

Business Results

First Quarter of Fiscal Year
Ending March 31, 2023

MinebeaMitsumi Inc.

August 5, 2022

1. Financial Results

2. Business Update & Management Strategy

Financial Results

Katsuhiko Yoshida

Director, Senior Managing Executive Officer

Summary of Consolidated Business Results for 1Q

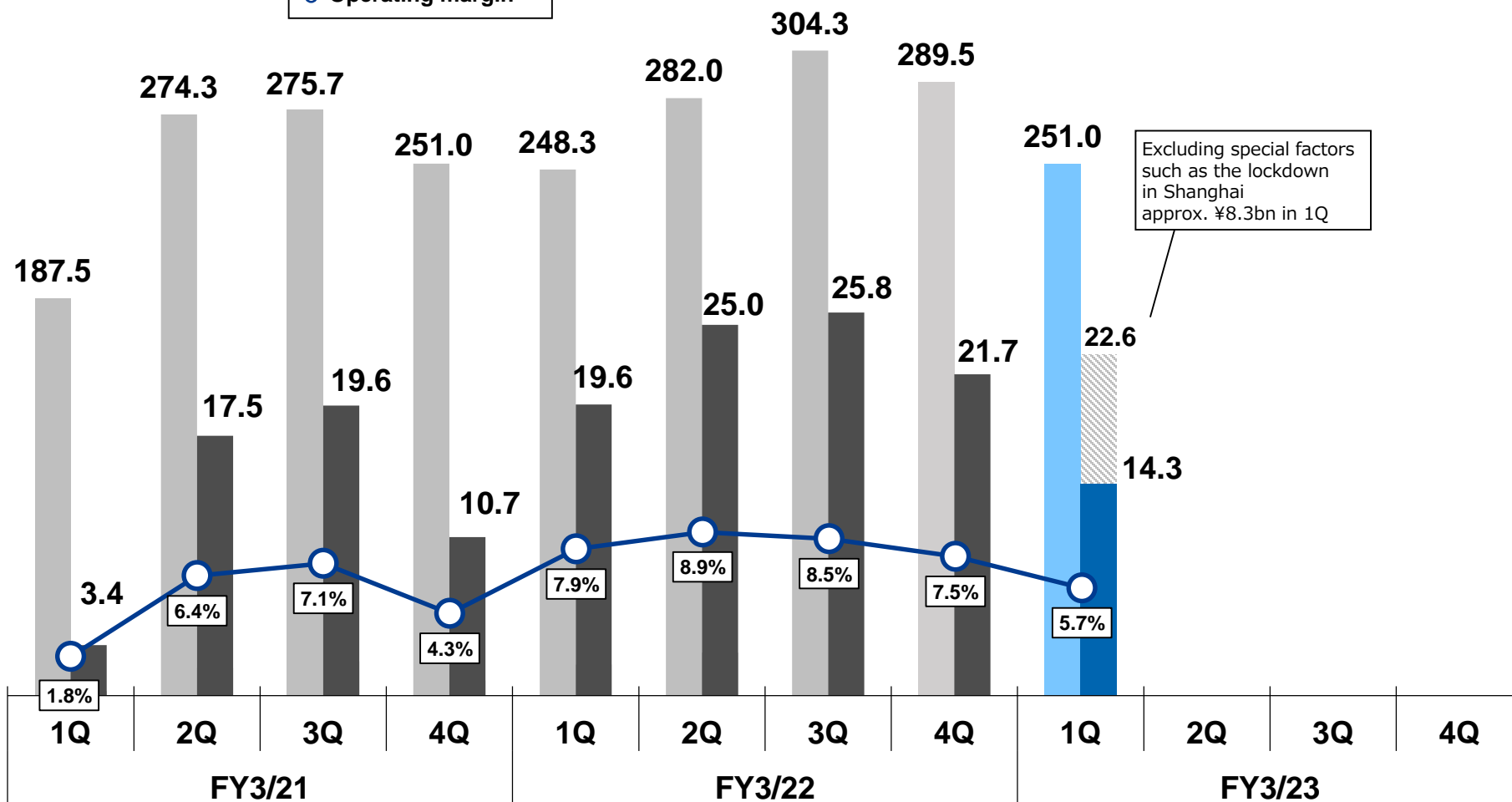
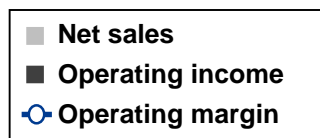
Net sales hit 1Q record high
Operating income exceeded initial forecasts,
despite impact of the lockdown

(Millions of yen)	FY3/22		FY3/23	Change	
	1Q	4Q	1Q	YoY	QoQ
Net sales	248,305	289,532	251,040	+1.1%	-13.3%
Operating income	19,628	21,671	14,255	-27.4%	-34.2%
Profit before taxes	19,603	21,347	14,274	-27.2%	-33.1%
Profit for the period attributable to owners of the parent	14,659	15,488	10,734	-26.8%	-30.7%
Earnings per share, basic (yen)	36.11	38.20	26.43	-26.8%	-30.8%

Foreign Exchange Rates	FY3/22 1Q	FY3/22 4Q	FY3/23 1Q
US\$	¥108.99	¥114.65	¥124.44
Euro	¥130.84	¥129.77	¥134.45
Thai Baht	¥3.50	¥3.46	¥3.68
Chinese RMB	¥16.80	¥18.03	¥19.13

Net Sales, Operating Income/ Margin

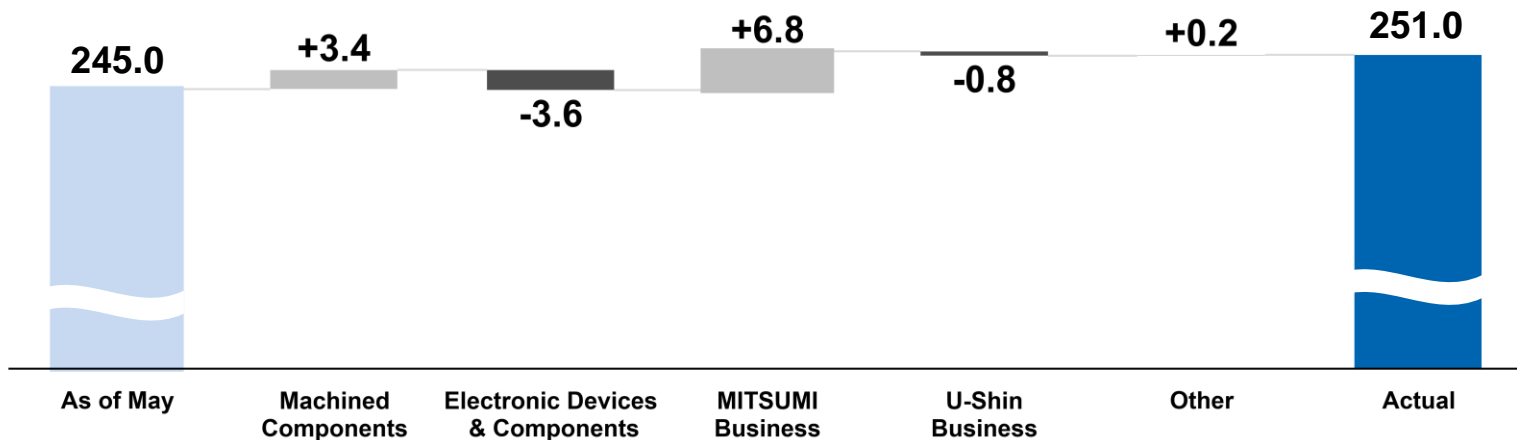
(Billions of yen)



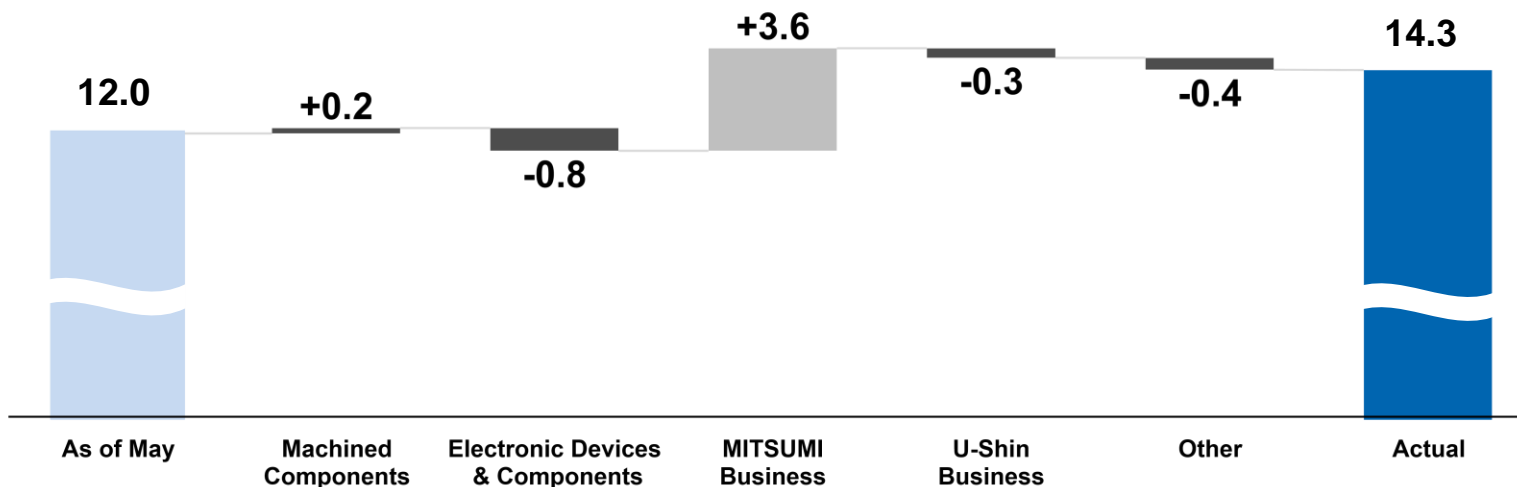
1Q Actual: Differences from the Forecast as of May

(Billions of yen)

Net Sales

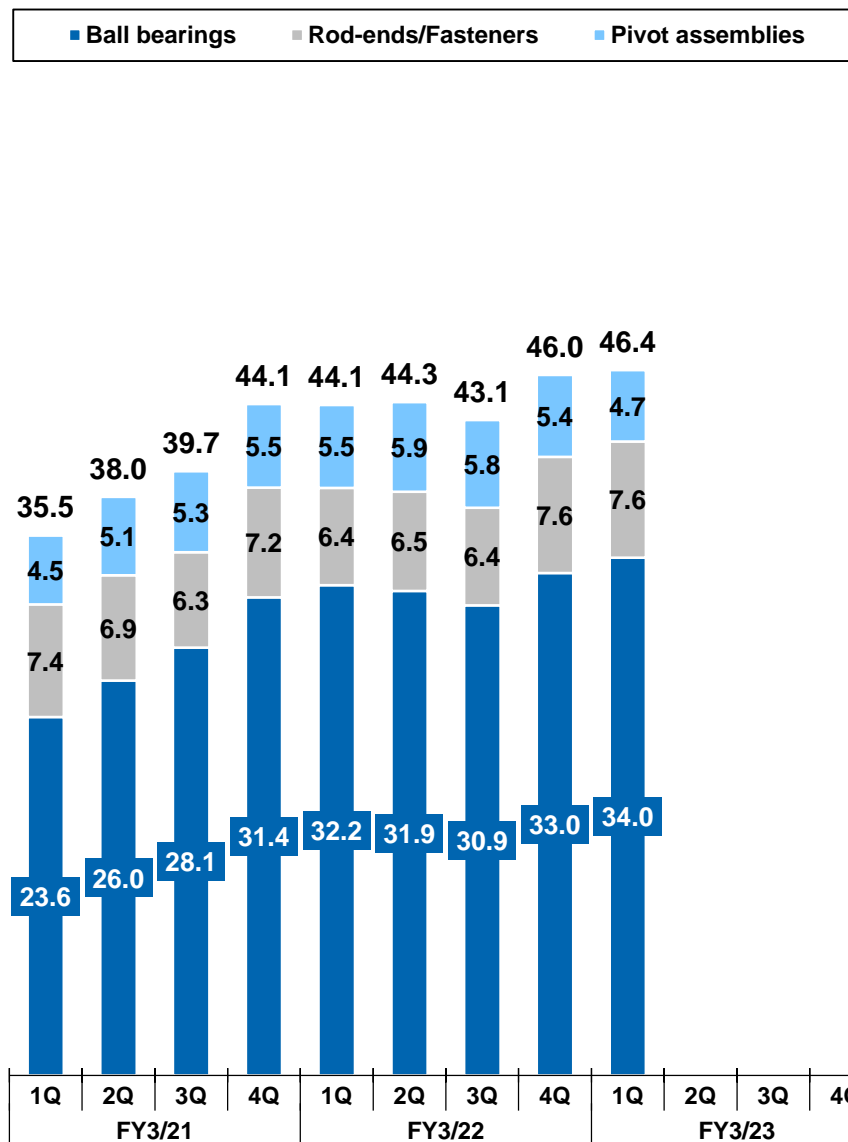


Operating Income

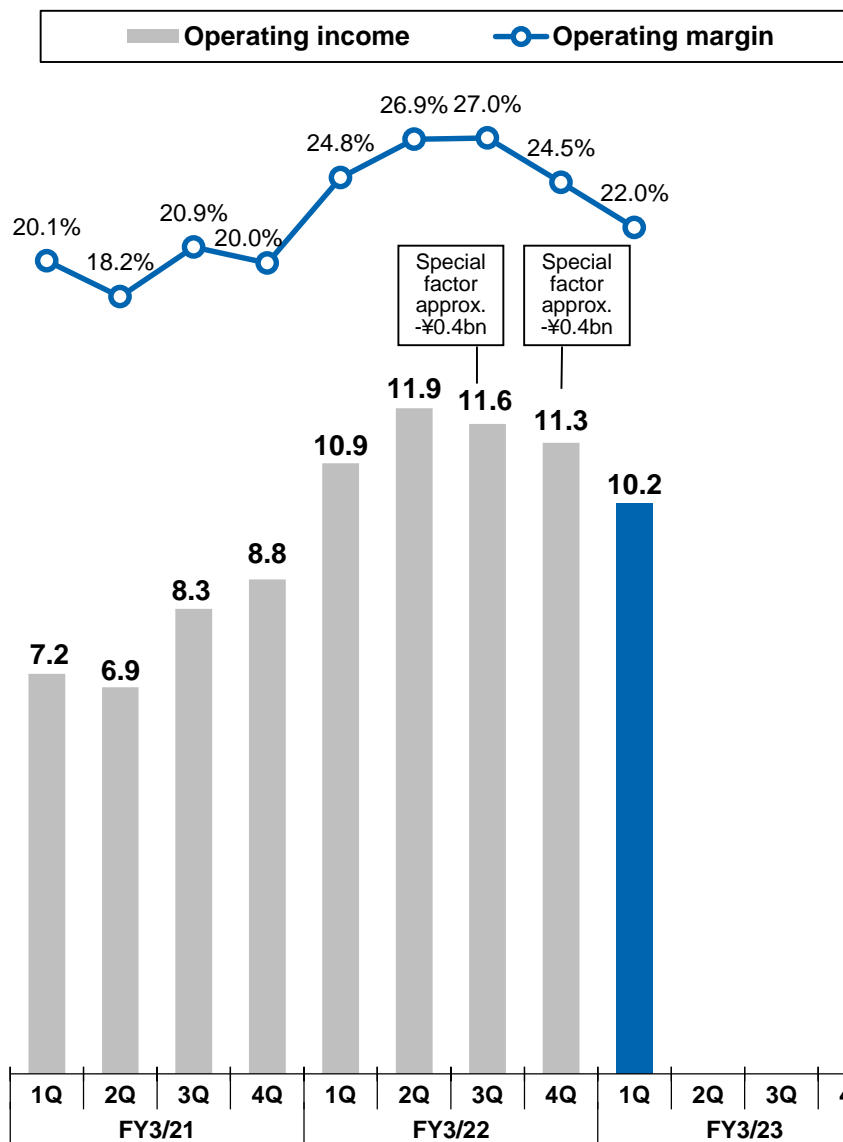


Machined Components

Net sales (Billions of yen)

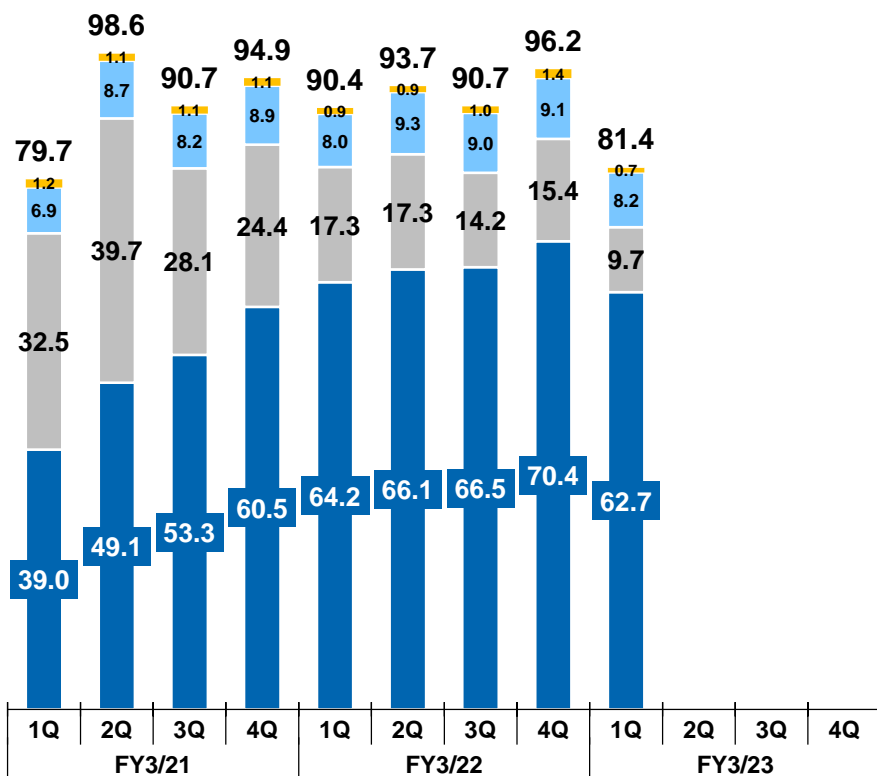


Operating income (Billions of yen)

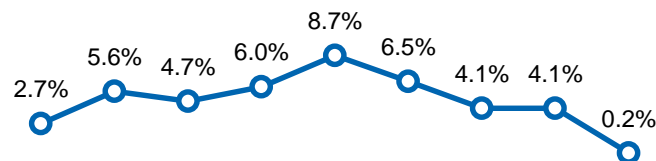
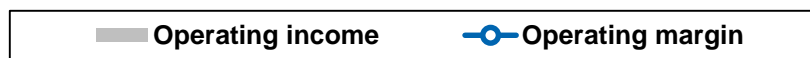


Electronic Devices & Components

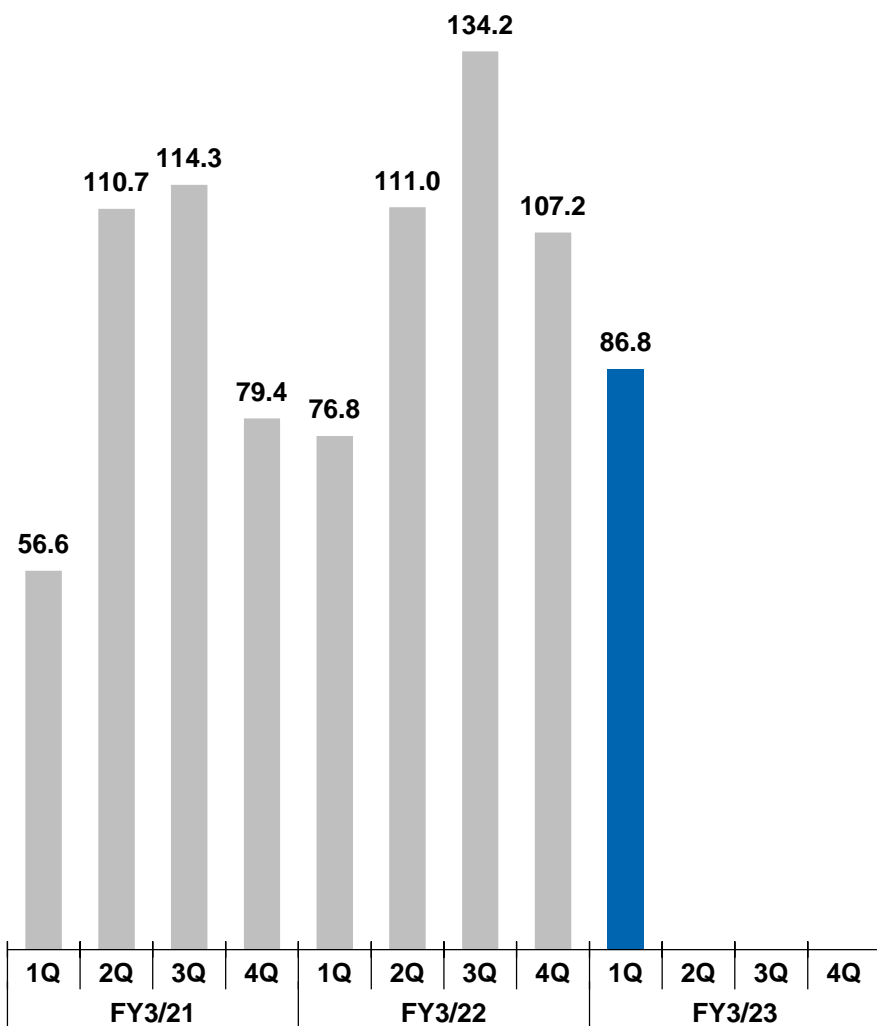
Net sales (Billions of yen)



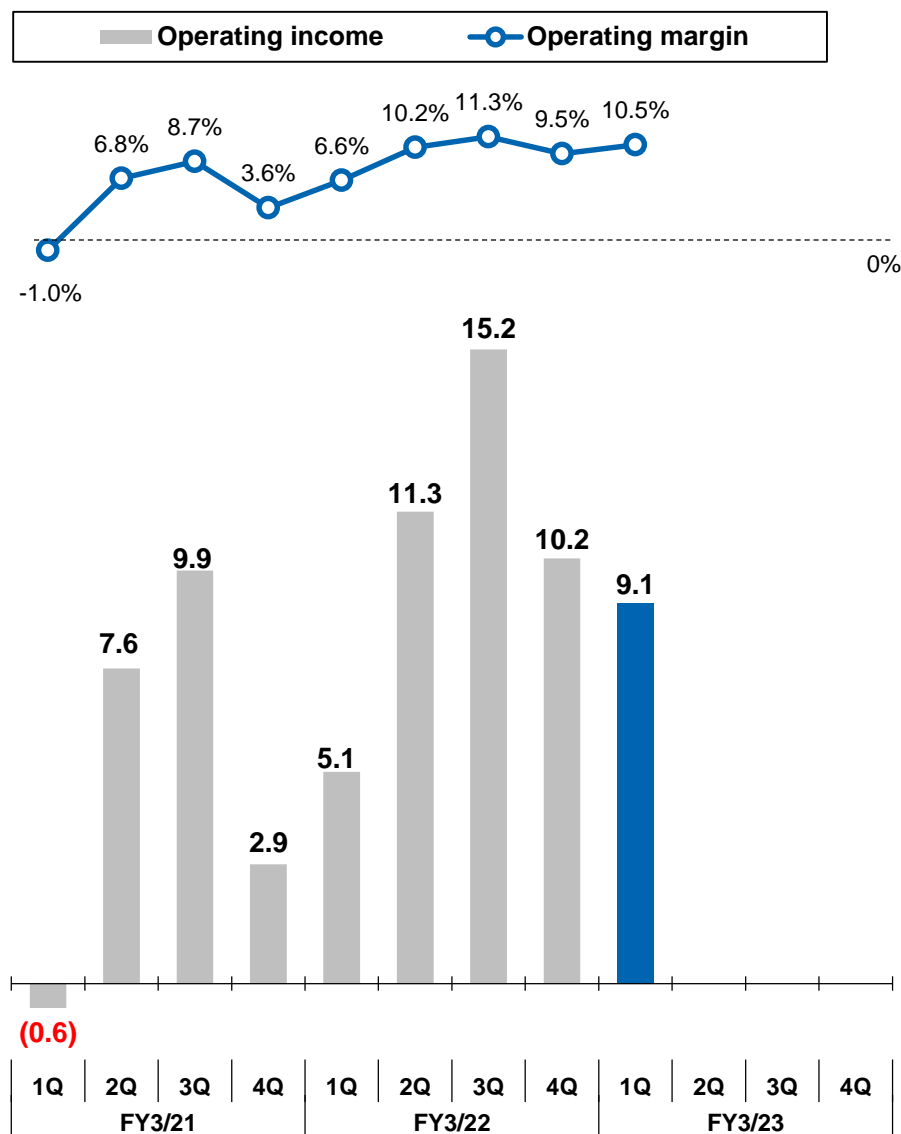
Operating income (Billions of yen)



Net sales (Billions of yen)

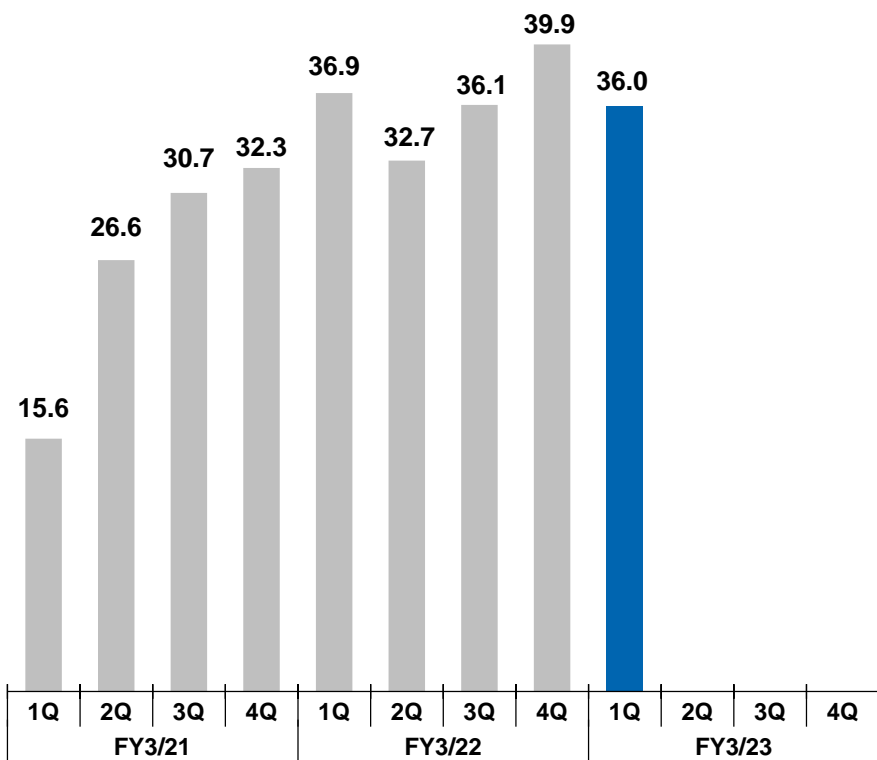


Operating income (Billions of yen)

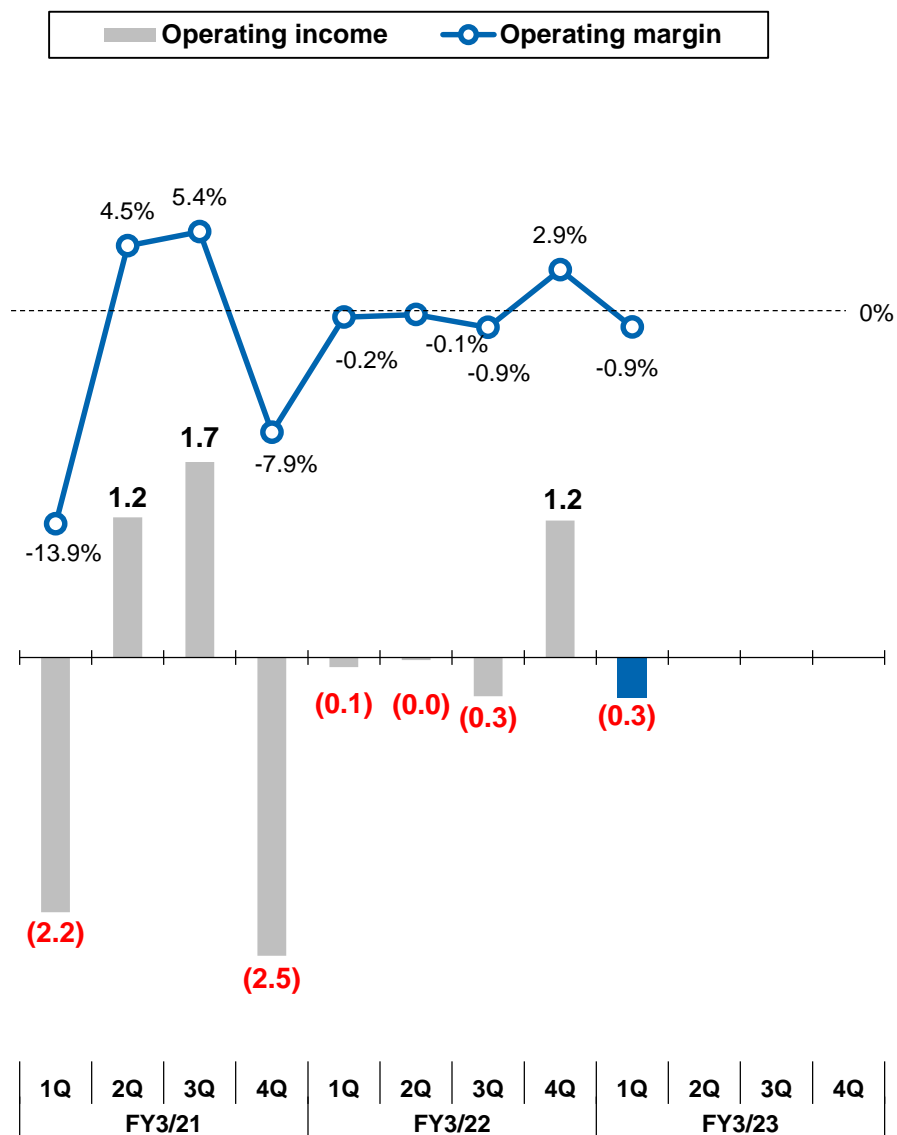


U-Shin Business

Net sales (Billions of yen)



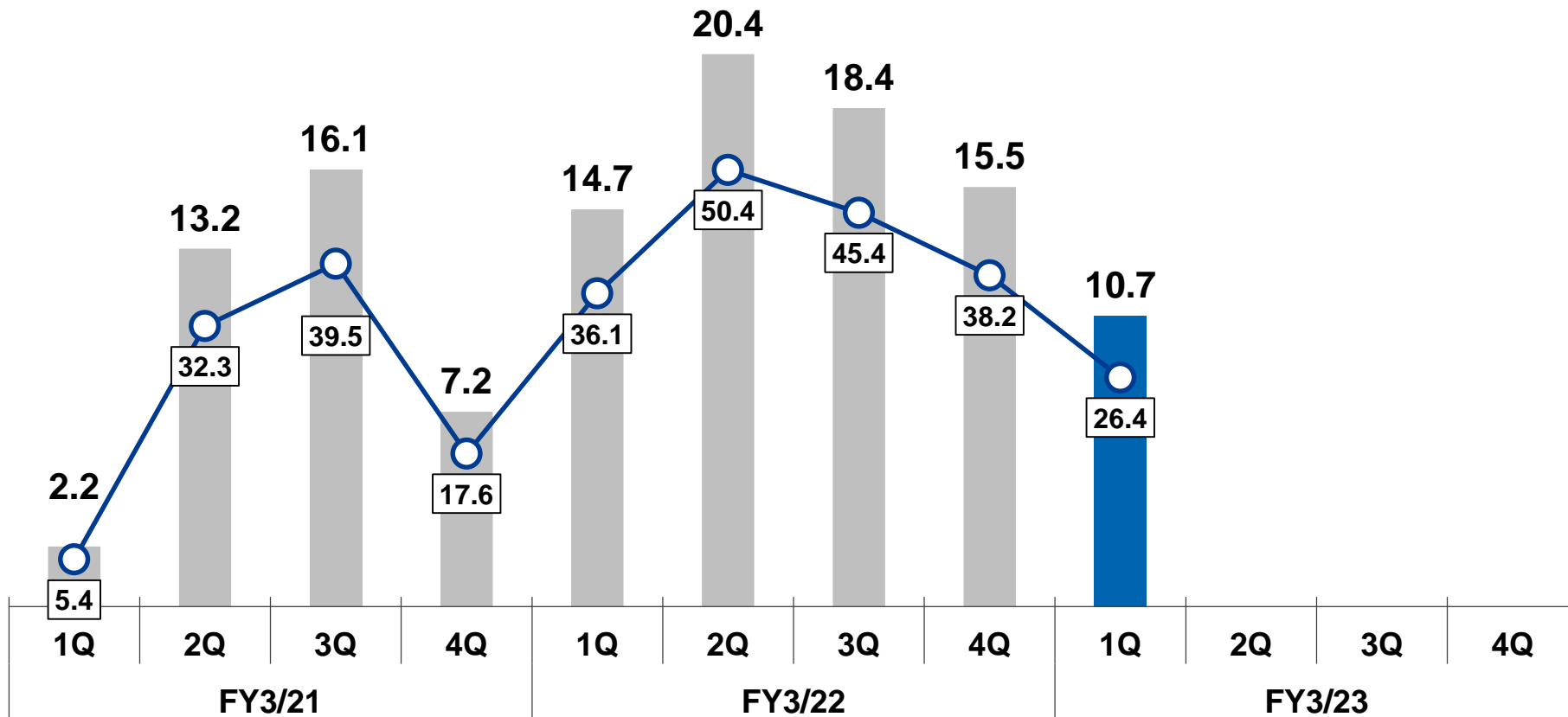
Operating income (Billions of yen)



Profit Attributable to Owners of the Parent / EPS

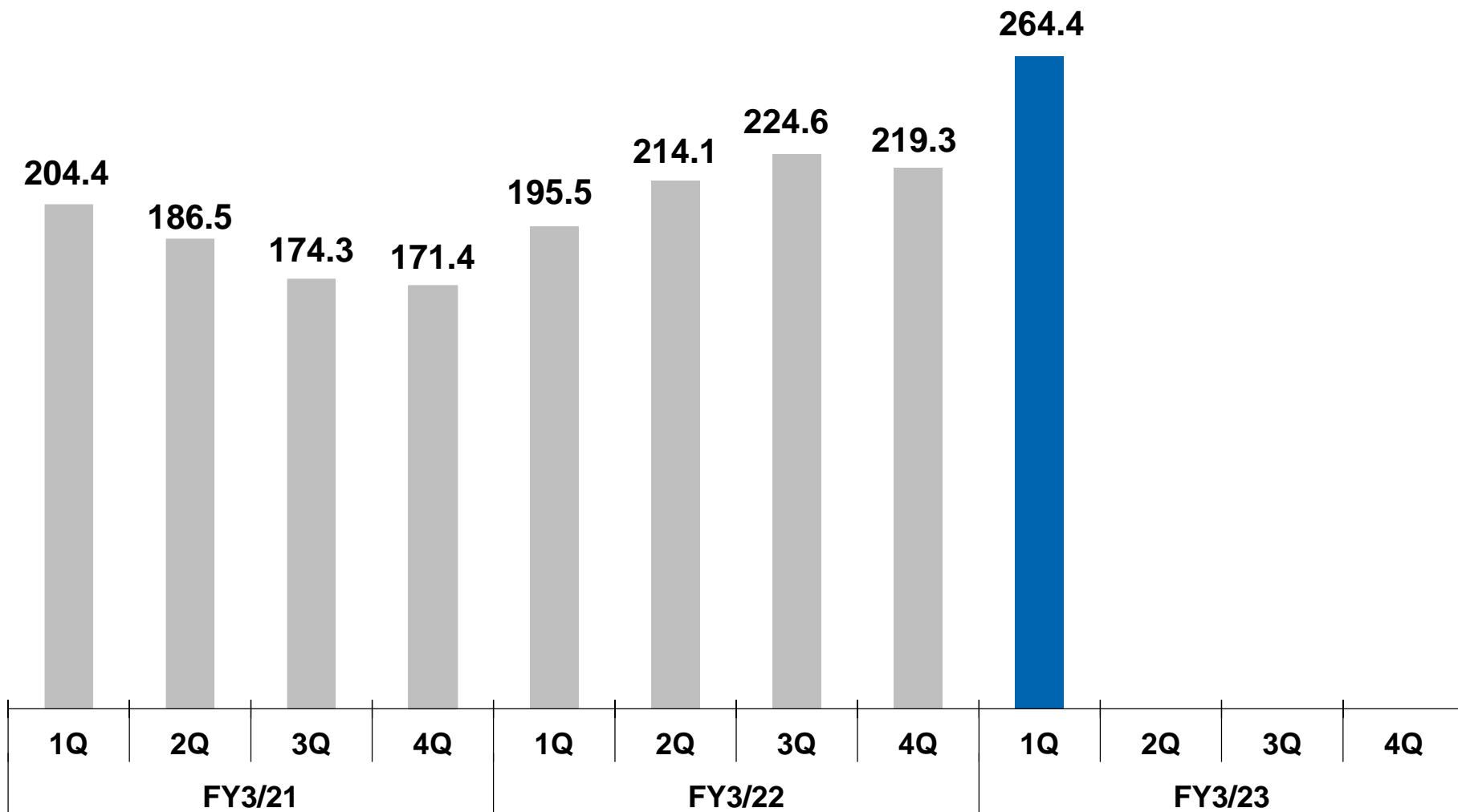
(Billions of yen)

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



Inventory

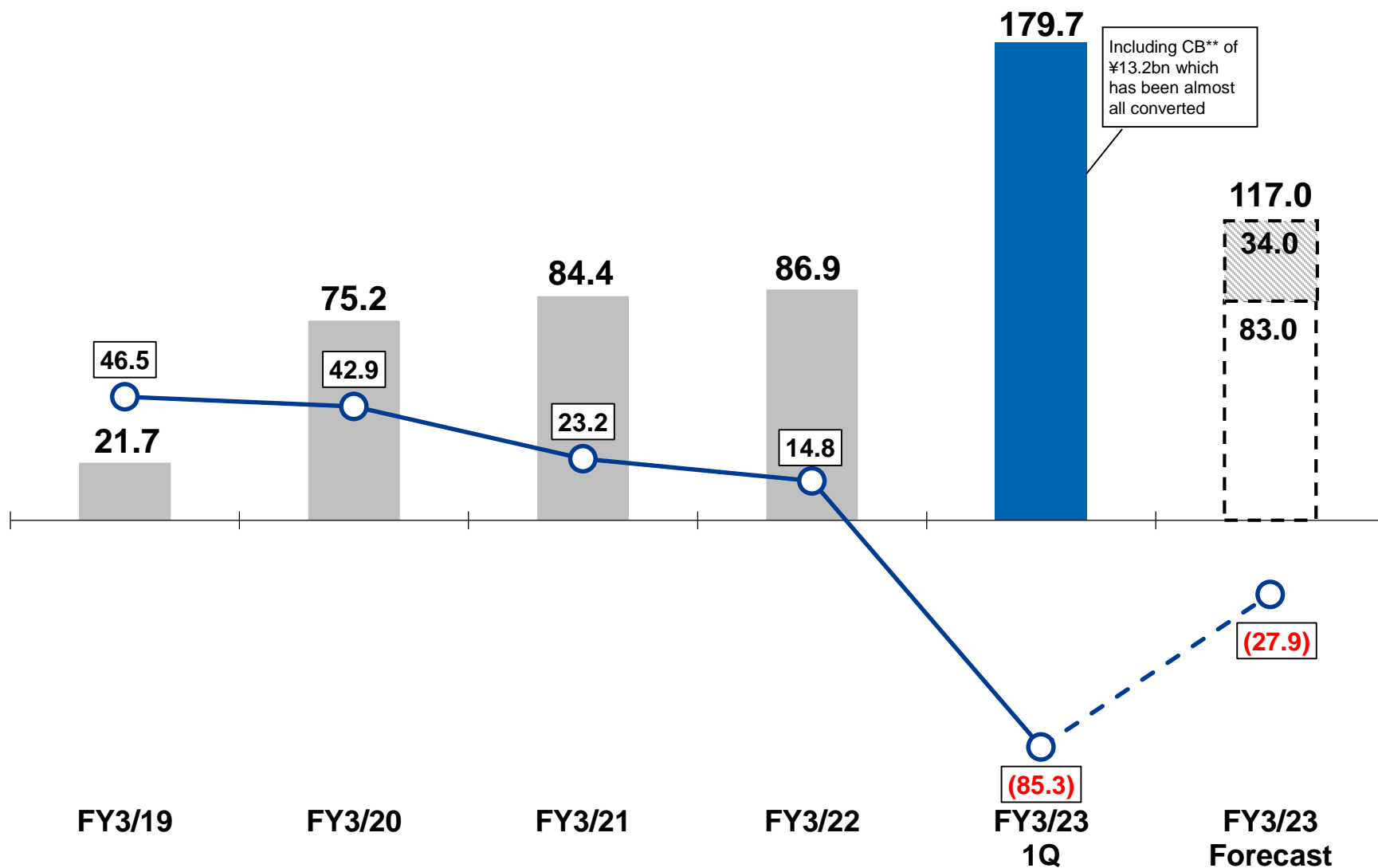
(Billions of yen)



Net Interest-bearing Debt / Free Cash Flow

(Billions of yen)

Net interest-bearing debt* Free cash flow



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

**CB: Euro-Yen Denominated Convertible Bonds with Stock Acquisition Rights

Forecast for Fiscal Year Ending March 31, 2023

**There are various up and down factors,
but no need to change the initial plan**

(Millions of yen)	FY3/22	FY3/23			
	Full Year	1st Half	2nd Half	Full Year	YoY
Net sales	1,124,140	568,000	632,000	1,200,000	+6.7%
Operating income	92,136	41,000	61,000	102,000	+10.7%
Profit before taxes	90,788	40,500	60,500	101,000	+11.2%
Profit for the period attributable to owners of the parent	68,935	30,000	46,000	76,000	+10.2%
Earnings per share, basic (yen)	170.08	73.86	113.25	187.11	+10.0%

Foreign Exchange Rates	FY3/22 Full Year	FY3/23 2Q-4Q Assumptions
US\$	¥111.55	¥115.00
Euro	¥130.47	¥125.00
Thai Baht	¥3.44	¥3.48
Chinese RMB	¥17.35	¥18.50

Forecast for Business Segment

(Millions of yen)	FY3/22 Full Year	FY3/23			
		1st Half	2nd Half	Full Year	YoY
Net sales	1,124,140	568,000	632,000	1,200,000	+6.7%
Machined components	177,470	96,000	99,000	195,000	+9.9%
Electronic devices and components	371,023	184,500	210,500	395,000	+6.5%
MITSUMI business	429,116	207,000	240,000	447,000	+4.2%
U-Shin business	145,577	80,000	82,000	162,000	+11.3%
Other	954	500	500	1,000	+4.8%
Operating income	92,136	41,000	61,000	102,000	+10.7%
Machined components	45,717	23,500	27,500	51,000	+11.6%
Electronic devices and components	21,561	4,500	15,500	20,000	-7.2%
MITSUMI business	41,846	22,000	25,000	47,000	+12.3%
U-Shin business	732	500	3,000	3,500	x4.8
Other	-1,429	-400	-600	-1,000	-
Adjustment	-16,291	-9,100	-9,400	-18,500	-

Business Update & Management Strategy

August 5, 2022

Yoshihisa Kainuma

Representative Director, CEO & COO



Overall

- **Achieved 1Q targets** despite the impact of Shanghai lockdown over a period of two months.
- **Took a cautious view of changes in the macroeconomic environment** such as inflation.
- New third growth strategy following organic growth and M&A. (explained later)
- Overview of M&A and our further growth strategies. (explained later)

Machined components

- Leveraged global production bases for ball bearings to absorb the impact of the Shanghai lockdown. Profits are now normalized. **Boosting production capacity as planned.**
- Aircraft components sales are as initially projected (expected to recover in 2H).

Electronic devices and components/ MITSUMI

- **Steadily working** to pass on to customers rising business costs for motors.
- Profits are expected to bounce back together with increased production, mainly of new products for automotive.
- **Optical devices, mechanical components, and analog semiconductors exceeded plan partly offsetting the impact of lockdowns in other businesses.** Fully prepared to ramp up production to meet rising demand.
- Analog semiconductors **remained strong.**

U-Shin

- Business was affected by customers' production cutbacks in April and May but turned around in June.
- European division also achieved almost break even in June.

Adhere to the initial plan (with possibility of transitory profits)

- The sale process of the Tokyo Headquarters in Mita is progressing well.
→ Possible gain on sale of property (not included)
- PPAs for M&As carried out this time will be conducted after closing.
→ Potential upside associated with negative goodwill (not included)

To be announced once it becomes clear.

(Millions of yen)

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3 spears + 1



Strong performance maintained regardless of macroeconomic trends

Despite a two-month shutdown at the Shanghai plant, initial plan is expected to be achieved

Keywords

1

Strong sales

Increase usage per one car + increase market share, also for data centers.

2

Increased production

Continue full capacity utilization.
Further investment in mid-term.

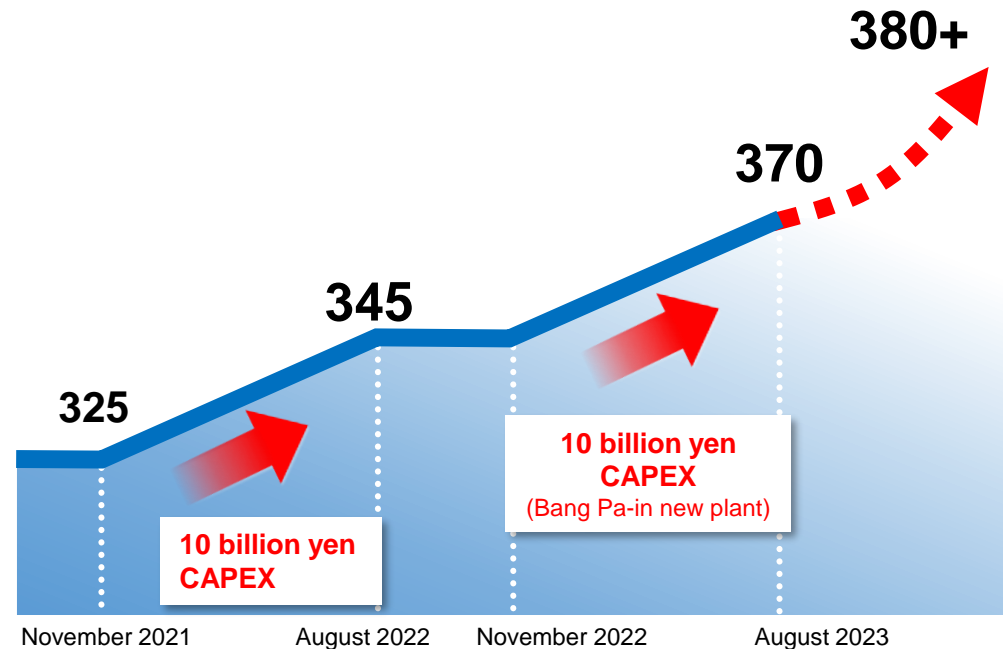
3

Ensure healthy inventories

To reduce air shipments and air cost,
aim to build-up strategic inventory.

Miniature/small-sized ball bearing production capacity (million units/month)

Actual production volume will vary depending on
number of days of operation in each country, etc.

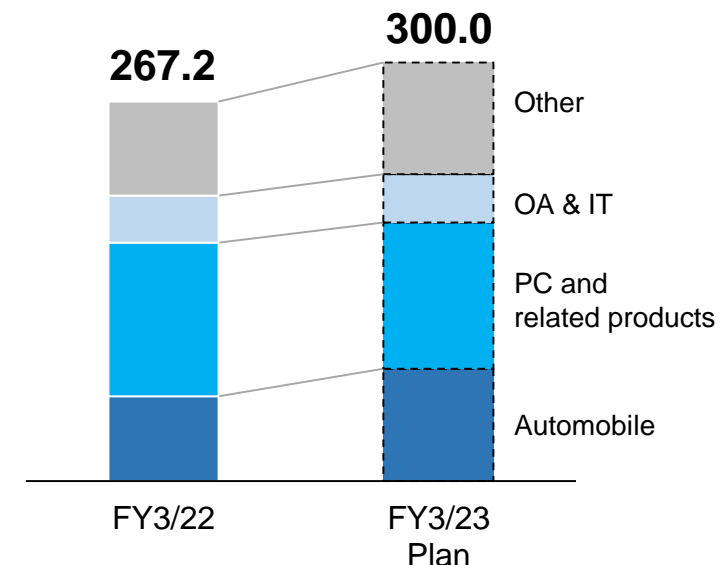


Sales expected to reach initial plan despite lockdown









Keywords

- 1 **Sales recovery**
Sales recovered in June and increase from August onwards. The effects of the price revision will be seen from now on.
- 2 **Strong spindle for near-line**
Negotiations with customers conducted successfully.
- 3 **Continued growth for automotive**
Increased market share in addition to increased usage per one car.

Motor Sales by Application
(Billions of yen)



Examples of major motor products for autos/EVs

EV unique function	Environment	Safety	Comfortability
 Resolver for traction motor  Cooling fan for EV rechargeable battery	 Active grill actuator  Actuator for valves	 DC motor for EPB  LIN Bus Type Headlamp actuator	 Stepping motor for HVAC  Seat ventilation

There are some up and down factors, but on track overall

Keywords

1 1Q plan achieved

Achieved initial plan despite Shanghai lockdown and semi-conductor shortage.

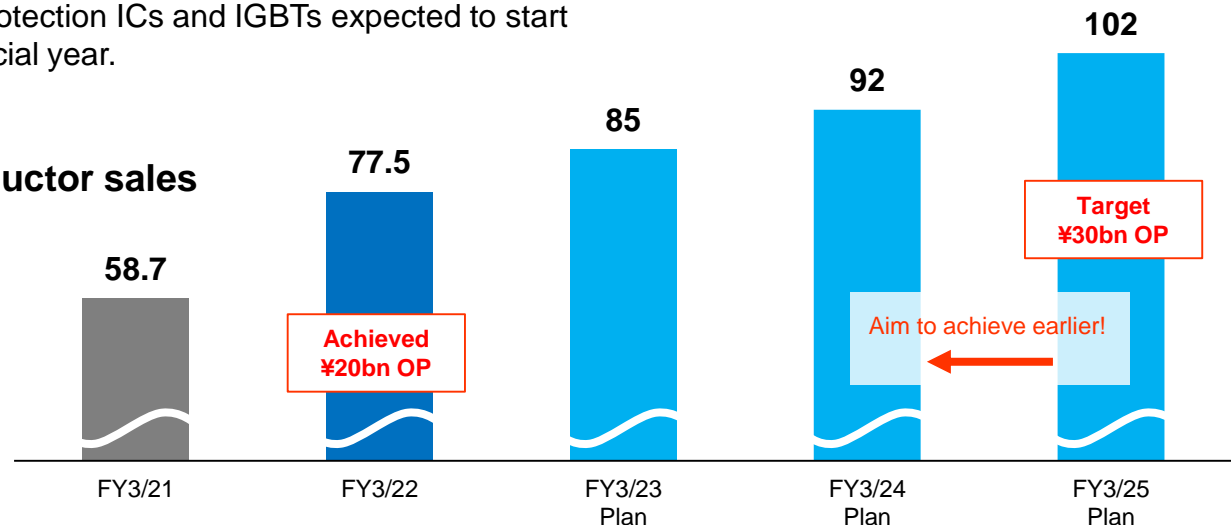
2 The annual operating profit plan is also expected to be achieved

Slowdown in PC/smartphones, etc., but covered by strong IGBT, automotive and medical applications.

3 Start-up of Shiga plant is on track

Production of battery protection ICs and IGBTs expected to start during the current financial year.

Analog semiconductor sales
(Billions of yen)



Exceeding initial forecast

Keywords

1 Loading rate increase

Significant growth in TAM of the key product, accompanied by a significant increase in sales.

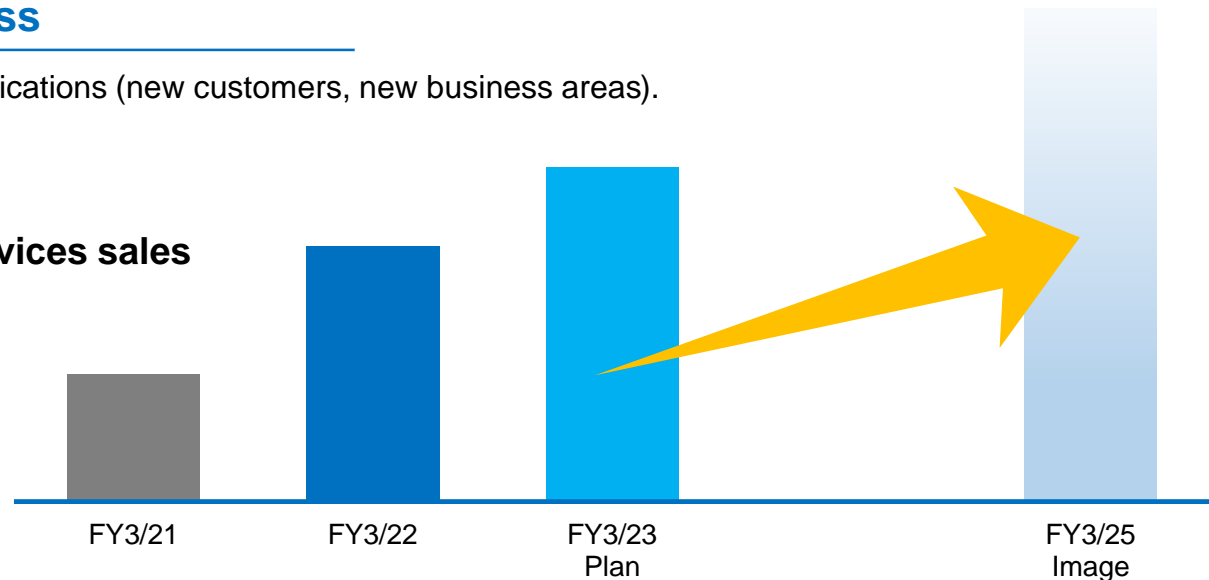
2 Everything's ready

Production prepared for the coming demand season - no problems.

3 Start new business

Expansion into new applications (new customers, new business areas).

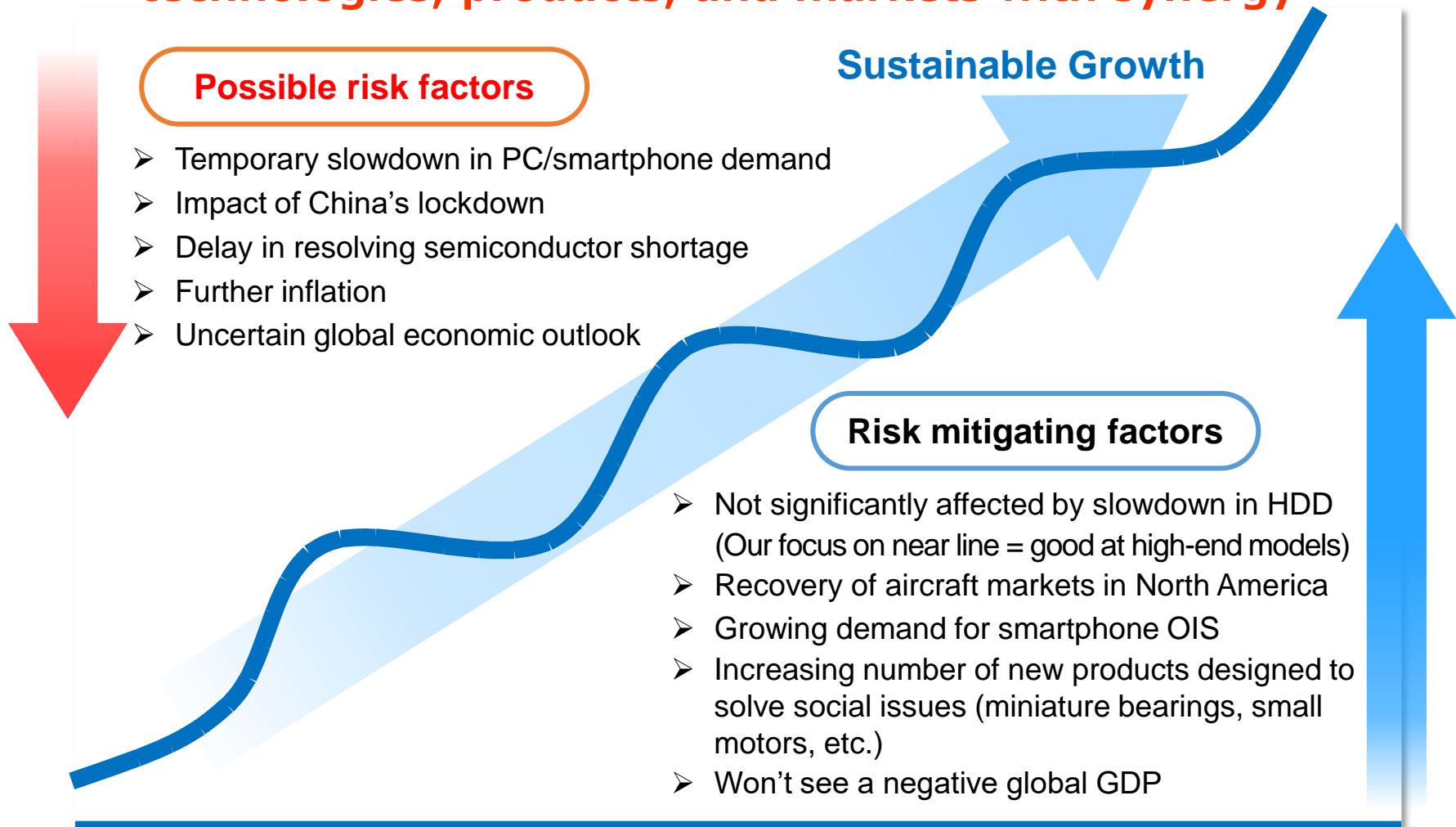
Image of optical devices sales



Growth strategy



Mitigate risk via **INTEGRATION** of various technologies, products, and markets with synergy



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.

Because of the VUCA era...



What is the definition of “Spear” ?

1. Products that are sold in a niche market within a big market
2. Products that can't be easily replaced via simple technological innovation
3. Products that can leverage our strengths
4. Products that can generate synergy with other “Spear” products

① Bearings



② Motors



③ Analog semiconductors



④ Access products



⑤ Sensors



⑥ Connectors/switches



⑦ Power supply components



⑧ Wireless/communications/software



1 Organic Growth

- As global GDP grows, disposable income per person in the market rises.
- Sales of high-end functional products will increase the necessity for high-end components

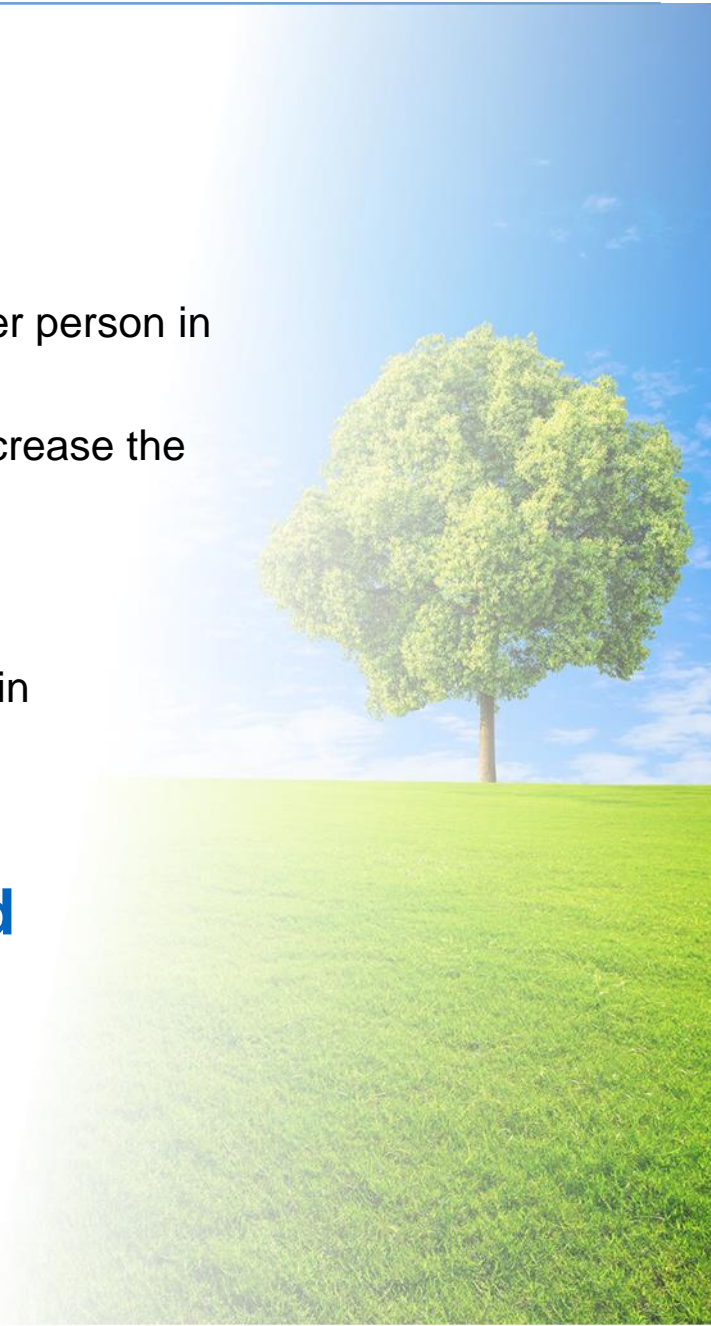
2 M&A

- Integrate companies with synergies, mainly in the eight spears products

New

3 Development of Products and Supply of Parts that Solve Social Issues

- Close and inseparable relationship with the Eight Spears



Social issues to be solved

Low birthrate/aging, Population, Healthcare, Remote healthcare
EV, Autonomous driving, Environment, Robotics, Energy, Climate change, etc.



New technologies of the Fourth Industrial Revolution will solve social issues

Keywords

Electrification

+

Automation (AI)

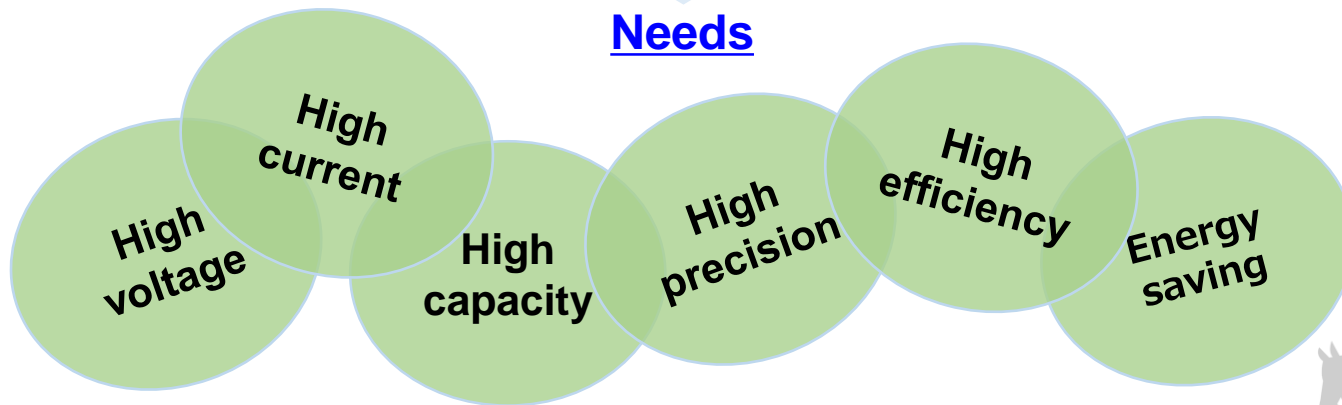
+

Ultra-high-speed
Communication

+

Sensing Technologies
(Control)

Needs



The products required for these are...

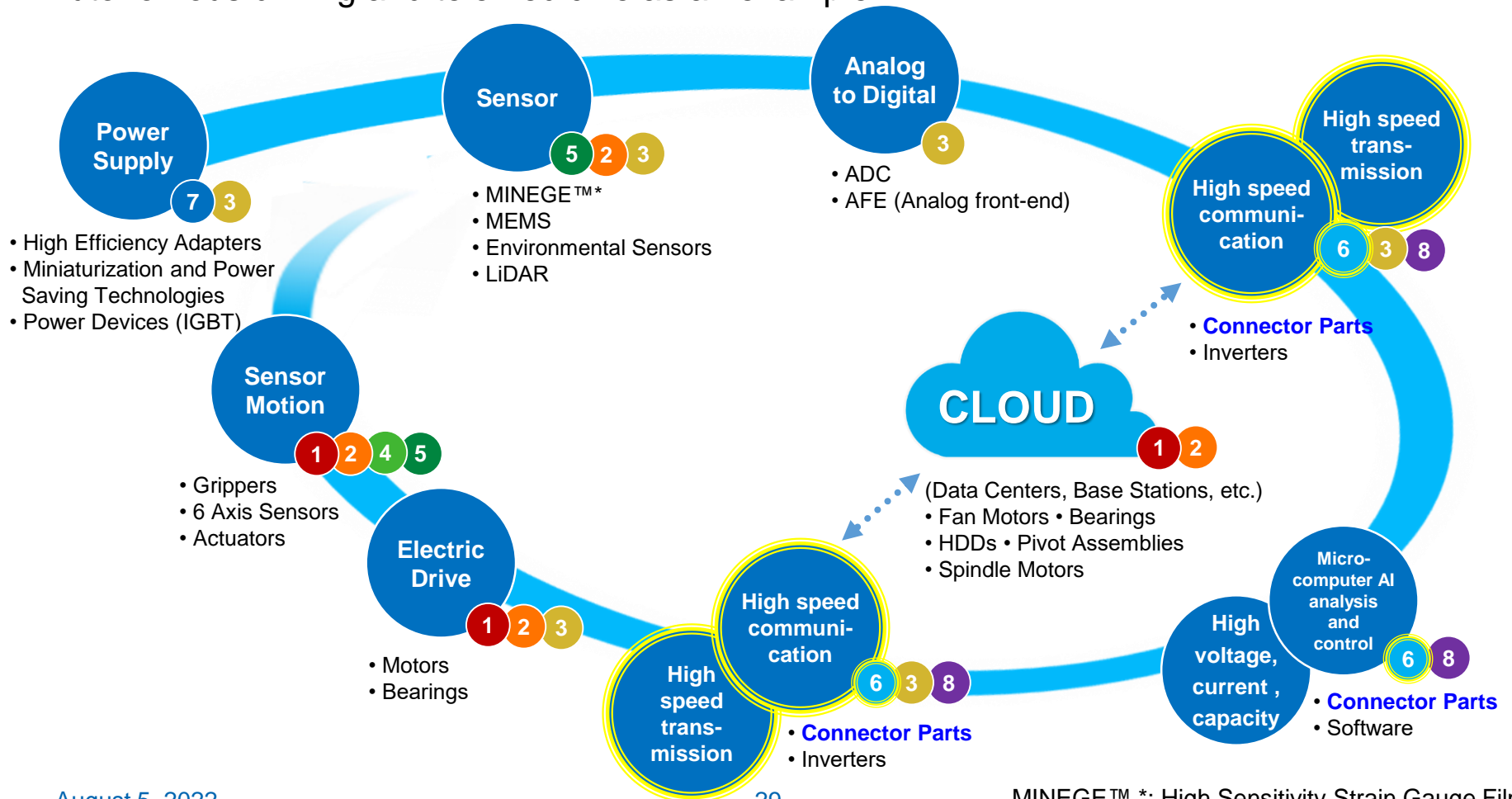
8 Spears Products



Cultivate and INTEGRATE 8 Spears technologies to solve social issues



Autonomous driving and telemedicine as an example.



New M&A deals



1. Outline of HONDA TSUSHIN KOGYO CO.,LTD.



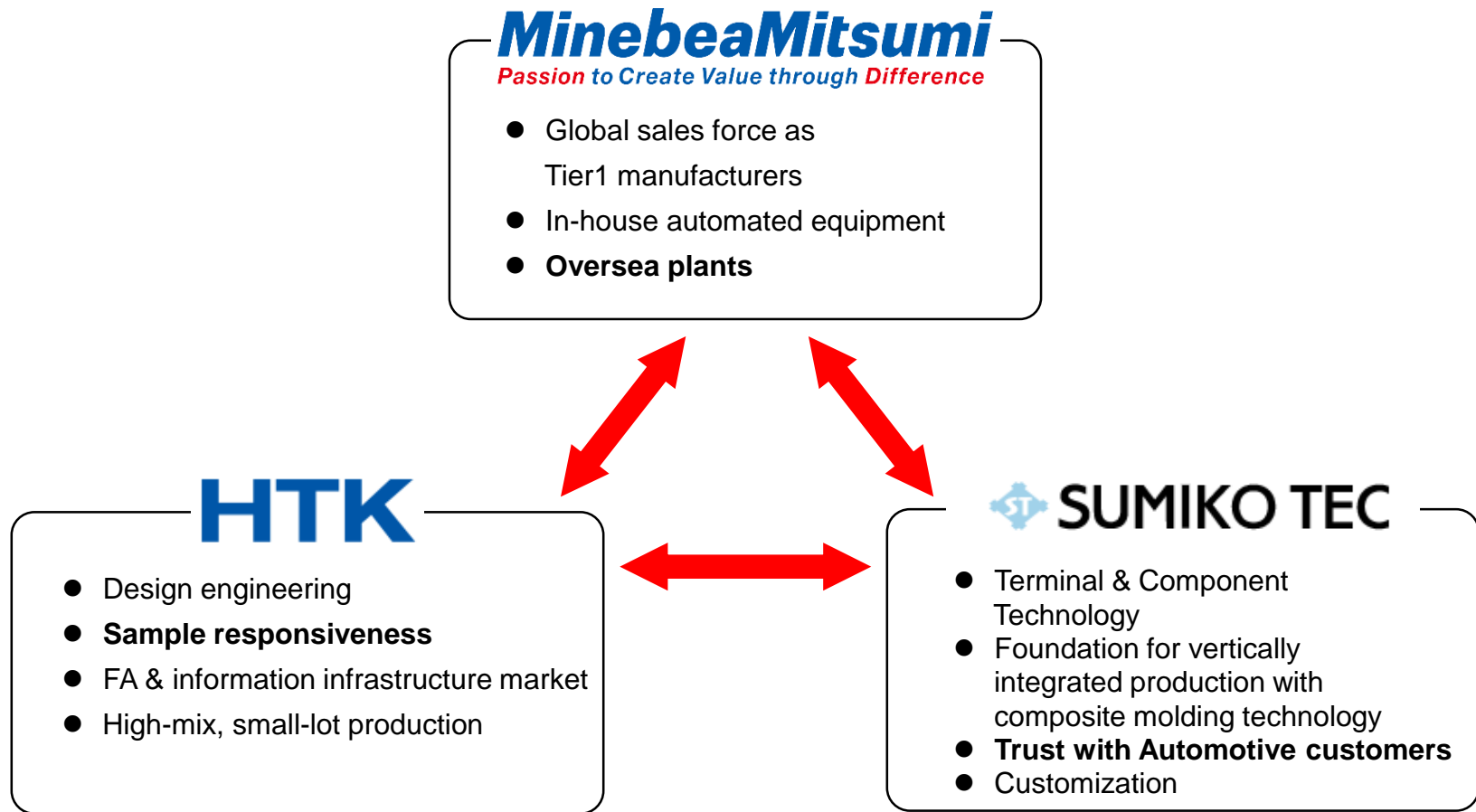
Name	HONDA TSUSHIN KOGYO CO.,LTD.			
Address	Osaki MT Building, 5-9-11, Kitashinagawa, Shinagawa-ku, Tokyo, Japan			
Title and Name of Representative	Kinji Kashio, President and Representative Director			
Description of Business	Manufacture and sale of electronic components (connectors), system design, and software development			
Capital	1,501,750,000 yen			
Date of Establishment	June 14, 1947 (founded in 1932)			
Major Shareholder & Shareholding Ratio	Panasonic Holdings Corporation 21.67%			
Operating Results, Financial Positions for the Last 3 Years (million yen)		FY3/20	FY3/21	FY3/22
	Net Sales	14,923	14,857	18,451
	Operating Income	237	▲74	875
	Net Assets	11,314	11,004	11,697
	Total Assets	14,726	14,505	16,261

2. Outline of SUMIKO TEC CO., LTD.



Name	SUMIKO TEC CO., LTD.
Address	4F, Prime Shin-Yokohama Building, 2-3-19, Shin-Yokohama, Kohoku-ku, Yokohama-shi, Kanagawa, Japan
Title and Name of Representative	Yoshiyuki Ebihara, President & Representative Director
Description of Business	Manufacture and sales of Various Terminals, Connectors and related components for electronic and electrical equipment.
Capital	490 million yen
Date of Establishment	March 1, 1990
Major Shareholder & Shareholding Ratio	Sumitomo Metal Mining Co., Ltd. 100%
Major Business Items	<ol style="list-style-type: none"> 1. Crimping Terminals, Connectors and other various Terminals. 2. Connector function installed in mechanical parts and related stamping parts and molded parts. 3. Crimping machine, Applicator and it's parts, jigs and tools.

Achieving synergy in technology, production, and sales to global niche top connector manufacturers

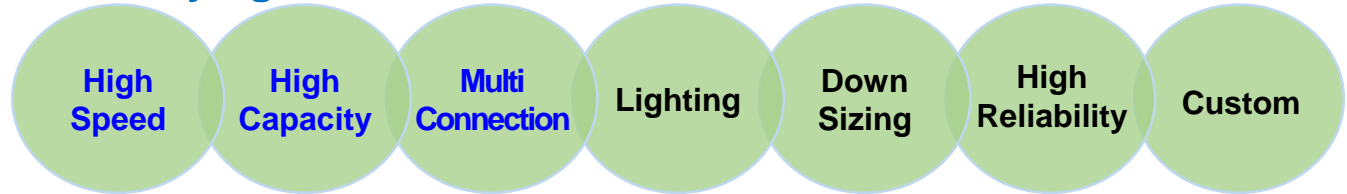


Note: MinebeaMitsumi Group resolved at its Board of Directors meeting on July 29, 2022 to commence a TOB of HONDA TSUSHIN KOGYO's stock to make it a wholly owned subsidiary and to conclude the share transfer agreement to acquire all shares of SUMIKO TEC. This document contains synergies and other future projections that are expected if both transactions are consummated as planned, but both transactions will be considered and implemented as independent transactions. The same applies hereinafter.

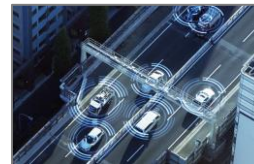
As high-speed transmission advances, needs for signals, shapes (downsizing and weight reduction), etc., diversifies and expands.



Diversifying connector needs



Automotive electronics



Automatic driving



Autonomous driving



Telesurgery



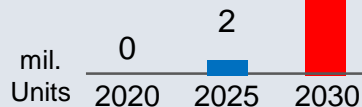
Robotics

As examples, connectors and their growth potential with expanding needs in automatic driving

Based on our research

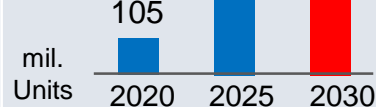
3D LiDAR

Next decade
×129
CAGR 63%



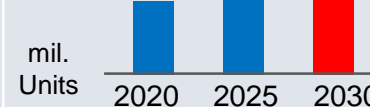
In-vehicle network

Next decade
×6.2
CAGR 20%



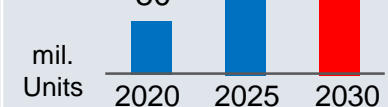
Sensing camera

Next decade
×2.6
CAGR 10%

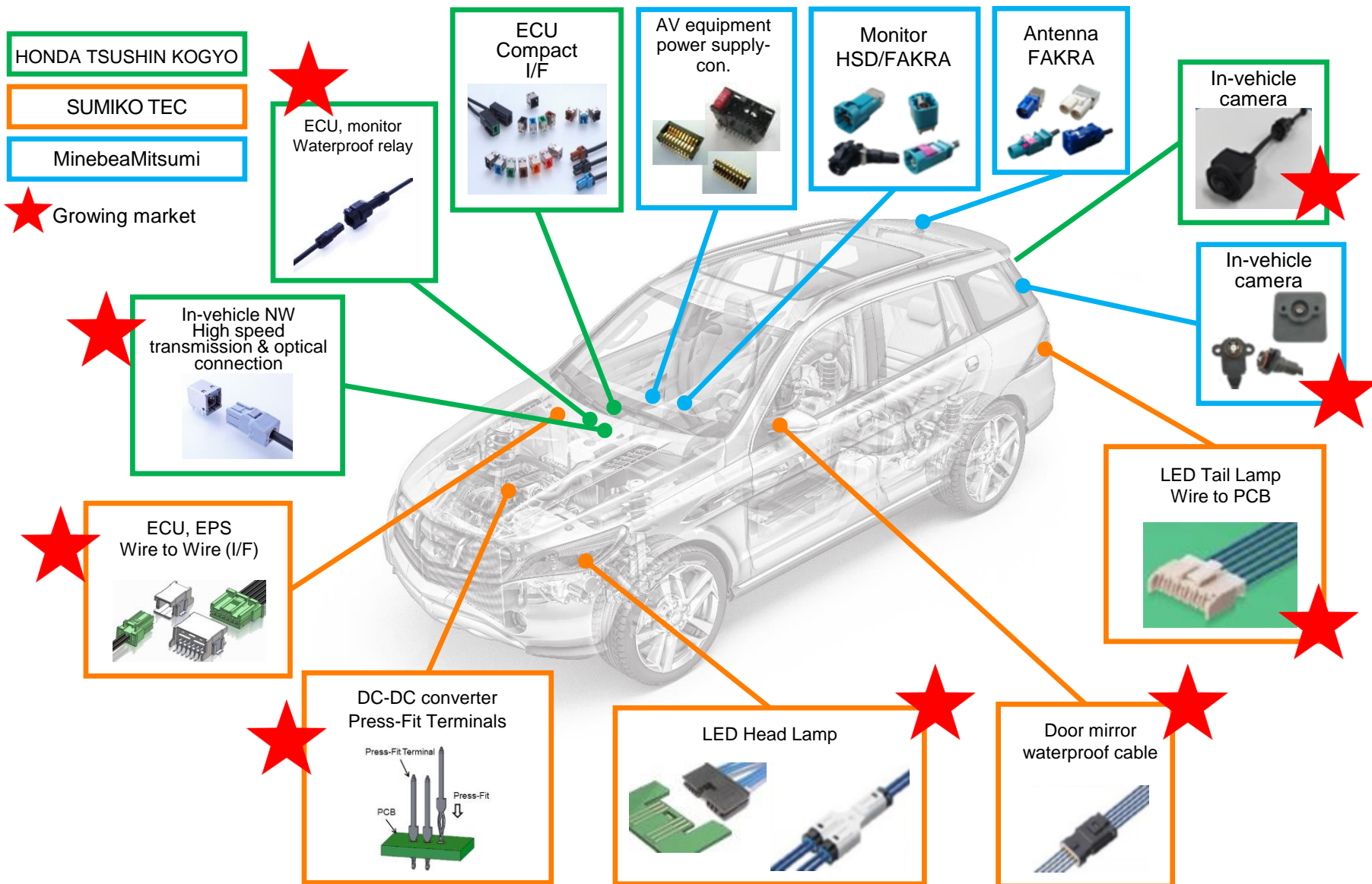


Radar sensor

Next decade
×4.1
CAGR 15%

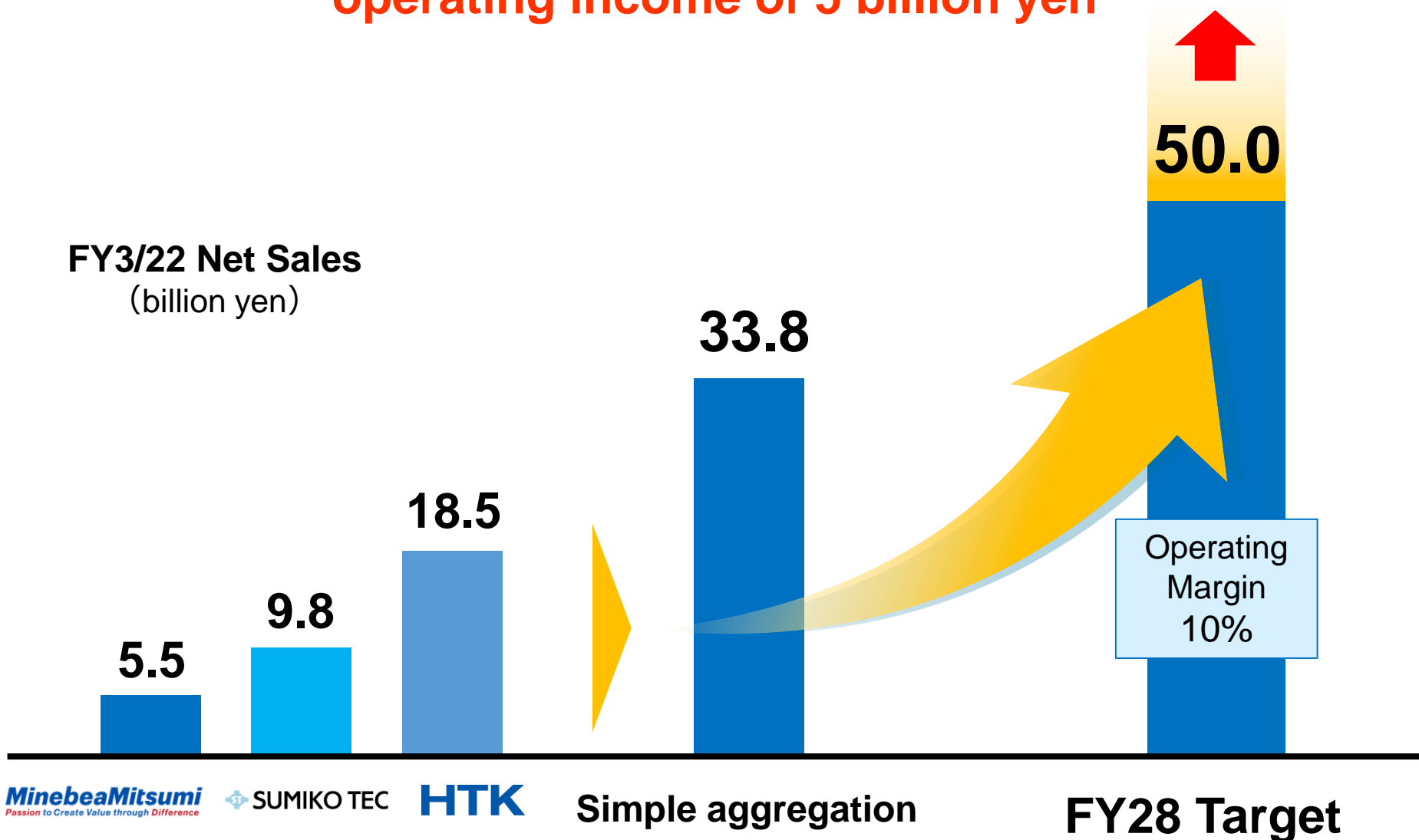


Various product lineups to meet diversifying and expanding needs




**Aiming for sales of 50 billion yen and
operating income of 5 billion yen**

FY3/22 Net Sales
(billion yen)



3. Outline Honda Lock Mfg. Co., Ltd.





Name	Honda Lock Mfg. Co., Ltd.				
Address	3700, Shimonaka, Sadowara-cho, Miyazaki-City, Miyazaki, Japan				
Title and Name of Representative	Noboru Takahashi, President & Representative Director				
Description of Business	Manufacture and sale of key locks, outer door handles and mirrors mainly				
Capital	2.15 billion yen				
Date of Establishment	April 5, 1962				
Major Shareholder & Shareholding Ratio	Honda Motor Co., Ltd. 100%				
Operating Results for the Last 4 Years (million yen)		FY3/19	FY3/20	FY3/21	FY3/22
	Net Sales	121,915	114,732	95,804	93,538
	Operating Income	6,706	5,651	1,846	2,126
	Profit Before Income Taxes	6,972	6,286	1,954	2,876
	Profit for the Year Attributable to Owners of the Parent	2,681	3,346	20	834

Establish Tier1 position and expand customer base

Products

Strengthen synergies in the access products business

- Mainly key locks, outer door handles and mirrors.
- **Product areas overlap with U-Shin** except for mirrors.

Sales

Expand Tier1 biz due to different customer bases

- Full-scale entry into the Honda supply chain.
- **Domestic access products and automotive products to become three pillars.**

Locations

Strengthening global responsiveness by complementing each other's regions of presence

- Manufacturing and R&D bases located **in the Americas (strengthening entry into the US car market).**
- Establish **global development and supply system.**

Greatly increase Tier1 business opportunity

Automotive Product (Antenna) Business

Receive Nissan Global Innovation Award

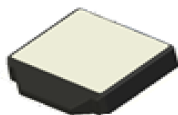
High-precision GNSS Antenna

Realize autonomous driving by high-precision positioning within a meter.
Solve social issues such as low birthrate and longevity and labor shortage.



(OEM for Leading Automaker)
Large order of antenna business

Increase market share among customer's group company
by entering Chinese market



For built-in



For roof mounting

Resolver

Resolver for traction motor



※Electronic Devices
and Comp. Segment

Cooling fan for rechargeable battery

Cooling fan for EV rechargeable battery



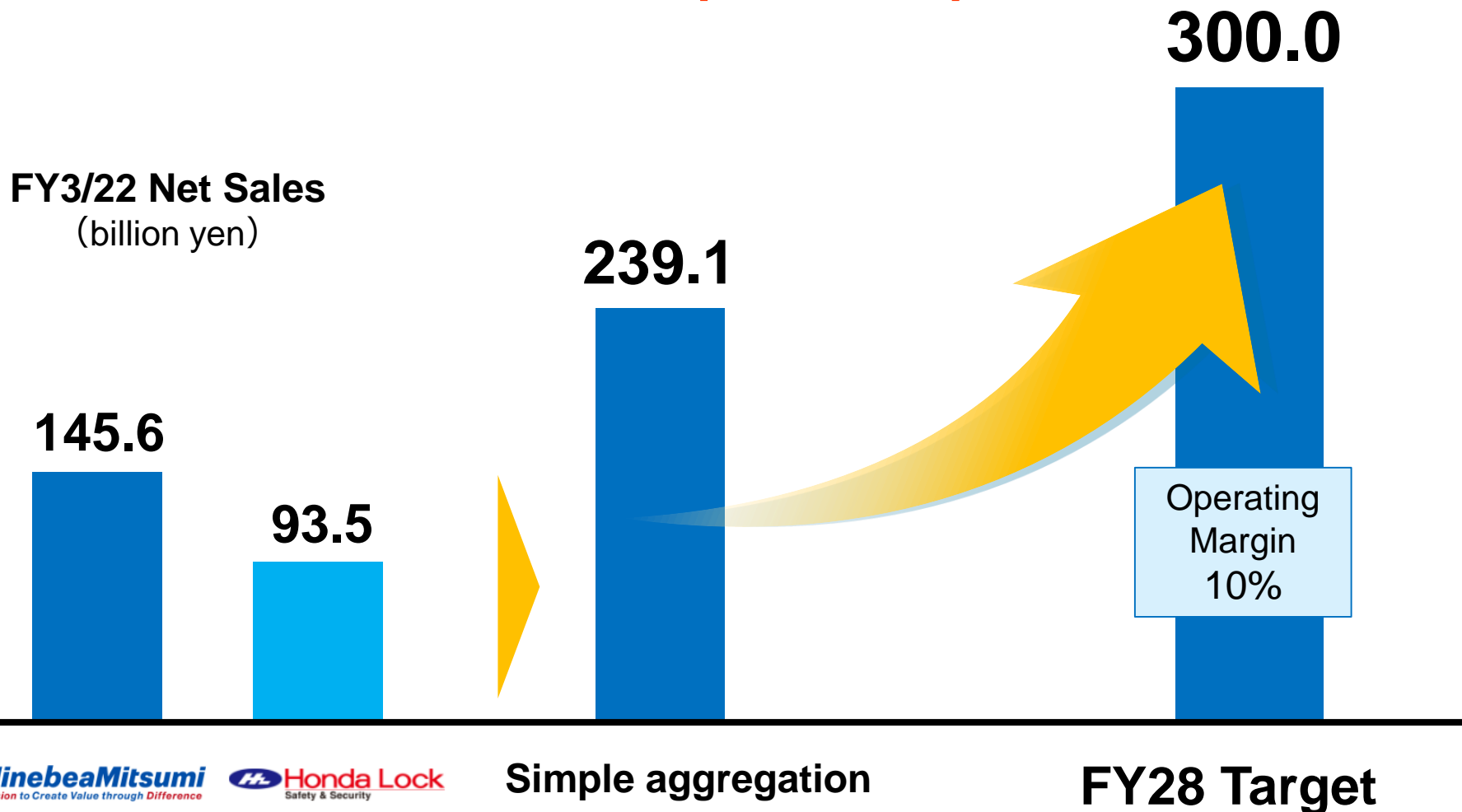
※Electronic Devices
and Comp. Segment

Other Tier1 Business

1. CPD (Charge Port Door)
2. Detection system of infant left in vehicles

Utilize Tier1 position and expand business by integration

**Aiming for sales of 300 billion yen and
operating margin of 10%
Become a firm part of 8 spears**



Name of New Tokyo Base and Shareholders Return, etc



MinebeaMitsumi Tokyo X Tech Garden

Location	1-9-3 Higashi Shimbashi, Minato-ku, Tokyo, Japan
Site area	5,518.54m ²
Total floor area	53,078.82m ²
Acquisition amount	73.2 billion yen
Date of the conclusion the sale and purchase agreement	December 24, 2021
Date of property transfer	April 15, 2022
Move in	In March 2023 (plan)



99.9% converted into shares, allocated by treasury stock

(Reference)

Euro-Yen Denominated Convertible Bonds with Stock Acquisition Rights

Exercise due date	July 20, 2022
Maturity date	August 3, 2022
Conversion price	2,068 yen
Amount of issue	20.0 billion yen
Total conversion claims	19.98 billion yen
Redemption amount at maturity	0.02 billion yen
Shares issued upon conversion	9,661,000 shares
Balance as of June 30, 2022	13.2 billion yen

Shareholder return policy unchanged

Share buyback

It will be implemented as appropriate to improve shareholder returns and equity efficiency and to promote an appropriate and dynamic financial strategy that reflects our financial standing and other factors.

Dividends

We determine the annual dividend with a target consolidated payout ratio of around 20% in principle. Also, we will maintain 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.

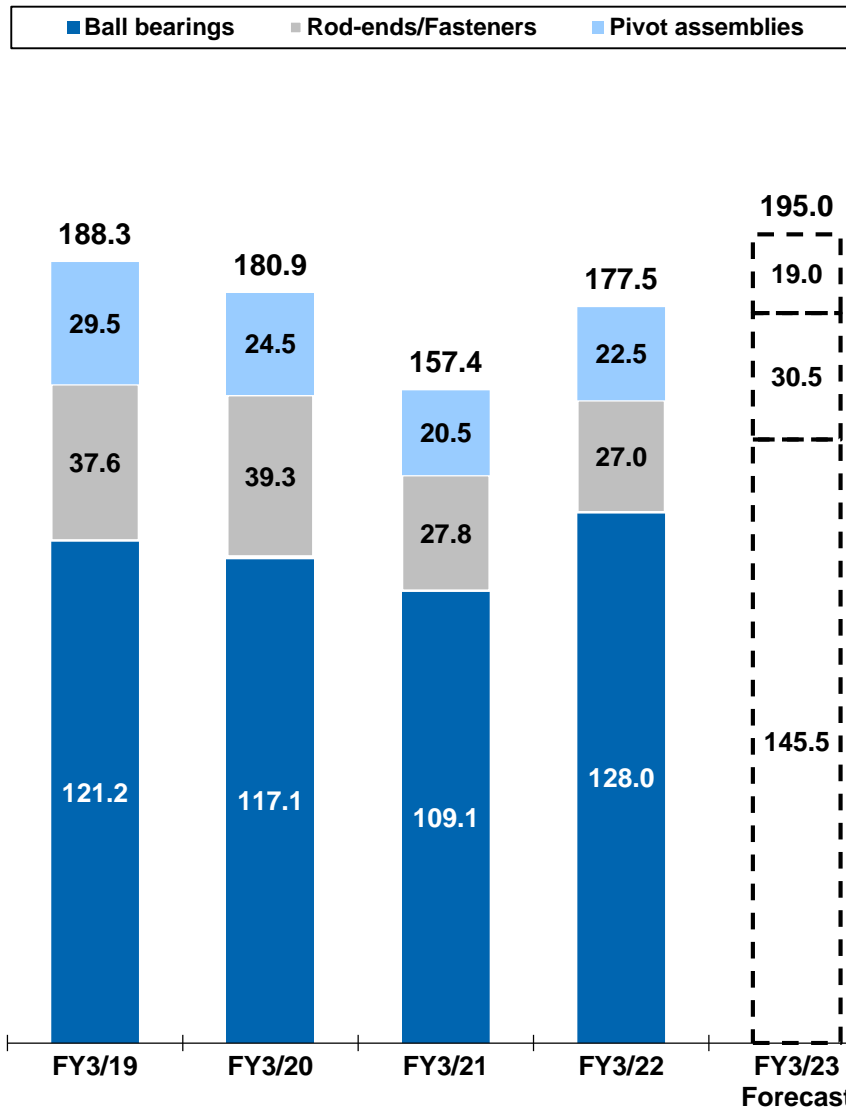
Factors affecting our actual performance include but are not limited to: (i) changes in economic conditions or demand trends related to MinebeaMitsumi's business operations; (ii) fluctuation of foreign exchange rates or interest rates; and (iii) our ability to continue R&D, manufacturing and marketing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

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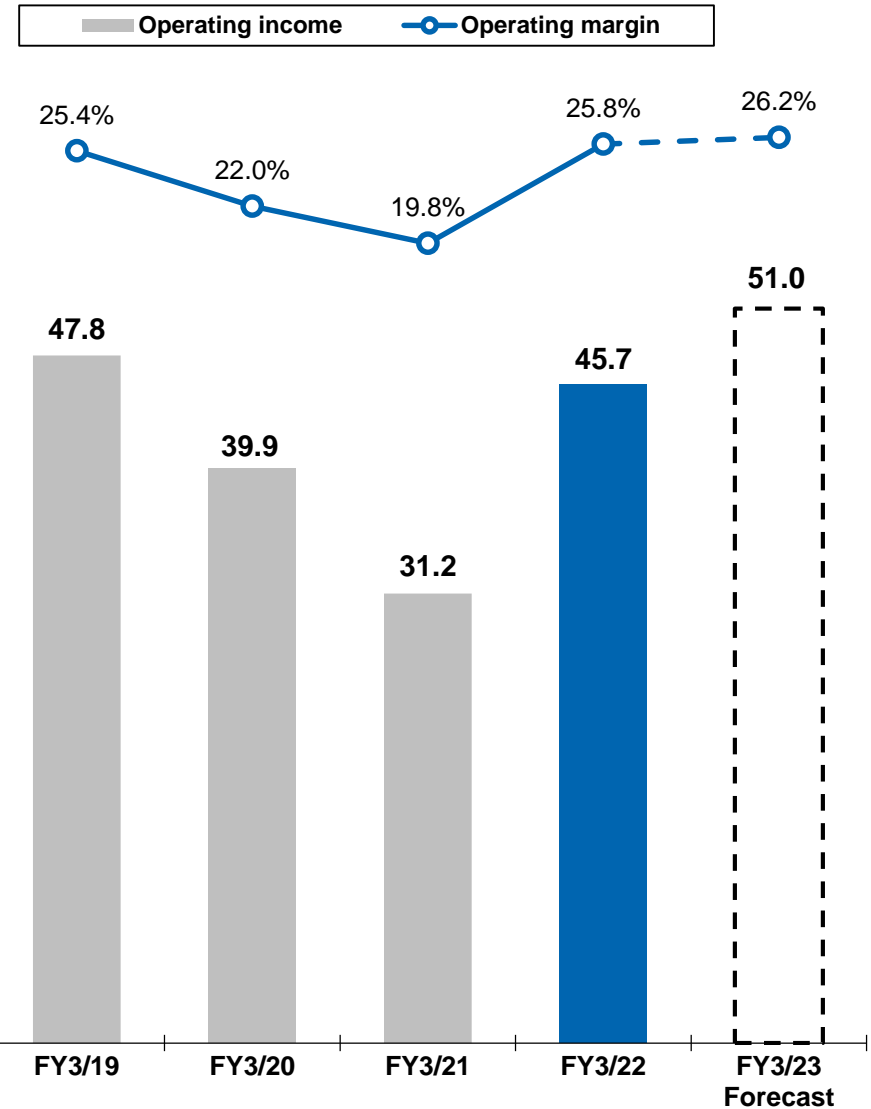
Reference

Machined Components

Net sales (Billions of yen)

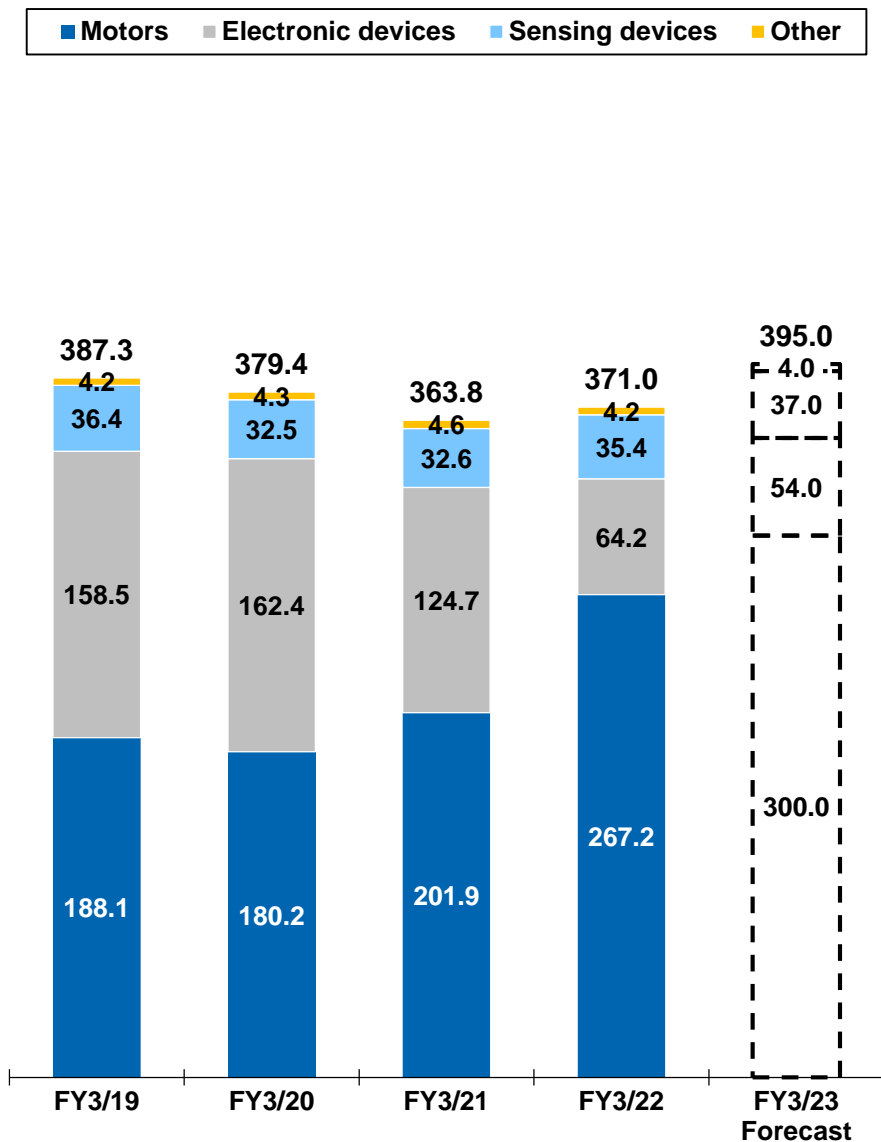


Operating income (Billions of yen)

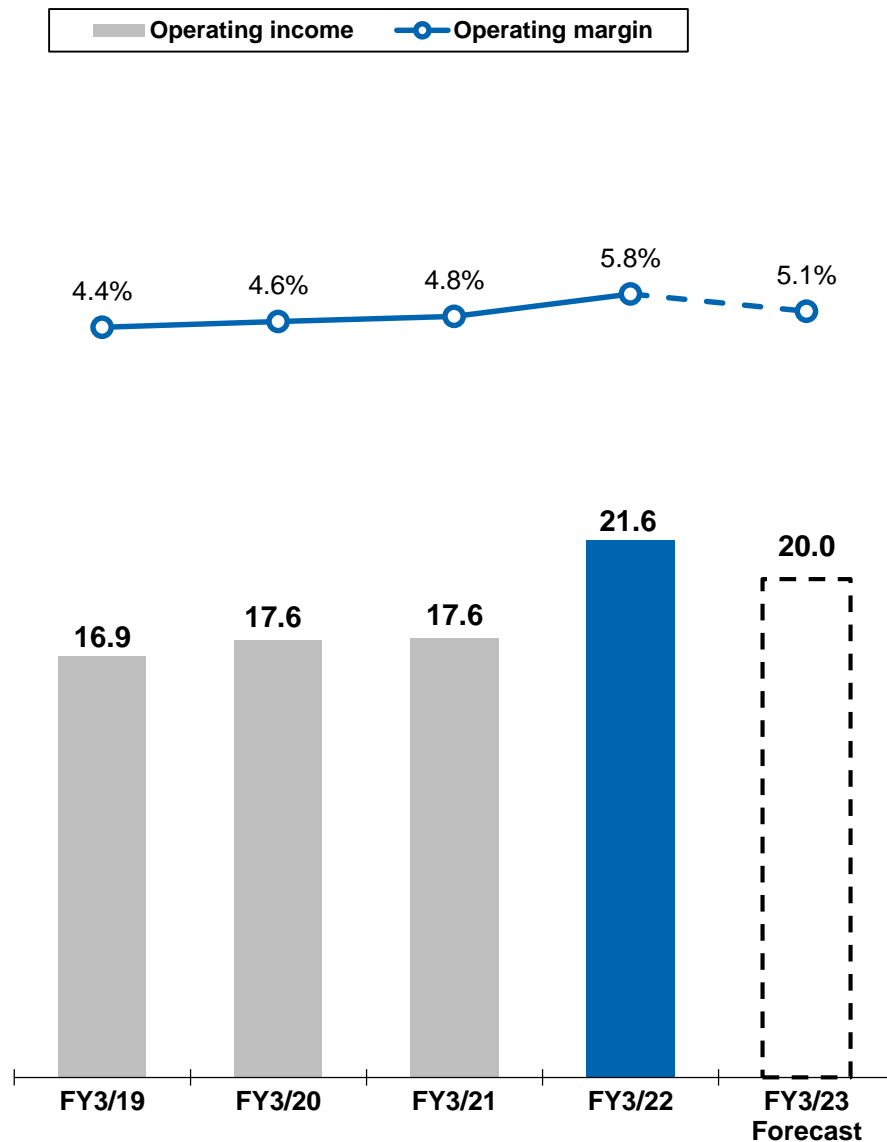


Electronic Devices & Components

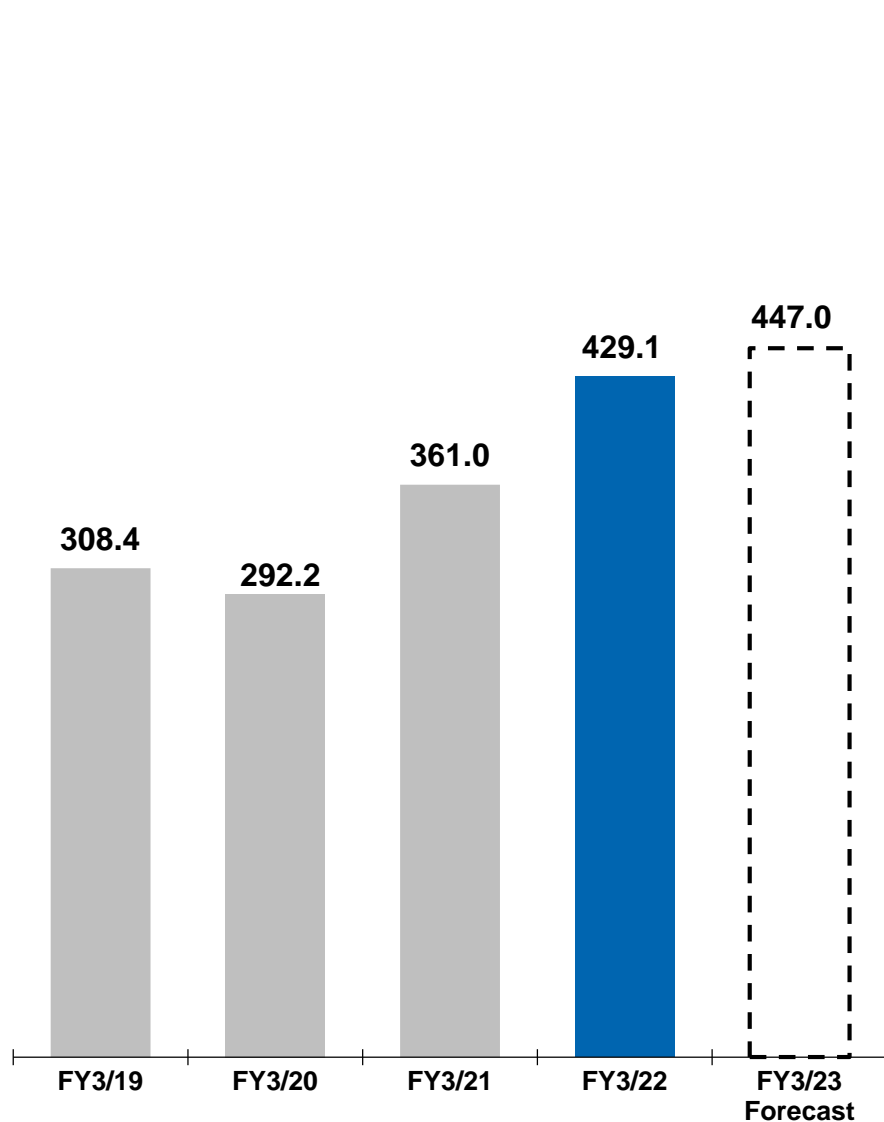
Net sales (Billions of yen)



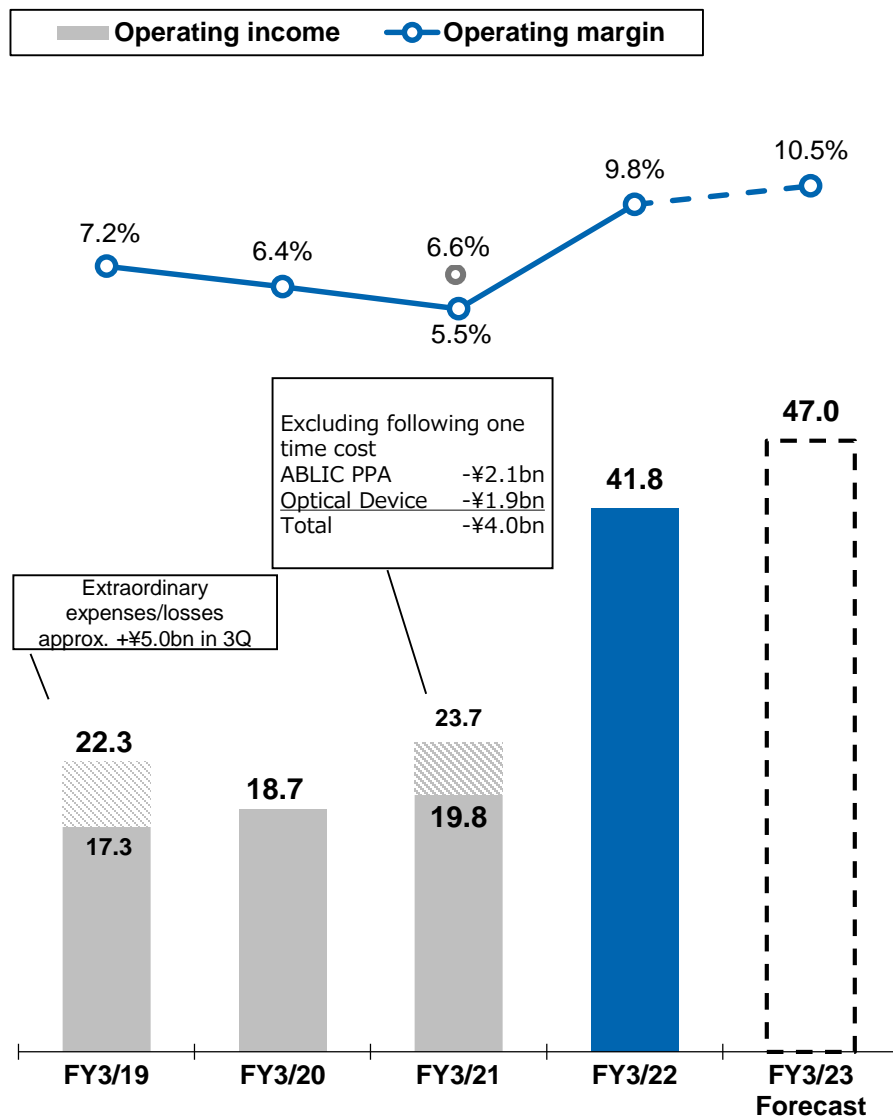
Operating income (Billions of yen)



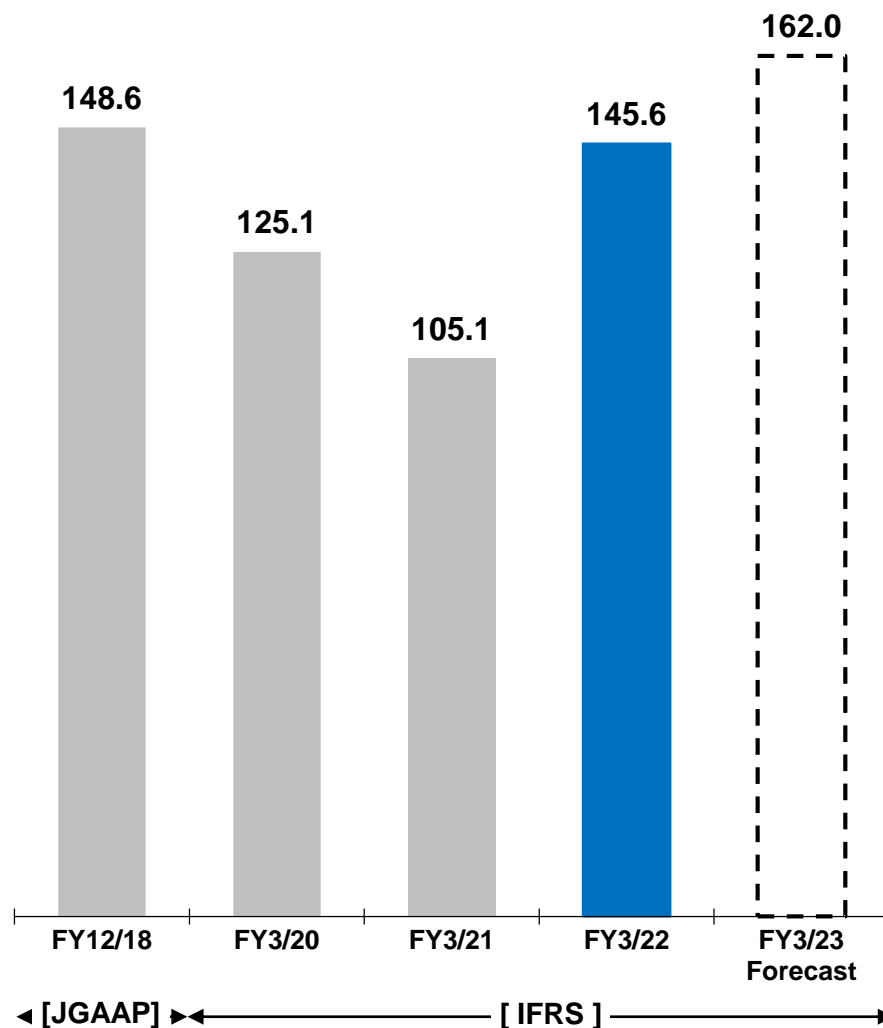
Net sales (Billions of yen)



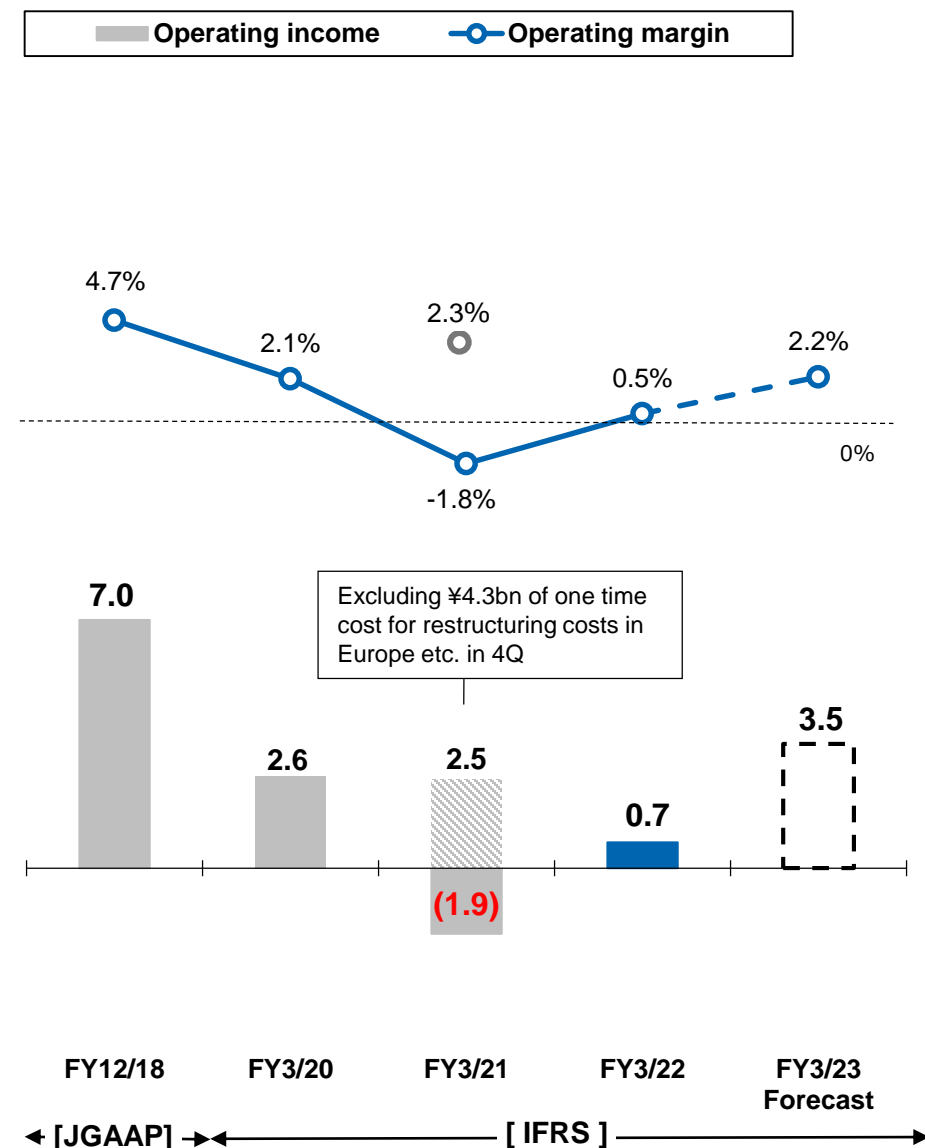
Operating income (Billions of yen)



Net sales (Billions of yen)



Operating income (Billions of yen)

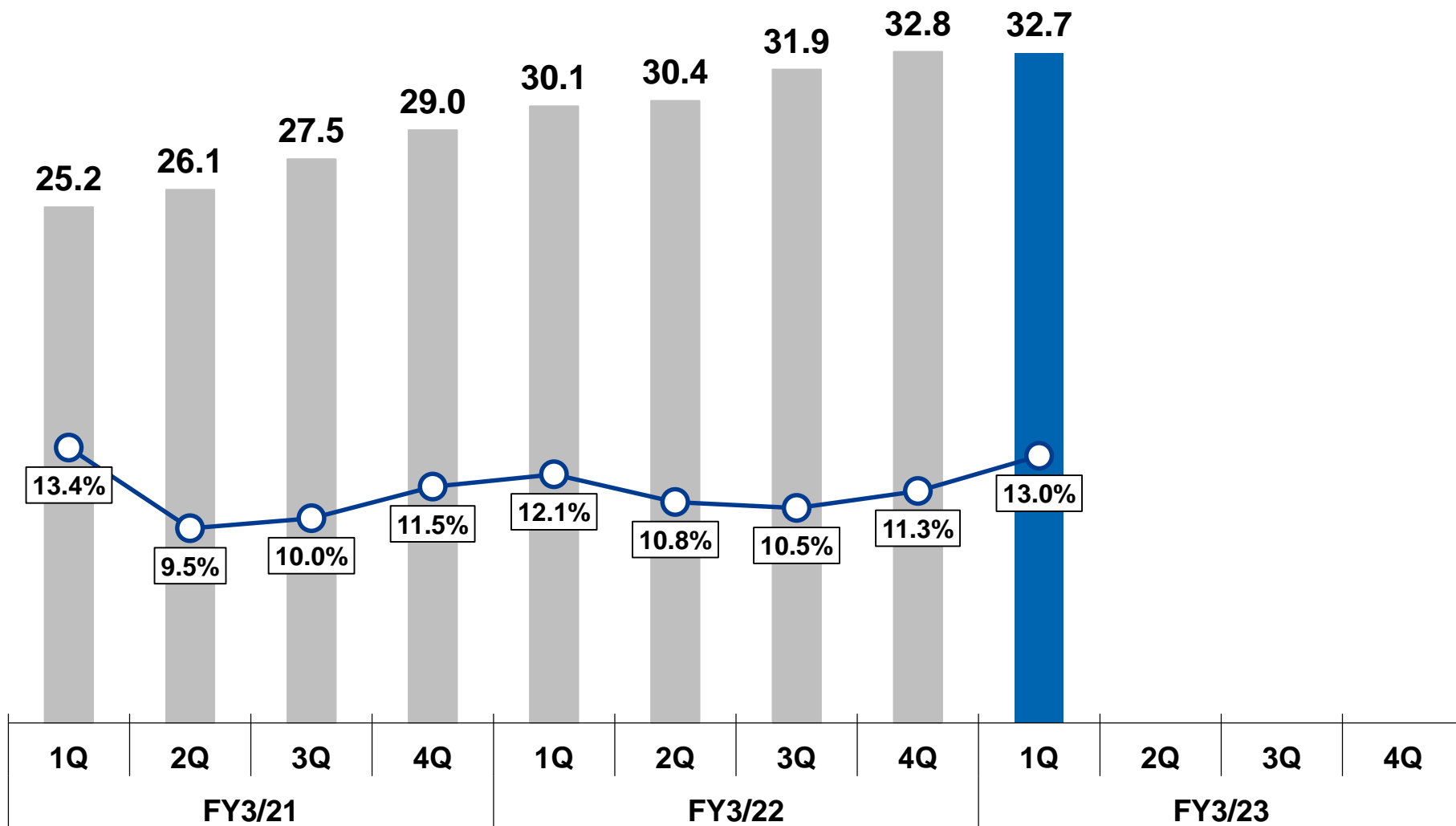


S.G.&A. Expense / Ratio

(Billions of yen)

■ S.G.&A. expenses

—○ S.G.&A. to sales ratio

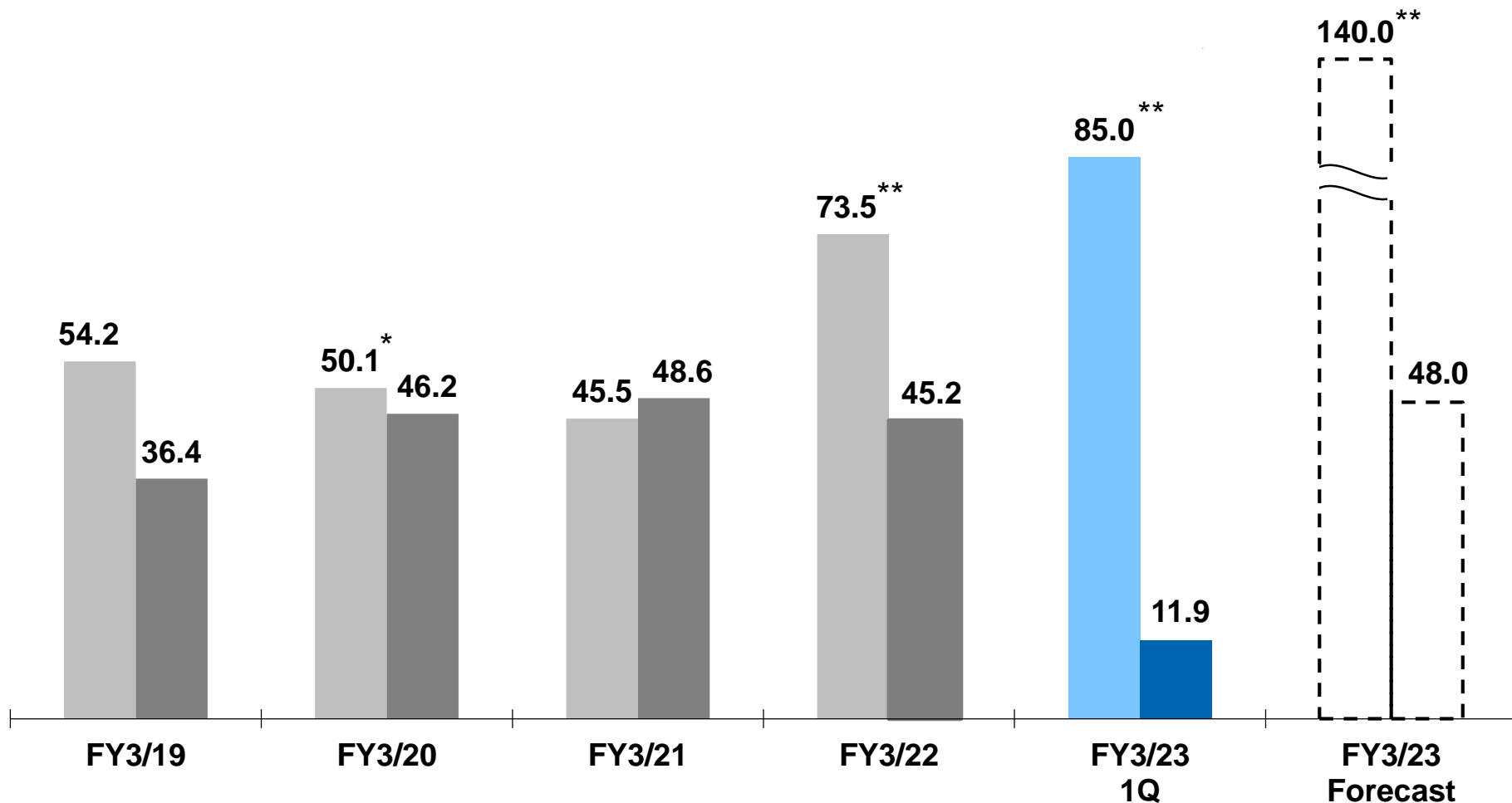


Capital Expenditure / D&A Expense

(Billions of yen)

■ Capital expenditure

■ Depreciation & Amortization expenses



* 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

