

Strategies by Business


We originally embarked on business as a manufacturer specializing in ball bearings, but later applied core technologies, such as ultra-precision technologies, developed through machining operations, to our Electronic Devices and Components.

We have built a reputation, which is a unique position, as an “INTEGRATION manufacturer of precision components” with a multi-faceted business portfolio unlike any other in the world which contributes to the company's risk diversification efforts.

We are dynamically developing markets in each business segment, and each has different business opportunities, risks, and measures to deal with them. We will explain our business strategies, including a business overview, on the next and subsequent pages.

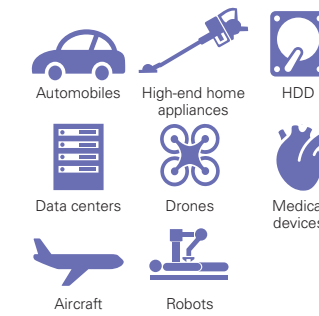
Machined Components

Major products



Main products
Ball bearings, rod-end bearings, spherical bearings, fasteners, pivot assemblies

Major applications



Automobiles High-end home appliances HDD
Data centers Drones Medical devices
Aircraft Robots

Highlights

Total sales volume and production volume of ball bearings both reached record highs.
Making steady progress with production capacity increases resulting in efforts to achieve large-scale capacity increases at the fiscal year ending March 2023.

Operating margin
Over 25%

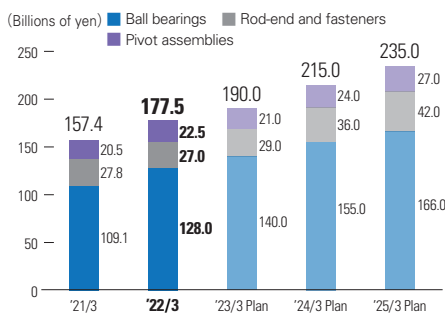
The World's
No.1 share

Production capacity
Increasing Significantly

Aircraft demand
Recovering

Net sales

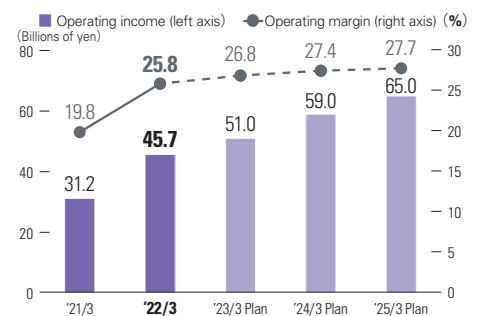
(Billions of yen)



Period	Ball bearings	Rod-end and fasteners	Pivot assemblies	Total
'21/3	109.1	27.8	20.5	157.4
'22/3	128.0	27.0	22.5	177.5
'23/3 Plan	140.0	29.0	21.0	190.0
'24/3 Plan	155.0	36.0	24.0	215.0
'25/3 Plan	166.0	42.0	27.0	235.0

Operating income/operating margin

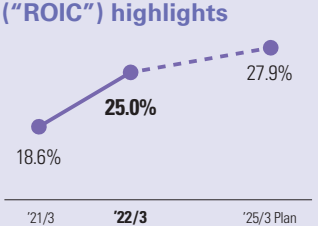
(Billions of yen) (Operating income left axis, Operating margin right axis (%))



Period	Operating income (Bil. yen)	Operating margin (%)
'21/3	31.2	19.8
'22/3	45.7	25.8
'23/3 Plan	51.0	26.8
'24/3 Plan	59.0	27.4
'25/3 Plan	65.0	27.7

*'23/3 - '25/3 plans are as of May 2022.

Return on Invested Capital ("ROIC") highlights




Period	ROIC (%)
'21/3	18.6%
'22/3	25.0%
'25/3 Plan	27.9%

ROIC increased mainly due to the recovery of profit margins on ball bearing products.

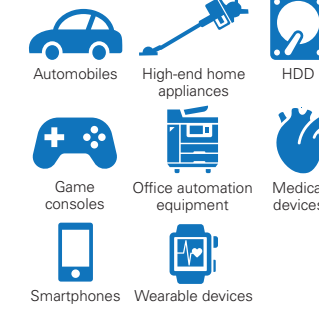
Electronic Devices and Components

Major products



Main products
HDD spindle motors, stepping motors, fan motors, DC motors, LED backlights, resonant devices, sensing devices

Major applications



Automobiles High-end home appliances HDD
Game consoles Office automation equipment Medical devices
Smartphones Wearable devices

Highlights

Despite soaring material costs and semiconductor shortages having an impact, we have achieved a significant increase in profit, mainly centered around motor applications.

Motor sales
Up 32%

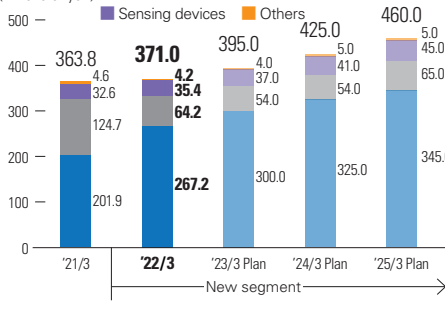
Motor business
Significant Increase in Profit

Electrification leading to
Expansion of Business Opportunities

Product portfolio
Expanding

Net sales

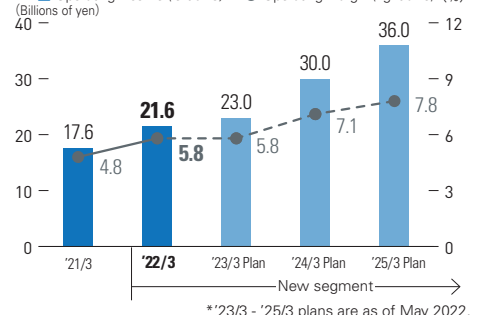
(Billions of yen)



Period	Motors	Electronic devices	Sensing devices	Others	Total
'21/3	201.9	124.7	32.6	4.6	363.8
'22/3	267.2	64.2	35.4	4.2	371.0
'23/3 Plan	300.0	54.0	37.0	4.0	395.0
'24/3 Plan	325.0	54.0	41.0	5.0	425.0
'25/3 Plan	345.0	65.0	45.0	5.0	460.0

Operating income/operating margin

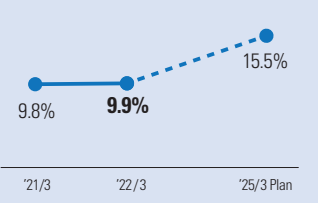
(Billions of yen) (Operating income left axis, Operating margin right axis (%))



Period	Operating income (Bil. yen)	Operating margin (%)
'21/3	17.6	4.8
'22/3	21.6	5.8
'23/3 Plan	23.0	5.8
'24/3 Plan	30.0	7.1
'25/3 Plan	36.0	7.8

*'23/3 - '25/3 plans are as of May 2022.

ROIC highlights




Period	ROIC (%)
'21/3	9.8%
'22/3	9.9%
'25/3 Plan	15.5%

Profits increased centered around motors. Invested capital went up due to an increase in the inventory of raw materials for automotive products.


MITSUMI Business

Major products



Main products
Precision components, optical devices, power supplies, mechanical components, smart products, components for home security units, analog semiconductors

Major applications



Smartphones High-end home appliances IoT devices
Game consoles Data centers Automobiles
Home security units Wearable devices Medical devices

Highlights

Achieved record high profits. Significant profit growth in analog semiconductors and increased demand for optical devices established it as a solid revenue source.

ROIC
19%

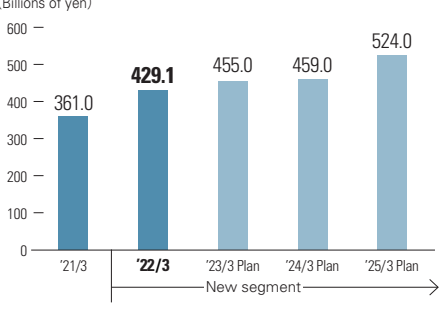
Operating income
Record High

Analog semiconductors
Going Well

Optical devices
Significant Increase in Sales

Net sales

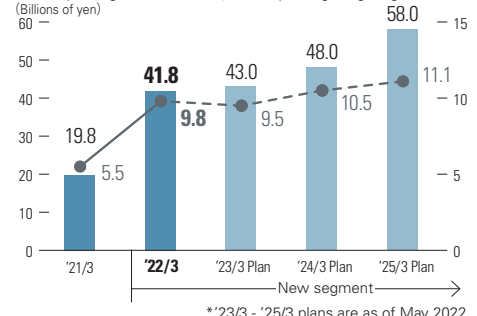
(Billions of yen)



Period	Net sales (Bil. yen)
'21/3	361.0
'22/3	429.1
'23/3 Plan	455.0
'24/3 Plan	459.0
'25/3 Plan	524.0

Operating income/operating margin

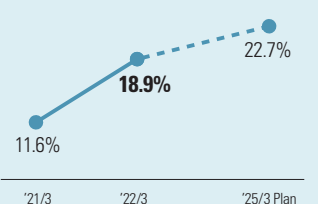
(Billions of yen) (Operating income left axis, Operating margin right axis (%))



Period	Operating income (Bil. yen)	Operating margin (%)
'21/3	19.8	5.5
'22/3	41.8	9.8
'23/3 Plan	43.0	9.5
'24/3 Plan	48.0	10.5
'25/3 Plan	58.0	11.1

*'23/3 - '25/3 plans are as of May 2022.

ROIC highlights




Period	ROIC (%)
'21/3	11.6%
'22/3	18.9%
'25/3 Plan	22.7%

ROIC increased significantly as a result of profits doubling while minimizing increases in invested capital.

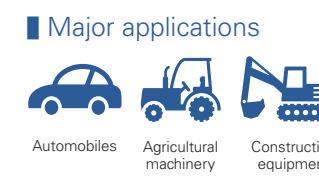
U-Shin Business

Major products



Main products
Automotive components (door latches, door handles, etc.), wireless communication devices, industrial machinery components

Major applications



Automobiles Agricultural machinery Construction equipment

Highlights

Despite the impact of customer production adjustments due to the shortage of semiconductors, the company returned to profitability in the fourth quarter. Structural reforms in Europe completed as planned.

Operating income
Returned to Profit

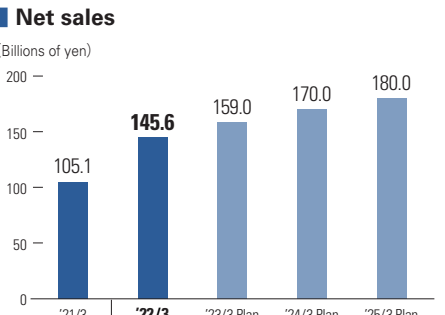
Structural reforms in Europe
Completed

High functionality leading to
Highly Added Value

New businesses are
Being Acquired

Net sales

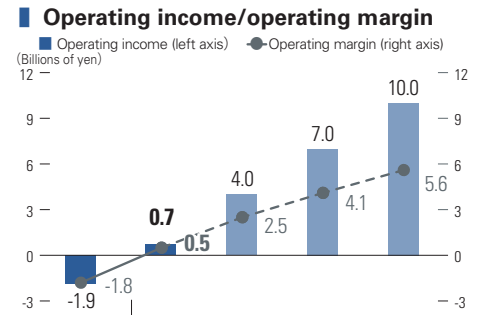
(Billions of yen)



Period	Net sales (Bil. yen)
'21/3	105.1
'22/3	145.6
'23/3 Plan	159.0
'24/3 Plan	170.0
'25/3 Plan	180.0

Operating income/operating margin

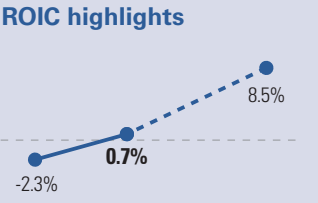
(Billions of yen) (Operating income left axis, Operating margin right axis (%))



Period	Operating income (Bil. yen)	Operating margin (%)
'21/3	-1.9	-1.8
'22/3	0.7	0.5
'23/3 Plan	4.0	2.5
'24/3 Plan	7.0	4.1
'25/3 Plan	10.0	5.6

*'23/3 - '25/3 plans are as of May 2022.

ROIC highlights



Period	ROIC (%)
'21/3	-2.3%
'22/3	0.7%
'25/3 Plan	8.5%

The company returned into profitability due to an increase in the sales of automotive products and an improved cost structure.

* From the fiscal year ended March 2022, the company transferred some of our business segments.