# Strategies by Business

MinebeaMitsumi has built a unique reputation as an INTEGRATION manufacturer of precision components, with a multifaceted business portfolio and risk diversification unlike any other in the world.

Effective April 2023, we changed our business segment names. This was to better reflect the nature of each business, improving clarity and enhancing corporate value. There will be no change in the business activities of each segment.

| | |
|---|---|
| Machined Components → | Precision Technologies (PT) |
| Electronic Devices and Components → | Motor, Lighting & Sensing (MLS) |
| MITSUMI Business → | Semiconductors & Electronics (SE) |
| U-Shin Business → | Access Solutions (AS) |

## PT
**Precision Technologies Segment**

### Major products

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

### Major applications

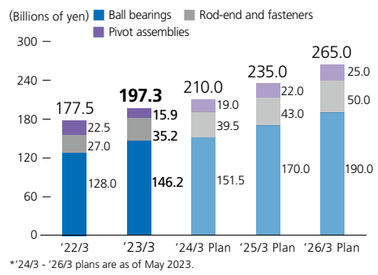
Automobiles, High-end home appliances, HDD, Data centers, Drones, Medical devices, Aircraft, Robots

### Highlights

Sales of ball bearings increased for automotive applications, while those for home appliances and data centers decreased. Sales of rod-end bearings, which were adversely affected by the COVID-19 pandemic, recovered steadily.

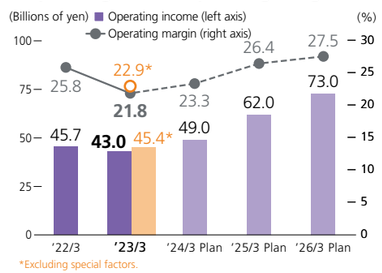
| | |
|---|---|
| ROIC 21% | The world's No.1 Share |
| Production capacity Increased | Aircraft demand Recovering |

### Net sales



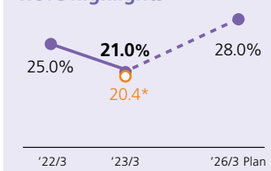

*'24/3 - '26/3 plans are as of May 2023.

### Operating income/operating margin




*Excluding special factors.

### ROIC highlights




*Excluding special factors.

ROIC decreased due to inventory adjustments and weak sales to data centers of products, mainly ball bearings. Improvement to 28.0% is projected in the fiscal year ending March 2026 from 20.4% in the fiscal year ended March 2023.

## MLS
**Motor, Lighting & Sensing Segment**

### Major products

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

### Major applications

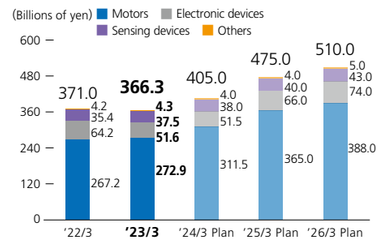
Automobiles, High-end home appliances, HDD, Game consoles, Office automation equipment, Medical devices, Smartphones, Wearable devices

### Highlights

Although sales of HDD motors decreased, motors for automotive and other applications remained solid.

| | |
|---|---|
| Motor sales Increase in Niche Top Products | Motors Increased Profitability |
| Electrification leading to Expansion of Business Opportunities | Electronic devices Expanding Applications |

### Net sales

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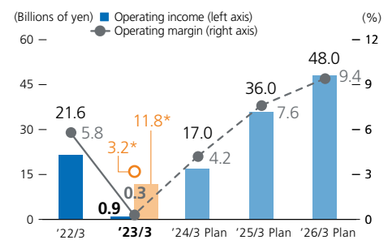
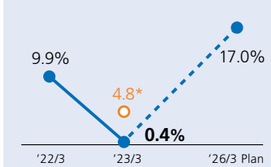
### Operating income/operating margin




*Excluding special factors.

### ROIC highlights




*Excluding special factors.

ROIC decreased, due mainly to weak sales of HDD motors. Improvement to 17.0% is projected in the fiscal year ending March 2026 from 4.8% in the fiscal year ended March 2023.

## SE
**Semiconductors & Electronics Segment**

### Major products

Main products
Analog semiconductors, optical devices, mechanical components, precision components, power supplies, smart products, components for home security units

### Major applications

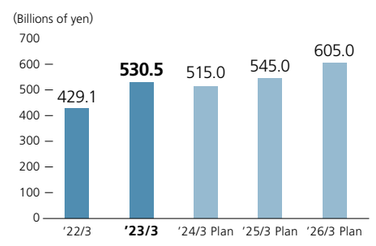
Smartphones, High-end home appliances, IoT devices, Game consoles, Data centers, Automobiles, Home security units, Wearable devices, Medical devices

### Highlights

Achieved record high profits. Analog semiconductors maintain high profitability. Optical devices saw increase in sales and profit. For connectors, PMI is underway with Honda Tsushin Kogyo and Minebea Connect (formerly SUMIKO TEC).

| | |
|---|---|
| ROIC 17% | Operating income Record High |
| Analog semiconductors High Profitability Maintained | Connectors PMI Underway |

### Net sales

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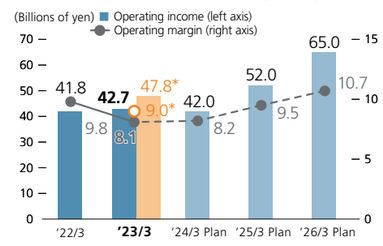
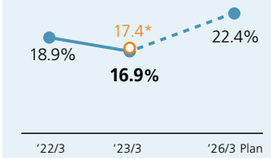
### Operating income/operating margin




*Excluding special factors.

### ROIC highlights




*Excluding special factors.

Although record profits were achieved, ROIC declined slightly due to lower profit margins. Improvement to 22.4% is projected in the fiscal year ending March 2026 from 17.4% in the fiscal year ended March 2023.

## AS
**Access Solutions Segment**

### Major products

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

### Major applications

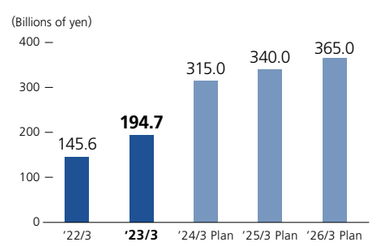
Automobiles, Agricultural machinery, Construction equipment

### Highlights

MinebeaMitsumi merged with Minebea AccessSolutions (formerly Honda Lock). Recovery in automobile production is expected to drive earnings growth.

| | |
|---|---|
| Business integration PMI Underway | Locations, production and products Synergy Increased |
| INTEGRATION products leading to High Added Value | New businesses Received Orders for Large-Scale Projects |

### Net sales

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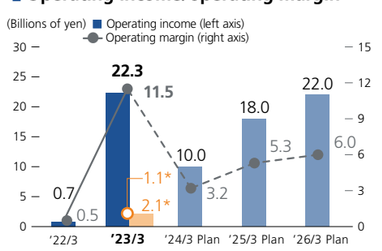
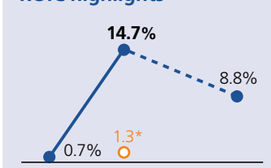
### Operating income/operating margin




*Excluding special factors.

### ROIC highlights




*Excluding special factors.

ROIC improved due to recovery in automobile production and business integration. Improvement to 8.8% is projected in the fiscal year ending March 2026 from 1.3% in the fiscal year ended March 2023.

# Precision Technologies (PT)

## Strong growth potential due to increasing structural demand, particularly for ultra-high quality products creating an overwhelming competitive edge

Director, Senior Managing Executive Officer
Chief of Precision Technologies Business Headquarters
**Satoshi Mizuma**

## Core competencies

Through the fundamental strength of the Company's DNA, including ultra-precision machining, vertical integration, global development, and mass production, we are securing a dominant market share and achieving a high-level QCDESS*. By pursuing overseas development early and strengthening our in-house manufacturing and maintenance capabilities for components and facilities, we have succeeded in balancing ultra-high quality and low costs. The accumulation of knowhow over many years, which cannot be measured in terms of capital investment, forms a barrier to entry.

* Abbreviation for quality, cost, delivery, ecology/efficiency, service and speed

Bang Pa-in Plant (Thailand)

### Opportunities

- Increase in demand for high-quality bearings in general, which contribute to energy efficiency and the downsizing of end products.
- Increase in bearing usage per vehicle due to electrification and the shift to EVs.
- Increase in demand for bearing pivots for data centers due to increased generation of data.
- Shift to new aircraft equipped with energy-saving and high-efficiency engines by airline companies.

### Risks

- Increased attractiveness for competitors to enter the miniature and small-sized ball bearing market.
- Medium- to long-term, downward trend in sales volume of pivot assemblies due to shrinking Hard Disk Drive ("HDD") market.
- Decline in production rate of new aircraft due to production adjustments by aircraft manufacturers and labor shortages.

### Responding to opportunities and risks

- Strengthen competitiveness by promptly expanding capacity for ball bearings.
- Increase market share by leveraging our strength in bearings for aircraft.
- Establish new machined components capabilities through aggressive M&As.
- Further improve the precision of our products and provide new value to our existing and new customers.

## Overview of the fiscal year ended March 2023

Although sales volume of miniature and small-sized ball bearings, our mainstay products, for data centers and home appliances decreased, those for automobiles increased, resulting in increased sales. Sales of rod-end bearings increased as the aircraft market recovered steadily from the impact of COVID-19. Sales of pivot assemblies fell due to the slowdown in the HDD market. As a result, net sales were 197.3 billion yen, operating income was 43.0 billion yen, and operating margin was 21.8%.

* Operating income excluding special factors of 45.4 billion yen, operating margin of 22.9%

## Outlook for the fiscal year ending March 2024

We expect sales of ball bearings to increase as demand for automotive applications gradually recovers, with demand for server applications also expected to gradually recover from the second half of the fiscal year, despite the uncertain situation. Business for aircraft applications, including rod-end and fasteners, is expected to fully recover from the second half of the fiscal year. Demand for pivot assemblies is also expected to recover from the second half of the year.

## Midterm Business Plan

**Recovery and growth in aircraft production to drive ball bearing business growth**

| Main points | |
|---|---|
| 1 | Sales of ball bearings<br>**Despite current adjustments in automobiles and data centers inventories, steady growth is expected in the medium to long term.** |
| 2 | Production of ball bearings<br>**Production can be increased up to 370 million units per month when necessary.** |
| 3 | Rod-end and fasteners<br>**Recovery from the COVID-19 pandemic and further growth** |

## Basic strategies for next 10 years

Our basic strategy for the PT segment is to maintain the stable and sustainable growth in our core business that has been in effect since the establishment of the Company, and to maximize growth areas by expanding our portfolio. To this end, we have been strengthening our miniature and small-sized ball bearings business, which already enjoys an overwhelming competitive advantage in the market. In addition, we have been taking steps to strengthen our earnings base by pursuing M&As aimed at new technologies and expansion of our business portfolio.

## Strategy for "Becoming the one-of-a-kind supplier through INTEGRATION"

MinebeaMitsumi Aerospace (NMB, NHBB, C&A Tool, myonic, CEROBEAR, Mach Aero, Minebea Precision, MinebeaMitsumi), MinebeaMitsumi's aerospace product brand, manufactures and supplies machined components such as rod-end bearings, spherical bearings, fasteners, ball bearings, and roller bearings in all three of the major aircraft markets: Europe, North America, and Asia (Japan, Thailand and India).

MinebeaMitsumi is developing an extensive product lineup not only for the aircraft market, but also for the automotive market. Opportunities to supply products for next-generation mobility, such as eVTOL (flying vehicles), are expanding. We will contribute to sustainable flight, which is required in the future, by leveraging our experience of pursuing low fuel consumption, energy savings, electrification, and lightweight materials in both the aircraft and automobile markets.

INTEGRATION of entire Group's products

**eVTOL application examples**

Power unit - fuel pump bearings, resolvers
Flight control - bearings, rod-ends
Landing gear - bearings, bushings
Airframe - latches, door handles
Cabin - antennas, various motors, HVAC, coils, strain gauges

## Creating solutions to social issues

In March 2023, we began mass production of super bearings that have enhanced rotational performance, achieved through innovative precision improvements, making full use of ultra-precision machined components and vertically-integrated manufacturing technologies.

Compared to conventional products, this product is expected to reduce rotational torque by about 40% and power value by about 4-5% at the motor, resulting in improved motor efficiency, improved quietness and product life, and reduction of $CO_2$ emissions. For data centers and other facilities where heat control is required, the improved motor efficiency from the super bearings can help reduce $CO_2$ emissions. Furthermore, as a high value-added product that contributes to solving social issues, we expect them to be used in air conditioners, data center fan motors, and other applications that need to operate for long hours with high reliability. In the second half of the fiscal year ending March 2024, we plan to sell about 15 million units per month of super bearings for fan motors and 10 million units per month for air conditioners.

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# Motor, Lighting & Sensing (MLS)

**Develop new business areas by expanding our portfolio and achieve consistent growth over the long term**

Executive Officer
Chief of Motor, Lighting & Sensing Business Headquarters
**Takahiro Shimura**

## Core competencies

In addition to the Company's DNA of ultra-precision machining, vertical integration, global development, and mass production, we are in the ongoing process of fusing our core technologies in the electronics field, including sensors, optics, and magnetics to develop motors, LED backlights, resonant devices, sensors, and measuring components. We are expanding our products to a wide range of markets, including the automotive industry, which requires strict quality characteristics, and the mobile device industry, which requires a vertical launch that balances quality and quantity in a short period of time. A dynamic base structure which responds to customer demands through manufacturing automation & semi-automation and employee education and training also enhances our competitiveness.

Hamamatsu Plant

### Opportunities

- Increase in demand for small and precise motors that contribute to energy saving and noise reduction.
- Increase in opportunities to enter growth domains such as EVs, AI, and Big Data through participation in related motors.
- Expansion of LED backlight applications. (Automotive, tablet)
- Formation of new markets such as resonant devices.

### Risks

- Rise of low-cost competitors in China.
- Impact on profit structure due to soaring prices of raw materials and components.
- New technologies are replacing existing technologies at a faster pace than expected. (HDD market, smartphone market)

### Responding to opportunities and risks

- Correction of selling prices in response to soaring prices of raw materials and components.
- In growth markets, expanding sales in response to increased demand in focused fields.
- In mature markets, strengthening competitiveness by reducing costs, including design changes and material cost reductions.
- Capturing business opportunities by developing products ahead of competitors, taking advantage of our strengths through INTEGRATION.

## Overview of the fiscal year ended March 2023

Despite a slowdown in spindle motors for HDDs, sales of motors increased, thanks to steady sales of other motors, mainly for automotive applications. Sales of LED backlights decreased, while those of sensing devices increased. As a result, net sales were 366.3 billion yen, operating income was 0.9 billion yen, and operating margin was 0.3%.

* Operating income excluding special factors of 11.8 billion yen, operating margin of 3.2%

## Outlook for the fiscal year ending March 2024

Sales and profits from motors are expected to increase. This is because we anticipate expanding in motors for automobiles, as well as a recovery in motors for HDDs during the second half of the year, albeit with some uncertainty. As for electronic devices, we expect sales to remain virtually the same and profits to drop slightly. As for sensing devices, both net sales and operating income are expected to remain virtually the same.

## Midterm Business Plan

**Accelerating growth with motors as a pillar for earnings**

**Main points**

1. Motors
   **Top-line growth in automotive motors such as HVAC, LiDAR, and actuators to further increase profitability**
2. Electronic devices
   **Resonant devices to contribute to profits, and structural transformation of backlight business**
3. Sensing devices
   **Growing demand for sensor products used in rechargeable batteries and vaccine production equipment**

## Basic strategies for next 10 years

In the MLS segment, we will strengthen the platform of our core businesses of motors and sensors. In the sub-core businesses, where technological change is rapid and profit opportunities are large, we will work to reduce fixed costs and appropriately assess business risks, while also growing our core business by maximizing profits without missing growth opportunities.

In order to achieve long-term stable growth, we will expand our portfolio and develop new areas of business through the INTEGRATION process using other Eight Spear products.

## Strategy for "Becoming the one-of-a-kind supplier through INTEGRATION"

The increasing need for electrification and comfort in automobiles is driving demand for our HVAC (Heat Ventilation and Air Conditioning), AGA (Active Grill shutter Actuator), and other compact and precision actuators for air conditioning control, aerodynamics, and battery thermal management. The AGA is used in the opening and closing of the front grille area, which not only contributes to efficient air exchange and improves fuel efficiency, but also reduces braking distance and improves aerodynamics. Additionally, with the promotion of electrification, the number of motors installed per vehicle is increasing. By INTEGRATION with the motor, bearing, parts machining groups, we develop in-house products that meet or exceed specifications. Equipping motor systems with our in-house products enhances motor competitiveness by improving motor characteristics, adding value, and reducing manufacturing costs. We will continue to gain substantial market share in niche fields and create new profit drivers.

HVAC

AGA

## Creating solutions to social issues

MinebeaMitsumi's sensing products, centered on strain gauges that detect loads on minute products with high precision, are used in a wide range of applications. Their use is now contributing to solving social issues in EVs and medicine.

### Measurement system for lithium-ion (Li-ion) batteries

**Substantial increase in production of Li-ion batteries to support EV automobiles and motorcycles**

Li-ion batteries are necessary for automobile and motorcycle EVs. By combining a high-precision load cell and a digital indicator, this system achieves accurate weighing of raw materials and proper mixing ratios in the manufacturing of Li-ion batteries. This system is supporting the appropriate use of raw materials and quality assurance of Li-ion batteries.

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### Pressure sensor for dialysis machines

**Improved operability and safety performance of dialysis machines**

As the number of dialysis patients increases, the need for dialysis machines that are easy to operate and have a high level of safety performance has increased. In order to meet the requirements for automated dialysis machines and monitoring systems, it is essential to provide higher precision sensors. The Company's pressure sensors have high corrosion resistance, and are highly functional with digital interfaces.

Load cell and digital indicator

Pressure sensor

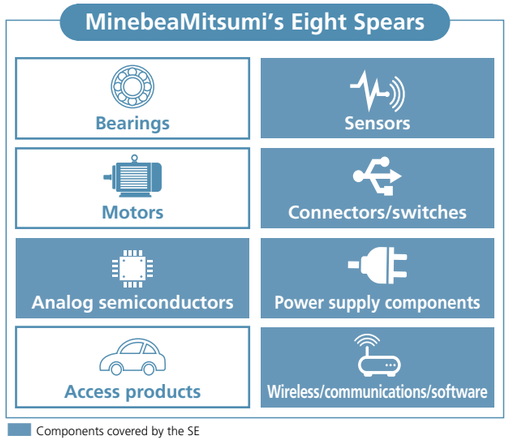
# Semiconductors & Electronics (SE)

**Develop new products for future growth areas by taking an INTEGRATION approach using Eight Spear products to create business opportunities for the entire group**

Managing Executive Officer
Chief of Semiconductors & Electronics Business Headquarters
**Katsuyuki Iwakuma**

## Core competencies

The source of SE's competitiveness is our technological development capability in fields that require ultra-precision processing, such as sensors, optics, MEMS (microelectromechanical systems) high-frequency technology, electric circuit technology and semiconductor design technology. Furthermore, through the management integration of MITSUMI, ABLIC, Honda Tsushin Kogyo, and Minebea Connect (formerly SUMIKO TEC), MinebeaMitsumi's core technologies and DNA, such as ultra-precision machining and vertical integration, have been combined, allowing us to handle everything from development to mass production. We have established a system that allows us to respond to the detailed needs of our customers all at once. Five of the Eight Spear products, including analog semiconductors, belong to the SE segment, making the business the driving force behind INTEGRATION for the entire group.




### Opportunities

- Expanding needs for even lower power consumption, smaller size, and higher precision in key fields such as automotive, communications, and medical.
- Expanding demand for analog semiconductors, connectors, power supply components, and other components that support high voltage, high current applications.
- Use of AI/Big Data will increase connectivity in automobiles, housing equipment, infrastructure, and other business sectors.

### Risks

- Rise of new technologies and applications to replace existing technologies.
- Rise of low-cost competitors in China.
- Tighter regulations on high-tech industries due to U.S.-China trade friction.
- Large-scale M&As and lack of competition due to semiconductor industry restructuring.

### Responding to opportunities and risks

- Focus on developing new products and cultivating new customers by leveraging our technological capabilities.
- Align capital investment plans with business growth phases.
- Strengthen competitiveness by expanding analog semiconductor capacity and creating synergies with internal resources.

## Overview of the fiscal year ended March 2023

Sales increased due to strong orders for optical devices. The connector business was also strengthened with the addition of Honda Tsushin Kogyo and Minebea Connect. Net sales were 530.5 billion yen, operating income was 42.7 billion yen, and operating margin was 8.1%.

* Operating income excluding special factors of 47.8 billion yen, operating margin of 9.0%

## Outlook for the fiscal year ending March 2024

Despite optical devices and semiconductors continuing to perform well, overall sales and profits are likely to decrease slightly because lower sales and profits are anticipated in mechanical components due to the product cycle.

## Midterm Business Plan

**Drive growth by semiconductors and actuators**

**Main points**

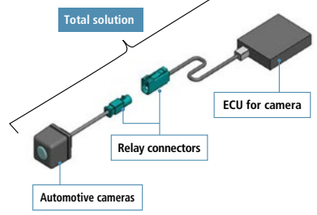
1. Optical devices
   **Steady growth due to increase in installation rate of the Company's products**
2. Analog semiconductors
   **Market recovery and contribution of Shiga Plant**
   **Hasten growth in niche markets centered on power semiconductors**
3. Mechanical components
   **Utilizing INTEGRATION to develop new OEM business**
4. Connectors
   **Growth underpinned by integration effect**

## Basic strategies for next 10 years

MinebeaMitsumi sees that the key challenge for the long-term viability of the SE segment is to ensure robust growth in the five areas of Eight Spear product groups as the future core businesses. To this end, our basic strategy is to use the cash generated by our sub-core businesses as growth capital to strengthen our Eight Spear products. This will be achieved through (1) organic growth, (2) development of new products, and (3) pursuing M&A of companies that can effectively utilize our products.

## Strategy for "Becoming the one-of-a-kind supplier through INTEGRATION"

In 2023, MinebeaMitsumi integrated its business with Honda Tsushin Kogyo and Minebea Connect. Through this business integration, we will realize technology, production, and sales synergies, strengthen our connector business as one of the Eight Spears, and become a global niche top manufacturer. As devices become smarter, telemedicine and autonomous driving become widespread, and ultra-high-speed communications and high-speed transmissions progress, connections tailored to a variety of new applications will become necessary. In addition, we expect an increase in diversity and volume of product applications, as types of signals increase and devices become smaller and lighter. For example, in the field of autonomous driving we are able to provide complete solutions extending from cameras to electronic control units (ECUs), connectors, cables, and harnesses. This entails attaching Minebea Connect's relay connectors equipped with waterproof technology to Honda Tsushin Kogyo's automotive cameras, its specialty, and integrating MinebeaMitsumi's general-purpose products into the ECU. Our products are able to support high-speed transmission of video signals with no delay or degradation from the "viewing" and "sensing" camera to the analysis ECU. Using the integration of the three companies as a springboard, we will continue to create high value-added products like this in an effort to improve profitability.




## Developing products and supplying components for solving social issues

In analog semiconductors, which are a major growth driver for our company, we have clarified not only the "INTEGRATION" products of MITSUMI and ABLIC, but also the responsibilities and roles of each. MITSUMI will strengthen its mass production business and power semiconductors (IGBT, SiC, and others.). ABLIC will focus on high-mix, small-lot manufactured products as growth drivers, such as highly integrated analog front end (AFE) products. Additionally, we will strengthen our semiconductor design capability by business integration with SSC in 2023.

These products not only raise our revenue, but also directly contribute to solving social issues.

IGBTs, a type of power semiconductors, are used in EVs and industrial machinery. We aim to develop high-performance IGBTs that approach the performance limits of silicon in anticipation of the EV era. By utilizing our Shiga Plant and business development specializing in chip sales, we will achieve low loss, high speed, and high breakdown resistance, contributing to energy conservation in powered devices. Furthermore, by adding SiC, which has higher breakdown voltage than IGBT, to our lineup, we will further contribute to energy savings and carbon neutrality.


Shiga Plant

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# Access Solutions (AS)

## Work to maximize synergies from business integration and boost competitiveness as a Tier-1 business

Director, Vice President Executive Officer
Chief of Access Solutions Business Headquarters
**Ryozo Iwaya**

## Core competencies

Our core competency is our broad knowhow, from the development and design phases through production for systems, in a wide range of automotive applications—from mechanical structures to electronic technology and even software. The merger with Minebea AccessSolutions (formerly Honda Lock) has strengthened synergy in the access product business, expanded sales of Tier-1 business by tapping into different customer bases, and enhanced our global operations development.


Minebea AccessSolutions' Miyazaki Plant

### Opportunities

- Shift to high value-added products in response to the electrification and advanced functionality of automobiles.
- Expansion of the digital key market due to the shift to connected cars.
- Increase in the number of parts per vehicle due to higher value-added door handles, latches, power closure systems, door mirrors, and similar applications.
- Expansion of Tier-1 business.

### Risks

- Increased competition and its impact on pricing strategies.
- Production adjustment by automobile manufacturers due to economic trends and difficulty in procuring parts.
- Possibility that automobile manufacturers will prefer existing products due to factors such as safety and commonality of parts and functions.

### Responding to opportunities and risks

- Implement structural reforms to shift from low-priced products to high value-added products.
- Accelerate the development of high-end products for luxury car manufacturers by increasing the presence of our technologies.
- Develop common engines through our unique modularization and actuator technology.

## Overview of the fiscal year ended March 2023

Sales increased due mainly to the contributions from Minebea AccessSolutions, which became a consolidated subsidiary on January 27, 2023, as well as a recovery in sales to the automotive industry. Due to income from negative goodwill, net sales were 194.7 billion yen, operating income was 22.3 billion yen, and operating margin was 11.5%.

* Operating income excluding special factors of 2.1 billion yen, operating margin of 1.1%

## Outlook for the fiscal year ending March 2024

We will make steady progress in structural reform of the European business, and increase sales and profitability by maximizing our Tier-1 business, including newly integrated Minebea AccessSolutions.

## Midterm Business Plan

**Significant earnings improvement due to market recovery and integration effects**

**Main points**

1. **Realization of structural reform effects supported by market recovery**
2. **Cost reduction through integration**
3. Accelerate shift to high value-added products
   **(1) Compact spindle drive**
   **(2) Flush handle**
   **(3) e-latch**
   **(4) Charge port door**

## Basic strategies for next 10 years

Access Solutions (AS) will seek to expand its automotive business by creating synergies from business integration, making the most of our presence as a Tier-1 business, and directly proposing MinebeaMitsumi Group's various products to automobile manufacturers. We aim to improve quality, productivity, and the strength of our business management system. We will improve profitability by injecting global human resources and manufacturing know-how from the entire group, and create competitive products through "INTEGRATION" of technologies.

## Strategy for "Becoming the one-of-a-kind supplier through INTEGRATION"

In MinebeaMitsumi's Access Solutions Business, business integration has enabled us to strengthen the lineup of products that we deliver directly to automotive OEMs as a Tier 1 manufacturer.

The increasing electrification of vehicles is also creating a wider range of applications that can benefit from the Company's product INTEGRATION. For example, the charge port door used to charge EVs combines actuator, strain gauge, and kinematics technologies to achieve high added value. Door handles have also been developed as a MinebeaMitsumi Group's INTEGRATION product, which include antennas, sensors, strain gauges, motors and other technologies, and this product has a proven track record in the market. In the development of door handles, spindle motor engineers in Germany worked together with U-Shin engineers to promote INTEGRATION of talents as well.

By increasing our offerings as a Tier-1 business, we are able to sell products together and provide a wide range of solutions to our customers' issues.

Charge port door

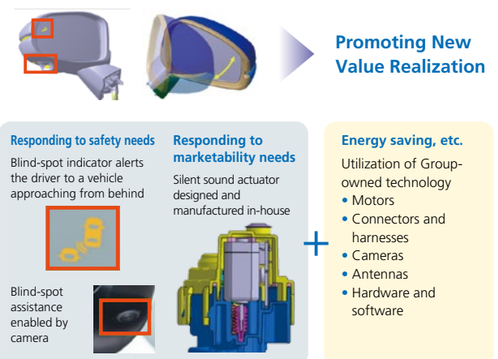
Actuators

Strain gauges

## Developing products and supplying components for solving social issues

Door mirrors have been added to the lineup of the Access Solutions Business as a result of the merger with Minebea AccessSolutions. The door mirrors have high stiffness and vibration performance so that rearward visibility is not obstructed even when driving at high speeds or on rough roads. They also operate quietly when folding or adjusting the mirror surface. With the trend toward electrification and higher functionality in automobiles, particularly in high-end models, shifting from blind-spot monitoring with auxiliary cameras and indicators to blind-spot assistance with eMirrors, which utilizes cameras and other control devices, is attracting attention. As the need for improved safety performance is increasing in response to autonomous driving, the opportunities to use our sensors and actuators for sensing peripheral information and capturing digital visibility are also expanding. In addition, we have to strike a balance between the increasing number of components mounted on vehicles and energy conservation. We will leverage the Group's INTEGRATION capabilities to improve aerodynamics by incorporating antennas and contribute to thinner bodies, cameras, and harnesses by utilizing our precision technologies.

MinebeaMitsumi At a Glance Page 18



# Human capital

The strength of our human capital is our global and diverse workforce cultivated through overseas expansion and M&A since the Company's founding, and the ongoing expansion and evolution of our manufacturing expertise. As we take on the challenge of rapid growth in pursuit of the Eight Spear strategy, and to solve social issues, we focus on developing and acquiring "leaders who look at the big picture, and who strengthen and evolve business through ingenuity, leadership execution skills" and "engineers who boldly confront the challenge of solving social issues through the deepening and INTEGRATION of technologies." We strive to maximize organizational strength through team-building and X (cross) tech activities, fostering INTEGRATION of our diverse talents, a strength of our organization.

**Human resources policy** We create new value by actively accepting differences, and take on the challenge of reform to increase corporate value and realize our management strategy.

**Human resources strategy** We will discover, secure, and develop "sharp talents" individuals who can drive the business forward on their own, take on new challenges, and continually grow the Company.

## Strengths of human capital

### Global talents to create new values

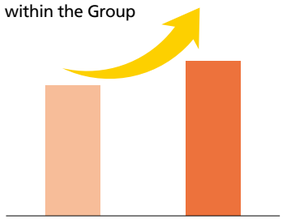
Persons other than Japanese nationals in head office management

**7** persons / **69** persons

(As of June 30, 2023)

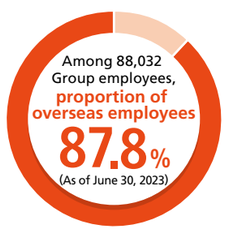
### Engineers and skilled workers who continue to pass on and evolve their knowhow

Research and development personnel within the Group



| Fiscal 2022 | Fiscal 2023 |
|---|---|
| 7,106 persons | 8,472 persons |

### Diversity of talents as a source of innovation




| Proportion of female managers | Proportion of female employees |
|---|---|
| 18.8% | 62.0% |

## Human resources to be intensively reinforced

**Leaders who look at the big picture, and who strengthen and evolve business through ingenuity, leadership execution skills**

+

**Engineers who boldly confront the challenge of solving social issues through the deepening and INTEGRATION of technologies**

## Issues

- Need to secure and develop the right talent
- Need measures to attract and retain excellent human resources, especially engineers
- Need to cultivate a corporate culture for the effective INTEGRATION of talent
- Need a mechanism to activate INTEGRATION

## Strategies and initiatives to expand human capital

### Strategy 1 Developing and acquiring leaders — Material Issues 6

**Identify and develop next-generation senior management/ leadership candidates**
- Identify next-generation senior management and leaders who will strengthen and lead the evolution of the business and provide them with practice-oriented training

**Promote talented personnel to head office management**
- Actively promote talented personnel from overseas subsidiaries and domestic subsidiaries that have joined the Group through M&A to head office management
- Promote the appointment of management candidates from outside the company

### Strategy 2 Developing and acquiring engineers — Material Issues 6

**Acquire engineers**
- Hire new talented science graduates who will be responsible for future technological innovation
- Acquire human resources who can hit the ground running, through mid-career recruitment, M&A, etc.

**Train and retain engineers**
- Introduce remuneration system and establish the environment to attract and retain talented human resources

**Promote people interactions that facilitate innovation**
- Promote X (cross) tech activities that facilitate INTEGRATION of technical fields
- Promote diverse interactions, such as industry-academia partnerships

### Strategy 3 Maximizing the power of the organization through the INTEGRATION of talents — Material Issues 7 8 9

**Promote diversity & inclusion**
- Continue to promote women's activities and D&I promotion activities

**Create a positive and rewarding work environment**
- Create an environment that ensures the mental and physical health and safety of employees

**Familiarize employees with INTEGRATION activities**
- Broaden team building activities

**Improve employee engagement**
- Identify key indicators for improving engagement and implement improvement actions based on the results of the survey conducted in 2023

## KPI results

**Rate of successor candidate readiness for key positions**
⇒ 120% (As of June 30, 2023)

**Ratio of persons other than Japanese nationals in head office management: 15% or more**
⇒ 10% (As of June 30, 2023)

**Achievement rate of new technical graduate recruitment plan: 90% or more**
⇒ 71% (Joining in 2024)

**Achievement rate of mid-career recruitment plan: 80% or more**
⇒ 49% (fiscal 2022)

**Number of research and development personnel: 10,000 or more**
⇒ 8,472 persons (As of June 30, 2023)

**Proportion of female managers: 3.5% or more (non-consolidated)**
⇒ 3.2% (As of June 30, 2023)

**0 incidents of serious workplace injuries (fatal accidents)**
⇒ 0 incidents (fiscal 2022)

## Outcome

Expansion of management candidates, both in quality and quantity, to accelerate mid-term management plan

Increase headcount of technical experts and expand the breadth and depth of the core technology platform that gives rise to new products

Increased number of innovative new products developed that are different from other companies' products

Bottom-up improvements and cross-departmental and cross-regional INTEGRATION activities becoming the norm

Increased recognition as a company with a diverse workforce and a great place to work

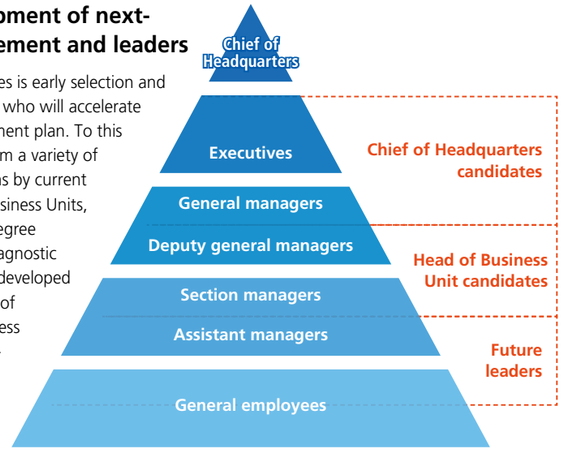
## Examples of Human Capital Expansion Initiatives

**Strategy 1**

**Developing and acquiring leaders**

### Identification and development of next-generation senior management and leaders

One of the important management issues is early selection and development of a leadership candidates who will accelerate the execution of the mid-term management plan. To this end, the Group identifies candidates from a variety of perspectives, including recommendations by current Chiefs of Headquarters and heads of Business Units, annual performance evaluations, 360-degree feedback of leadership behavior, and diagnostic tests of logical thinking skills. Then, we developed a three-tiered pool of candidates: Chief of Headquarters candidates, head of Business Unit candidates, and young and middle-ranking future leaders. We implement practice-oriented training based on the individual candidate's situation.




### Training for locally hired leaders of overseas subsidiaries held at headquarters

In 2018, we started a one-year training program in Japan for talented employees of our overseas subsidiaries, as part of our efforts to produce human resources who will be responsible for local operations in the future. Thus far, a total of nine employees from Thailand, China, the Philippines and Germany have taken part in the program. During the program, trainees stay at the headquarters and multiple domestic offices where they develop a wide-ranging field of view and a managerial perspective by gaining an understanding of our primary business operations. We also provide ongoing department-led training programs, each lasting from several months to a year, for local employees at major overseas plants in Thailand, China, the Philippines, and other countries.


**Strategy 2**

**Developing and acquiring engineers**

### 1 DAY Workshop, Faculty of Engineering, the University of Tokyo

In November 2022, we held a "1-DAY Workshop" for students from the Faculty of Engineering, the University of Tokyo, in order to convey the Company's appeal and technological strengths to students majoring in engineering, and to create new relationships with the university and opportunities for social collaboration. Thirty-four students from the University of Tokyo and the Company's young engineers engaged in energetic discussions about idea generation and problem-solving measures based on the discussion themes. It was a valuable opportunity for students from the University of Tokyo, who are full of intellectual curiosity, and the Company's passionate young engineers to interact with each other.

### Stimulating communication through X (cross) team activities

In March 2023, we started activities to promote people-to-people communications in order to enhance INTEGRATION in the technical field by making optimal use of the new Tokyo X Tech Garden venue. Starting with the "Development x Sales Theme Exchange Meeting," which aimed to activate mutual communications among resident members and improve work efficiency by enhancing internal references, various measures to encourage human communications have been implemented to accelerate INTEGRATION.

**Strategy 3**

**Maximizing the power of the organization through the INTEGRATION of talents**

### Team building activities

We build teams as the basis of our INTEGRATION initiatives by taking a bottom-up approach for improvement and by deploying best practices laterally within the Group. This activity started in fiscal 2019 and is now implemented world-wide.

The team from Thailand won the Gold Prize at the All-MinebeaMitsumi Team Building Awards in fiscal 2022 by improving productivity by sharing knowhow and optimizing resource allocation s among growing demand products and shrinking demand products. The Chinese team, winner of the Silver Prize, used web conferencing tools to share ideas for improvement, analyze defects and improve jigs across the division, and successfully reduced scrap and improved productivity, despite disruption of support due to the COVID-19 pandemic.



### Diversity & inclusion

Under our corporate slogan, "Create new value through 'difference' that transcends conventional wisdom ," we uphold a spirit of equality when it comes to human resources, and promote talented people regardless of where they come from. We have adopted a group executive officer system, for which executives are selected from the management of overseas group companies, and meetings are held regularly to promote communication.

In Japan, our efforts center around our "women's empowerment and D&I promotion project." This prompts us to establish and implement measures for hiring, training, and utilizing a diverse range of employees. It also promotes increasing the percentage of female managers, recruiting women for career positions and hiring women with STEM educational backgrounds. Believing that it is important for employees to be physically and mentally healthy and fulfilled in order to create new ideas, we have built a new massage room at the Tokyo X Tech Garden. We have hired visually impaired people as massage therapists to promote employment of people with disabilities and to improve the health of our employees.

### Employee engagement

We conducted an engagement survey of approximately 9,000 employees of domestic group companies in June 2023. The survey participation rate was 85%. Based on the results, we are working to identify key indicators for improving engagement and formulate action plans.

# Manufactured capital

The strength of MinebeaMitsumi's manufactured capital, which is the source of its competitiveness, is its vertically integrated production system that combines ultra-precision machining technology and mass production. We are expanding our global production infrastructure and sharing our accumulated manufacturing knowhow throughout the entire Group. We have formed a dedicated team to support manufacturing, strengthening manufacturing capabilities across the Group, and contributing to the promotion of synergies.

Strengths of manufactured capital
- **Vertically-integrated manufacturing**
- **Global operation**
- **Accumulated manufacturing knowhow**

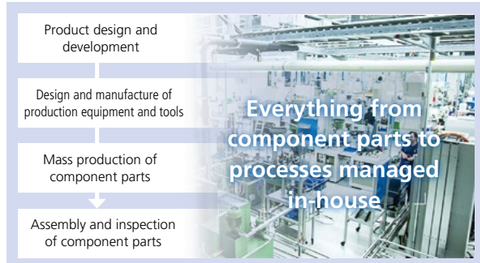
## Strengths of manufactured capital

### Strength 1 Vertically-integrated manufacturing system

Many ultra-precision components, such as bearings, require processing precision to be at a micron (one millionth) or nano (one billionth) level, and are produced in volumes numbering in the hundreds of millions.

MinebeaMitsumi has established a vertically-integrated manufacturing system for managing everything from design and development to assembly and in-house inspection, reducing manufacturing costs and providing products with high precision and speed.

**Our vertically-integrated manufacturing system enables us to achieve both ultra-precision machining technology and mass production**



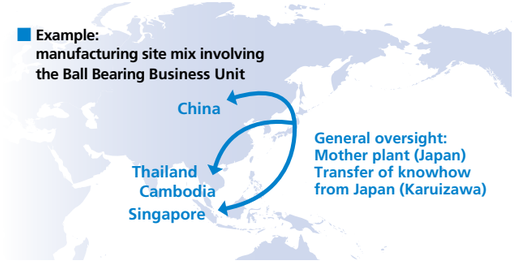

- Ultra-precise quality
- Speedy and stable supply
- Reduction of manufacturing costs

### Strength 2 Global production system with 125 sites in 23 countries

The Company's strength in diverse products is also a strength in our manufactured capital. Among the 125 production and R&D sites spanning 23 countries, the mother plants in Japan closely work with mass production sites in Southeast Asia, such as its plants in Thailand, the Philippines, China, and Cambodia, as well as Europe and the United States, to swiftly and flexibly respond to diverse market needs.

We have strengthened our risk mitigation system by establishing sites in multiple countries for most of our business operations, including for bearings, motors, sensors, connectors, and access products. We also operate multiple locations within some countries. At every location, we promote "identical technologies and management," and develop systems that drive manufacturing of products with uniform quality, even if manufactured in different locations. This does not simply diversify risk, but enables us to truly avoid risk, supplying products meeting the standards demanded by our customers even when we might encounter production interruption in some regions.

We are also implementing risk diversification by promoting "manufacturing the same model at multiple factories" with an eye toward local production for local consumption.




### Strength 3 Sharing of manufacturing knowhow and specialized team to support manufacturing

MinebeaMitsumi has honed its manufacturing capabilities by specializing in very small and miniature-sized bearings, and maintains productivity at a high level by pursuing performance, quality, and yields to the utmost. This manufacturing knowhow has been shared throughout the entire Group not only for bearings, but also motors and electronic devices, leading to differentiation of our products. A specialized team has also been formed to support manufacturing and synergies have been quickly demonstrated with this business integration.

## Basic policy for manufactured capital strategy to achieve management strategy

The Manufacturing Headquarters aims to share best practices, create vision for automated manufacturing, and pass on its "Monozukuri (Manufacturing) DNA" to the next generation. To achieve these goals, we are implementing a number of initiatives, including further improving supply capacity through team building, strengthening risk management, and reducing environmental impact.

Aim of Manufactured capital: **Building an unrivaled supply system, strengthening risk management, and reducing environmental impact**

| Current issues | Measures |
|---|---|
| **Developing and acquiring human capital at manufacturing sites** | **Strategy 1 Further improvement of our speedy and unrivaled supply capability through team building** |
| **Increased geopolitical and other risks** | **Strategy 2 Strengthening of risk management** |
| **Environmental issues** | **Strategy 3 Focus on reduction of environmental impact of manufacturing** |

### Strategy 1 Further improvement of our speedy and unrivaled supply capability through team building

The speed of technological innovation is accelerating and diversifying more than ever, and as a components manufacturer, we need to deliver our products to the market and to customers more quickly, in larger quantities, with greater flexibility.

Our path to superior supply capacity is through improved productivity. We share manufacturing knowhow for in-house components and production equipment, refined through vertically-integrated manufacturing across a wide range of businesses, generating synergies and increasing productivity.

Our manufacturing of parts and production equipment reduces cost, improves productivity, and enables fast and flexible response to sudden model changes, making our products more competitive. We will continue to increase the percentage of the parts and equipment we manufacture in-house, promote automation of our production equipment, and optimize our production monitoring systems.

We are increasing our production capacity through efficient capital investment and M&A, ensuring that we maintain our position ahead of the trend and ahead of our competitors. In our mainstay ball bearing business, in addition to productivity improvements, we have established a supply base with a monthly production capacity of 370 million units in anticipation of future market growth.

We will continue to develop our supply capabilities by taking a variety of steps to increase productivity and expand production capacity through team building initiatives and the use of the Tokyo X Tech Garden, including sharing the manufacturing knowhow and best practices.

Team building Page 47

### Strategy 2 Strengthening of risk management

As a components manufacturer with products that have the world's top market share, MinebeaMitsumi believes that fulfilling our responsibility to supply to our customers is our social responsibility, and we have worked to expand our risk management system on a global scale.

The Company's efforts to diversify business and manufacturing risk have proven effective not only with respect to the COVID-19 pandemic but also in terms of supply chain disruptions associated with rising raw material prices and semiconductor shortages. These efforts have enabled us to minimize impacts on our operations and shipments to customers.

Our top management and employees will continue to work together to confront crises and do our best to strengthen our risk management, unwavering in the face of adversity.

Risks and Opportunities Pages 29 to 30
Risk management Pages 79 to 80

### Strategy 3 Focus on reduction of environmental impact of manufacturing

MinebeaMitsumi has long been committed to environmentally friendly initiatives in accordance with its corporate philosophy and motto, including the operation of a Plant Wastewater Zero discharge system in the mass production facilities at its Thailand and Shanghai Plants. Our efforts to respond to the global focus on climate change and decarbonization started with the installation of solar power generation systems at our main plants in Thailand and Philippines, and we are increasing efforts to reduce our environmental footprint, through PPAs (power purchase agreements) in the Philippines and Europe and in-house power generation in Thailand and Cambodia.

Initiatives for the Environment Pages 57 to 62

# Intellectual capital

With ultra-precision processing technology at its core, MinebeaMitsumi works to maximize synergies by INTEGRATION of our strengths in manufacturing, technology, development, and sales. Furthermore, using M&A as a driver for rapid growth, we are producing synergies early on through our Post Merger Integration (PMI) endeavors. We continue to generate new and increased value by leveraging the strength of our intellectual capital.

**Strengths of Intellectual Capital**
- **Ultra-precision machining technology**
- **Capability by INTEGRATION of manufacturing, technology, development, and sales**
- **M&A capability/PMI**

## Strengths of Intellectual Capital

### Strength 1 Continually-refined ultra-precision machining technology

MinebeaMitsumi has devoted itself for more than seven decades to development of ultra-precision machining technology and has reached its goal of producing 370 million units of ball bearings per month. The Company has developed its cutting-edge machining technology in-house, including everything necessary to fully control processing measurements on the nanometer scale and maintain consistent machine precision and quality, from cutting tools for machining, specialty tools, and production equipment, to the environment.

The Company also has established an unparalleled manufacturing system able to meet market and customer needs by providing in-house development of new raw materials required for future products. Our experience in and accumulated performance data from ultra-precision machining we have developed thus far provide a vast database for the Company to draw on to apply to our machined components and other products.

At MinebeaMitsumi, we also contribute to the reduction of $CO_2$ emissions through our products. As a Company initiative, we are focusing on the development of high-precision bearings which will assist in the achievement of this goal. By further refining our ultra-precision machining technology and increasing the precision of our bearings, we effectively reduce friction thus increasing the energy efficiency of the bearings.

For example, using precision ball bearings for fan motors, widely used to cool IT related electronic devices, could eliminate approximately 1.424 million tons* of $CO_2$ emissions. (According to the Company's research)

Initiative to calculate volume of avoided $CO_2$ emissions by product Page 59

To help solve social issues, we will continue to upgrade our ultra-precision machining technologies to expand opportunities to reduce $CO_2$ emissions and energy consumption in the products we provide to our customers and our own INTEGRATION products.

### Strength 2 Power of INTEGRATION of manufacturing, technology, development, and sales

At MinebeaMitsumi, we develop new products and pioneer new markets to resolve social issues by INTEGRATION of manufacturing, technology, development, and sales, and by aggressive investment in research and development. As a foundation to support these strategies, we will secure talented human resources for the future, invigorate internal exchanges, and implement INTEGRATION and strengthen the Company's proprietary technologies at the Tokyo X Tech Garden.


### Strength 3 Maximize synergies through M&A capabilities and PMI

As of August 2023, MinebeaMitsumi has acquired a total of 55 businesses, including 24 since April 2009, in an effort to strengthen its business portfolio. In the fiscal year ended March 31, 2023, the Company completed four M&A transactions: two in connectors, one in access products, and one in semiconductors.

The Company's ability to execute M&A is steadily increasing. Among them, we are focused on PMI, and by upholding a spirit of equality, we are able to motivate the Group's members to rapidly generate synergies.

## Basic policy for intellectual capital strategy to achieve management strategy

In order to support rapid growth of our core businesses and increase competitiveness, we will strengthen basic and key technologies that improve the added value of our products, and by developing new products based on market needs. We will also generate synergies through INTEGRATION and focus on solving social issues and developing new products that meet the demands of the next generations.

**Aim of Intellectual capital** > **Combining our ultra-precision machining technologies with our core technologies to promote development of new products that contribute to resolving social issues**

## Current issues

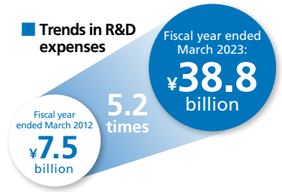
**Development of new products that contribute to solving social issues**

**Protect intellectual property and strengthen barriers to entry**

## Measures

### Strategy 1 Upgrade core technologies and roll out new products

MinebeaMitsumi's policy for development includes two key strategies:
- Expand key technologies (core technologies) essential for new product development that can win the market in the medium- to long-term.
- Create new products by leveraging Group synergies and promoting INTEGRATION initiatives. Moreover, in addition to these existing technology policies, we will engage in new product development with a heightened consciousness of social issues.




1. Expand the motor business
2. Bring about a paradigm shift with respect to the optical technology development product line
3. Expand the sensor business
4. Enter the robotics market
5. Promote connectivity with sights set on IoT
6. Improve added value of machined components
7. Increase value-added access products
8. Collaborate with ABLIC

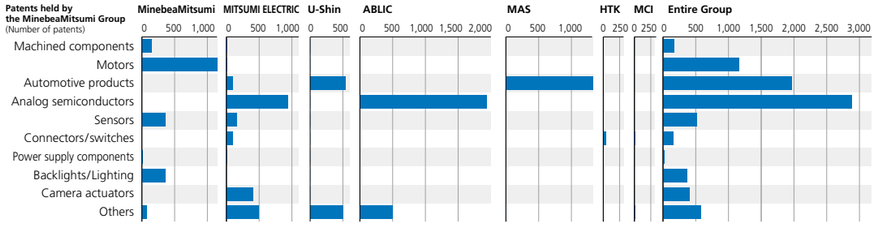
#### New technology strategies to advance new product development

In the Company's previous technology strategy, the policy was to broaden and strengthen core businesses through differentiation of the product lineup with strong key technologies, and by using technology to improve performance. In order to ensure that we achieve our long-term goals of 2.5 trillion yen in net sales and 250 billion yen in operating income, we are now taking on the challenge of developing new technologies and new products. Specifically, the Technology Development Division will transform itself by optimizing its technology development policy. Our approach to date has involved fine-tuning core technologies and commercializing them through mass producing products. However, recent technological innovation and changing circumstances have made it necessary to achieve maximum results in a shorter period of time. In order to advance the development of new products and identify needs present in a wide range of markets, we have been not only cultivating more powerful core technologies but also promoting product development based on anticipated market needs. We have expanded our perspective not only within the company but also outside the company, and established a new collaborative creation office in the Tokyo X Tech Garden to pursue and stimulate collaborative creation, including industry-academia collaboration, that looks beyond traditional industrial boundaries. We have also strengthened the development proposal system for new products by young engineers, promoting an efficient and accelerated launch pace for new products and research and development of one-of-a-kind products, which are indispensable for achieving our goals.

**Creating new value through collaborative creation**


### Strategy 2 Forming a portfolio of intellectual property that supports business growth

The MinebeaMitsumi Group maintains ownership of over 8,000 patents in its portfolio, as illustrated below. The Group companies complement each other to form a portfolio that effectively covers the Eight Spears and other major businesses.



# Connectors

Precision Components Div.
General Manager of
Precision Components BU
**Toshihiro Tago**

Business Officer
General Manager of
Precision Components Div.
General Manager of
Honda Tsushin BU
**Kinji Kashio**

Deputy General Manager of
Precision Components Div.
General Manager of
Minebea Connect BU
**Yoshiyuki Ebihara**

## Becoming a global niche top connector manufacturer

— Please explain the characteristics of each of the connector businesses integrated in 2023.

**Kashio:** Honda Tsushin Kogyo has expanded its business in the area of connectors for telecommunications equipment, and boasts a 90-year history. With strengths in miniaturization, robustness, and reliability, we have expanded into the machine tool and automotive industries, and are proud of our 14-16% share of the automotive camera market. We also have a wide variety of products and a large share of the market for optical communication connectors, which will be in high demand for high-speed communications in the future. However, despite having the technology, there were issues with sales capabilities, especially overseas sales channels.

**Ebihara:** Minebea Connect started as a domestic distributor of Tyco Electronics AMP and later began manufacturing and selling its own products in Japan. It shifted away from a focus primarily on consumer connector products due to a deteriorating business environment, and instead expanded its business centered on customized products for the automotive market. Given that these products draw on strengths with respect to insert molding, which requires advanced molding and pressing technology, Minebea Connect has recently been working with larger components. However, it also found itself contending with the issue of cost competitiveness.

**Tago:** The connectors of the Precision Components BU, whose parent company was formerly MITSUMI, are mainly for automotive and consumer applications. The automotive connectors are for high-speed transmission. Those for consumer use such as Type-C and SD card connectors are characterized by mass production. They are manufactured mainly at the Cebu Plant. We have strong price competitiveness, leveraging our cost competitiveness achieved through vertical integration. However, it is difficult to be optimistic about the future of both consumer- and automotive-use connectors. We believe it is necessary to expand the scope of our business. The integration of the three companies has the great advantage of them complementing each other.

— Please tell us about PMI's current progress.

**Kashio:** The three companies have their respective strengths. Honda Tsushin Kogyo is strong in customized production of a wide variety of products in small quantities for telecommunications, industrial machinery, and automotive applications; Minebea Connect in composite formation of customized large connectors for automotive use; and MinebeaMitsumi in worldwide mass production of standardized products. After the business integration, development technologies have been gathered on one floor of the Tokyo X Tech Garden to start INTEGRATION activities. Minebea Connect's LED lights, turbocharger parts, and other large molded products have a great deal of potential for INTEGRATION of the three companies' technologies. With MinebeaMitsumi, we are improving production to increase competitiveness, expanding overseas sales channels, and jointly conducting sales and marketing activities. There are also many business opportunities within the Group. For example, we are talking to each business unit to have them use connectors we have jointly developed. The business integration has enabled us to do various things that we would have given up on if we had gone at it alone. So it has increased the motivation of our employees.

**Tago:** A concrete result of the three companies' integration is the development of water- and oil-resistant Mini-FAKRA connectors for automotive use. We are now able to coordinate various technologies within the Tokyo X Tech Garden.

**Ebihara:** Mr. Kashio spoke about the INTEGRATION of technologies. The three companies are also working together on sales activities. Meanwhile, the Company has been approached with a number of potential non-automotive projects associated with its commercial expansion following the business integration. We have waterproof connectors for consumer use, such as those used in warm-water washing toilet seats. But we have not been able to market our technology to other industries on our own. After the business integration, we are now moving to sell our products to other industries.

— Please tell us about your future prospects.

**Kashio:** We will press ahead with the development of new products capitalizing on the INTEGRATION of strengths of our technologies, cross-selling of the three companies' products with different strengths, and productivity improvement. We had some issues with productivity at Honda Tsushin Kogyo, but with the help of MinebeaMitsumi's production engineering unit, we have been able to identify the issues onsite. To achieve our performance target of 50 billion yen in sales for the fiscal year ending March 31, 2029, we will advance our product development to become a global niche top manufacturer through INTEGRATION activities, focusing on growth areas such as high-speed transmission connectors and cameras in the automotive market, sales expansion in the overseas motorcycle market, and sensors for industrial machinery. We are also working on issues such as the establishment of a manufacturing system with a view to local production for local consumption in the midst of increasing geopolitical risks.

**Tago:** The weight of automotive components poses a risk. A heavy reliance on one industry can lead to large fluctuations in performance, as in the case of the recent IC shortage. We will work together with the other two companies to broaden the scope of applications of automotive components, while expanding into other areas such as consumer and industrial machinery sectors.

**Ebihara:** We will strengthen our ability to grasp our customers' issues. We are still working with a team of experienced sales and technical staff, but the lack of capacity to process the orders we were receiving had been a challenge. We are taking steps to improve our sales capability, centered around Mr. Kashio, the head of the business. When it comes to expansion in the area of general-purpose products, we have also been working on several initiatives. This includes complying with standards to expand our overseas business and promoting in-house production of equipment aimed at reducing costs. We have also been deploying products within the Group through our INTEGRATION initiatives. We are all working as one to solve these issues, through business integration.

# Access Solutions

Managing Executive Officer
Deputy Chief of Access Solutions Business Headquarters
Deputy General Manager of U-Shin Business Div.
**Hidenori Kawakami**

Deputy Chief of Access Solutions
Business Headquarters and
General Manager of AccessSolutions Div.
**Kaneo Saito**

## Towards establishing a Tier-1 supplier position and further expanding our customer base

— Could you explain the background details of business integration with Minebea AccessSolutions (MAS) and your expectations in that regard?

**Kawakami:** Although MinebeaMitsumi's access products business features an extensive product line of devices, I feel its weak point has been that it has been unable to comprehend concerns of OEM manufacturers who serve as its ultimate customers, given its Tier-2 position within the automotive industry. However, this business integration has solidified our position as a Tier-1 manufacturer. I think it has further enhanced our ability to gather requests from OEM manufacturers and to propose products and technologies.

**Saito:** As OEM manufacturers move toward electrification, components suppliers are also required to change their business models. The business integration was realized because we found that the combination of MinebeaMitsumi's ultra-precision machining technology and mass production technology could generate considerable synergies which could lead to new products in the future in areas other than the automotive field. We also have many products that are highly likely to complement each other with U-Shin's products. Furthermore, we have the advantage of serving not only the automotive business but also the motorcycle business. We can maximize integration synergies by complementing the technologies, customer bases, and regions of operation of the both companies. Also, it is now possible to consider expanding local business in Europe and China while pursuing efficiency and balance in production.

**Kawakami:** For example, in Mexico, U-Shin and MAS have plants that are within about an hour's travel of each other for OEMs who are major customers. In Mexico, China, and elsewhere, we can expect to reduce the burden on our factories and improve their operation rates by sharing product shipments and supply chain systems.

— Please tell us more about your PMI activities.

**Kawakami:** We are seeing a great response with the expansion of our product lineup. Since the announcement of the business integration, an OEM manufacturer has inquired about MAS' sensors, and discussions are underway towards the manufacturer adopting them. In addition, U-Shin and MAS have been working together to address the shortage of semiconductors at OEM manufacturers. We are also aiming to put forward some unprecedented proposals for sensor-related and other devices through INTEGRATION of the two companies' product lines. On the production front, we are considering complementing each other at each location. In order to maximize synergies, a strategy team was set up. Based on MinebeaMitsumi's management strategy, the team began to consider strengthening the product lines and production capacity of the two companies.

**Saito:** Before the announcement of the integration, we had already established integration preparation committees with MinebeaMitsumi in respective regions. However, in some regions, discussions did not proceed smoothly from a compliance perspective. Efforts to create synergies began in full swing on January 27 after the announcement of the integration, and we are now six months into the process. With the establishment of the strategy team, specific studies were started on development, manufacturing, and sales. Furthermore, studies are underway to improve the efficiency of development bases and to curb outsourcing costs by complementing production lines among manufacturing bases.

**Kawakami:** The strategy team consists of members mainly from MinebeaMitsumi. The engineers are gathering at the Tokyo X Tech Garden to start discussions on how to proceed with advanced product development. It is possible for U-Shin and MAS to discuss efficiency improvements between plants. However, I think that we may find it difficult to establish a systematic development and production system, taking into account various changes which may occur going forward in the business environment. Based upon discussions at Tokyo X Tech Garden, led by the strategy team, a systematic, adaptable development and production system can be considered in a systematic manner, and advanced product development can be carried out.

— What is your outlook for the future of PMI activities?

**Kawakami:** As the electrification of access products accelerates, I think it is important to spend time discussing how to create high value-added products by utilizing MinebeaMitsumi's electric device technology, how to create products that only we can make. For example, on development, the strategy team is considering the possibility of cars without door handles using a motorized door latch activated by a smartphone. This kind of thinking is only possible because we have been able to build a broad product and technology base through the business integration, something that was not possible with the previous U-Shin and MAS.

**Saito:** In addition to door handles, we are also considering integrating automotive antennas with door mirrors through "INTEGRATION" of the production and technical capabilities of the group. U-Shin and MAS will work together to develop, propose, and build a production line to sell the product by utilizing MinebeaMitsumi's technology. We would be happy if OEM manufacturers recognize our ability to propose such next-generation products as a unique strength.

## We will greatly enhance business productivity and efficiency through the effective use of advanced digital technology and data.

In order to realize its corporate philosophy, the MinebeaMitsumi Group has set the goal of improving business productivity and efficiency through the use of advanced digital technology as well as the effective use of data capitalizing on AI technology.
Using AI and digital technology, we will carry out the following DX promotion measures.

**Managing Executive Officer Chief Digital Transformation Officer (CDXO)**
**In charge of AI & DX Promotion Division and IT Services Division**
**Togo Sanai**

### 01 Strategy

**DX strategy in line with our corporate philosophy**
- Continuing assessment of our strategy and its impact on our digital journey
- Qualitative and quantitative measurement of our progress

### 02 Organization & Resource

**Acquisition of DX talent**
- Market demand analysis from a broad perspective through industry-academia collaboration
- Uncovering potential business opportunities by leveraging academic knowledge
- Fostering human resources capable of working in industry through collaboration with educational institutions

**Status of DX talent development**
- Engineers with cloud computing certifications within the department: 69% (Those with multiple certifications: 33%)

### 03 Technology

**Introduction of the latest digital solutions, process-building and shared insights**

**August 2020-2021** — 1
- Established AI & DX Promotion Division (August 2020)
- Began full-scale use of the "Cisco Webex" video conferencing app
- Introduced the "Slack" digital workplace
- Launched the "MinebeaMitsumi Academy" e-learning platform
- Recommended security measures to support DX
- Began using the "Box" cloud storage service
- Launched an automated conversation program utilizing AI, "AI Chatbot for Recruiting"
  Launched "AI Chatbot for e-commerce"
- Began the introduction of "Okta" to support zero-trust security

**2022** — 2
- Began developing AI solution "MinebeaMitsumi Healthcare Platform"
- Began developing HR solution "MinebeaMitsumi Human Capital"
- Began developing "MinebeaMitsumi Customer Success" for more efficient sales operations
- Accelerated re-training of IT engineers through a specialist certification program

**2023** — 3
- Launched "MinebeaMitsumi Human Capital"
- Launched "MinebeaMitsumi Customer Success"
- Launched "DX for Productivity Improvement at Manufacturing Sites"
- Improved sales forecasts (demand and sales forecasting) using AI
- Accelerated transformation of manufacturing sites through factory reform

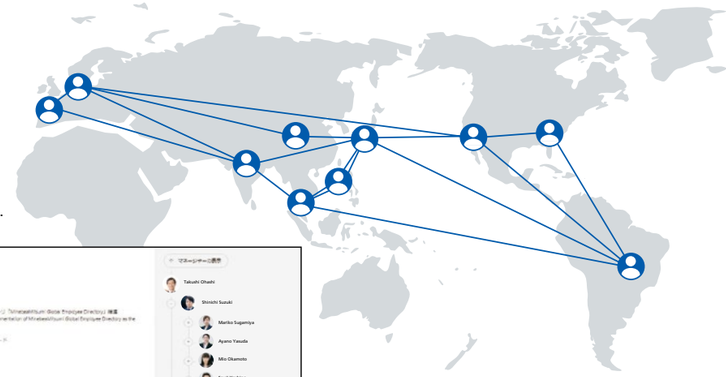
**2024** onward — 4
**Horizontal expansion planned for:**
- "MinebeaMitsumi Human Capital"
- "MinebeaMitsumi Customer Success"
- "DX for Productivity Improvement at Manufacturing Sites"

Consideration of linking DX solutions with various mission-critical systems
Demand forecasting using AI, utilization of generative AI for business operations, etc.



## Facilitating "INTEGRATION" of talents using the "MM Global Employee Directory"

- We are currently building the "MM Global Employee Directory" to facilitate sharing of human resources information based on Workday personnel management solutions.
- We facilitate "INTEGRATION" by stimulating in-house communication transcending organizational boundaries.




## Fundamentally upgrade sales capabilities through systematization of sales infrastructure and close collaboration between manufacturing and sales

Achieve net sales of 2.5 trillion yen and operating income of 250 billion yen by the fiscal year ending March 2029 through rigorous deal and sales representative management

**Analyze operations of the sales and manufacturing sites working closely with their respective contact persons, and create scenarios used by each operation to improve efficiency, thereby establishing a system that enables the site to realize benefits**

**Promote autonomous introduction and smooth operation of the system by appointing a person responsible for the introduction at each site**

**After introducing the system to all sales locations in Japan in fiscal 2024, start introducing to business locations around the world one by one**

## Prompt transformation of manufacturing sites using digital technologies

- We promote new forms of growth and strengthen competitiveness by drastically transforming manufacturing sites through incorporation of the latest information technologies such as AI-OCR and voice recognition.
  We promote new forms of growth and strengthen competitiveness by drastically transforming manufacturing sites through incorporation of the latest information technologies.
- We streamline operations and reduce headcounts by introducing solutions for achieving labor savings in back-office operations.