

Business Results

Second Quarter of Fiscal Year
Ending March 31, 2024

MinebeaMitsumi Inc.

November 2, 2023

Today's Agenda

1. Financial Results
2. Business Update & Management Strategy

Financial Results

Katsuhiko Yoshida
Director, President COO & CFO

My name is Yoshida.

Today I would first like to explain the consolidated financial results for the second quarter of the fiscal year ending March 31, 2024.

Summary of Consolidated Business Results for 2Q

Net sales hit a quarterly record high

(Millions of yen)	FY3/23	FY3/24		Change	
	2Q	1Q	2Q	YoY	QoQ
Net sales	330,021	292,370	379,747	+15.1%	+29.9%
Operating income	26,331	6,052	21,110	-19.8%	x3.5
Profit before taxes	28,121	7,811	22,390	-20.4%	x2.9
Profit for the period attributable to owners of the parent	20,022	3,642	15,958	-20.3%	x4.4
Earnings per share, basic (yen)	48.53	8.92	39.17	-19.3%	x4.4

Foreign Exchange Rates	FY3/23 2Q	FY3/24 1Q	FY3/24 2Q
US\$	¥135.32	¥134.92	¥142.47
Euro	¥139.28	¥146.23	¥155.71
Thai Baht	¥3.79	¥3.93	¥4.09
Chinese RMB	¥20.05	¥19.46	¥19.76

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Passion to Create Value through Difference

Consolidated net sales for the second quarter of the fiscal year ending March 31, 2024, was up 15.1% year on year and up 29.9% quarter on quarter to total 379,747 million yen.

Operating income down 19.8% year on year and 3.5 times quarter on quarter to total 21,110million yen. Profit for the period attributable to owners of the parent down 20.3% year on year and 4.4 times quarter on quarter to total 15,958 million yen.

Net sales hit a quarterly record high.

We estimate that foreign currency translations have a year-on-year impact of plus 16.4 billion yen in net sales and plus 1.8 billion yen in operating income. Quarter on quarter impact was plus 15.7 billion yen in net sales and plus 2.6 billion yen in operating income.

We made slight retrospective changes to last fiscal year's and 1Q of this fiscal year financial statements due to the PPA for HONDA TSUSHIN KOGYO. Please note that the figures on the following pages are revised figures.

Summary of Consolidated Business Results for 1H

Net sales hit a 1H record high

(Millions of yen)	FY3/23 1H	FY3/24 1H	Change YoY	FY3/24 1H	
				August Forecast	vs. Forecast
Net sales	581,061	672,117	+15.7%	663,000	+1.4%
Operating income	40,586	27,162	-33.1%	28,000	-3.0%
Profit before taxes	42,395	30,201	-28.8%	26,500	+14.0%
Profit for the period attributable to owners of the parent	30,756	19,600	-36.3%	20,000	-2.0%
Earnings per share, basic (yen)	75.13	48.06	-36.0%	48.97	-1.9%

Foreign Exchange Rates	FY3/23 1H	FY3/24 1H
US\$	¥129.88	¥138.70
Euro	¥136.87	¥150.97
Thai Baht	¥3.74	¥4.01
Chinese RMB	¥19.59	¥19.61

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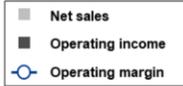
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This is the summary result for the first half.
Net sales hit the first half record high as well.

Net Sales, Operating Income/ Margin

(Billions of yen)

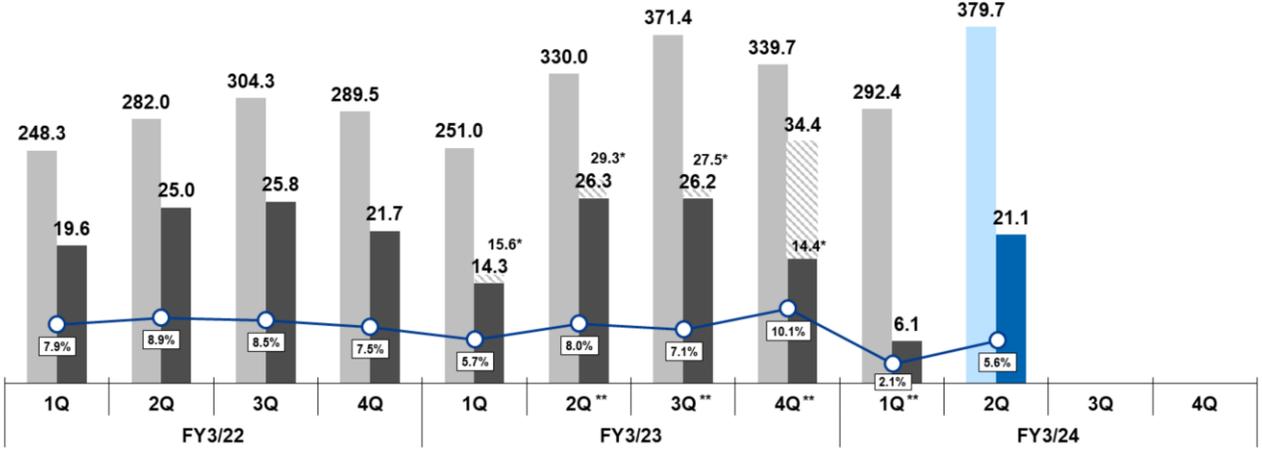


FY3/23 Special factors

	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

*Excl. special factors

**Figures for FY3/2023 2Q, 3Q, 4Q, and FY3/2024 1Q have been revised -53 million yen, -183 million yen, -66 million yen, and -27 million yen, respectively, in accordance with finalization of PPA for HONDA TSUSHIN KOGYO CO., LTD.



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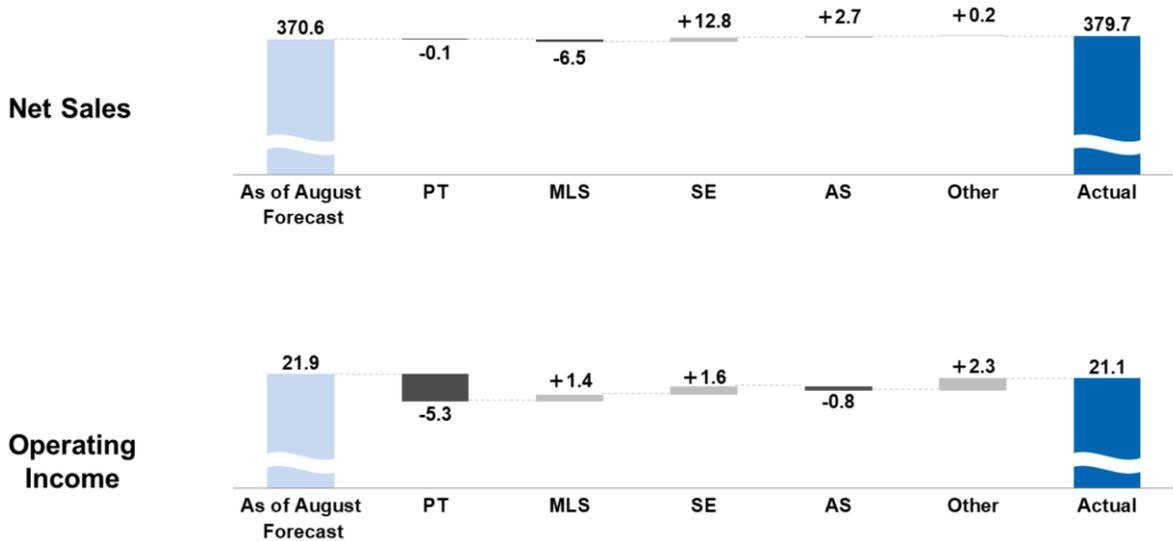
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This is for quarterly trend in net sales, operating income and operating margin.

The operating margin for the second quarter was 5.6%, down 2.4 percentage point year on year and up 3.5 percentage points quarter on quarter.

2Q Actual: Differences from the Forecast as of August

(Billions of yen)



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Here shows the difference between the forecast as of August and actual results for net sales and operating income by business segment for the second quarter.

Net sales of PT were broadly in line with expectations due to solid growth in aircraft applications, although sales to data centers remained sluggish.

MLS sales were below expectations due to slowdowns in data center and non-automotive motors.

SE exceeded expectations, mainly in mechanical components and optical devices.

AS sales exceeded expectations due to a recovery in automotive production.

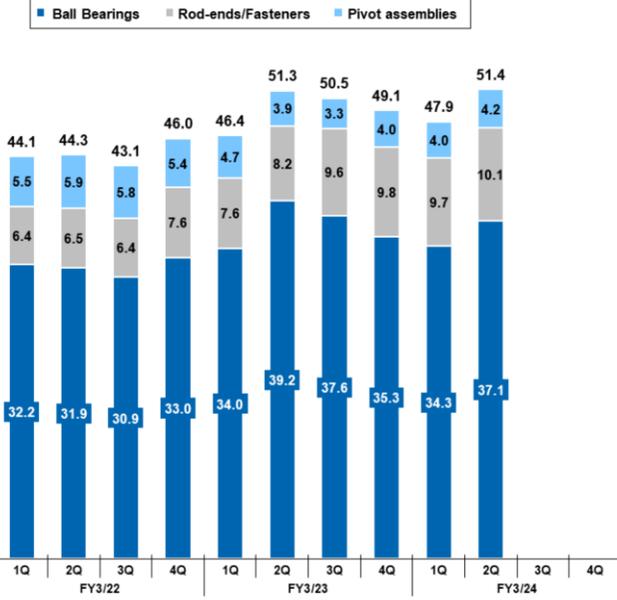
Operating income for PT was lower than expected due to a deteriorating product mix resulting from a slowdown in data center applications.

MLS exceeded expectations, mainly due to strong sales of motors for automotive applications, although the performance varied between each product.

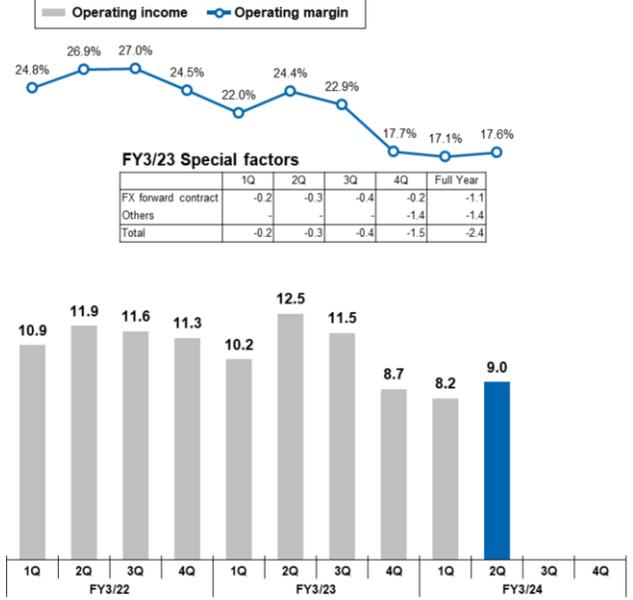
SE exceeded expectations, particularly for mechanical components. AS was below expectations due to factors such as some price corrections.

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

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Now let's take a look at the quarterly results by segment, starting with the Precision Technologies business segment.

On the left is a graph indicating quarterly net sales trends and on the right is a graph with a bar chart quarterly operating income trends along with a line chart for operating margins.

Second quarter net sales increased 7.4% quarter on quarter to total 51.4 billion yen. Sales of ball bearings increased 8.2% quarter on quarter to total 37.1 billion yen.

The monthly external shipment volume was up 7.1% quarter on quarter for a monthly average of 200 million units. This was mainly due to an increase in automotive applications thanks to market recovery and content growth, as well as signs of slightly bottoming out in data center applications. Sales of rod-ends and fasteners, totaling 10.1 billion yen, were up 4.4% over the previous quarter. Sales of pivot assemblies up 7.3% quarter on quarter to total 4.2 billion yen.

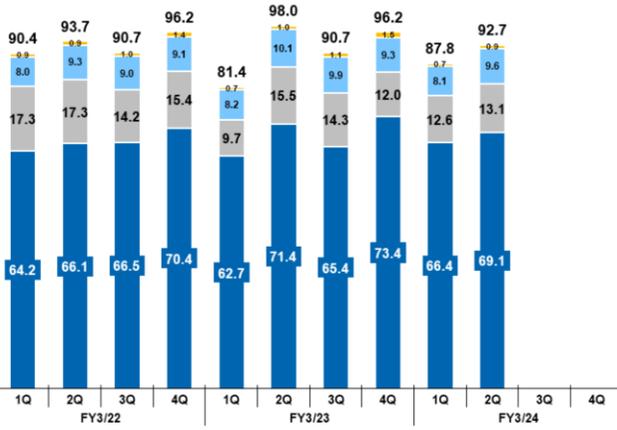
Operating income for the quarter totaled 9.0 billion yen, and the operating margin was 17.6%. On a quarter-on-quarter basis, operating income increased 10.1% while the operating margin improved 0.5 percentage points.

Looking at the results by product quarter on quarter, we see that operating income for ball bearings and pivot assemblies increased.

Motor, Lighting & Sensing (MLS)

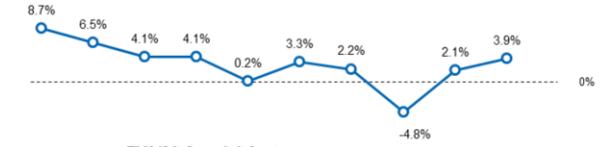
Net sales (Billions of Yen)

■ Motors ■ Electronic devices ■ Sensing devices ■ Other



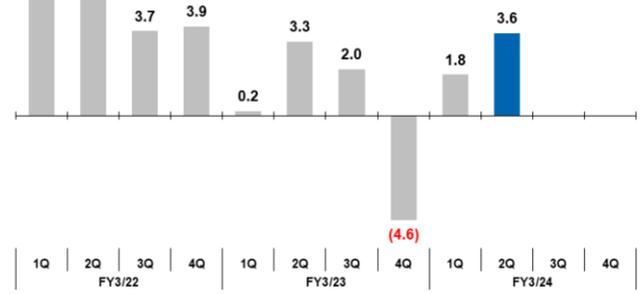
Operating income (Billions of yen)

■ Operating income ■ Operating margin



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



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Now let's look at the MLS segment.

Net sales increased 5.6% quarter on quarter to total 92.7 billion yen.

Looking at the results by product, we see that sales of motors increased 4.1% quarter on quarter to reach 69.1 billion yen. This is mainly due to solid sales, particularly of motors for automotive applications.

Sales of electronic devices were up 3.7% from the previous quarter to total 13.1 billion yen.

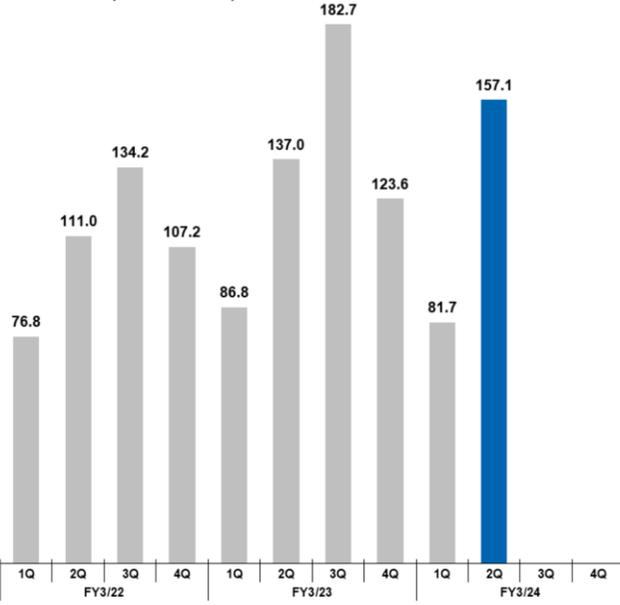
Sales of sensing device, totaling 9.5 billion yen, were up 18.1% from the previous quarter.

Operating income came to 3.6 billion yen, and the operating margin was 3.9%.

On a quarter on quarter basis, operating income doubled, and the operating margin increased 1.8 percentage points.

Semiconductors & Electronics (SE)

Net sales (Billions of Yen)



Operating income (Billions of yen)



*Figures for FY3/2023 2Q, 3Q, 4Q, and FY3/2024 1Q have been revised -63 million yen, -183 million yen, -56 million yen, and -27 million yen, respectively, in accordance with finalization of PPA for HONDA TSUSHIN KOGYO CO., LTD.

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

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Let's look at the performance for the SE business segment.

Net sales increased 92.2% quarter on quarter to total 157.1 billion yen.

This was mainly due to higher sales from optical devices, mechanical components and semiconductors.

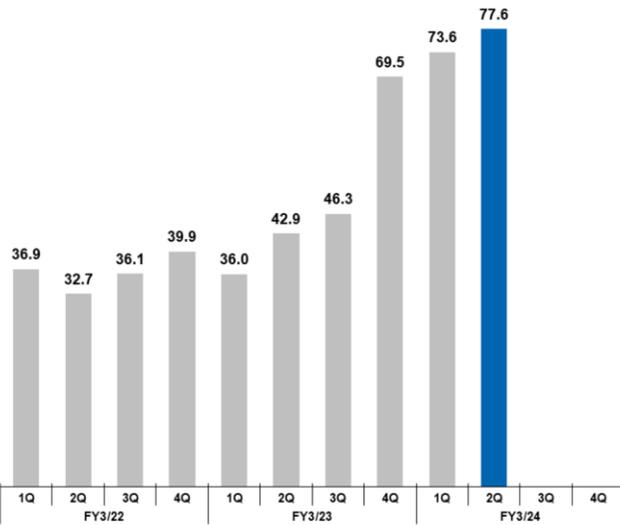
Operating income totaled 12.6 billion yen while the operating margin was 8.0%.

Operating income increased 25.1 times and the operating margin increased 7.4 percentage points quarter on quarter.

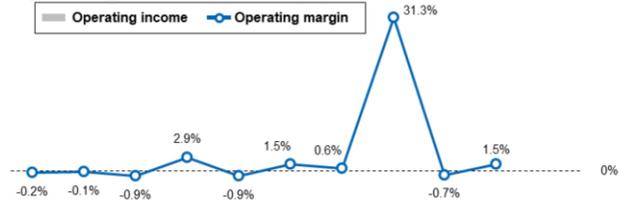
This increase was mainly due to jump in sales from optical devices, mechanical components and semiconductors.

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

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Finally, let's look at the AS segment.

Net sales increased 5.3% quarter on quarter to total 77.6 billion yen. This was mainly due to a recovery in sales to automotive OEMs, as their production rates recovered following the resolution of the semi-conductor shortage.

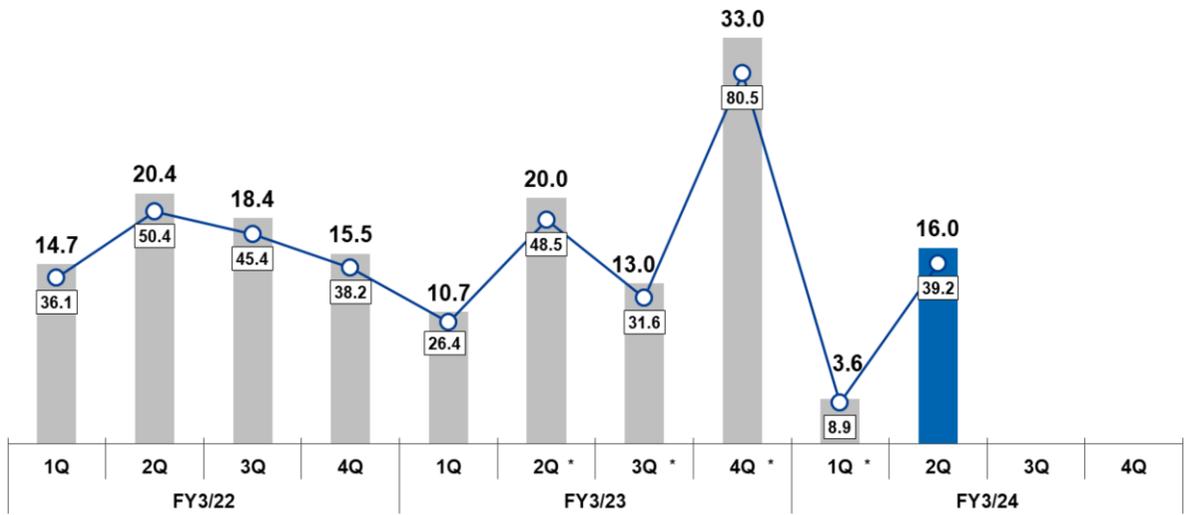
While our operating loss totaled 1.2 billion yen, the operating margin was 1.5%. Operating margin increased 2.2 percentage points quarter on quarter.

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)

*In accordance with finalization of PPA for HONDA TSUSHIN KOGYO CO., LTD., figures are revised as follows:
 ① Profit for the period attributable to owners of the parent: FY3/23 2Q -38 million yen, 3Q -110 million yen, 4Q -44 million yen, FY3/24 1Q -19 million yen
 ② Earnings per share, basic: FY3/23 2Q -0.09 yen, 3Q -0.26 yen, 4Q -0.11 yen, FY3/24 1Q -0.05 yen



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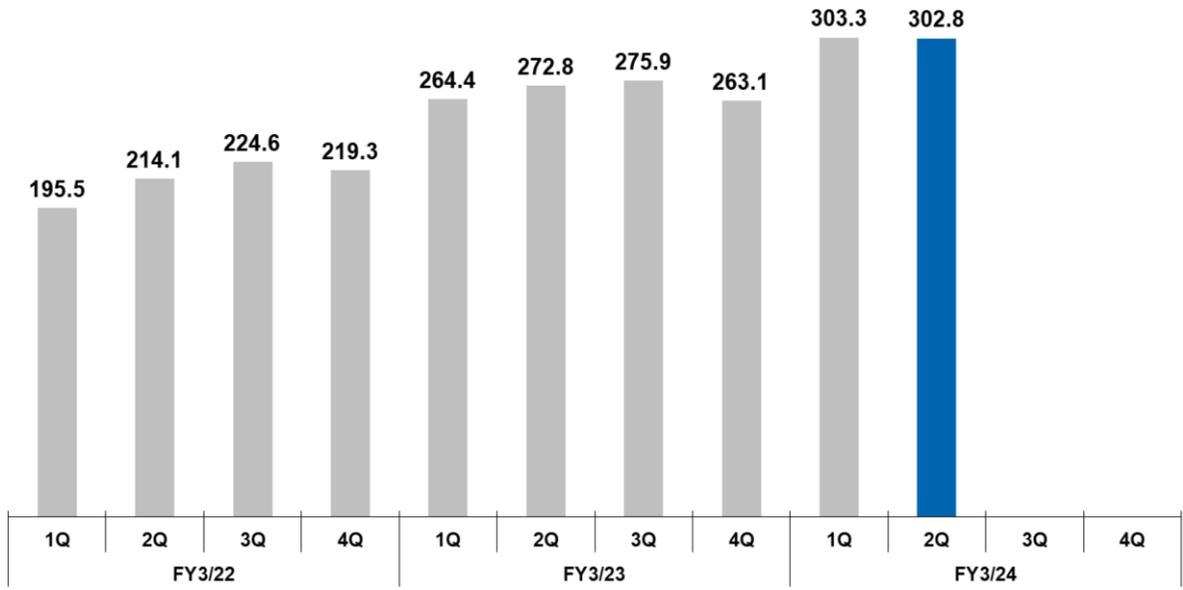
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The bar graph here shows trends in profit attributable to owners of the parent while the line graph chart changes in the profit for the period per share.

The profit for the period was 16.0 billion yen. Earnings per share was 39.2 yen.

Inventory

(Billions of yen)



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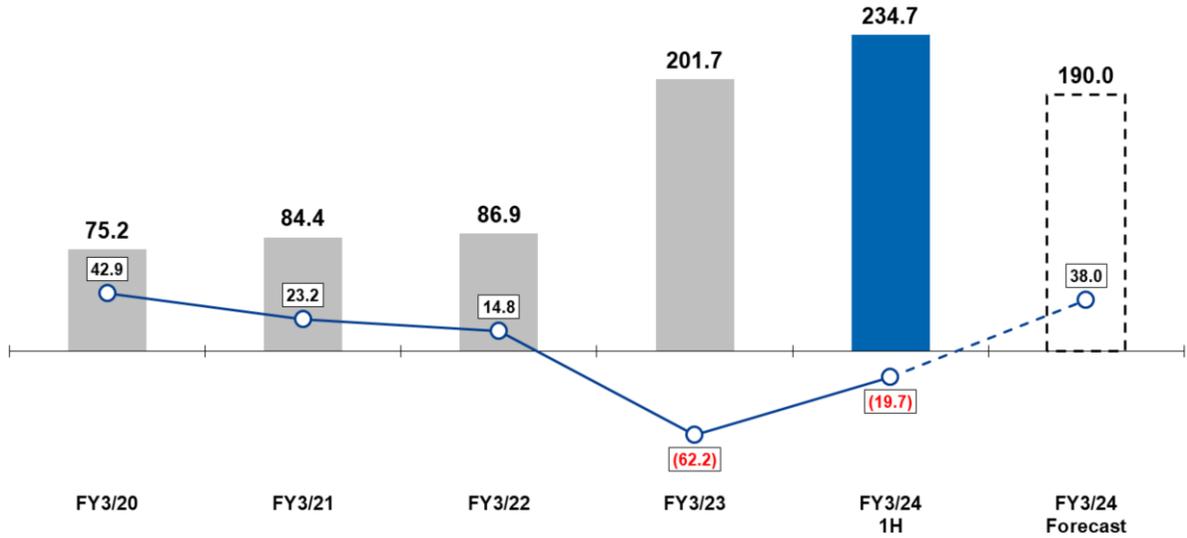
Next we have the quarterly inventory trend.

At the end of the second quarter, inventory totaled 302.8 billion yen, which is 0.5 billion yen less than what it was three months ago.

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)

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This graph contains a bar chart showing trends in net interest-bearing debt, which is total interest-bearing debt minus cash and cash equivalents, and a line chart indicating free cash flows.

At the end of the first half, net interest-bearing debt, totaling 234.7 billion yen, was up 33.0 billion yen from what it was at the end of the previous fiscal year.

Regarding the net interest-bearing debt forecast at the end of the year ending March 31, 2024, we expect our cash position to improve due to our high cash-generating capacity.

Forecast

Full-year forecast revised

(Millions of yen)	FY3/23	FY3/24			
	Full Year	1st Half	2nd Half	Full Year	YoY
Net sales	1,292,203	672,117	727,883	1,400,000	+8.3%
Operating income	101,210	27,162	49,838	77,000	-23.9%
Profit before taxes	95,808	30,201	47,799	78,000	-18.6%
Profit for the period attributable to owners of the parent	76,818	19,600	38,400	58,000	-24.5%
Earnings per share, basic (yen)	187.16	48.06	94.42	142.48	-23.9%

Foreign Exchange Rates	FY3/23 Full Year	FY3/24 2H Assumptions
US\$	¥134.19	¥140.00
Euro	¥139.90	¥155.00
Thai Baht	¥3.82	¥4.05
Chinese RMB	¥19.68	¥19.50

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The forecast for the full year ending 31 March 2024 has been revised downward from 1,450 billion yen to 1,400 billion yen in net sales and from 95 billion yen to 77 billion yen in operating income.

Sales forecasts for PT and MLS have been revised downward due to a slowdown in the market for data centers and other applications.

SE sales were also revised downward in light of slowdowns in analogue semiconductors, optical devices and precision components.

Operating income for PT and MLS was revised downward in line with lower sales, while SE was revised downward in line with lower sales in optical devices and analogue semiconductors.

AS is kept the same as the original plan.

The exchange rate is assumed to be 140 yen to the U.S. dollar.

Forecast for Business Segment

(Millions of yen)	FY3/23 Full Year	FY3/24			
		1st Half	2nd Half	Full Year	YoY
Net sales	1,292,203	672,117	727,883	1,400,000	+8.3%
Precision Technologies (PT)	197,300	99,361	105,639	205,000	+3.9%
Motor, Lighting & Sensing (MLS)	366,275	180,469	189,531	370,000	+1.0%
Semiconductors & Electronics (SE)	530,079	238,803	261,197	500,000	-5.7%
Access Solutions (AS)	194,699	151,217	168,783	320,000	+64.4%
Other	3,850	2,267	2,733	5,000	+29.9%
Operating income	101,210	27,162	49,838	77,000	-23.9%
Precision Technologies (PT)	42,951	17,250	22,750	40,000	-6.9%
Motor, Lighting & Sensing (MLS)	922	5,445	6,555	12,000	x13.0
Semiconductors & Electronics (SE)	42,383	13,094	23,906	37,000	-12.7%
Access Solutions (AS)	22,302	660	9,340	10,000	-55.2%
Other	-48	-194	-806	-1,000	-
Adjustment	-7,300	-9,093	-11,907	-21,000	-

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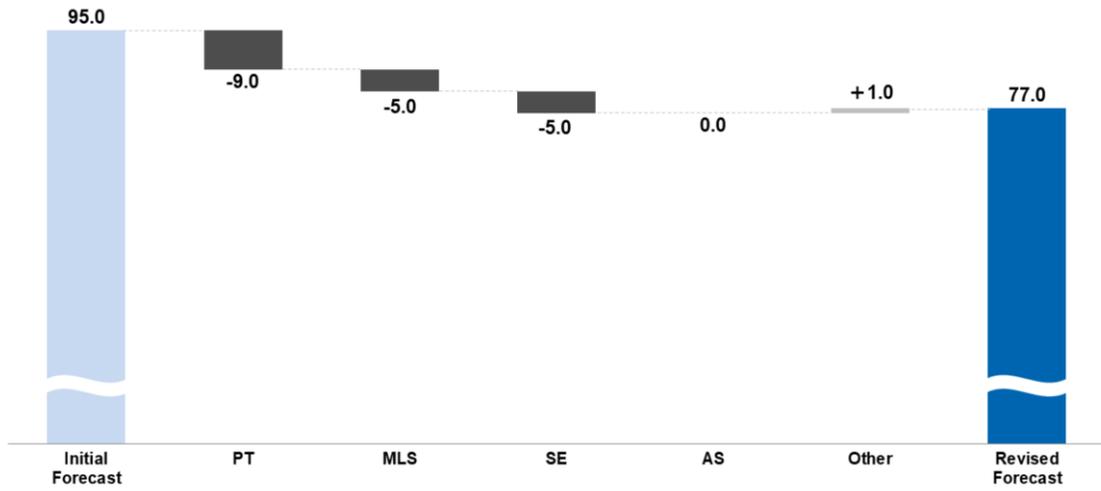
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This slide shows the forecast by business segment.

Full-year Operating Income: Differences from the Initial Forecast

(Billions of yen)



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This chart shows the difference between the revised forecast and the initial forecast.

This is all for my presentation.

Management Policy & Business Strategy

November 2, 2023

Yoshihisa Kainuma

Representative Director, Chairman CEO



November 2, 2023

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Hello, I'm Yoshihisa Kainuma.

I would like to explain our management policy and business strategy.

Summary

Overall

- Sales and operating income in 1H of the year were almost in line with forecasts.
- The forecast for FY2024 has been revised downwards, mainly due to a slow recovery in the data center and other markets. However, there are signs that the overall market is bottoming out.
- Access Solutions achieved profitability in 1H. Operating income of 10 billion yen is expected for the full year.
- Recovery of source of revenue and diversification of product markets to create new profit sources
Medium- to long-term business expansion plans remain unchanged.

Precision Technologies (PT)

- Further recovery in the automotive and aircraft sectors, but waiting for data centers recovery.
- New machining businesses are expanding.
- Non-HDD applications of Pivot Assemblies are growing.

Motor, Lighting & Sensing (MLS)

- In motors, performance differs uneven for each application, but the automotive motor business continues to expand due to market recovery and content growth.
- Backlight secures earnings in the in-vehicle and tablet businesses.

Semiconductors & Electronics (SE)

- Analogue semiconductors have been recovering moderately.
- Acquired Hitachi Power Semiconductor Device to strengthen the power semi-conductor business, toward early realization of 200 billion yen in sales.
- 2Q production of optical devices is strong. Expect continued expansion.

Access Solutions (AS)

- Expected to achieve operating profit of 10 billion yen this year as a result of PMI activities and improved profitability through structural reforms. Growth will be further accelerated by the INTEGRATION.

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There are three major topics to be discussed today.

First, we carried out a M&A deal related to analog semiconductors.

Second, full-year operating income for Access Solutions is expected to reach 10 billion yen.

Third, in the Philippines, operation of 24,000 employees is on track to achieve carbon neutrality next February when it will be able to use 100% renewable energy.

We are beginning to see some data that suggest the market has finally bottomed out, which I will explain in detail later on.

Key Points of FY3/24 Forecast

Full-year operating profit forecast is 77 billion yen.
Affected by market slowdown in the short term, but steady growth in the medium to long term

Key Points	PT	Data center recovery continues to be delayed, but focus on further productivity improvements.
	MLS	Struggling mainly with non-vehicle motors, but business in the automotive sector is recovering.
	SE	Optical devices suffered a slowdown in 1Q, but steady from 2Q onwards. Semiconductors recover moderately.
	AS	Achievement of profitability in Europe and full-year operating income of 10 billion yen expected.

(Millions of yen)	FY3/23	FY3/24			
	Full Year	1st Half	2nd Half	Full Year	YoY
Net sales	1,292,203	672,117	727,883	1,400,000	+8.3%
Operating income	101,210	27,162	49,838	77,000	-23.9%
Profit for the period <small>attributable to owners of the parent</small>	76,818	19,600	38,400	58,000	-24.5%
Earnings per share, <small>basic (yen)</small>	187.16	48.06	94.42	142.48	-23.9%

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We have revised downward the operating income forecast for this fiscal year.

Although I wanted to set the target of 80 billion yen, we decided such conservative target taking into account the request from the various stakeholders.

The first half was almost in line with our forecast, but what differed from our expectations was that the recovery in the second half have been slower than expected. Accordingly, we decided to make a downward revision.

While the operating income for the fiscal year ending March 31, 2023 was 101.2 billion yen, the operating income without special factors such as the gain on the sale of former Tokyo HQ building and the negative goodwill of Minebea Access Solutions was approximately 87 billion yen. Therefore, our forecast is 11.5% decrease year on year if you look at apples-to-apples.

We tell our employees that when the economy is bad, we shall try to operate on that basis. In the past, bearings achieved a monthly production improvement of 20 million units. We are now starting our second special productivity improvement project and I participated in the kick-off last week. We believe that these efforts will lead to good business results when the economy recovers.

Outline of Hitachi Power Semiconductor Device, LTD.

Hitachi Power Semiconductor Device, Ltd.

Name	Hitachi Power Semiconductor Device, LTD.
Address	5-2-2, Omikacho, Hitachi-shi, Ibaraki
Title and Name of Representative	Masahiko Suzuki, President
Description of Business	Design, production and sale of semi-conductor components. Design, production and sale of semi-conductor application equipment and components.
Capital	450,000,000 yen
Date of Establishment	October 1, 2013
Major Shareholder & Shareholding Ratio	Hitachi, Ltd. 100%

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The most important thing I wanted to share with you today is that we have signed an agreement with Hitachi Power Semiconductor Device for the acquisition of their business. Looking back in 2017 when the business integration with MITSUMI ELECTRIC took place, we held management meeting twice among both of our management teams, staying over at a hotel, and analog semiconductors business was a candidate for a sale. However, since we received an excellent presentation from them, we decided to make a firm commitment to the business and we also discussed future M&A candidates. In fact, this M&A was the last target for the first act of our semiconductor M&A strategy. There were four candidates, one of which we failed to acquire, but the last one left in the concept that we thought about in 2017 was actually this Hitachi Power Semiconductor Device. In that sense, I must say that we were really lucky and had a good match. We are pleased to announce today the successful outcome after taking some time for negotiation.

Originally, in the power semiconductor field, Japanese heavy electric machinery manufacturers, mainly in the industrial and electric railway industries, had a strong competitive edge over the rest of the world.

However, with the rapid growth of the EV market in recent years, Japanese power semiconductor manufacturers have fallen behind European and the U.S. competitors.

As for MinebeaMitsumi, since we had integrated a portion of Hitachi's semiconductor division from the past, we maintain a strong relationship with the company including ongoing contract manufacturing of power semiconductors for electric railway systems and other applications.

In addition, MITSUMI ELECTRIC acquired the former Hitachi Hokkai Semiconductor from Renesas Electronics. It is natural to say that Hitachi Power Semiconductor Device and Hitachi Hokkai Semiconductor are sister companies, and they produce different products using the same equipment and machinery inside the same Hitachi Group. There have been a lot of human interaction between the two companies. From a historical standpoint MITSUMI's semiconductors business had a very strong relationship with Hitachi Power Semiconductor Device as a Fab, supplying products under a fabless contract and introducing technology from Hitachi.

The rapid growth of the EV market is expected to be accompanied by the development of recharging infrastructure and the penetration of storage batteries in the future. Together with renewable energy and other factors, large electricity market in the industrial sector is expected to be formed.

The integration of the two companies will accelerate the industry reorganization and create an all-Japan group that lists in the world's top 10 companies in the growing power transistor field (IGBT and SiC).

If we add Hitachi Power Semiconductor Device sales to our current sales, we will exceed 100 billion yen. I am very grateful that we were able to create a 100 billion yen semiconductor business in the past six years.

We will aim to be a competitive manufacturer not only in EVs, but also in niche areas for the huge and growing global electricity market.

Of course, we are serious and fully commit to the business. However, because we are not a manufacturer of semiconductors as the main business, we are not going to go as far as to wager a company's fate. Rather, our strategy is to identify niche areas and aim for high margins there.

We do not disclose the exact acquisition price, but it is generally comparable to the size of the business.

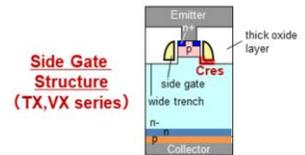
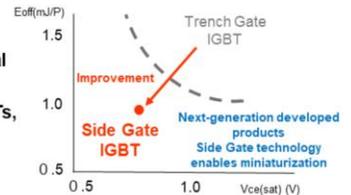
Expansion of the Power Semiconductor Business through the Acquisition of Hitachi Power Semiconductor Device Business (1)

Strengthen and expand the 'vertically integrated power semiconductor business' by combining the 'strengths' of the two companies



Synergies of business integration

1. We have been contract manufacturing as Fab in the pre-process of Hitachi Power Semiconductor Device (HPSD), and we can capture more added value on the first day of integration through vertical integration.
2. Side Gate IGBTs, which can achieve much higher performance than conventional Trench Gate IGBTs, are already being prototyped at the Shiga plant. These will be launched in the market from the next fiscal year, enabling the company to pursue a global niche top position.
3. Increase Engineers of power semiconductor development engineers
Acquisition of SiC engineers. (MITSUMI 150, ABLIC 100, HPSD 150=400 engineers)
4. Acquisition of HPSD original post-process capacity and acquisition of the foundations for strengthening post-processes.
5. Obtained packaging and module technology that were not available.
6. Expansion of products into a wide range of markets, such as transport equipment (railway), power grids and other high-voltage products.



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We believe the integration synergies described here represent an excellent opportunity to dramatically strengthen our semiconductor business.

The first point is that because we have already been engaged in a contract manufacturing as a Fab, we are already in the process of conducting integration preparation activities today.

In terms of human resources, there are IGBT and SiC engineers. We were able to acquire a total of 400 analog semiconductor engineers consisting of 150 from MITSUMI, 100 from ABLIC, and 150 from Hitachi Power Semiconductor Device.

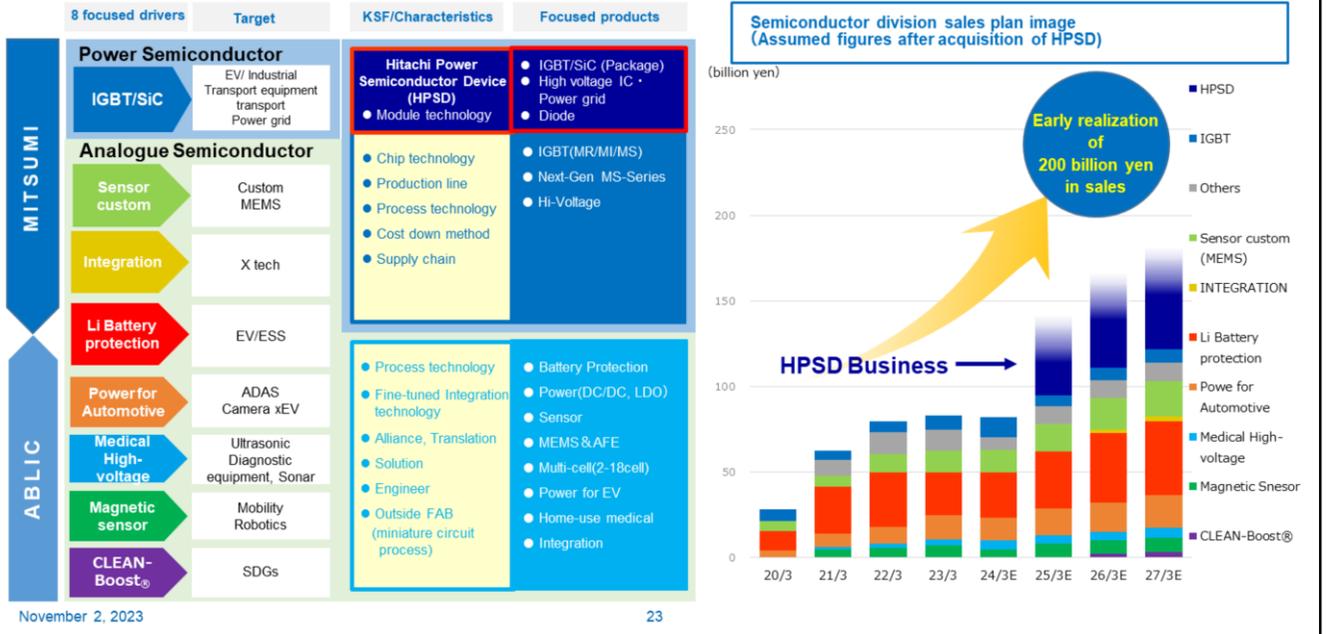
The most significant synergy comes from the post-processing capability that Hitachi Power Semiconductor Device possesses. Moreover, Hitachi Power Semiconductor Device possesses packaging technology that is more advanced than ours and module technology that we did not have. We believe that this business integration will create synergies.

In addition, they have proprietary Side Gate technology for IGBTs, instead of the conventional Trench Gate, characterized by 25-30% higher performance than other ICs, and we are currently launching this IGBT at our Shiga Plant.

With regard to the target markets, the most important are transportation equipment and power grids, and automobiles are not in the center of our scope. As I mentioned earlier, we are not considering a strategy of mass supply to large markets. We believe that if we can achieve the synergies described here on the slide, we will be able to fully achieve the objectives of this business integration.

Expansion of the Power Semiconductor Business through the Acquisition of Hitachi Power Semiconductor Device Business (2)

Further expansion through synergies with the global niche top



This diagram shows the division of roles between MITSUMI and ABLIC in the eight focused drivers for analog semiconductor business, 50-50 split in lithium protection batteries, with MITSUMI in the upper half and ABLIC in the lower half. We aim to achieve sales of 200 billion yen as soon as possible through synergies from the business integration. I will leave the operating margin target to your imagination, but if it were 20%, we could achieve 40 billion yen, and if it were 30%, we could achieve 60 billion yen, which takes us to a next stage. After we succeed in obtaining antitrust clearance, we intend to position analog semiconductors as the second spear following bearings in the eight spears. We hope that you will look forward to the enhancement of our corporate value.

The seeds have already been planted and we have done everything that were needed to be done. In the past, we used to be a company that could make a profit of 10 billion yen or less during economic downturns. However, I am very happy to say that within a few years, we are now able to expect profits of 70 or 80 billion yen even in an unfavorable economy.

Turnaround to be achieved Full-year Operating Income in excess of 10 billion yen in sight

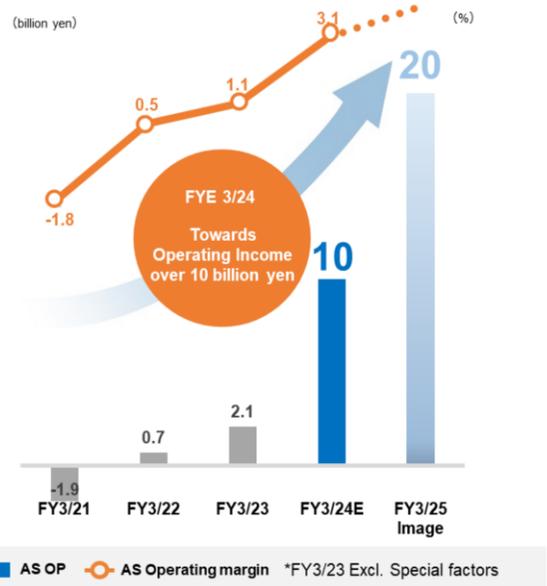
Key Points

- 1 PMI, structural reforms bear fruit
- 2 Full utilization of Tier 1 position
Significant growth in enquiries and orders in line with the recovery in vehicle production
- 3 Developing new products that contribute to solving social problems

Developing product : 'Child Presence Detection System' Using UWB Technology
Using UWB (ultra-wideband wireless) solutions that combine object detection and high-precision ranging capabilities. Detects slight body movements caused by infant breathing and warns of being left behind.

UWB Radar (Child Presence Detection System) + **UWB Communications** (Digital Key System) = **Access Solutions** (E-Latch, Power actuator, Handle etc.)

Shared anchor for digital key of child presence detection
Dedicated anchor for digital key



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The second major news to share is that Access Products, which had been a cause of concern is expected to achieve an operating income level of over 10 billion yen this fiscal year, thanks to the recovery of automobiles and the various performance improvements we have been implementing.

This includes not only the profits of U-Shin and Minebea AccessSolutions (MAS, formerly Honda Lock), but also the profits of MITSUMI's automotive business, which has been reclassified into a new segment. We believe that the total of all three businesses will be enough to target 20 billion yen in the next fiscal year.

The 1Q was an operating loss of about 500 million yen, and the 2Q was an operating income of about 1.2 billion yen. There was a delay in the audit of a certificate concerning a price correction for a European customer to whom we raised prices during the past six months. We believe that the substantial operating income for the 2Q was approximately 2.1 billion yen.

In fact, we are expecting the same level of operating come in November and onward.

We have received a significant number of new orders and will continue to expand this business as planned.

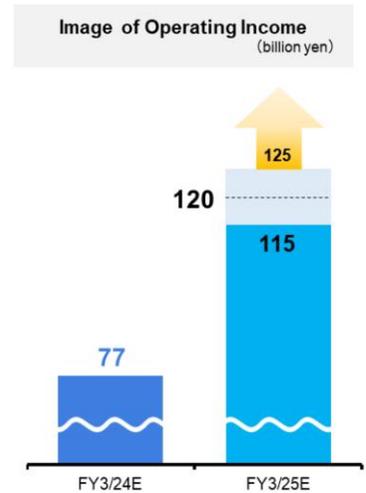
For example, we are currently receiving orders that use our various elemental technologies and products, such as sensors and antennas in door handles, and we expect this to continue to expand. The world we have envisioned is coming to fruition, and we intend to move forward with the same strategy as before.

FY3/25 Operating Income Image

Comparing FYE3/24 Operating Income Image at the time of market recovery

Bearings <small>(Including aircraft products)</small>	Recovery of the data center market and others	+13~17 billion yen
Motors	Recovery of spindles and non-vehicle motors and others	+9~11 billion yen
Access Solutions	Full recovery of the car market & PMI effect	+9~11 billion yen
Semiconductors	Market recovery, Shiga plant returned to profitability, Hitachi Power Semiconductor Device, and others.	+7~9 billion yen
Total		+ 38~48 billion yen

**Further upside factors in addition to above
 Automotive motors, automotive backlighting**



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This slide shows you the growth rate of operating income at the time of the market recovery. At this point, due to the stagnant supply chain, aircraft production rates are still not as high as expected by our customers. However, a recovery is expected in the future.

We also believe that bearings such as for data centers can expect an upward swing of 13 to 17 billion yen once the market recovers.

To be honest, spindle motors are currently sluggish, but helium drives are gradually recovering. Non-vehicle motors are also weak, but once these recover, we expect to see an increase of 9 to 11 billion yen.

With regards to Access Solutions, it should be doubled, adding about 10 billion yen.

For semiconductors, we also expect an increase of 7 to 9 billion yen from now on, thanks to the profit of Hitachi Power Semiconductor Device and the turnaround of the Shiga Plant.

Therefore, we imagine that our potential operating income figure is approximately 120 billion yen.

We believe that we have established a foundation that will grow rapidly once the economy recovers.

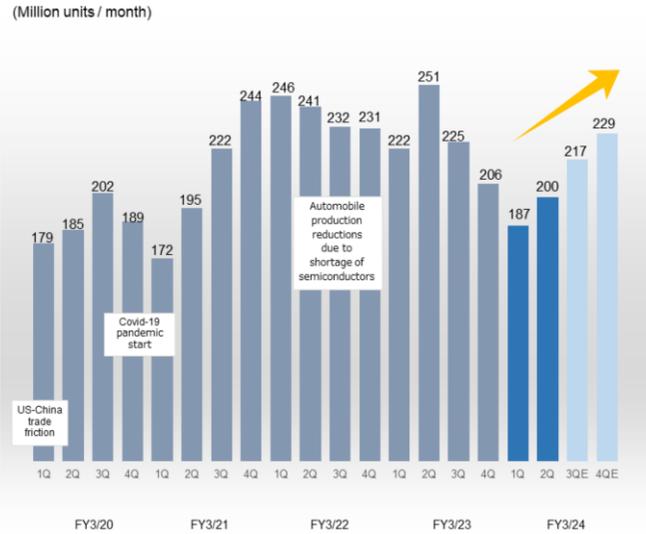
Data generating volume

- Bottoming out of the data center market is coming soon.
- Data generation volumes are steadily expanding. (CY22-CY27 over CAGR20%)

Ball bearings, Pivot assemblies, Spindle motors

- Data center market shows signs of bottoming out. External ball bearing sales volume bottomed out at 187 million units in 1Q and recovered to 200 million units in 2Q.
- **Although there are cycles in the longer term, the top and bottom ranges are trending upwards.**
- Pivot assemblies and spindle motors also expected to recover.

External sales of Ball Bearings



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This may seem a little early, but we have told you that bearings are a leading indicator of the economy, which means that bearing orders fluctuate before anything else.

As this chart clearly shows, our external actual and tentative sales volume are as follows: 1Q 187 million units/month, 2Q 200 million units/month, 3Q 217 million units/month, and 4Q 229 million units. We believe that we have hit the bottom, if not bottomed out.

In fact, bearings for automobiles are at record highs, air conditioners are doing well, and office machines are recovering. What has not recovered is fan-related products, which at one point were 80 million units/month, but dropped to 35 million units/month in April. However, for January 2024, we received tentative orders of 60 million units/month, and we feel that the market inventory has begun to be reduced. We are hearing that similar trends are being seen in various industries and that logistics are also gradually recovering. Furthermore, in line with the inventory correction of hard disks, the number of helium drives is expected to increase gradually.

Once the inventory adjustment is completed, to what extent is the current real demand, and whether it is a gradual recovery or a V-shaped recovery will be determined. We need to keep an eye on the market a little more closely, but we believe it is more positive than before.

Promoting carbon neutral initiatives

Cebu plant (large scale power consumption base)

Installation of large scale solar power generation system and Power Purchase Agreement

1 Solar power generation system

- Invested in an in-house power generation facility with one of the largest power generation capacities (7.9 MW of electromotive force)* among Japanese plants in the Philippines, which started operation in October 2023. This will reduce CO₂ emissions by 6,833 t/year.

* Source: MinebeaMitsumi, October 19, 2023

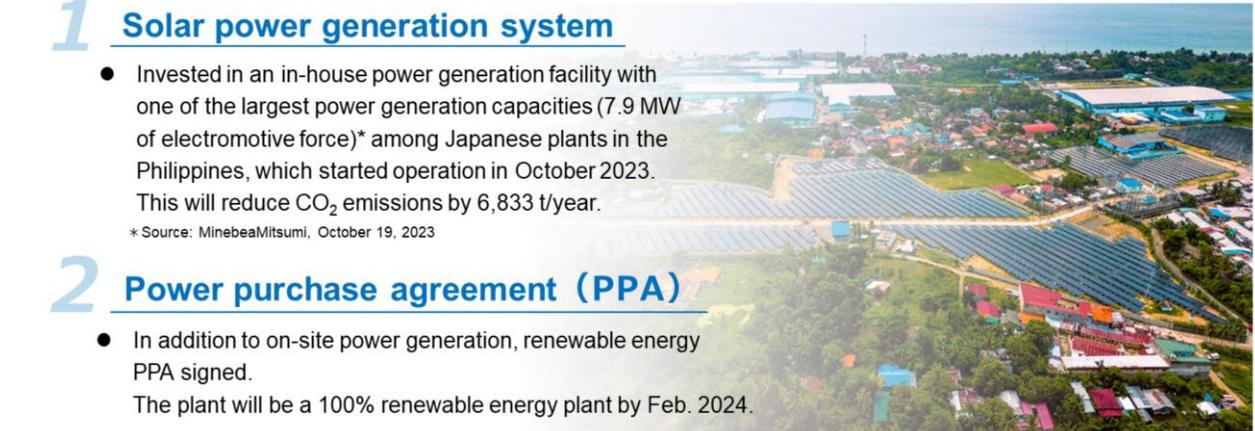
2 Power purchase agreement (PPA)

- In addition to on-site power generation, renewable energy PPA signed. The plant will be a 100% renewable energy plant by Feb. 2024.

- **Achieved carbon neutrality for a leading mobile phone company.**

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We have seriously introduced solar panels at our Cebu plant in the Philippines. We have also negotiated with the government and implemented a PPA (Power Procurement Agreement), which is already practiced in the Philippines. We expect to achieve 100% renewable energy use starting from February 2024. Major cell phone manufacturers place high importance on environmental issues, and we believe that we will be able to achieve carbon neutrality faster than any other company.

My current biggest focus is on Thailand and Cambodia, where I hope to achieve carbon neutrality as well.

We consider ESG very important and have created the term "QCDESS®". We will continue to address the "E" = environment issues, which is at the heart of this strategy.

Integrated Report 2023 published

The main theme is the growth strategy, with an emphasis on the new management structure and succession for the next generation, as well as human capital.



MSCI gives MinebeaMitsumi an 'A' ESG rating

The company maintained its A rating through ongoing efforts to promote and disclose ESG activities. We will continue to make improvements to further enhance our corporate value.



I hope you will take a look at the Integrated Report and MSCI rating.

Dividends

Interim dividend maintained at previous year's level

Dividends for FY3/24

Interim dividend	TBD	→	20	yen/share
Year-end dividend (Forecast)	TBD	→	TBD	

Regarding the year-end dividends for the fiscal year ending March 31, 2024, we will finalize in light of our performance for this fiscal year. However, if the year-end dividend is set at 20 yen, Dividend payout ratio will be 28.1%, total return ratio including share buybacks 44.7% No change in medium-to-long-term cash allocation policy.

(Reference) Dividends for FY3/23 Annual 40 yen/share (20 yen for interim, 20 yen for year-end)

Share buyback

As announced on October 30, 2023, share buyback has been completed in the period August 7, 2023 to October 27, 2023 (execution date basis)

Number of shares:	4,000,000 shares
Amount:	9,643,584,633 yen

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The interim dividend is determined at 20 yen per share.

We expect that the year-end dividend would be 20 yen per share, but we keep it undetermined at this time.

The 10 billion yen share buyback was completed in October, and we purchased 4 million shares for 9.6 billion yen.

The total return ratio based on these factors is 44.7%.

Although we are in an unfavorable condition, we believe that we can achieve a return that will satisfy our shareholders, and we hope that you will continue to invest in our company.

This is all for my presentation. Thank you very much for your attention.



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.

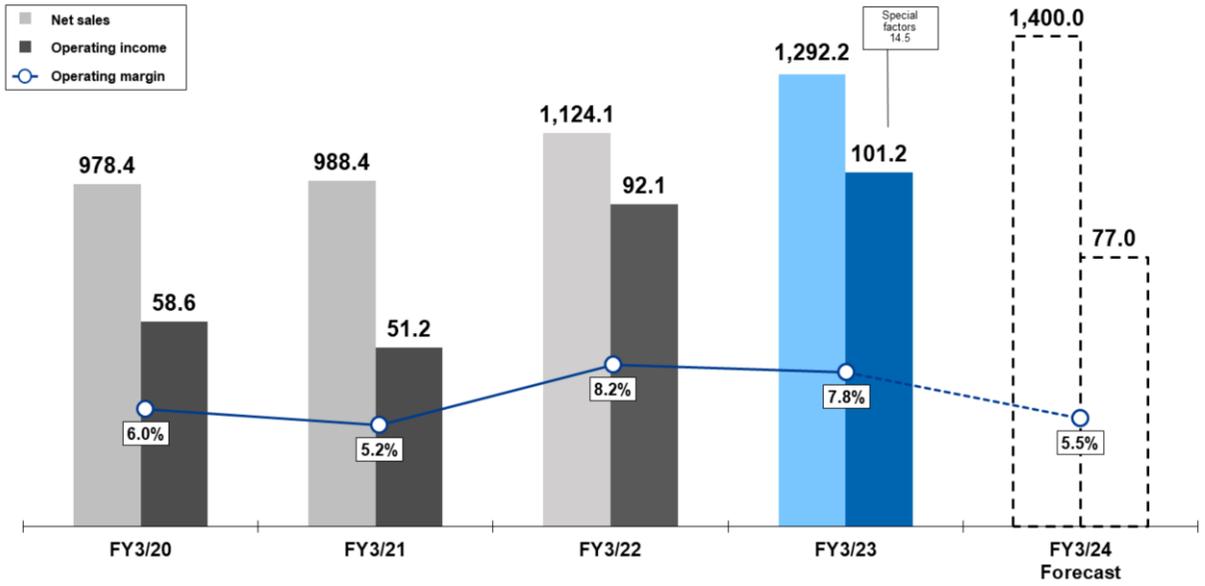
Factors affecting our actual performance include but are not limited to: (i) changes in economic conditions or demand trends related to MinebeaMitsumi's business operations; (ii) fluctuation of foreign exchange rates or interest rates; and (iii) our ability to continue R&D, manufacturing and marketing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



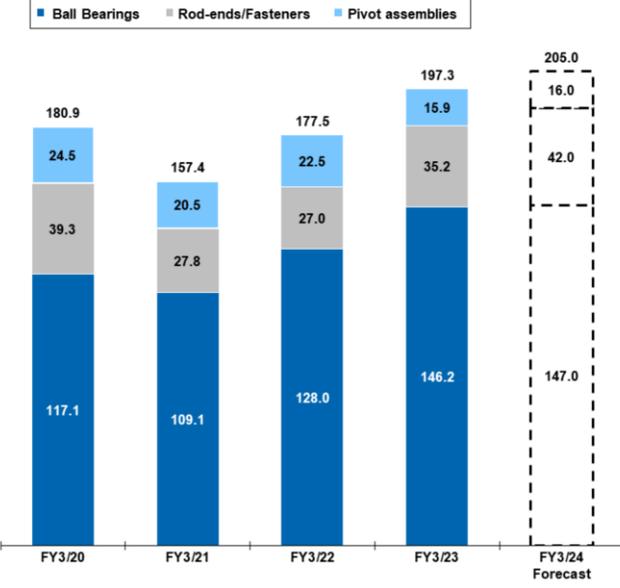
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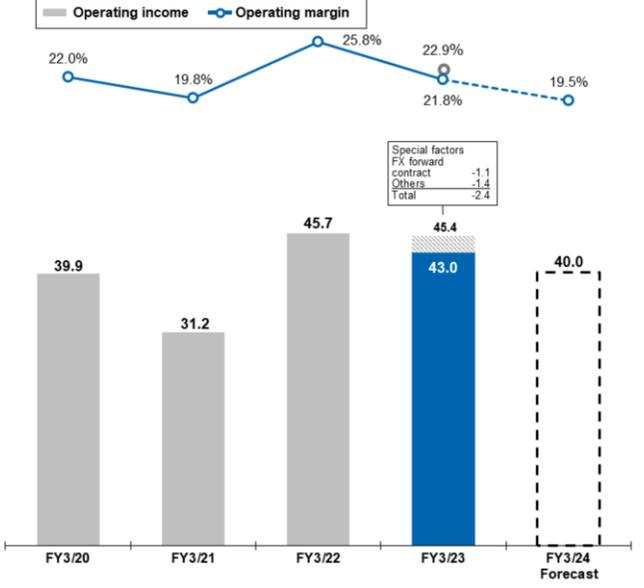
MinebeaMitsumi
 Passion to Create Value through Difference

Precision Technologies (PT)

Net sales (Billions of Yen)



Operating income (Billions of yen)



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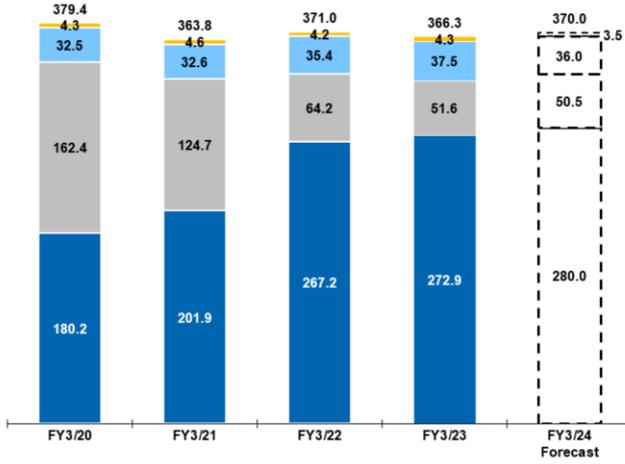
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Motor, Lighting & Sensing (MLS)

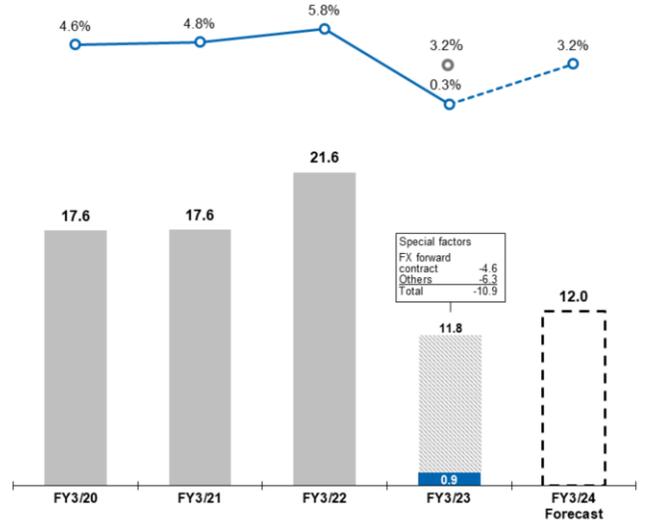
Net sales (Billions of Yen)

■ Motors ■ Electronic devices ■ Sensing devices ■ Other



Operating income (Billions of yen)

■ Operating income ○ Operating margin

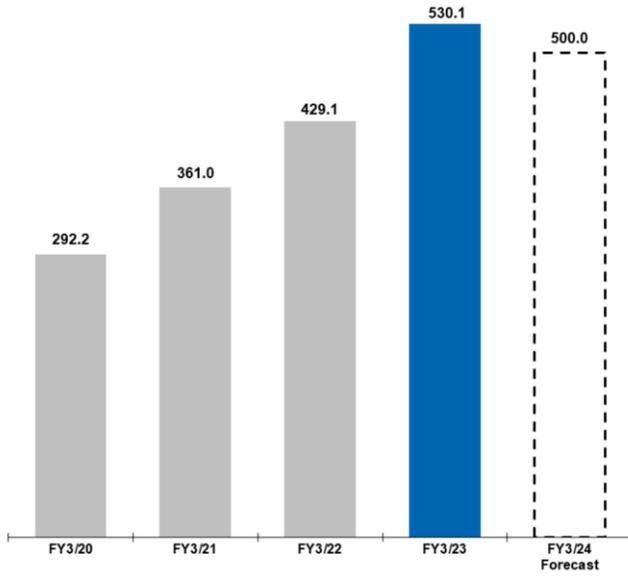


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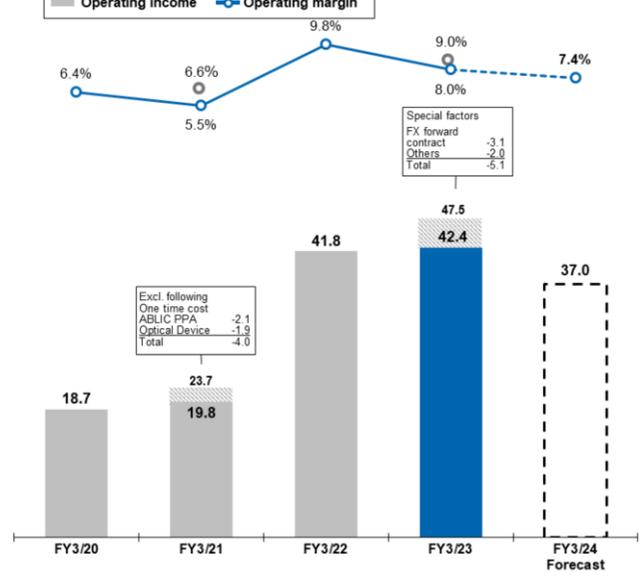
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Semiconductors & Electronics (SE)

Net sales (Billions of Yen)



Operating income (Billions of yen)



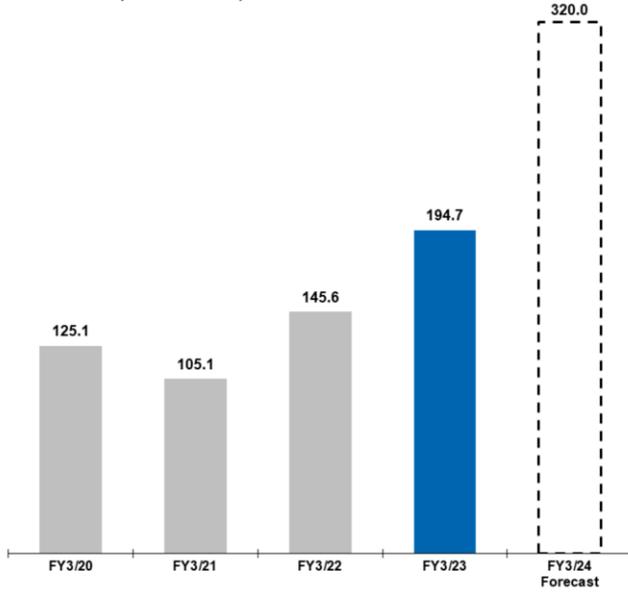
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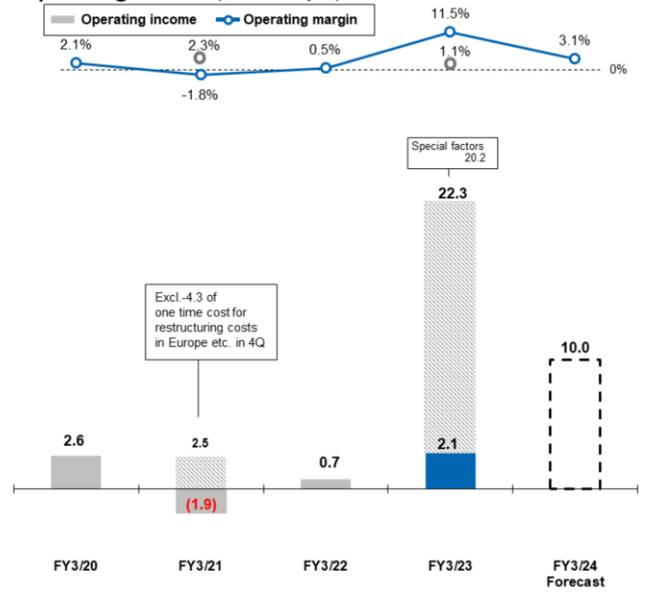
Access Solutions (AS)

As a result of change of the fiscal year end, FY3/20 does not include Jan.-Mar. 2019 results.

Net sales (Billions of Yen)



Operating income (Billions of yen)



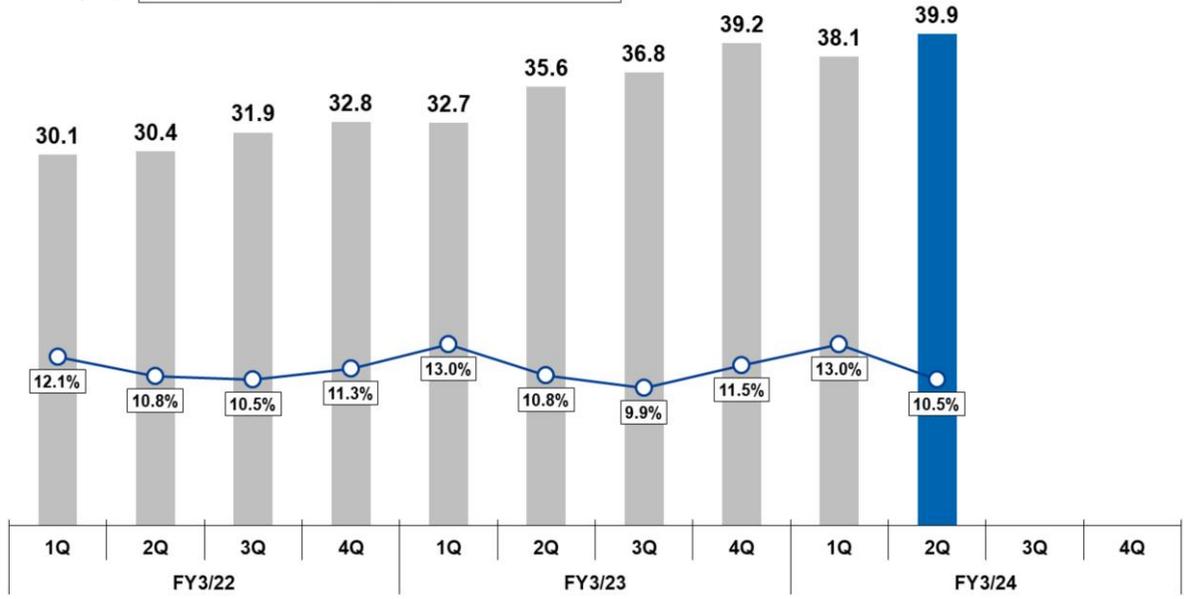
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S.G.&A. Expense / Ratio

(Billions of yen)

■ S.G.&A. expenses ● S.G.&A. to sales ratio



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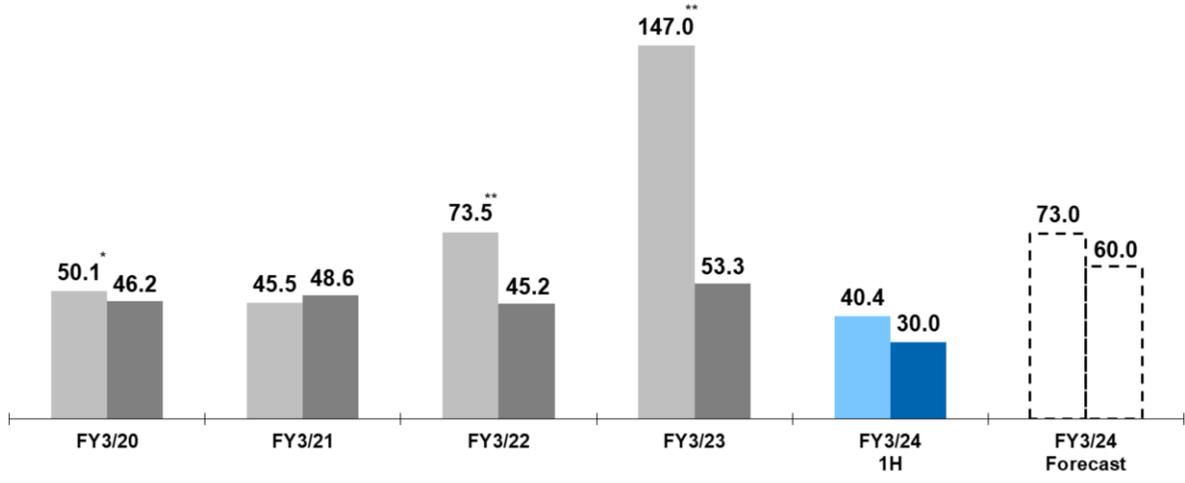
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Capital Expenditure / D&A Expense

(Billions of yen)

■ Capital expenditure ■ Depreciation & Amortization expenses



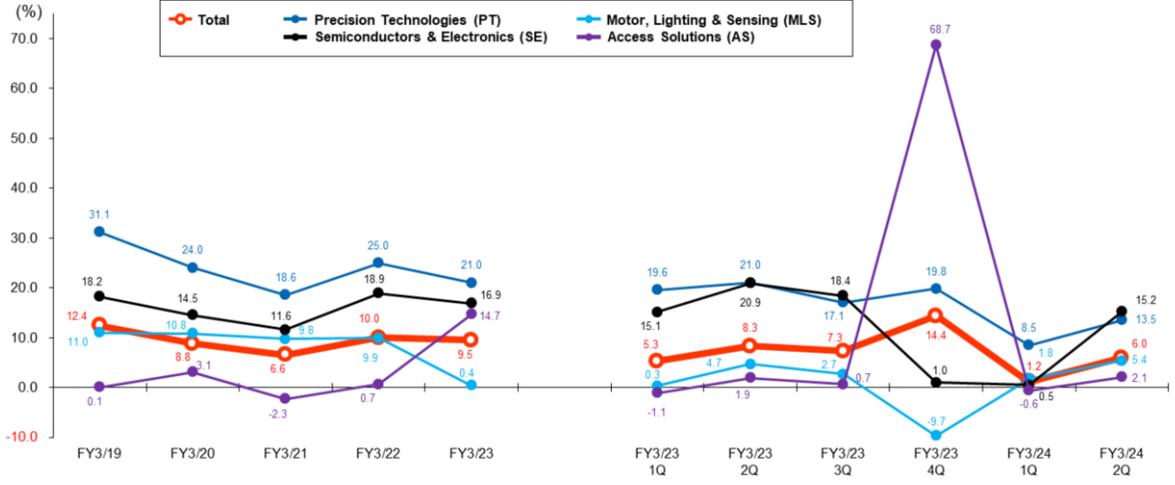
* Capital expenditures of FY3/20 do not include the increase of asset from lease contracts at the IFRS16 application start date
 ** Capital expenditures of FY3/22 & FY3/23 include new HQ building acquisition expenses

ROIC (Return On Invested Capital)

ROIC for 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



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