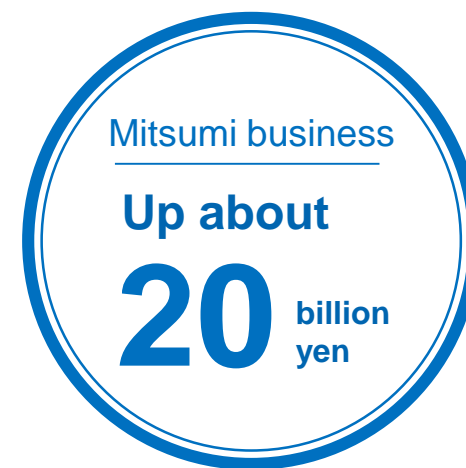
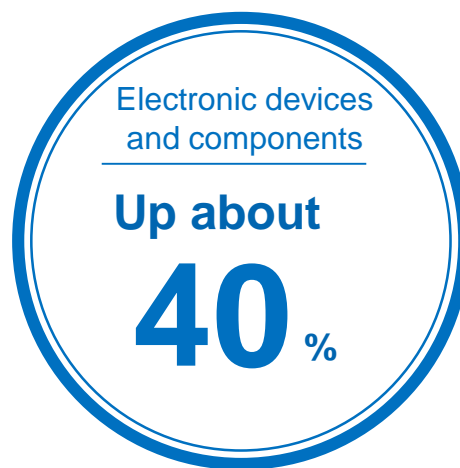
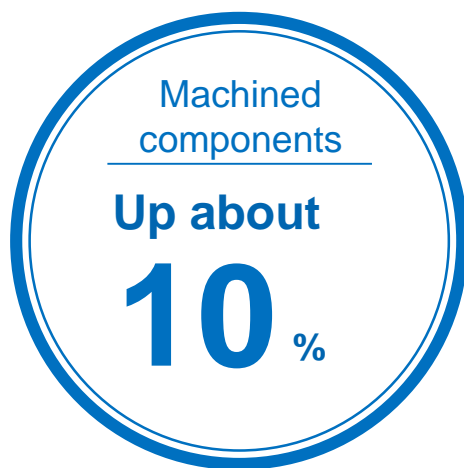
Yoshihisa Kainuma

Representative Director, CEO & COO



Sharp rise in operating income across all segments

Net sales, operating income, ordinary income & net income smashed previous record highs
(Record high level in ex-Minebea businesses, too)



Net income per share also up about 30%!

Irregular factors in Q4

1. PPA (C&A, Mach Aero)
2. Production cutbacks in the smartphone market
3. Inventory adjustments in the game market

Kept the initial forecast conservative as usual

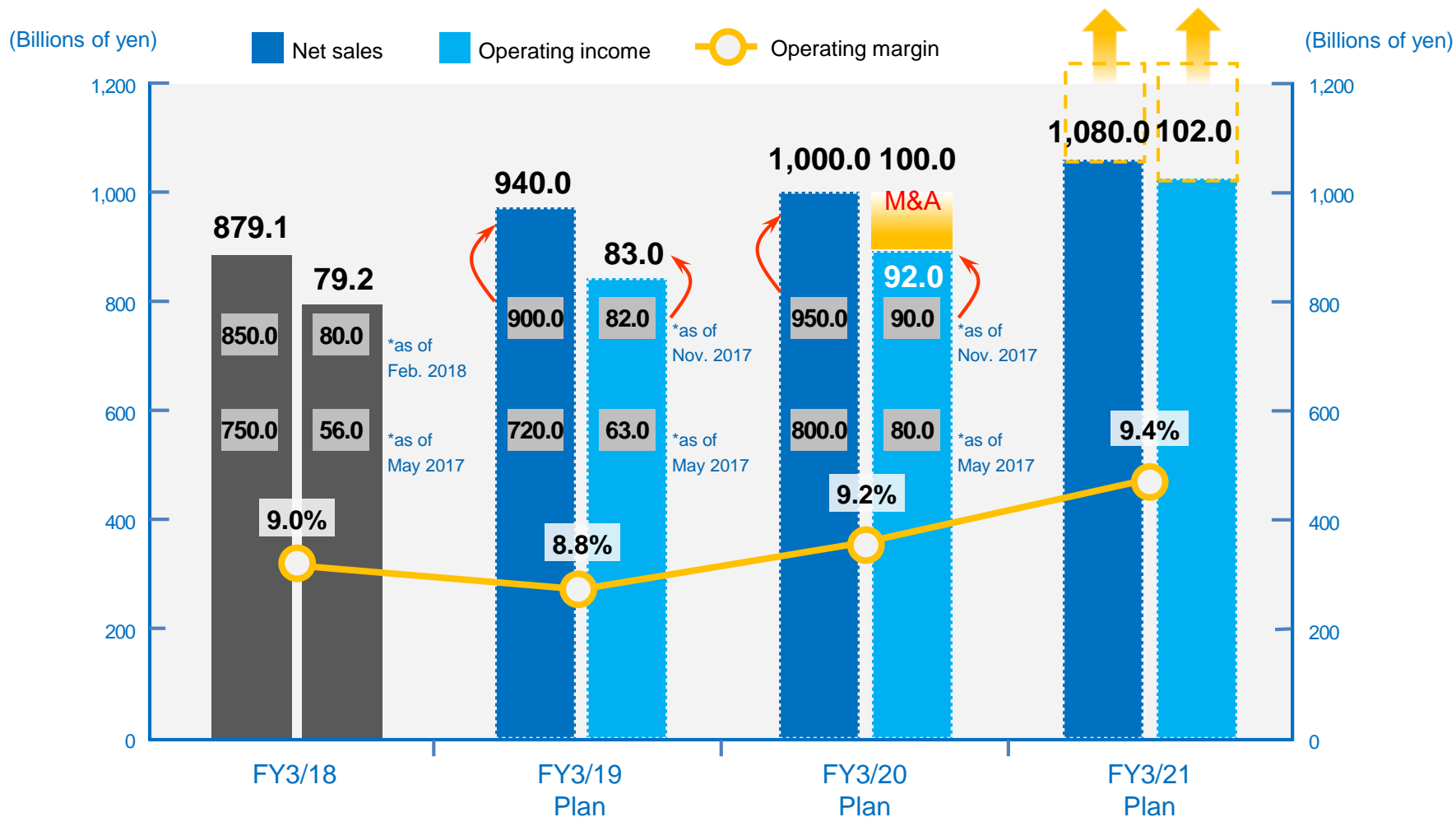
Key points from this fiscal year

- **Machined components profits** continue **growing** (ball bearings, rod-ends)
- **Kept smartphone volume and LED backlight yield** estimates **conservative**
- Production capacity of game console sets to **+ 50% YoY**
- **Change in sales composition**
(Drop in LED backlight sales, due to cost for customer-provided parts, will be offset by sales increase due to contract change in OEM business)
- Exchange rate estimated at **1USD = ¥105**

| (Millions of yen) | FY3/18 Full Year | FY3/19 Plan | | | |
|---|---------------------|----------------|----------------|----------------|--------|
| | | 1st Half | 2nd Half | Full Year | YoY |
| Net sales | 879,139 | 453,800 | 486,200 | 940,000 | + 6.9% |
| Operating income | 79,162 | 31,500 | 51,500 | 83,000 | + 4.8% |
| Income attributable to owners of the parent | 59,382 | 24,500 | 40,500 | 65,000 | + 9.5% |
| Net income per share (yen) | 141.14 | 58.42 | 96.58 | 155.00 | + 9.8% |

Mid-term Business Plan Targets

Quickly achieve ¥1 trillion in sales and ¥100 billion in operating income
On top of organic growth, hunt for M&As



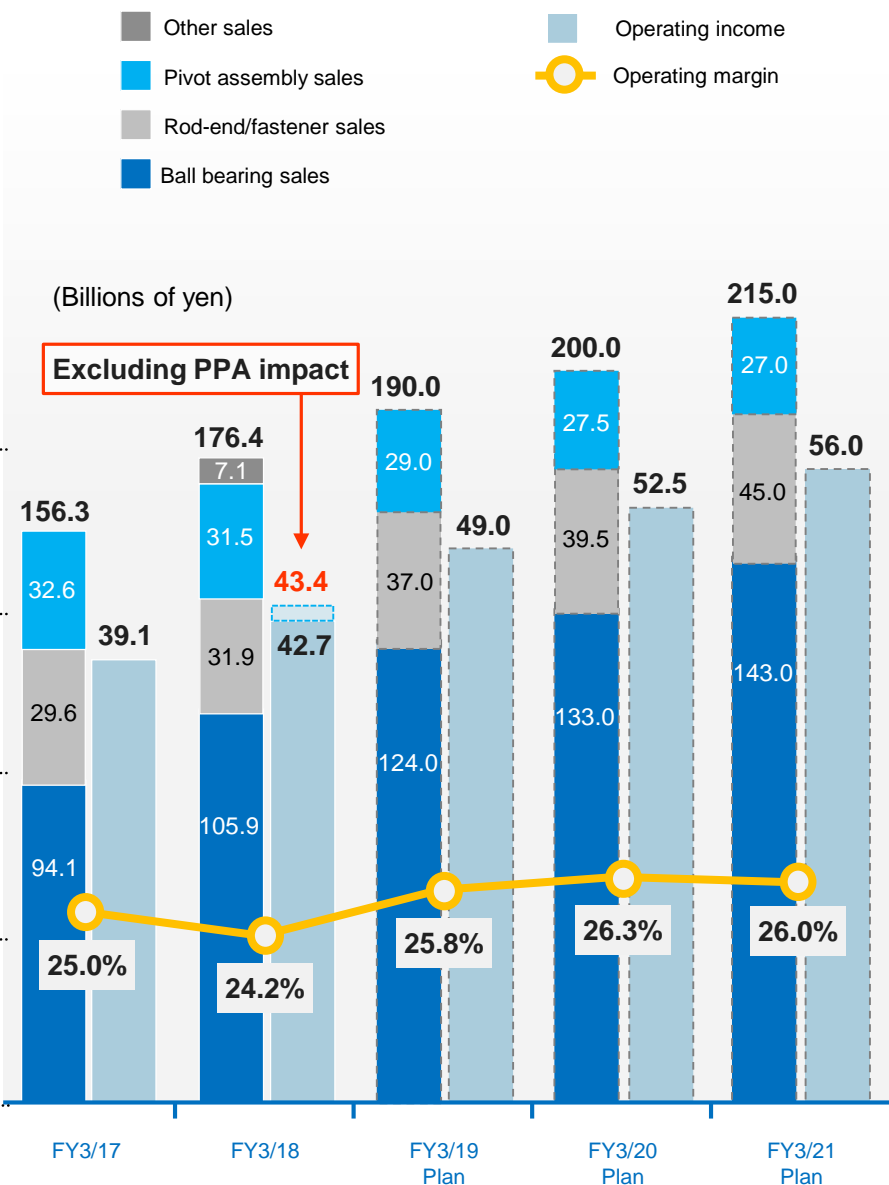
Super healthy growth for machined components

Profits were up 10% YoY last fiscal year

Maintain high growth rate this year and onward

Key Points

1. Ball bearing demand to keep growing
2. Pivot assembly decline to slow down
3. Better rod-end profits and M&A effects
4. Fasteners profitability to stabilize
5. Continue machined components-related M&As



Miniature/small-sized bearings and medium- and large-sized bearings are similar but totally different market structures!

Key words/phrases:

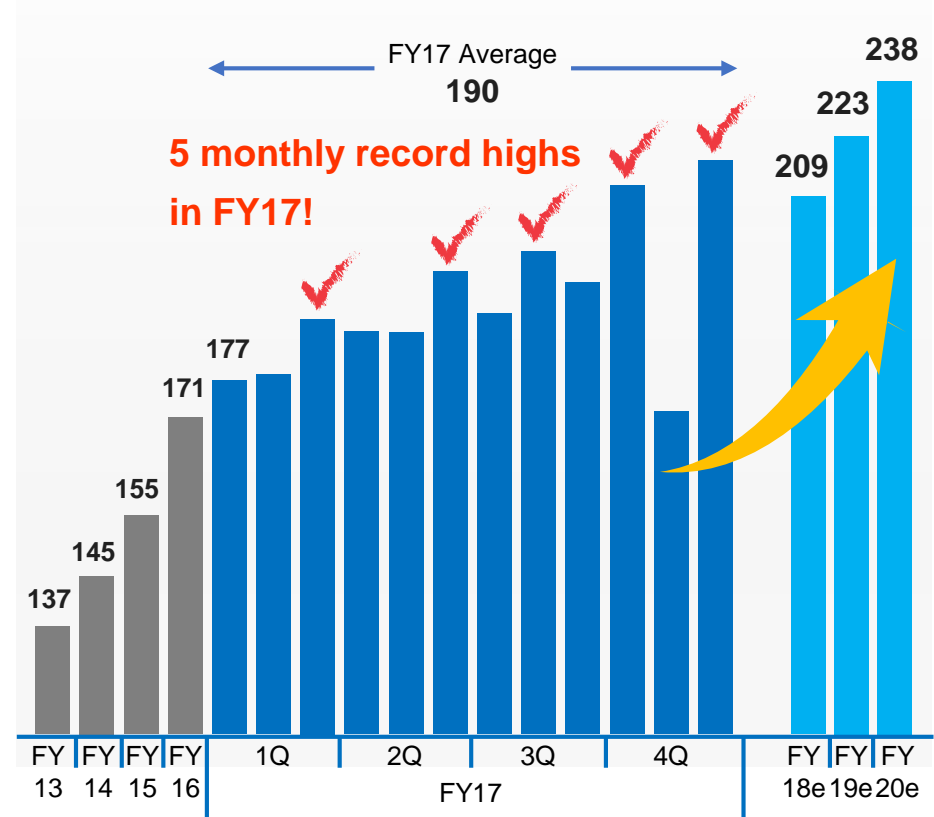
- Automobiles
- Data centers
- Drones
(key safety components)
- Industrial inverters
Robot controllers
(ultra-high quality products)

Production capacity

This FY: **300 million units/month**

Next FY: **315 million units/month**

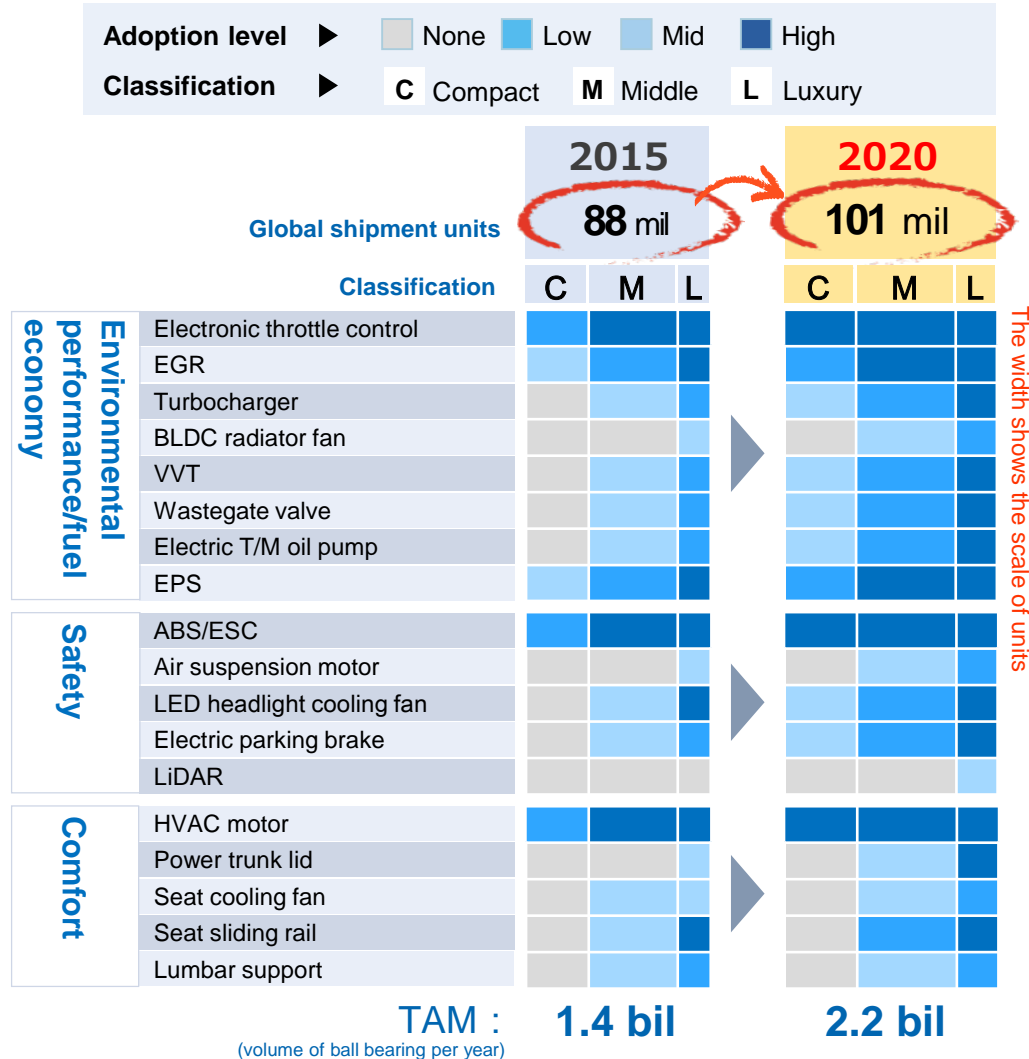
Ball Bearing External Shipment (millions/month)



Prices are being revised for some products

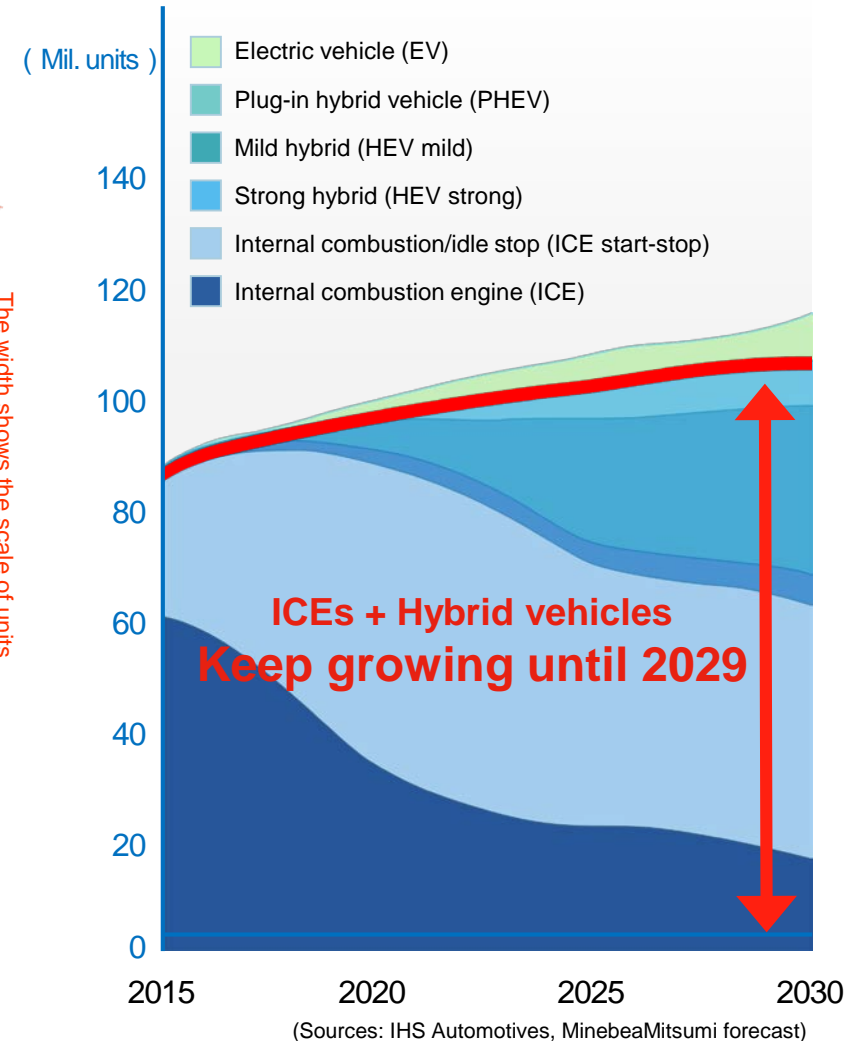
1 Increase sales volumes via performance enhancement and adoption rate increase!

[By function] Automobile Parts Adoption Rate Forecast*



2 Increasing sales volumes via increasing number of automobile shipment!

[By powertrain] Global Automobile Shipment Forecast



Number of Bearings per Vehicle

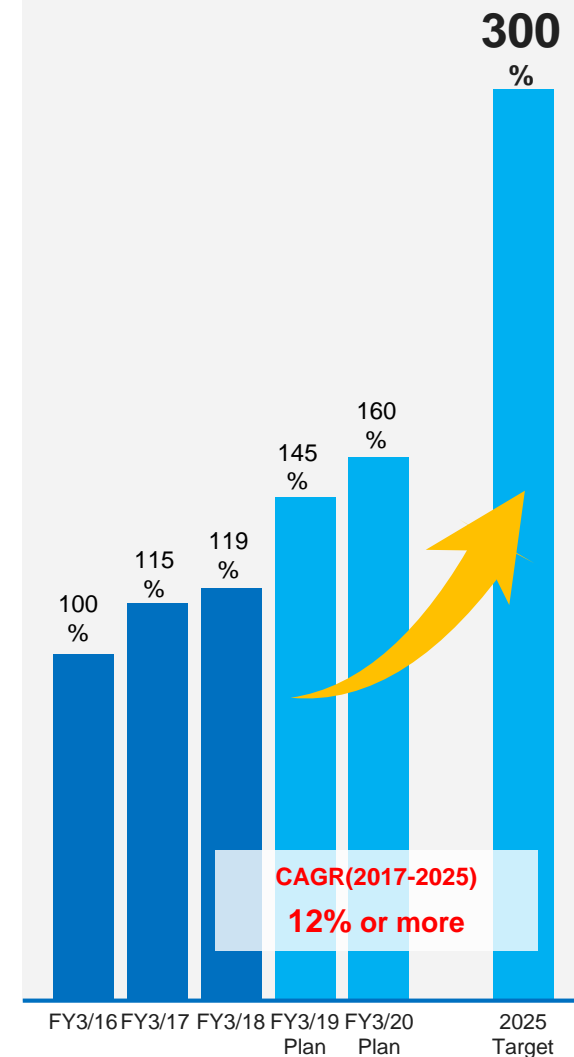
3 EVs to fuel sharp sales volume increase!

Number of miniature/small-sized bearings used per vehicle

| | Internal combustion engine (ICE) | Hybrid vehicle (HEV/PHEV) | Electric vehicle (EV) |
|---|----------------------------------|---------------------------|-----------------------|
| ■ Functions specific to gasoline-powered cars | | | |
| ■ Functions specific to HEVs/PHEVs/EVs | | | |
| Powertrain (power and drive systems) | 15 | 19 | 16 |
| Engine | 6-10 | 6-10 | - |
| Transmission | 2-5 | 2-5 | - |
| Battery | - | 4 | 8 |
| EV pumps | - | - | 4 |
| Other | 3-5 | 3-5 | 3-5 |
| Chassis (vehicle frame) | 10 | 14 | 22 |
| ABS/ESC (anti-skidding) | 2 | 2 | 2 |
| EPS (steering) | 2 | 2 | 2 |
| Brake/suspension | 6 | 10 | 18 |
| Body/other | 20 | 20 | 30 |
| Headlight | 4-20 | 4-20 | 4-20 |
| Seat (safety device, fan, etc.) | 6-10 | 6-10 | 6-10 |
| Other (air conditioner, sensors, doors, etc.) | 5-10 | 5-10 | 10-20 |
| Total | 45 | 53 | 68 |

Automobile Ball Bearing Shipment Forecast

(sales volume, indexed against FY3/16 figures)



*MinebeaMitsumi data for bearings with an external diameter of 22 mm or less used in luxury cars

High growth potential due to accelerated increase in data storage capacity

1

**Explosive increase
in storage capacity**

5x in 5 years

2

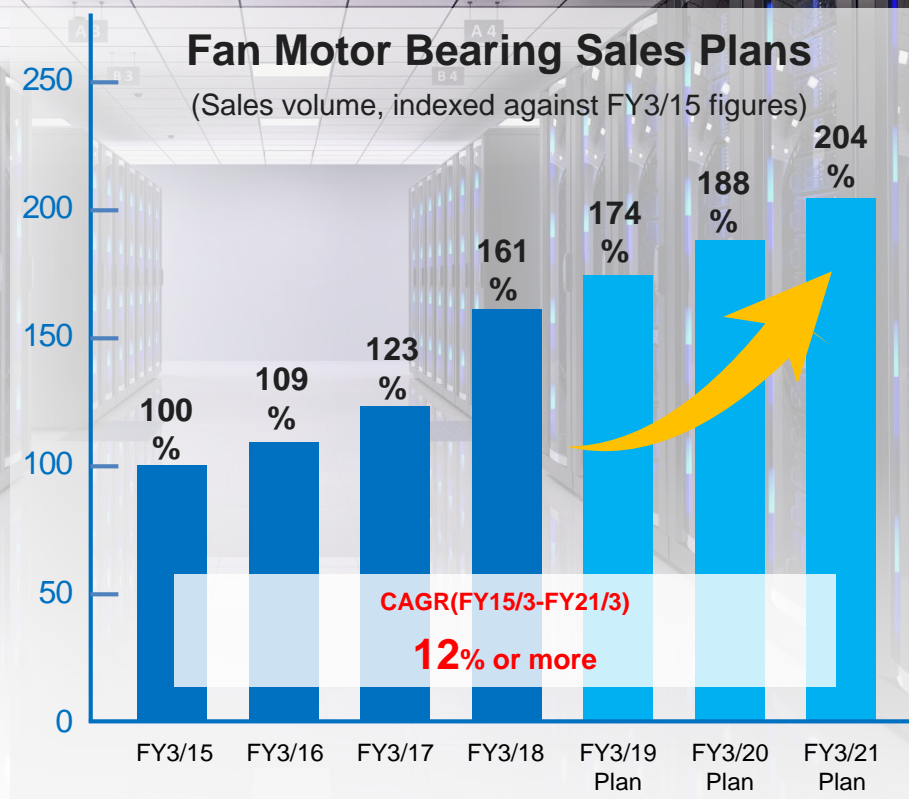
Ultra-high quality

Operating 24/7

3

**Overwhelming
market share**

90% or more



Need key safety components comparable to those used in aircraft and cars



High quality requirements as key safety components

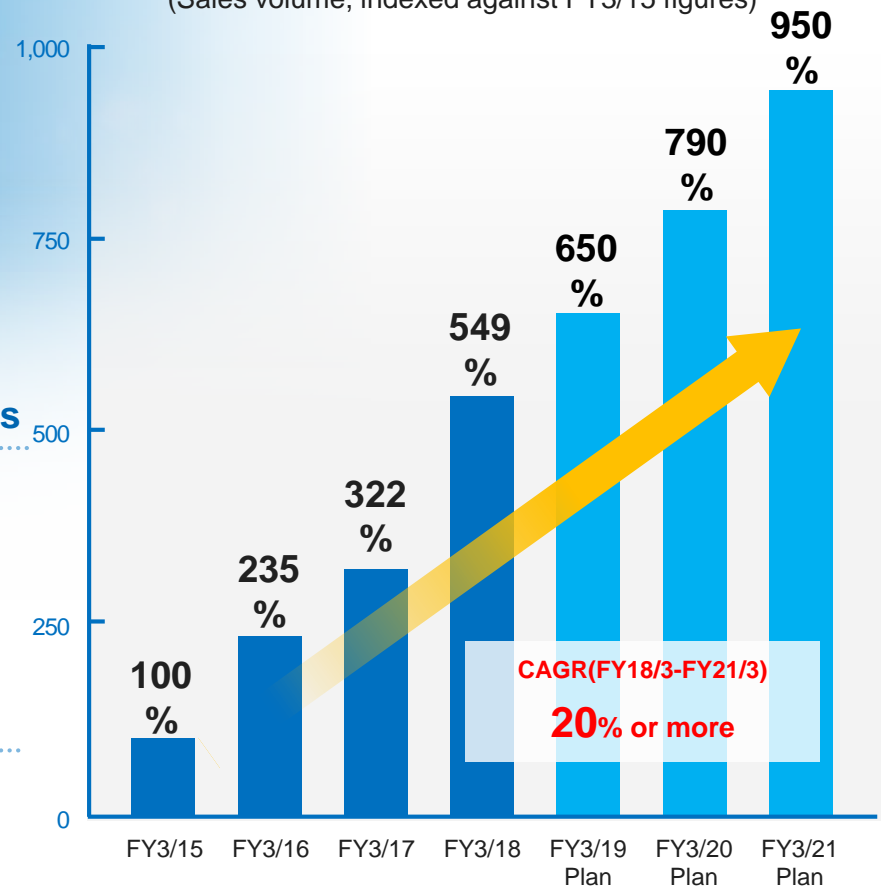
- Environmental performance (heat-resistance and other features required for use in severe environments)
- High reliability
- Small and lightweight

Overwhelming market share in growing market

- Expand industrial applications
- 90%+ market share

Drone Bearing Sales Plans

(Sales volume, indexed against FY3/15 figures)



Strong demand, better profitability, and synergy from acquisition to drive growth way up



©Airbus

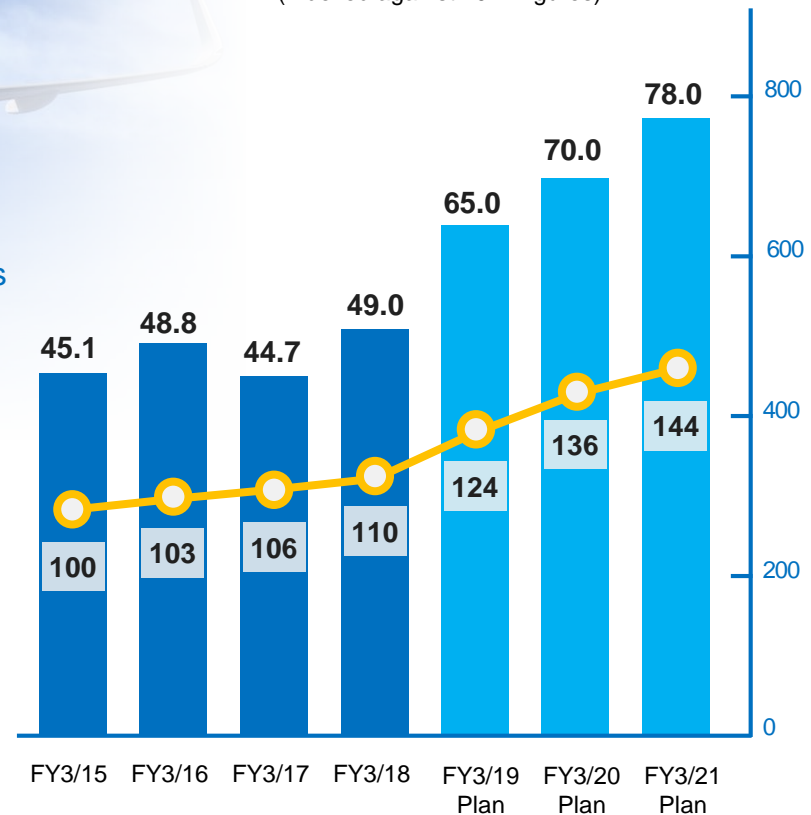
Further improvement in productivity

- NHBB's profits up 35% (FY3/18 → FY3/17)
- Rod-end productivity way up
- Fastener profitability stable

Impact from acquisitions (C&A, Mach Aero)

- Bring profits up about **1.5 billion yen** this fiscal year
- Enhance portfolio
(mechanical parts, engines, rotors, etc.)
- High hopes for good growth of both companies
(including offset production)

■ Aircraft components sales plans (billions of yen)
○ Boeing + Airbus shipping volume
(Indexed against 2014 figures)

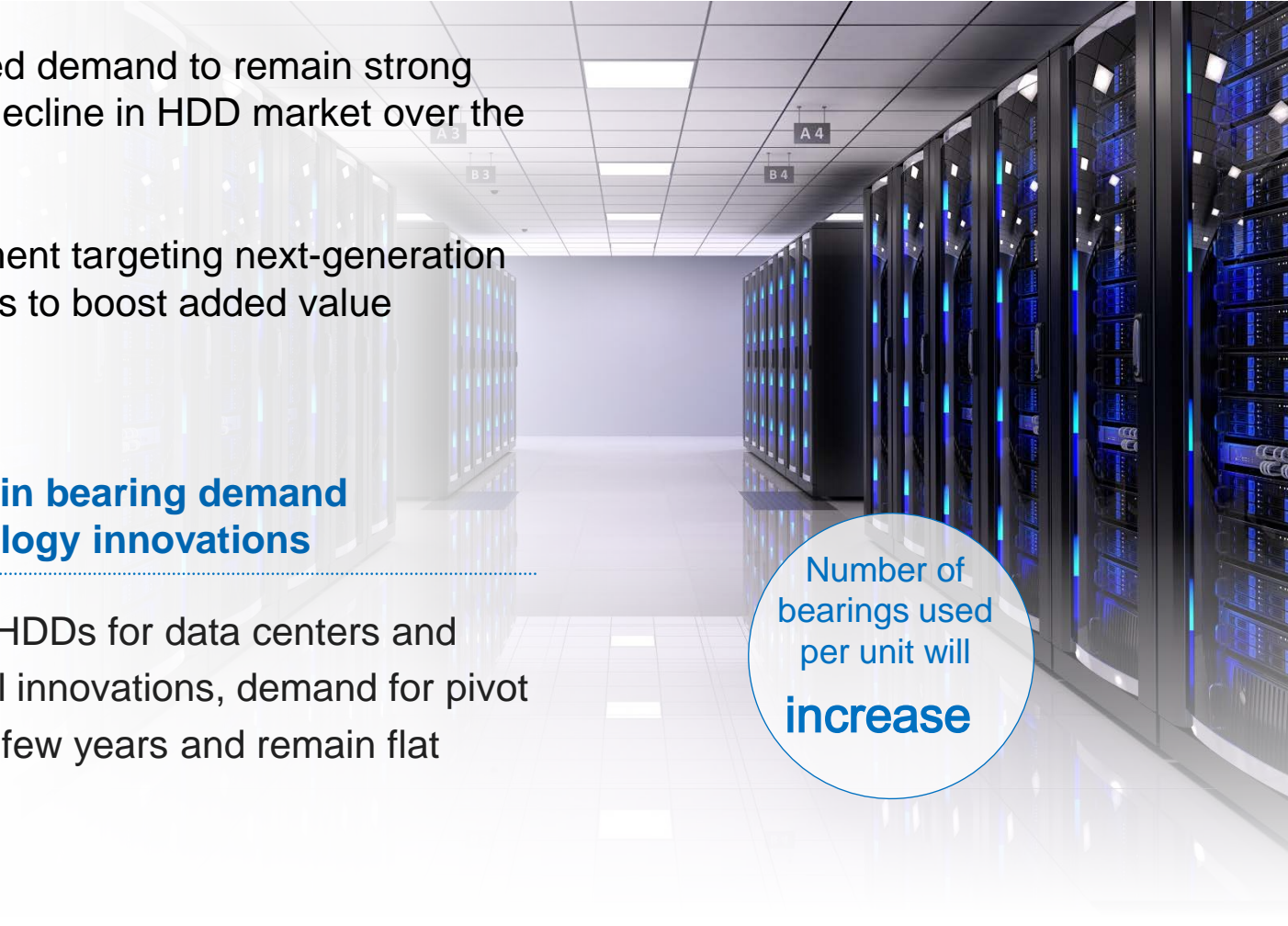


Technological innovation leads to slower decline in pivot and limited slowdown in bearing

- Data center-related demand to remain strong despite gradual decline in HDD market over the short run
- Product development targeting next-generation HDD technologies to boost added value

Limited slowdown in bearing demand due to HDD technology innovations

Due to increase in HDDs for data centers and future technological innovations, demand for pivot will bottom out in a few years and remain flat afterwards

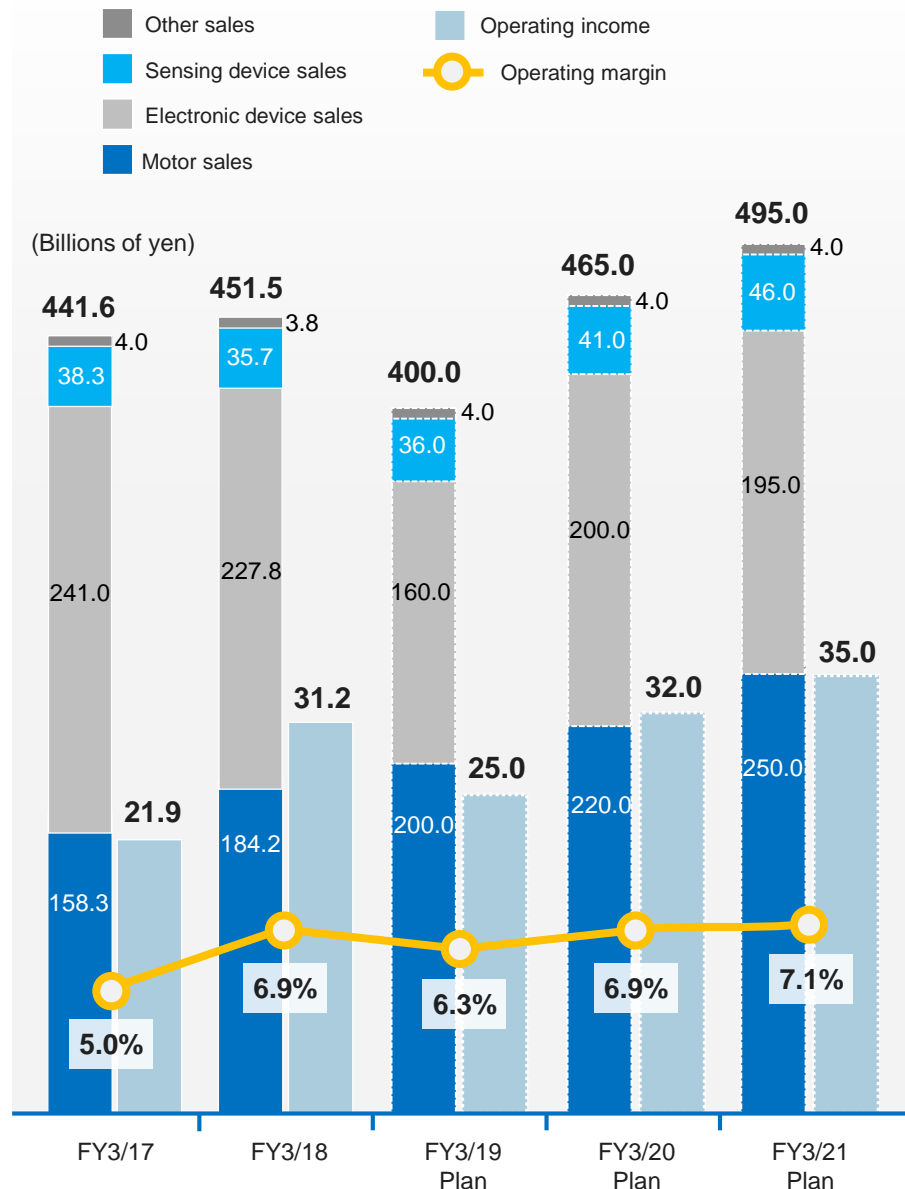


Number of bearings used per unit will **increase**

Conservative forecast as usual

Key Points

1. Motor sales will grow for auto applications
2. Conservative assumption of slowdown scenario for LCD smartphone
3. Also conservatively estimated yield for the launch of new LED backlights
4. Expect to catch up in H2



Focus on auto applications to drive profits up

1 Growth accelerated
Toward ¥250 billion sales target

2 Sales expansion in Auto

3 Slovakia plant
to go on line this July

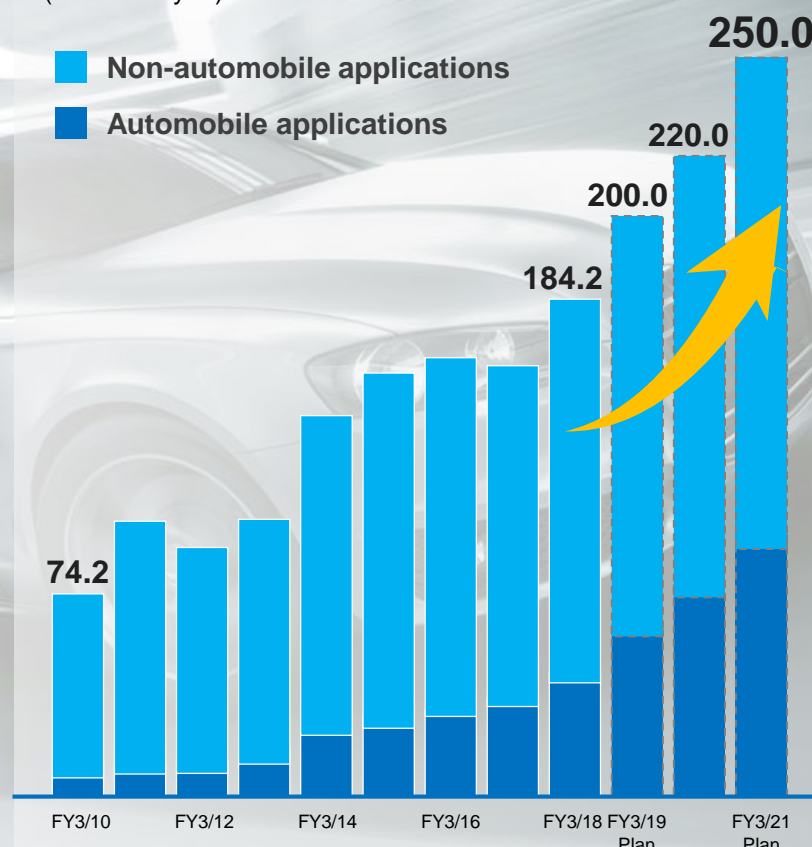
4 China technical center
to open this October



Motor Business Sales Targets

(Billions of yen)

■ Non-automobile applications
■ Automobile applications



To be opened in October as our Chinese R&D base specializing in automotive products

Back-ground

1. China's increasing presence in the automobile industry
2. Increasing R&D projects for automotive products in China



Enhance local R&D capability in China with a focus on automotive motors to realize speedy mass production

Products to be developed

- Motors (including resolvers)
- Bearings
- LED backlights
- Semiconductors
- Connectors
- Antennas
- Coils, etc.

Also serves as a reliability center and show room



Possibility that LED backlights will be totally replaced by OLED any time soon is greatly reduced?

We suppose LCD models to remain the mainstream for smartphones as a basic scenario

- LCD technological innovations make our ultra-thin LED backlights more competitive
- Profit estimates for this fiscal year are on the cautious side in light of yield and other challenges
- Automotive LED backlights will continue to grow significantly (smart cockpit and other applications)

Advancements in displays that can compete with OLED displays

- Start developing LED backlights for LCD displays with performance comparable to OLED displays as the second joint project with supply chain companies

Take big step toward commercialization and early launch

Start delivering samples

1 Input devices

Propose new input methods (grabbing, pressing, pinching)

- Smartphones
- Wearable devices
- Watches
- Stylus pens
- Games
- Digital cameras and more

2 Automobiles

Regular inspections, monitoring consumable parts, etc.

3 FA/Industrial Equipment

Sensing devices for elements requiring high rigidity

- Machine tools
- Robotics
- And more
- Molding machines
- Press machines

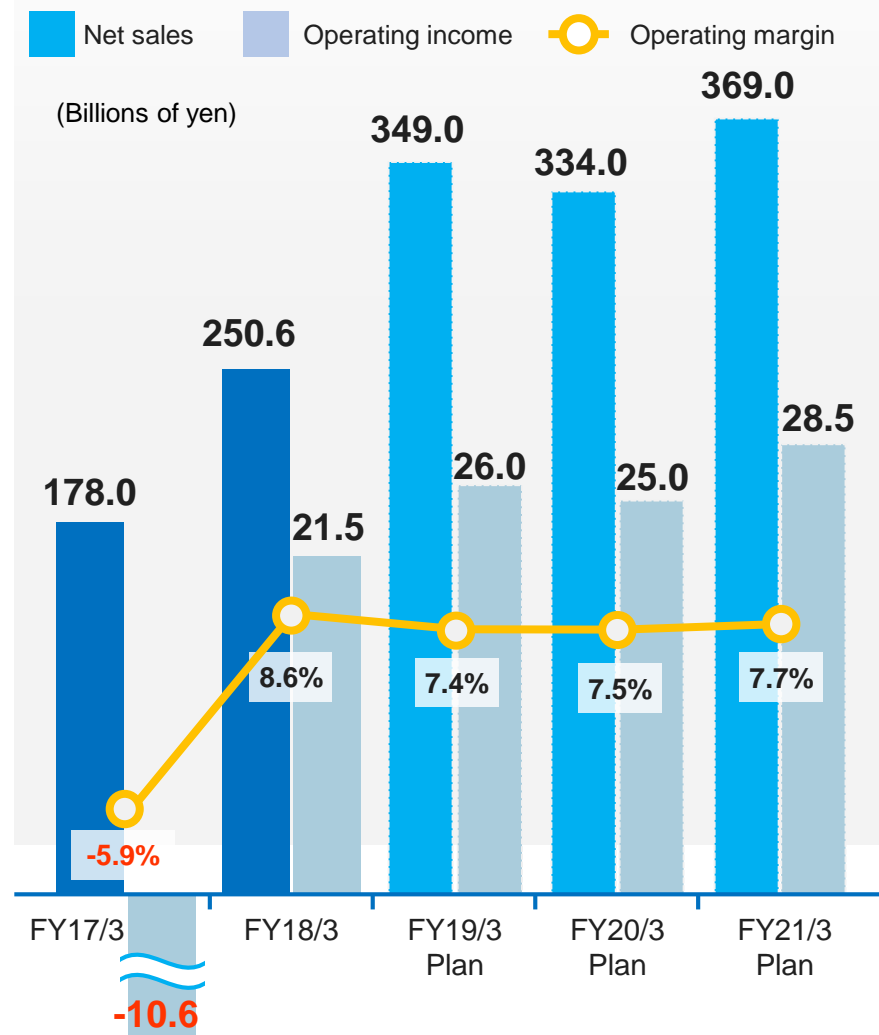
Atsugi plant to go on line (Oct. 2018)



Improved productivity of 7 Spears products and sub-core businesses will drive profits up strongly

Key Points

1. Conservatively estimated OIS sales units for this fiscal year despite big boost in production capacity
2. Game consoles in step with market growth
3. Improve productivity and boost sales for Mitsumi core business
4. Launch a number of new products



*Sales increase due to contract change in OEM business since 4Q of FY3/18

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

Strong profitability via big boosts in productivity and increase in production capacity this fiscal year



Optical Devices

- Already increased production lines by 50% to boost capacity this fiscal year
(Do everything possible to ensure production launch)
- Expand automation and in-house parts production
- Expand sales in China and make effective use of Cambodia plant

Number of
OIS lines

Up **50%**

**Expand
customer
base**



Mechanical Parts

- Production increases for major customers and synergy from in-house parts production will continue to drive growth this fiscal year
- Bring in orders for new OEM products

Production
capacity

Up **50%**

**Many
New
products**

Improve productivity and cut costs to further enhance profitability

Precision Parts

Switches

Increase market share for **waterproof tactile switches**

Coils

Promote sales for automobile applications and expand sales channels for EV applications

Connectors

Significantly expand portfolio centered around **automotive high-speed transmission products**



**Significantly
enhance portfolio**

Power supplies

New markets

Sell **micro converters** for the electricity and power storage markets

Existing markets

Promote sales of small, high frequency products in the lighting, telecommunications, home appliance, and other markets



**Expand customer
base**

Automotive parts

Antennas

Quickly develop next-generation communication antennas for connected cars (**TCU antennas**, etc.) and promote sales/get orders

Battery protection modules

Build design, production, and sales capability targeting the EV market



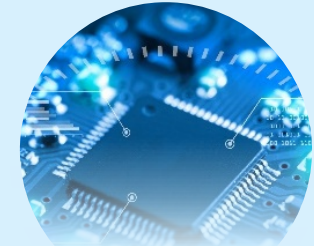
**Technological
innovations**

Semiconductors

Expand sales of high value-added products targeting the industrial/housing equipment market

Increase share in the car infotainment market

Focus on **high value-added products (ADC + IGBT)**



Strengthen sales

• Automotive • ADC • IGBT

Other numerous new product lines

● Resonant devices

- Start mass production for mobile and wearable applications this fiscal year
- Enter the automobile and health care markets

● Voice recognition/AI speakers

● Robotics for agricultural and logistics applications

and many more

Total for new
product lines

FY3/21
Sales target

¥10 billion

Big leap forward with New Product Trio



SALIOT

- Proven track record in Japan, **positive feedback**
- Exhibited at “Light + Building 2018”, the world's largest trade show for lighting and architectural technologies
- Expand sales in China, Thailand, and Cambodia

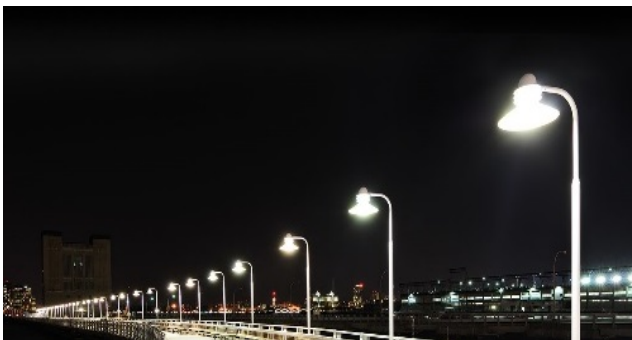
In high demand



Bed sensor

- Start selling jointly with Ricoh (planned for July 2018)
- **Find more partners** and **build a global sales network**

To be released in July



Smart city

- Started **billing business** in Cambodia
- Plan to start **external sales** by fall
- Step up on global marketing (**China, Thailand, Cambodia, Philippines, Slovakia, etc.**)

Started billing

Raised mid-term targets for all segments

Machined Components

FY3/21 operating income target

¥56.0 billion

Increase monthly ball bearing production to

315 million units

ASAP

Electronic Devices and Components

FY3/21 operating income target

¥35.0 billion

Motor business sales growth rate

10% or more

Key revenue source

Mitsumi Business

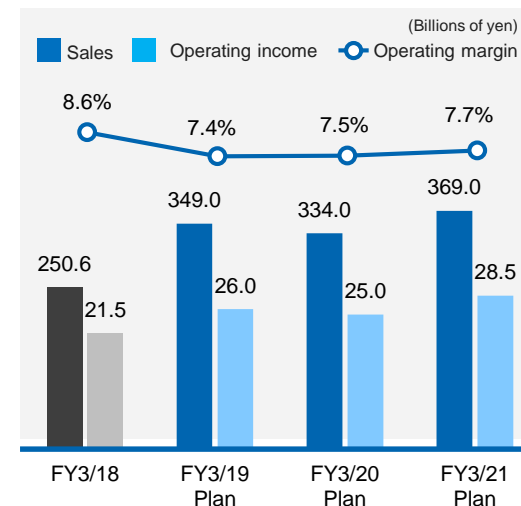
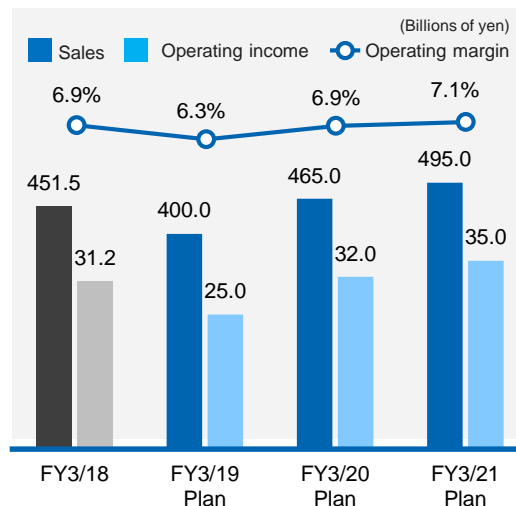
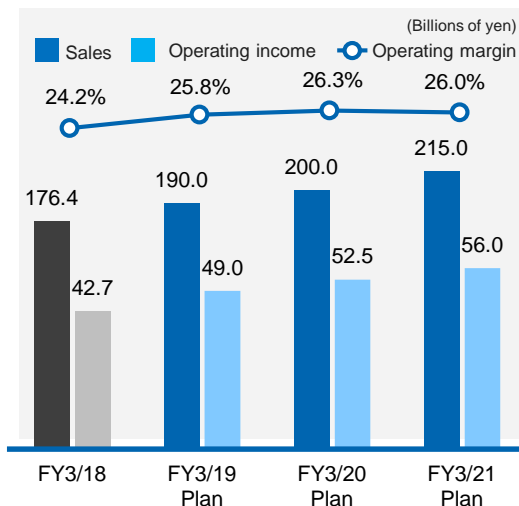
FY3/21 operating income target

¥28.5 billion

Operating income growth rate

+30% or more

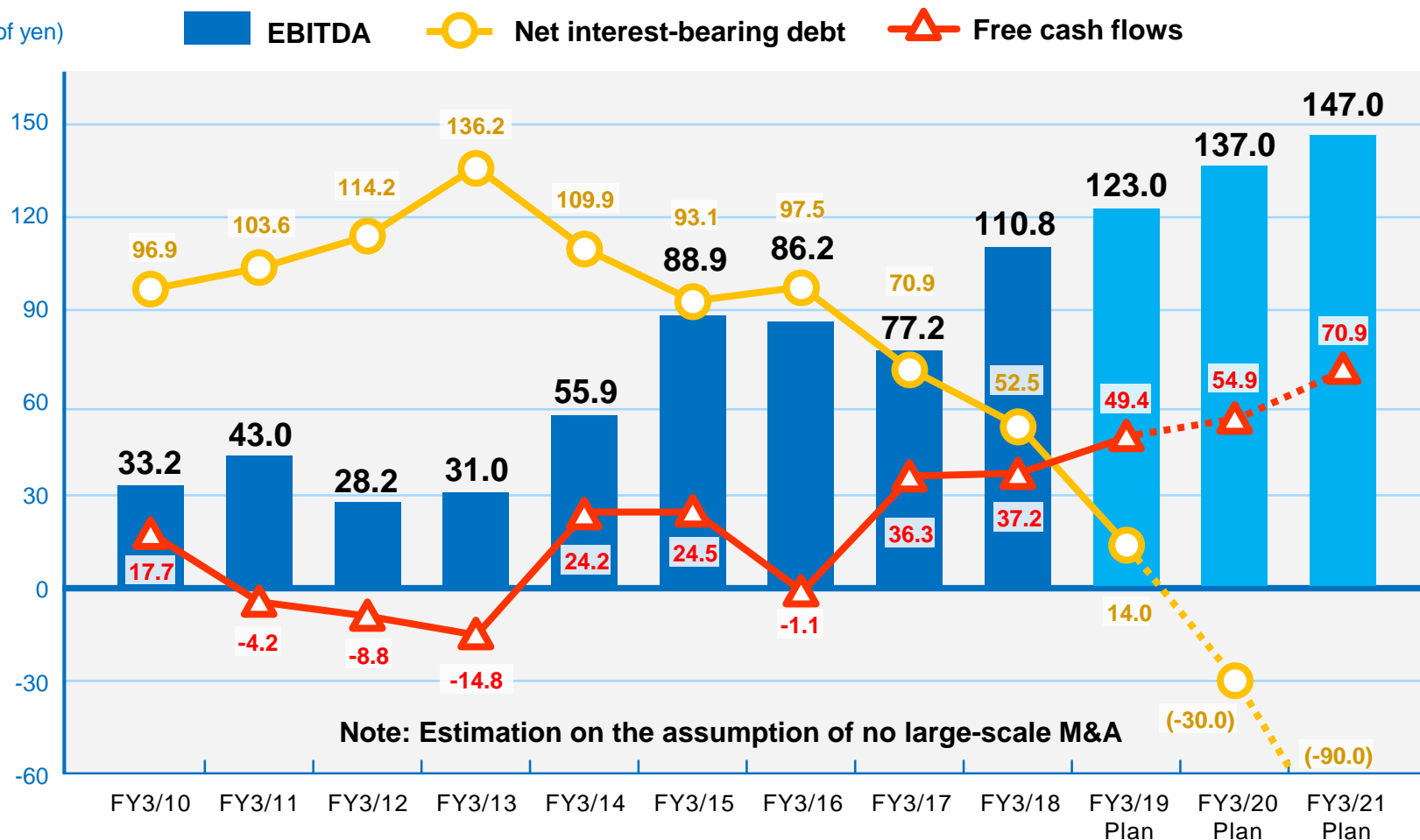
FY3/18 vs. FY3/21 (forecast)



Other adjustments: -¥17.0 billion in FY3/19, -¥17.5 billion in FY3/20, -¥17.5 billion in FY3/21

Cash-generating capabilities backed by high profitability

(Billions of yen)



Profit-sharing Policy

In using the free cash flow generated by following our mid-term business plan, we will **give priority to growth investing**, including M&As in Japan and overseas. At the same time we aim to pay steady dividends to our shareholders at a **payout ratio of around 20%**. We will also look at **flexible share buyback** with an eye to maintaining an optimal balance with growth investing to enhance capital efficiency.

Dividend Forecast

We will decide the amount at a **payout ratio of around 20%**.



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.

All the information in this document is the property of MinebeaMitsumi Inc. All parties are prohibited, for whatever purpose, to copy, modify, reproduce, transmit, etc. this information regardless of ways and means without prior written permission of MinebeaMitsumi Inc.

Reference

Passion to Create Value through Difference

Create new value from extraordinary difference

Net sales **¥1 trillion**

and/or

Operating income

¥100 billion

Operating margin

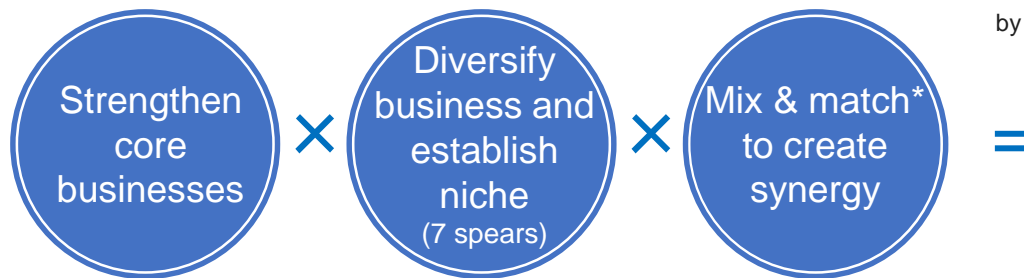
10%

ROE

15%
or higher

Close-up on Our Value Creation Equation

Our value creation equation



*Mix & match means "combining" rather than "simple gathering" and integrating and utilizing the company's proprietary technologies to evolve the "seven spears" and to create synergies in various fields by combining the advanced products of the "seven spears."

**Sustainable growth of
MinebeaMitsumi**

Non-financial capital to build up strength

Intellectual capital

- Ultra-precision machining technology
- Comprehensive manufacturing, engineering, development, and sales capability
- M&A capability/PMI

Human capital

- Global human resources
- Women's empowerment
- Skilled workers/engineers

Instrumental capital

- Vertically-integrated manufacturing
- Global operation
- Accumulated manufacturing know-how

Value chain

- R&D
- Orders
- Production design
- Procurement
- Production
- Sales/CS
- Feedback

Business strategy

- Mid-term business plan
- 7 spears strategy
- ESG/SDGs

Financial capital

- Profitability from numerous No. 1 products (net sales, profit, EPS)
- Aggressive capital investments
- Financial balance via leverage
- Ability to generate cash and debt capacity for big M&As
- Flexible shareholder return policy

Environmental/social value created

- Mass production with minimum environmental footprint
- Creating environmentally friendly products
- Using IoT to help build smart industry
- Turn farmers in emerging markets into hi-tech industry workers
- Empowering women worldwide



Economic value created

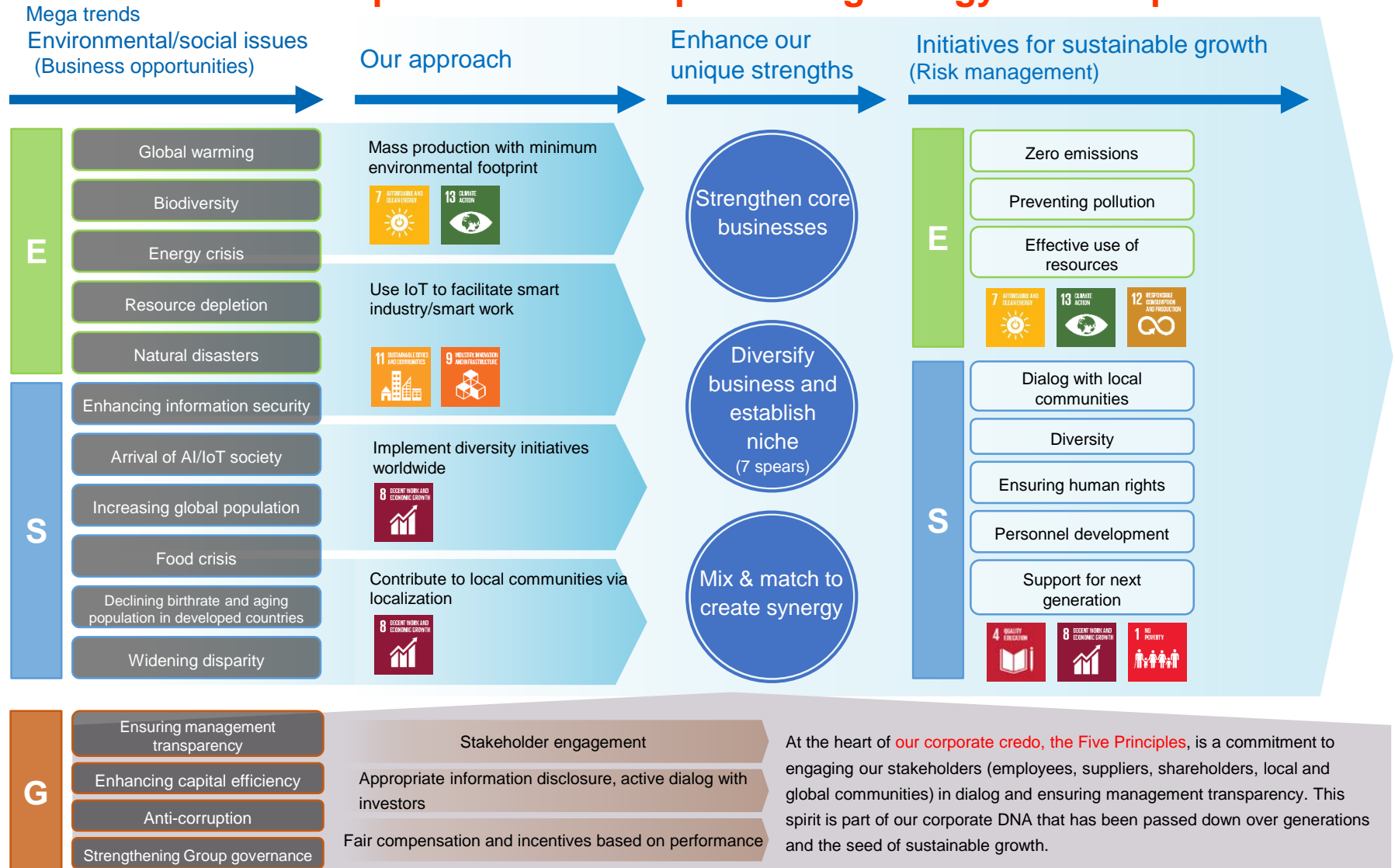
- Environmentally friendly products
- Numerous No.1 products
- High operating margin
- Ability to generate cash backed by high profitability
- ROE



Fundamental philosophy

- Highly transparent operation based on the Five Principles, our corporate credo
- Passion to Create Value through Difference
- Commitment to manufacturing

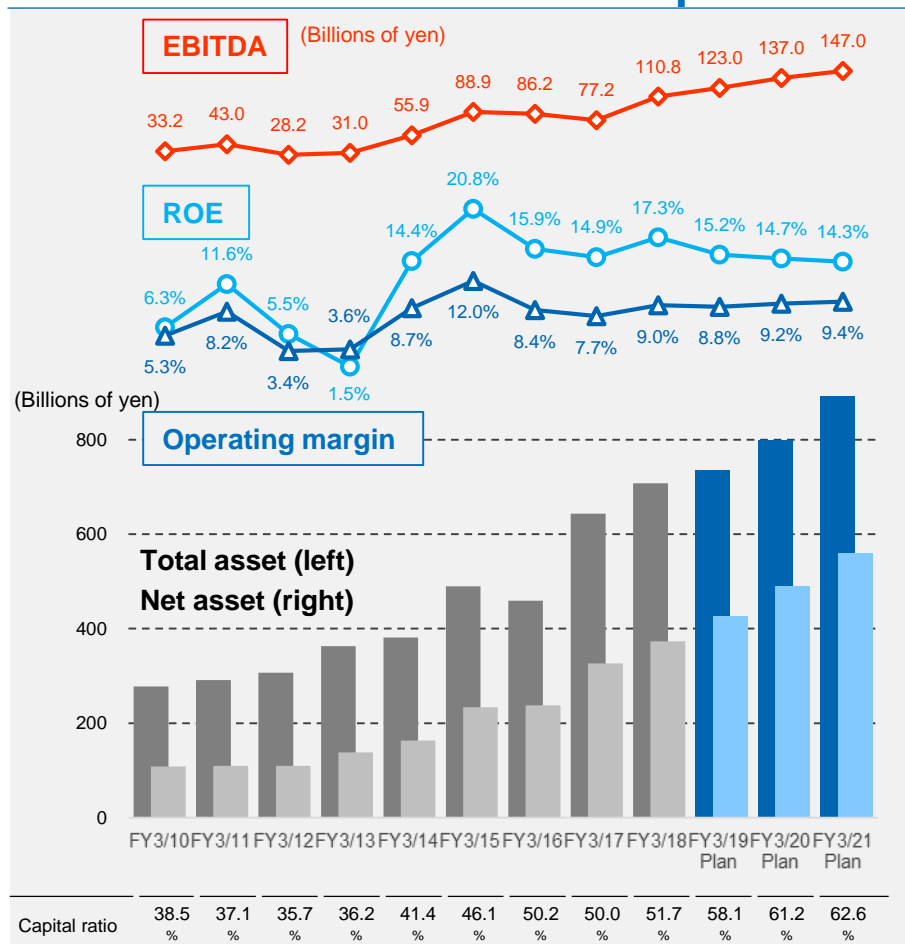
We will contribute to the environment and society through our business with various products that help reducing energy consumption.



Financial discipline and KPI target

Making growth investment (including M&A) the first priority, utilize generated cash to strengthen financial structure and for shareholders return with keeping financial discipline

Cash and financial discipline



FY3/19 onward, ROE = Net income / Net asset, Equity ratio = Net asset / Total asset

KPI Target

- ① ROE **15% or more**
- ② Operating margin **10%**
- ③ EBITDA margin **15%**
- ④ Net D/E ratio **0.2 times**
- ⑤ Equity ratio **50% or more**

Equity Spread

