

Business Results

Second Quarter of Fiscal Year
Ending March 31, 2018

MinebeaMitsumi Inc.

November 8, 2017

1. Financial Results

2. Policy and Strategy

Financial Results

Katsuhiko Yoshida

Managing Executive Officer

Summary of Consolidated Business Results for 1H

Net sales, operating income, ordinary income, and net income hit half year record highs

(Millions of yen)	FY3/17	FY3/18	Change YoY	1H of FY3/18	
	1H	1H		August Forecast	VS. Forecast
Net sales	275,133	429,027	+55.9%	436,400	-1.7%
Operating income	18,594	41,951	X2.3	37,300	+12.5%
Ordinary income	18,915	42,162	X2.2	36,800	+14.6%
Income attributable to owners of the parent	12,745	34,276	X2.7	28,700	+19.4%
Net income per share (yen)	34.01	81.17	X2.4	67.78	+19.8%

Foreign exchange rates	FY3/17 1H	FY3/18 1H	FY3/18 1H August Forecast	FY3/18 1Q	FY3/18 2Q Assumption
US\$	¥107.31	¥111.20	¥108.24	¥111.48	¥105.00
Euro	¥120.08	¥125.59	¥118.27	¥121.53	¥115.00
Thai Baht	¥3.06	¥3.28	¥3.15	¥3.24	¥3.06
Chinese RMB	¥16.28	¥16.36	¥16.09	¥16.18	¥16.00

Summary of Consolidated Business Results for 2Q

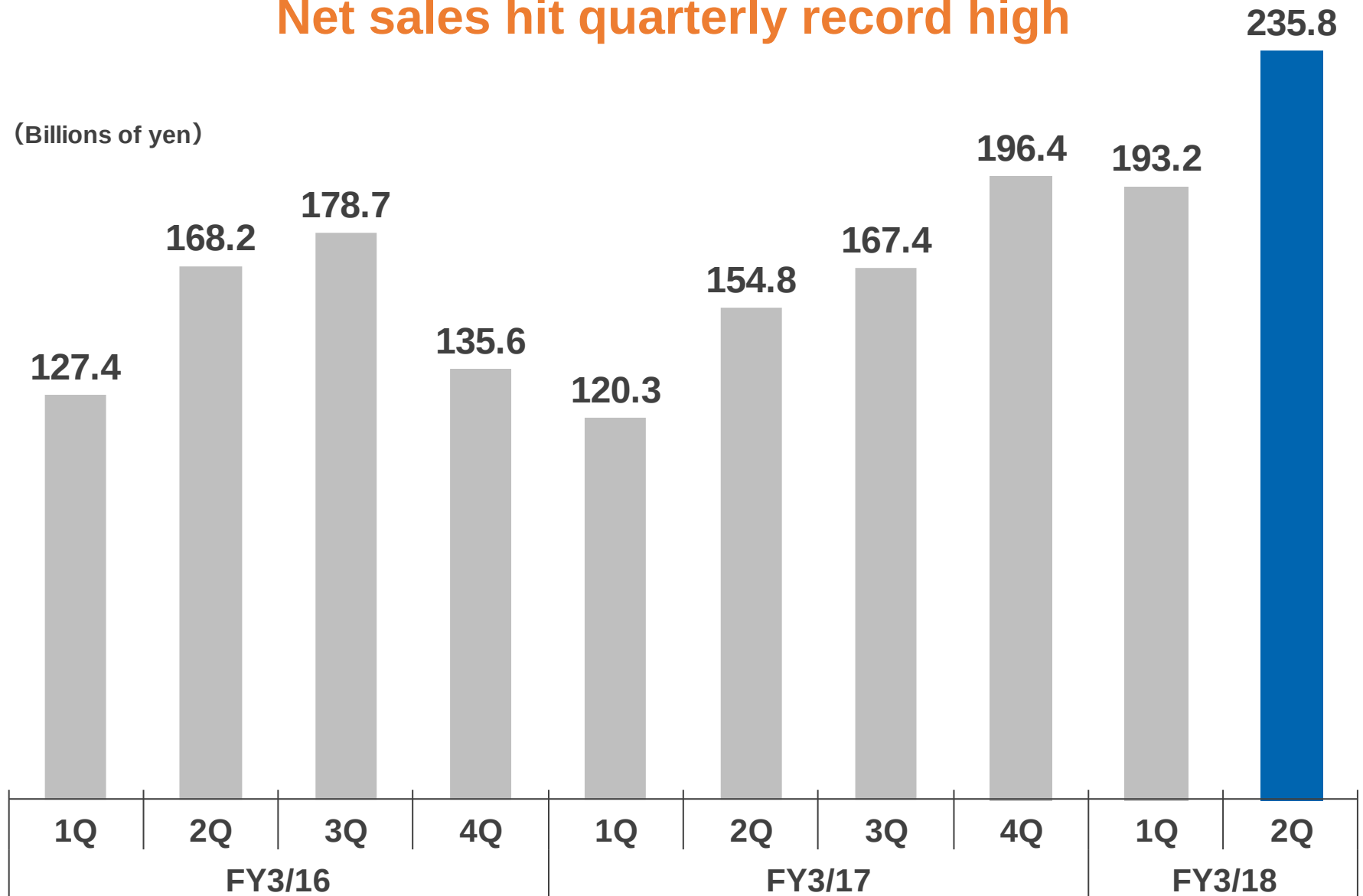
Net sales, operating income, ordinary income, and net income hit quarterly record highs

(Millions of yen)	FY3/17 2Q	FY3/18		Change	
		1Q	2Q	YoY	QoQ
Net sales	154,844	193,204	235,823	+52.3%	+22.1%
Operating income	11,623	17,062	24,889	X2.1	+45.9%
Ordinary income	11,659	17,372	24,789	X2.1	+42.7%
Income attributable to owners of the parent	9,568	14,181	20,095	X2.1	+41.7%
Net income per share (yen)	25.52	33.49	47.72	+87.0%	+42.5%

Foreign exchange rates	FY3/17 2Q	FY3/18 1Q	FY3/18 2Q
US\$	¥103.50	¥111.48	¥110.92
Euro	¥115.00	¥121.53	¥129.65
Thai Baht	¥2.97	¥3.24	¥3.31
Chinese RMB	¥15.52	¥16.18	¥16.53

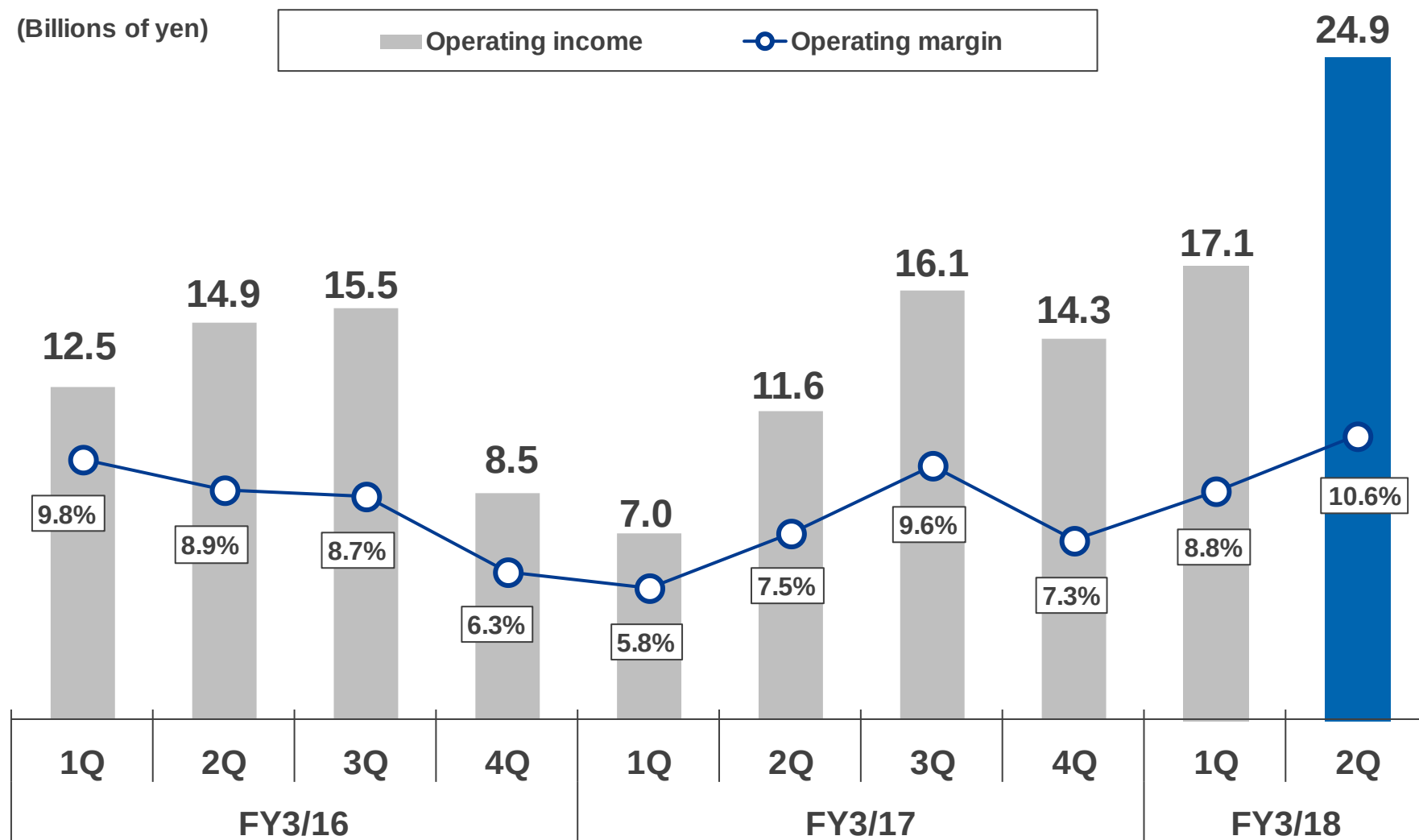
Net sales hit quarterly record high

(Billions of yen)

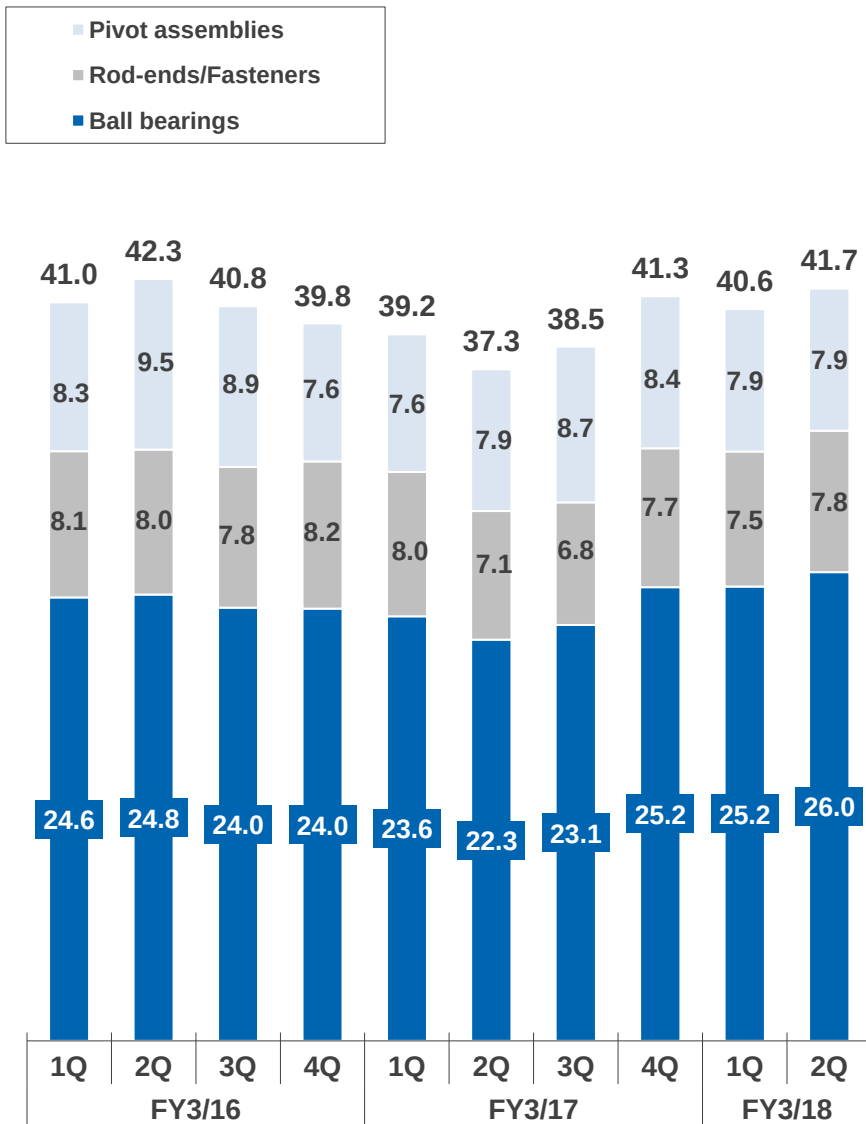


OP hit quarterly record high, OPM recovered to 10%+

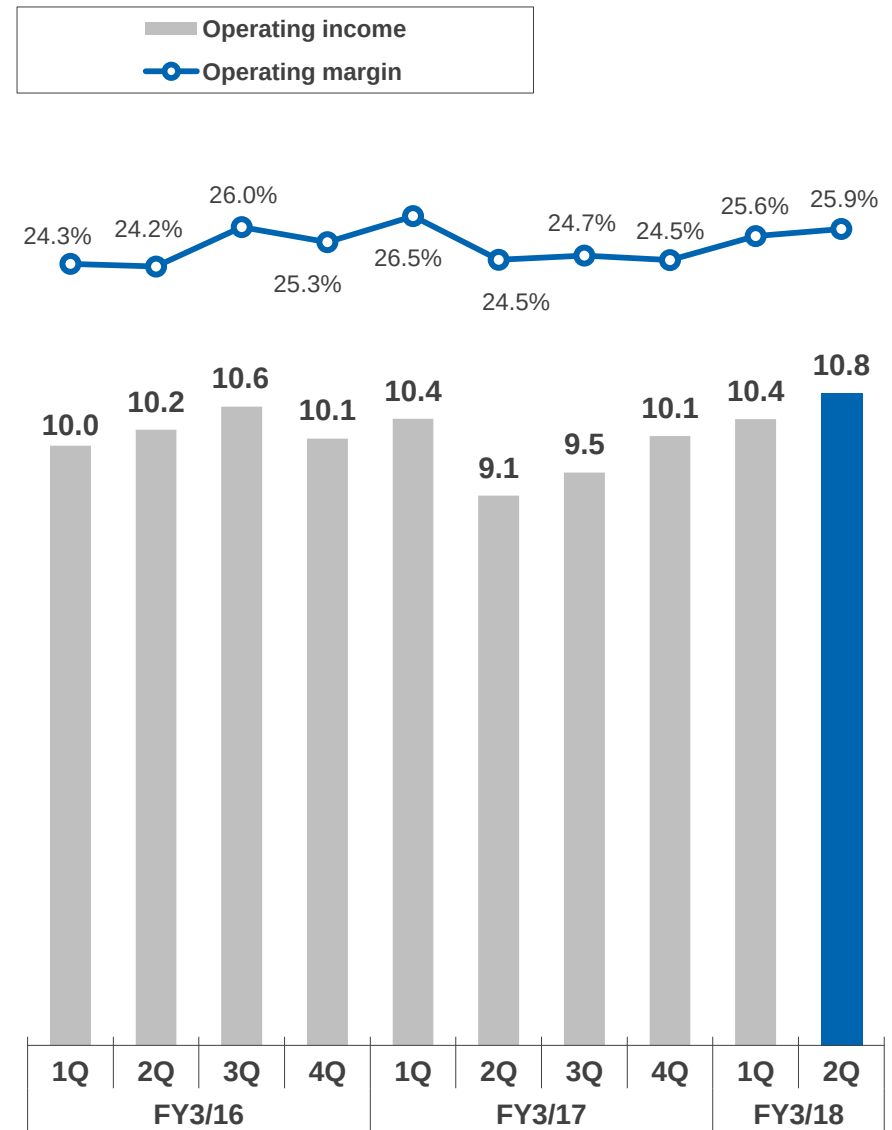
(Billions of yen)



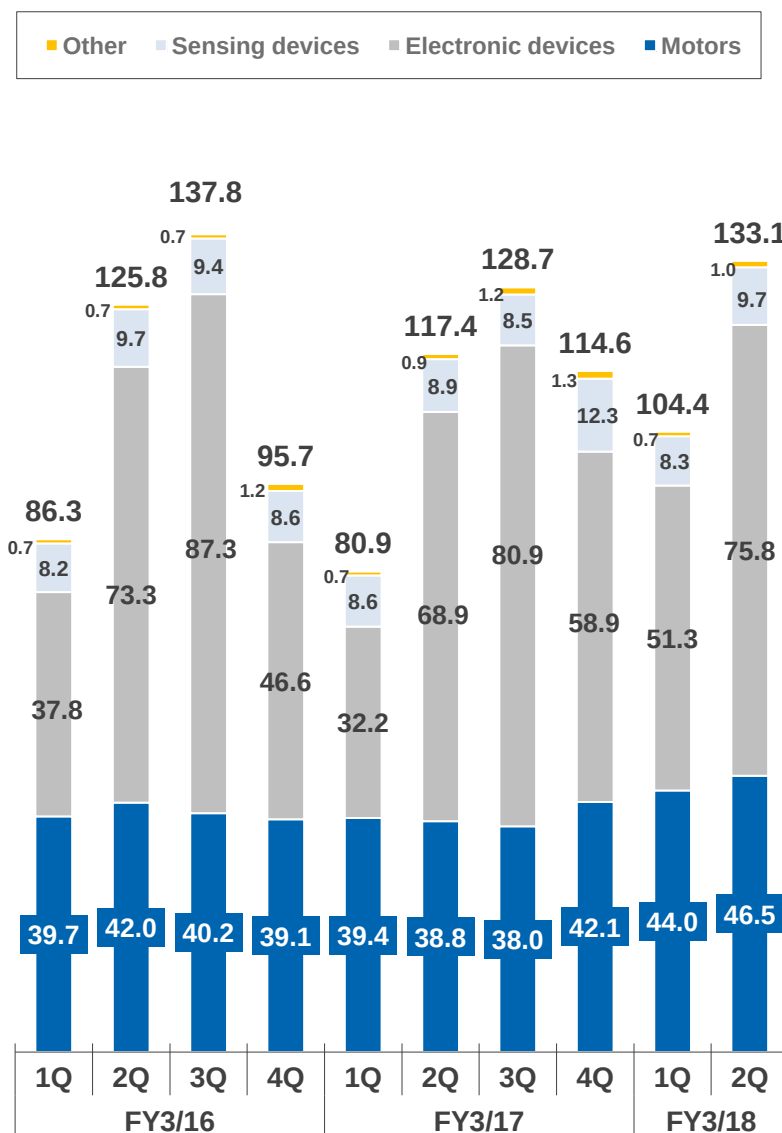
Net sales (Billions of yen)



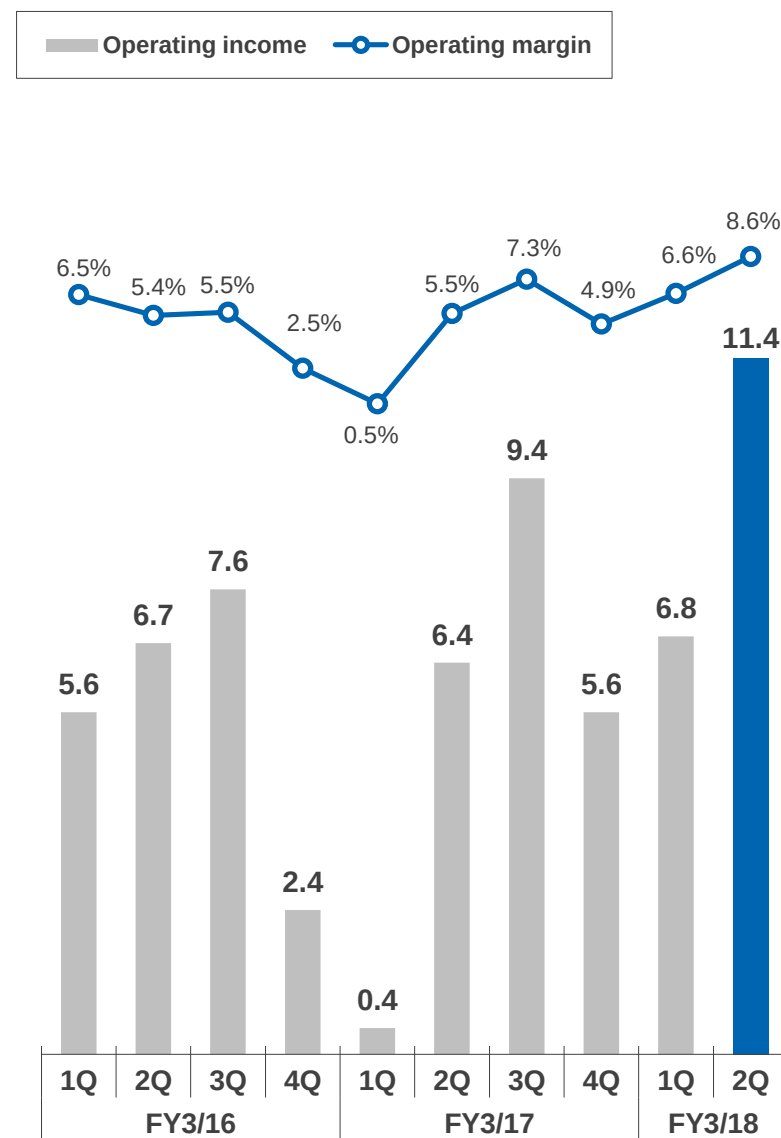
Operating income (Billions of yen)



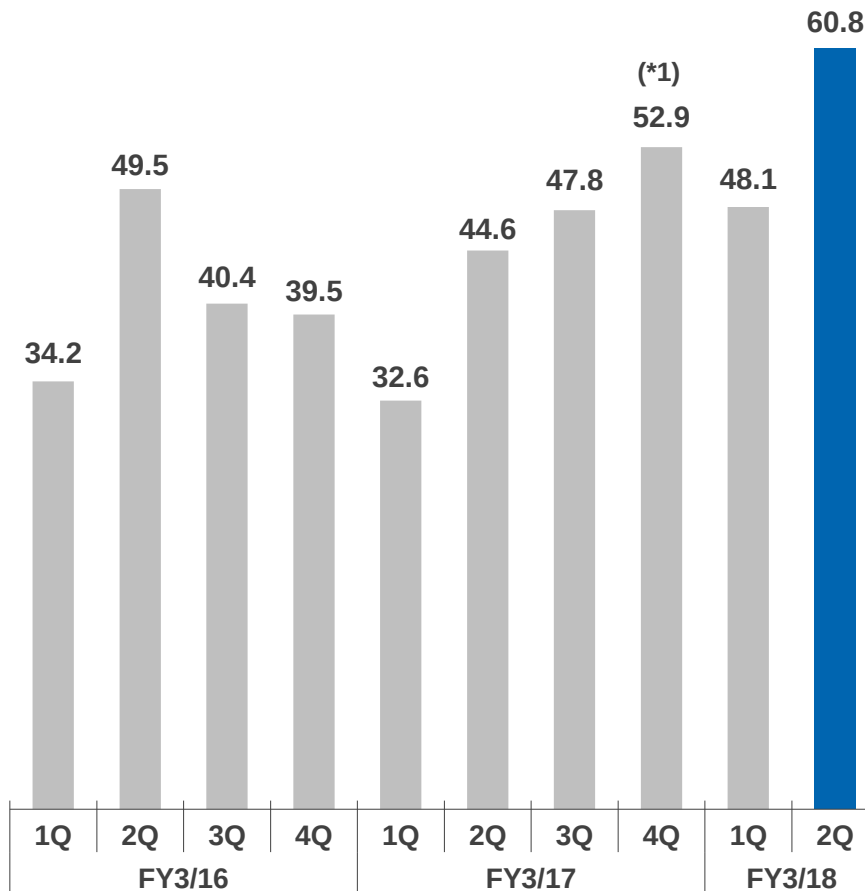
Net sales (Billions of yen)



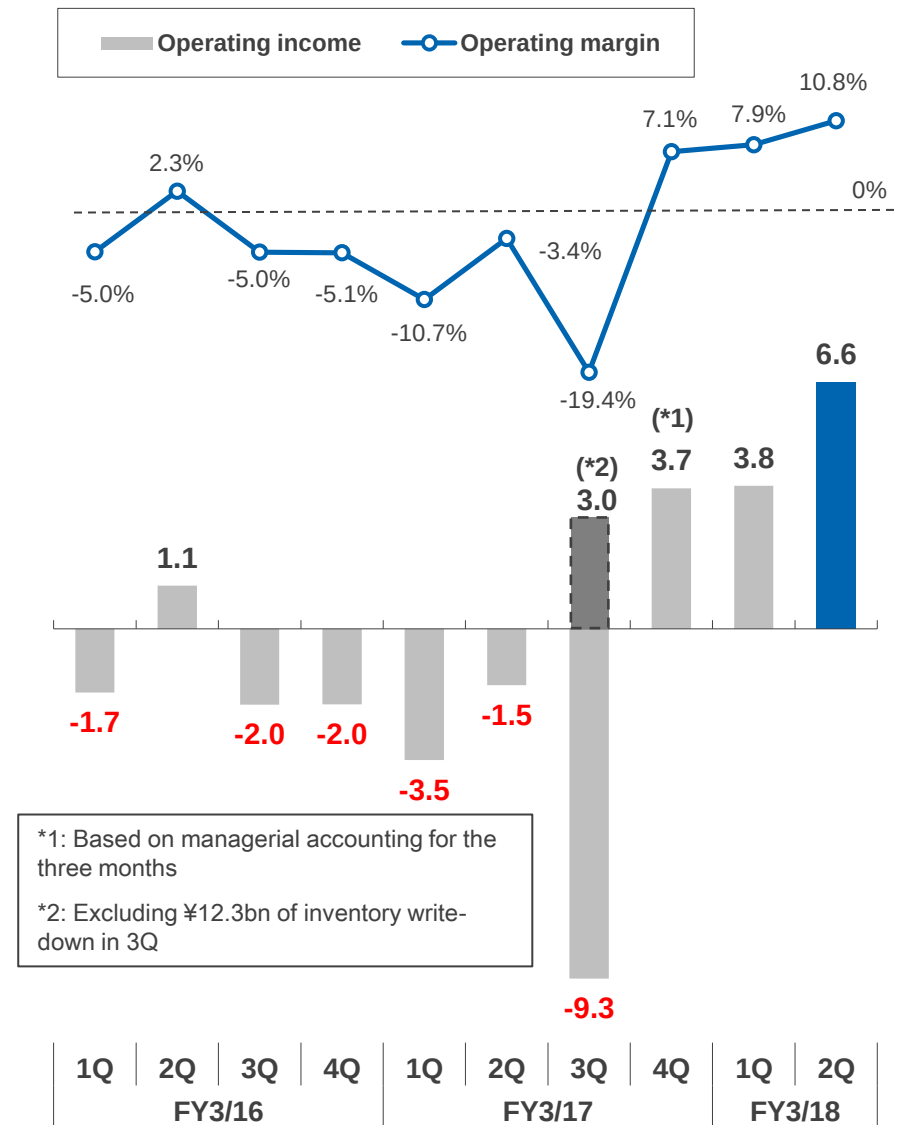
Operating income (Billions of yen)



Net sales (Billions of yen)



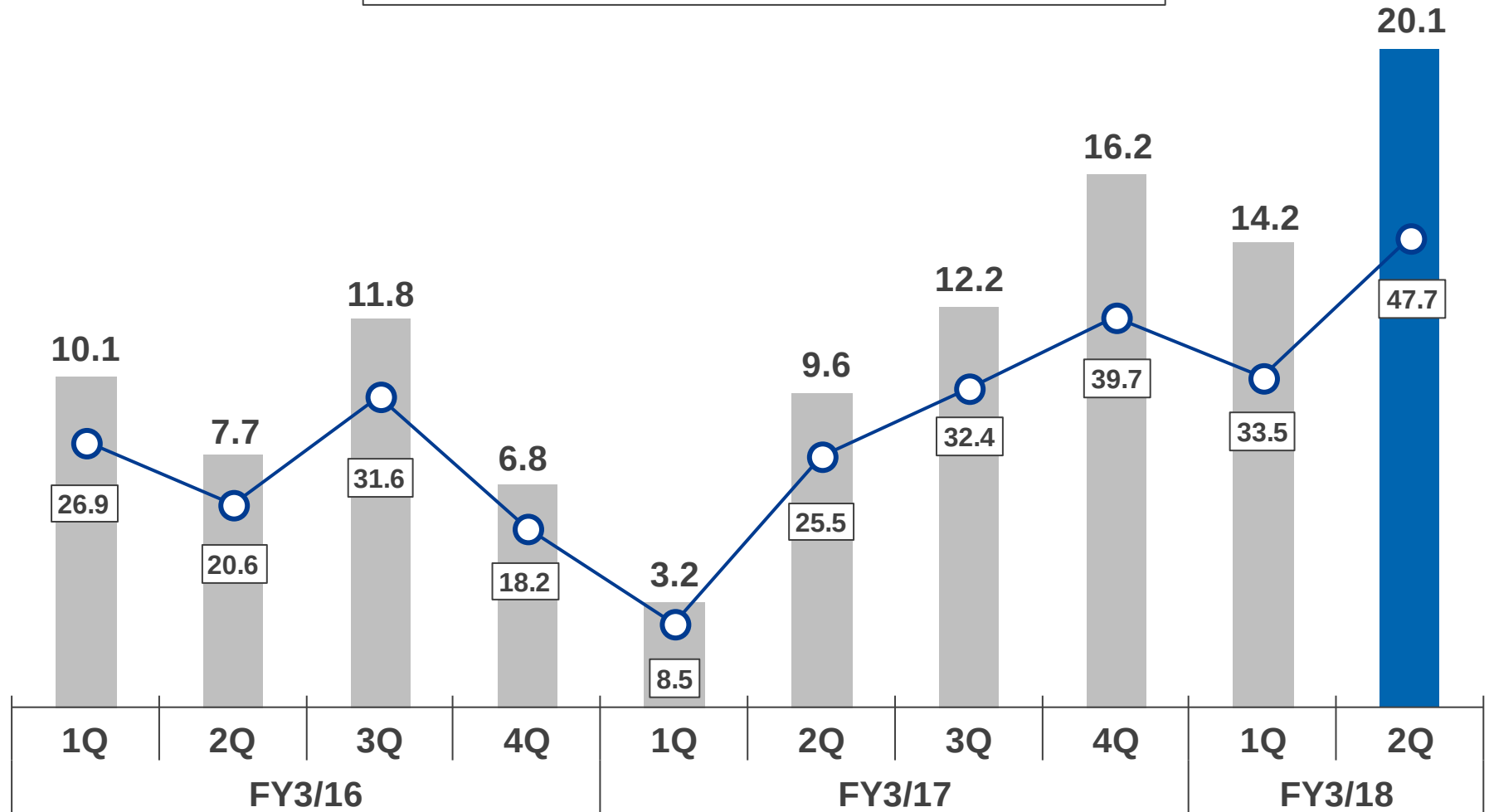
Operating income (Billions of yen)



Net income hit quarterly record high

(Billions of yen)

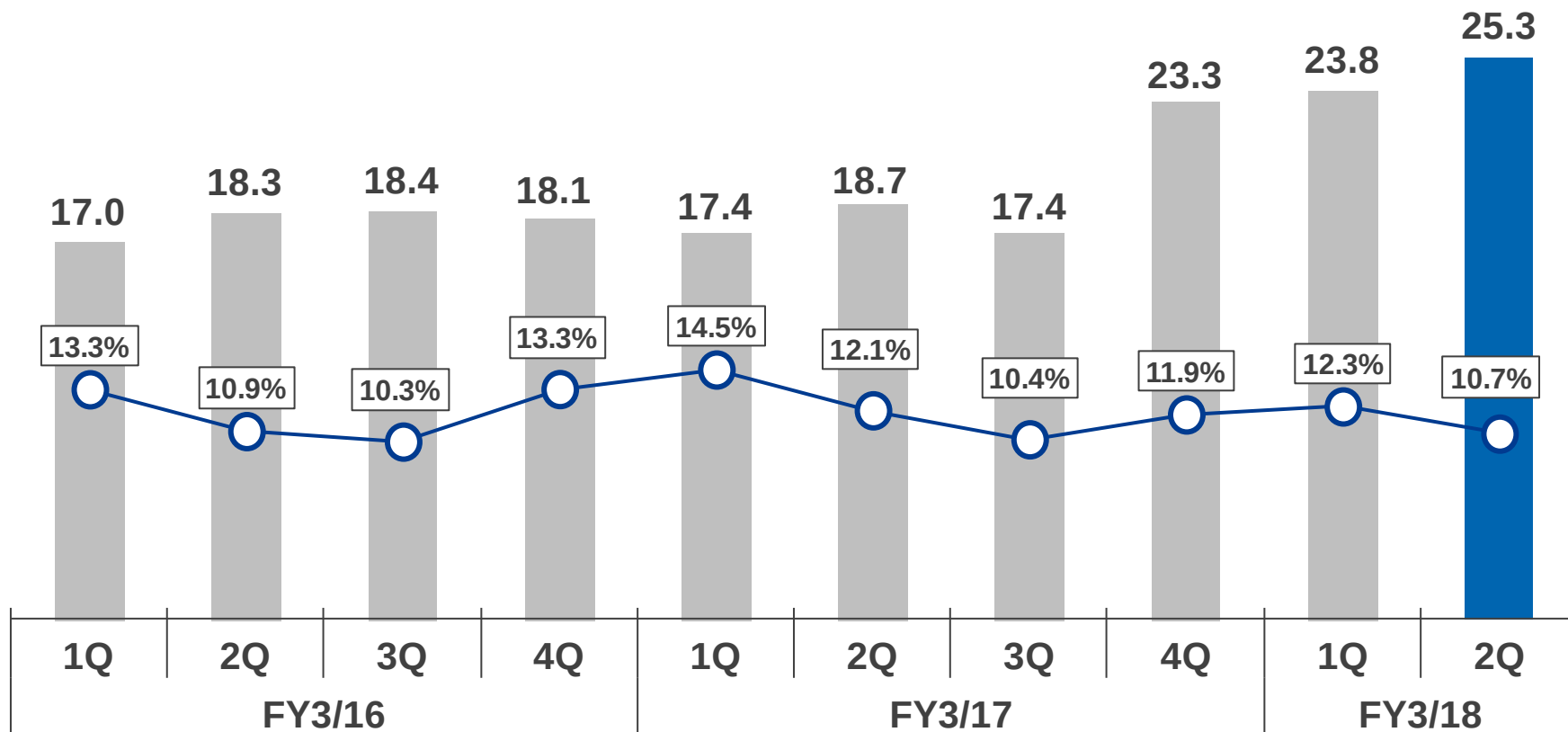
■ Income attributable to owners of the parent
○ Net income per share (yen)



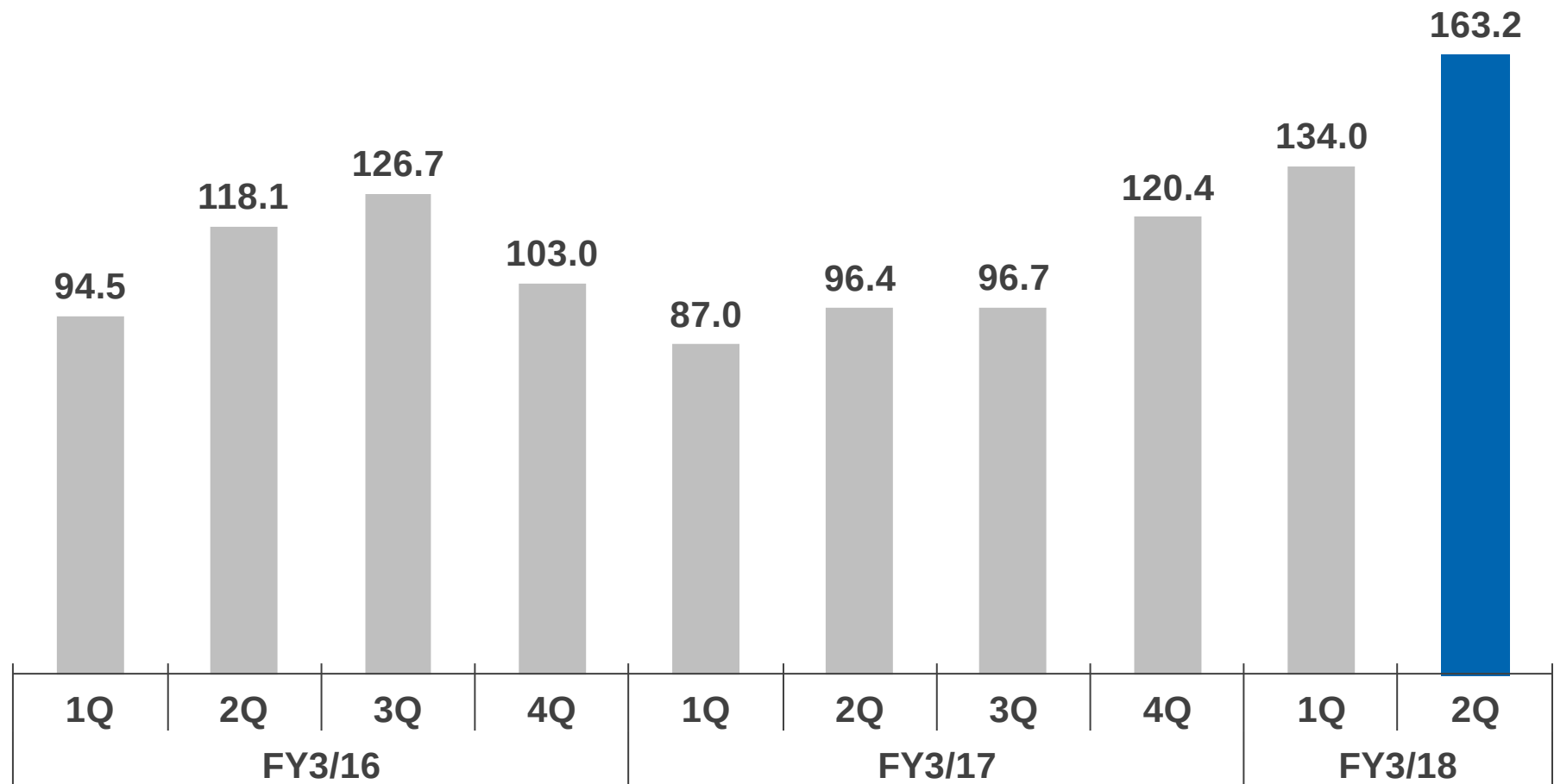
(Billions of yen)

■ S.G. & A. expenses

—○ S.G. & A. to sales ratio



(Billions of yen)



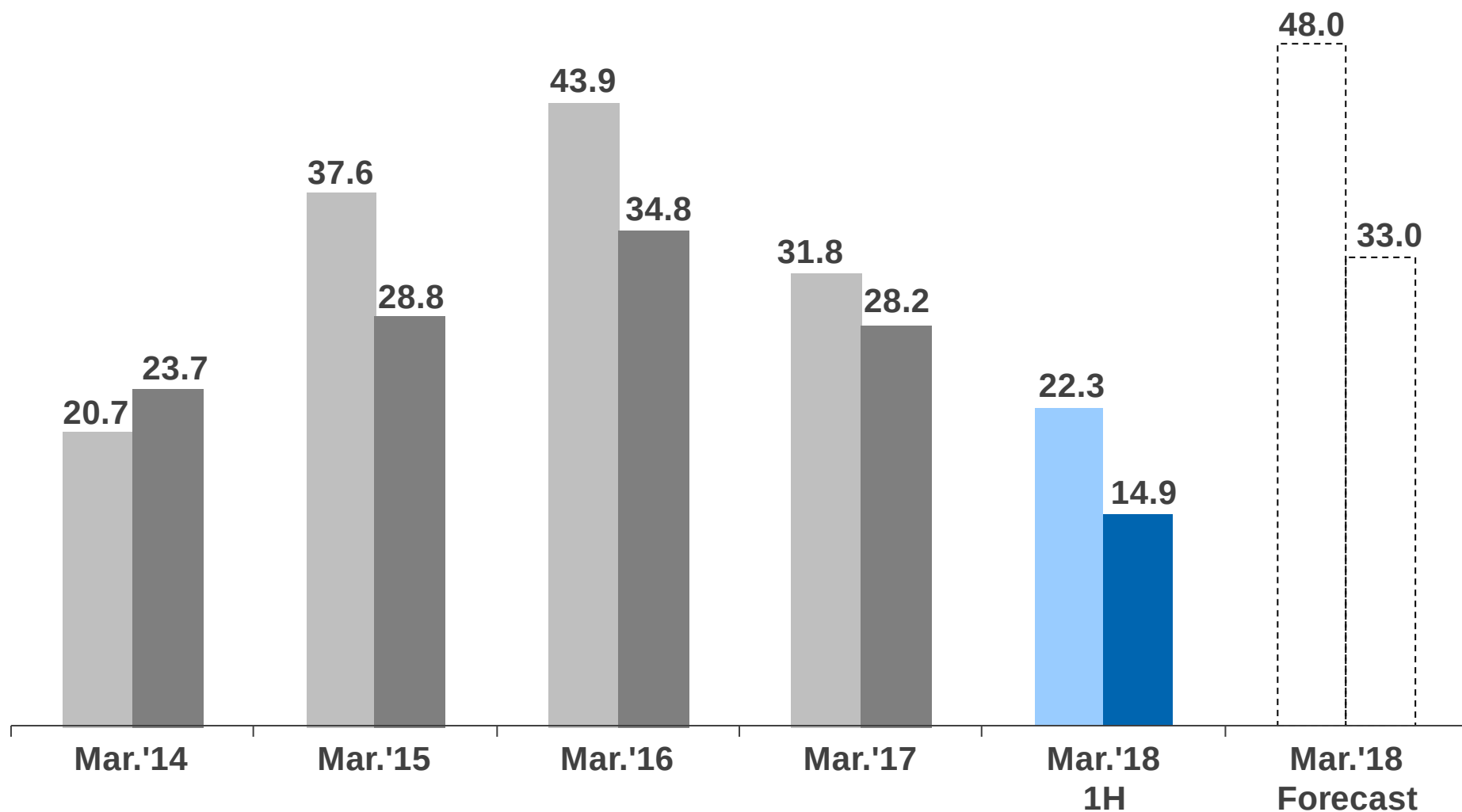
Capital Expenditure & Depreciation

Yearly

(Billions of yen)

■ Capital Expenditure

■ Depreciation & Amortization Expenses



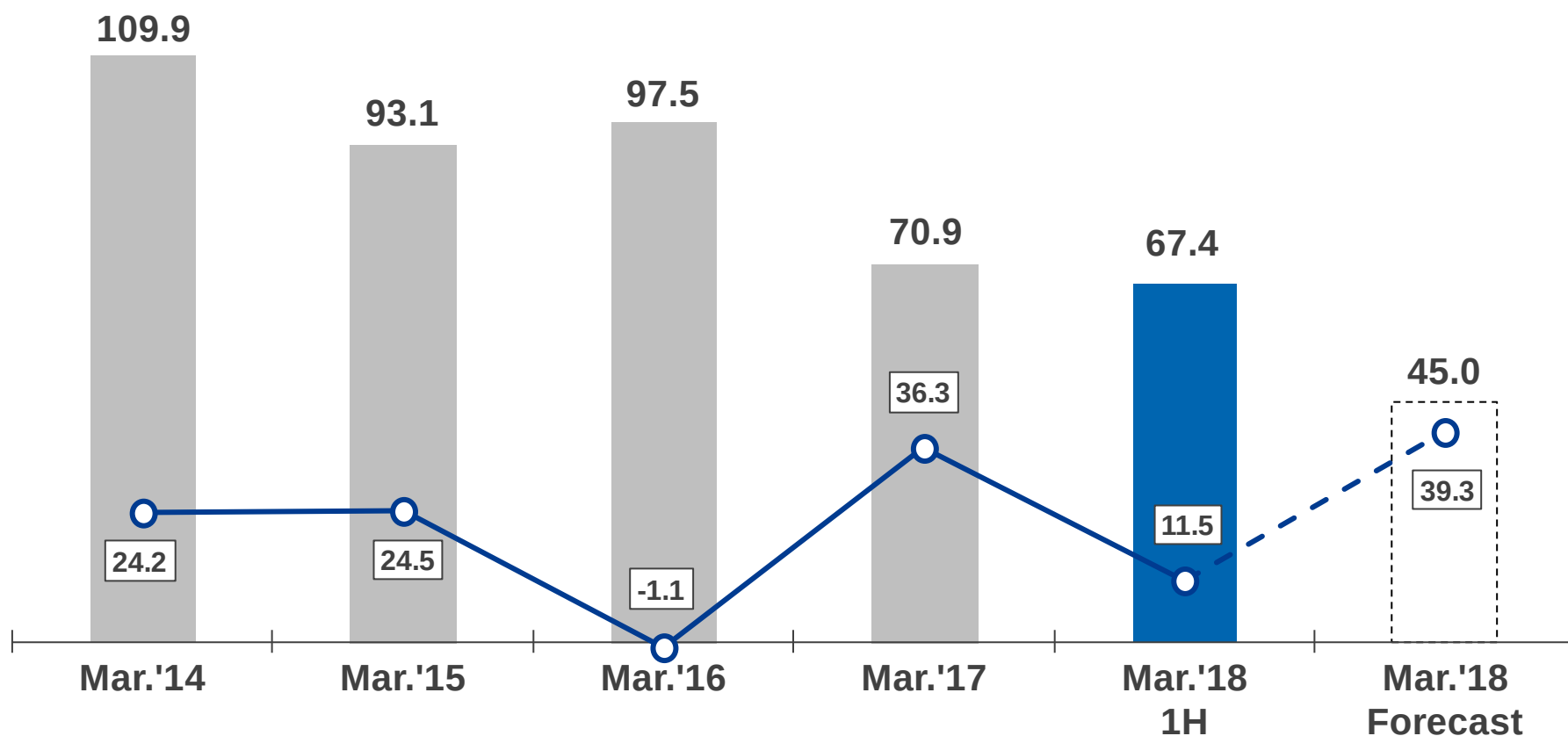
Net Interest-Bearing Debt/Free Cash Flow

Yearly

(Billions of yen)

Net interest-bearing debt

Free cash flow



1. Resolution on the buyback at the Board Meeting on February 13, 2017

- (1) Type of shares to be repurchased: Common stock of MINEBEA MITSUMI
- (2) Number of shares: Up to 12 million shares
- (3) Amount: Up to 15 billion yen
- (4) Period: From February 14, 2017 to September 22, 2017

2. Cumulative total of buyback

- (1) Number of shares: 4,658,200 shares
- (2) Amount: 8,351,607,184 yen

Forecast for Fiscal Year Ending March 31, 2018

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

(Millions of yen)	FY3/17	FY3/18			
	Full Year	1H	2H Revised Forecast	Full Year Revised Forecast	YoY
Net sales	638,926	429,027	380,973	810,000	+26.8%
Operating income	49,015	41,951	31,049	73,000	+48.9%
Ordinary income	48,393	42,162	29,838	72,000	+48.8%
Income attributable to owners of the parent	41,146	34,276	22,724	57,000	+38.5%
Net income per share (yen)	107.33	81.17	54.34	135.51	+26.3%

Foreign exchange rates	FY3/17 Full Year	FY3/18 1H	FY3/18 2H Assumptions	FY3/18 Full Year Assumptions
US\$	¥108.76	¥111.20	¥105.00	¥108.10
Euro	¥119.34	¥125.59	¥115.00	¥120.30
Thai Baht	¥3.09	¥3.28	¥3.06	¥3.17
Chinese RMB	¥16.18	¥16.36	¥16.00	¥16.18

Forecast for Business Segment

(Millions of yen)	FY3/17				
	Full Year	1H Actual Result	2H Revised Forecast	Full Year Forecast	YoY
Net sales	638,926	429,027	380,973	810,000	+26.8%
Machined components	156,310	82,374	80,626	163,000	+4.3%
Electronic devices and components	441,615	237,453	180,547	418,000	-5.3%
Mitsumi business	40,342	108,834	119,566	228,400	X5.7
Other	658	365	235	600	-8.8%
Operating income	49,015	41,951	31,049	73,000	+48.9%
Machined components	39,147	21,223	21,277	42,500	+8.6%
Electronic devices and components	21,898	18,260	9,240	27,500	+25.6%
Mitsumi business	2,315	10,351	9,649	20,000	X8.6
Other	(120)	(185)	(215)	(400)	X3.3
Adjustment	(14,223)	(7,699)	(8,901)	(16,600)	+16.7%

Management Policy & Business Strategy

November 8, 2017

Yoshihisa Kainuma

Representative Director, CEO & COO

Both sales and income greatly surpass half-year records!

Key Points from 1H

- All products from Mitsumi business contributed to boosting earnings
- LED backlights production volume recovered from previous year
- Ball bearing productivity improvements progressed steadily

(millions of yen)	FY3/17 1H	FY3/18 1H	Change YoY	FY3/18 1H	
				August Forecast	vs Forecast
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Conservative forecast for 2H due to uncertainty of smartphone components

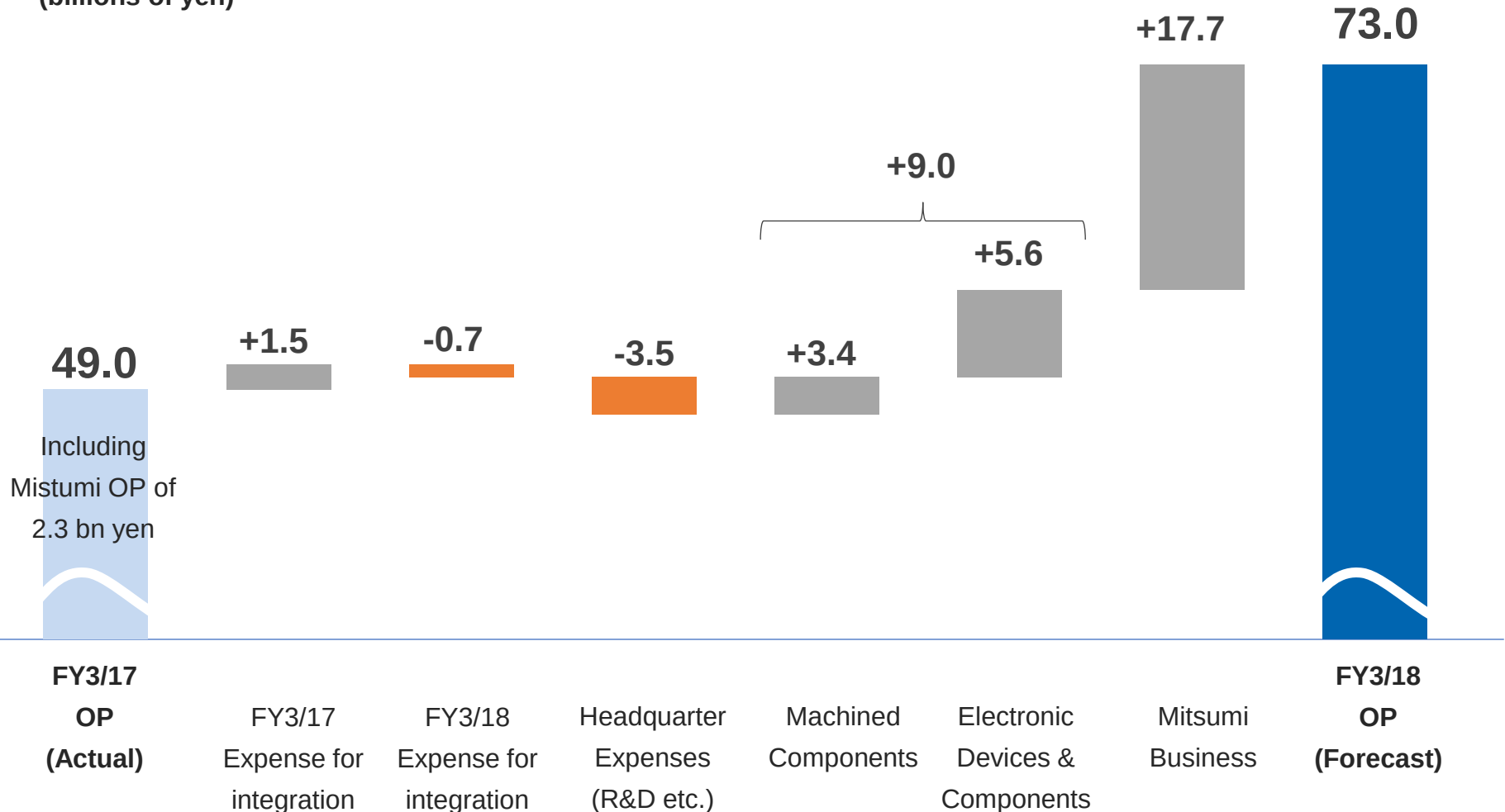
Key Points from 2H

- Machined components: Productivity improvement of ball bearing and recovery of rod-ends & fasteners
- Electronic devices & components: Conservative assumption on LED backlights
- Mitsumi business: Conservative assumption on smartphone business. Robust game console business and overall improved profitability to contribute greatly to earnings
- Forex assumption unchanged (1 USD=105 yen)

(millions of yen)	FY3/17 Full Year	FY3/18			
		1H	2H Forecast	Full Year Forecast	YoY
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Former Minebea business boosts earnings as well!

(billions of yen)



Establish monthly production of 285 million units/month this fiscal year for substantial increase in income

● External sales demand continues to be robust

- (1) Automotive, (2) high-end home appliances and (3) data centers drive external sales demand

● Internal demand also increasing

Sales increase with synergy with motor business despite pivot assembly applications slowdown

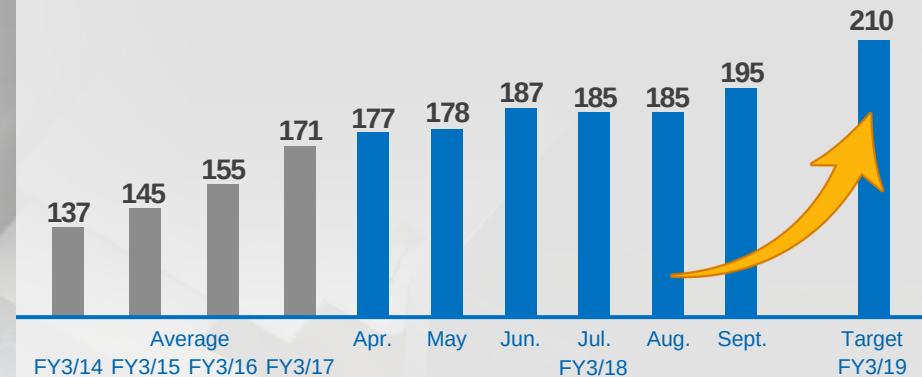
● Expanded production capacity to contribute greatly to earnings

Monthly production capacity to reach 300 million with investment (planned in May 2018)

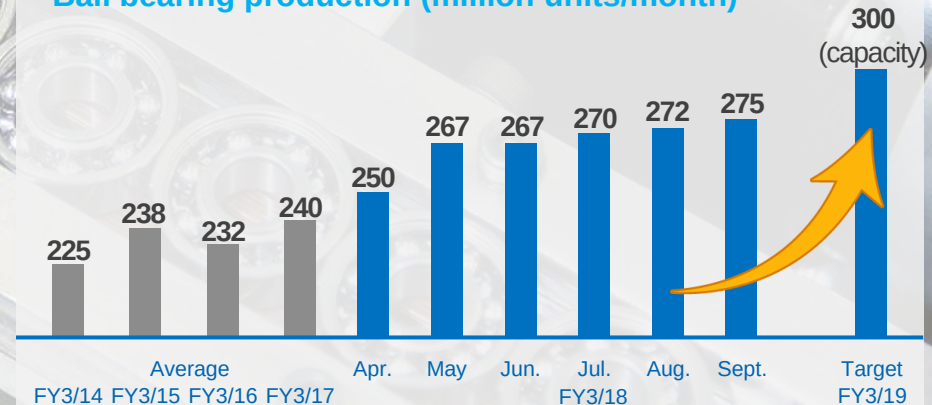
● Reduction in setup cost from internal to external sales

Significantly improved profitability by reduction in setup cost optimizing the production items among factories (Planned in February)

External ball bearing sales (million units/month)



Ball bearing production (million units/month)



Business opportunities for LED backlights still continue!

1. This year's forecast at mostly unchanged from original plan

- Solid demand for our ultra-thin processing technology
- Completion of accelerated depreciation to contribute to earnings
- Automotive LED backlights remain robust

2. Aim to secure solid earnings next year as well

- Products mainly for luxury cars to fuel further sales
- Aiming steady performance next fiscal year by boosting sales for Chinese customers and so on

“Gauge of dreams” a reality after 15 years of R&D

What's Outstanding: Solving the “curling” issue

Resolved the “curling” issue by controlling expansion coefficient & stress of film. Paved the way for practical use!

Advantage 1: Smaller than 1/10 compared to previous gauges

Can be equipped on small parts that could not hold them before

Advantage 2: More than 500% greater sensitivity compared to previous gauges

Ultra-small load changes can be measured

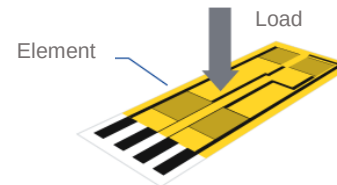
Advantage 3: Can be affixed directly to components

Much flexibility in selection of components to which to affix

Advantage 4: Superior temperature characteristics

Supports a maximum temperature of 160°C as long as it is not a constantly heated environment. Can also be used with internal combustion engines in vehicles.

| General mechanism of strain gauges |



Element and strain gauge change shape together
→ Resistance changes, and difference is measured

| Strain gauge single element |



Old gauge (left) New product (right)

Main Target Markets



Automobile



Mobile/
wearable



Robotics

Heading toward rapid growth of
the sensing devices business

Targeting sales of
several tens of billions of yen

Established as third pillar of earnings with ongoing improvements in profitability

Tremendous contribution on profit

1. OIS/VCM productivity improvements will progress, and the business will continue to grow
2. Mechanical components will continue to grow as a result of synergy between increased production for major customers and in-house components
3. Utilization of Cambodia Plant to begin

Remarkable improvements in productivity

1. Productivity improvements for core MinebeaMitsumi products (precision components, power supplies, automotive components and semiconductors) will progress steadily, significantly boosting overall income
2. Room for further improvement in earnings



Barometric pressure sensor



AC adapter for information devices



USB Type-C



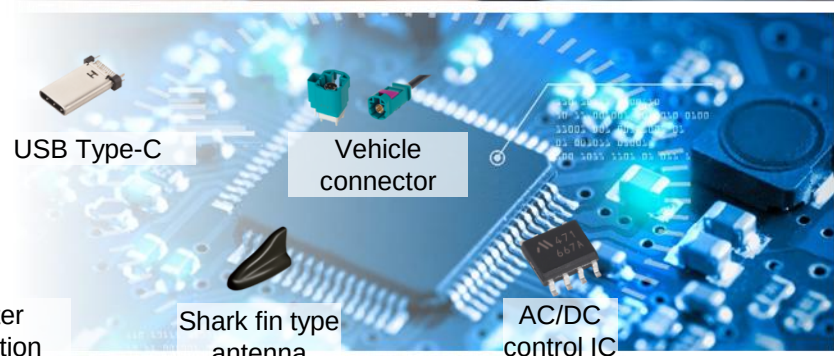
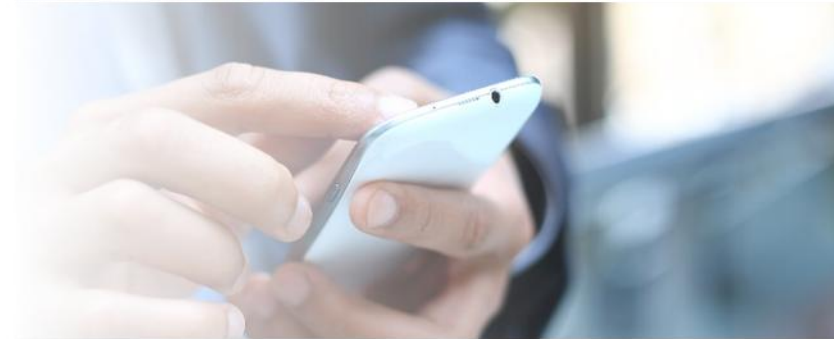
Vehicle connector



Shark fin type antenna



AC/DC control IC



Portfolio expansion

Many other development projects including new OEMs to be taken to market



Automotive innovation & high functionality to lead to creation of new business opportunities

Expecting growth of ball bearings/motors/sensors/connectors/coils/antennas/wireless modules etc.

EV

- Water pump motor
- Cooling fan for secondary battery
- Cooling fan for charger
- Resolver
- Smart actuator
- Battery protection module, etc.

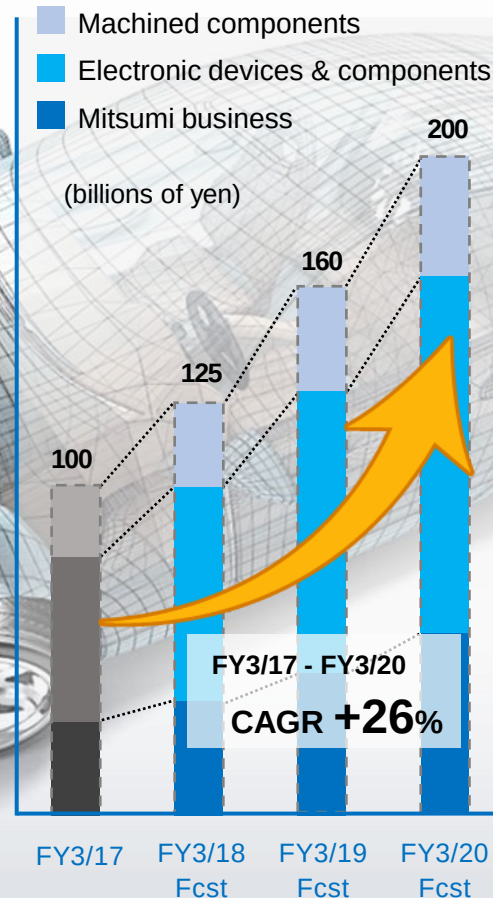
ADAS

- Brushless DC motor for LiDAR
- Cooling fan for ECU
- High frequency module, etc.

Connectivity & Infotainment

- Hybrid antenna
- WiFi/BT, GNSS, LTE module
- Connector for high speed transmission
- E-Cockpit
 - ✓ Haptic
 - ✓ Head up display
 - ✓ LED backlight for cluster panel
 - ✓ Curved cover glass, etc.

Automotive Product Sales Forecast



Environment / Energy consumption

- Active grill shutter actuators
- Motors & actuators for aerodynamic control
- Electrical valves for heat management
- Blowers for air particle control
- Temperature / humidity sensor
- EGR ball bearing
- Turbo charger ball bearing
- SCR ball bearing

Safety

- Cooling fan for LED headlamp
- Headlamp actuator
- ABS ball bearing
- Sensors and motor for lane control
- Sensor for ESC
- Motors and bearings for EPB, etc.

Comfort

- Seat fan
- Heat, ventilation, air conditioner motor
- Rear gate opener motor
- Seat adjust motor
- Pump motors and electrical valves for active suspension, etc.

Major growth areas

5 pillars



Smartphones



Automotive



Game consoles



Machined components
(Robots/Aerospace)



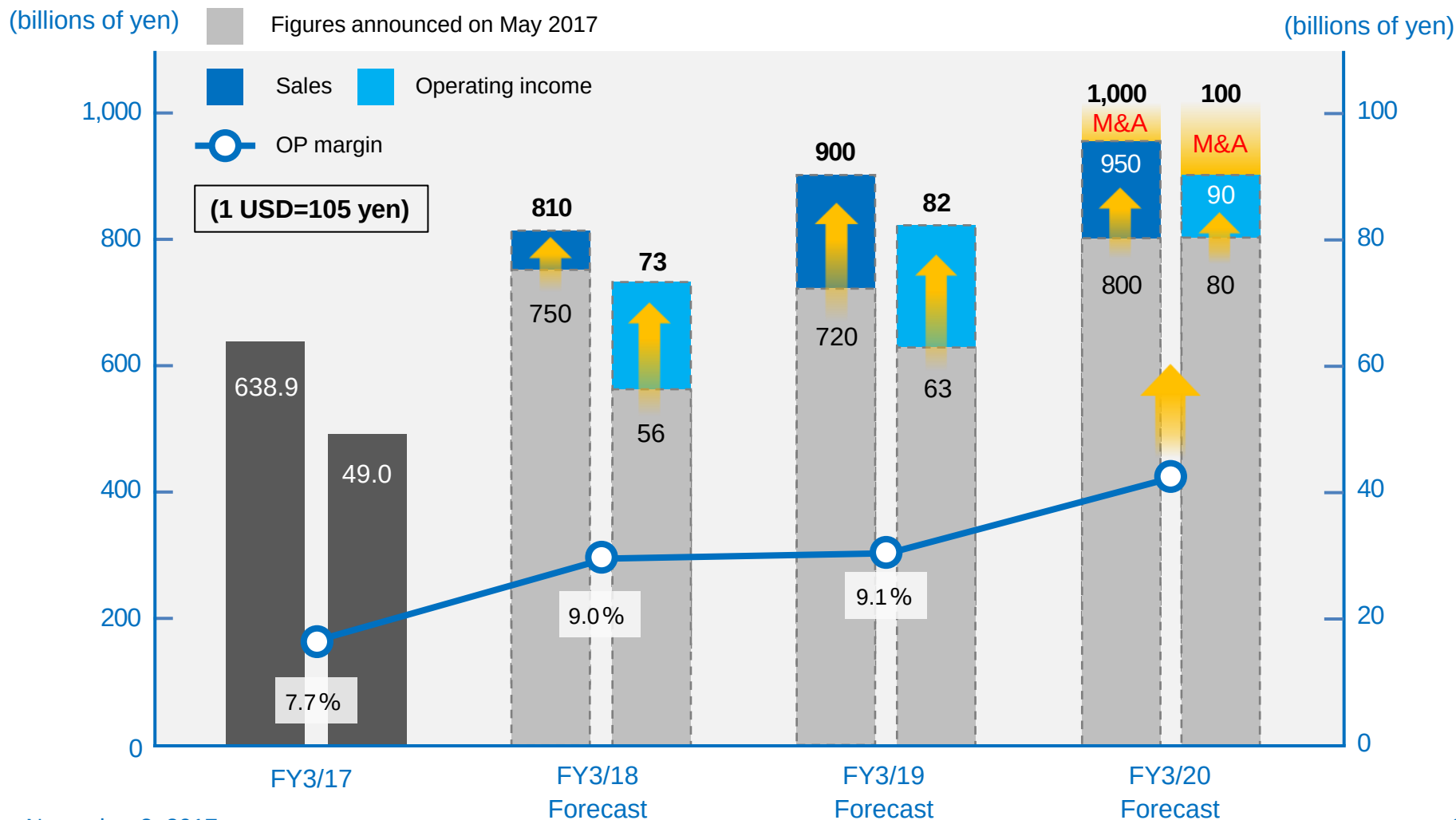
New products

about to be taken to market

- Haptics
- 6 axis sensors
- High sensitivity /high resistance strain gauges
- NEW SALIOT, etc.

Big potential to achieve 1 trillion yen sales and/or 100 billion yen OP a year ahead of schedule!

Medium-Term Business Outlook



Raising medium-term numerical targets in every segment



Mitsumi business

FY3/20 target operating income

¥25 billion

Operating income growth rate

+25%

FY3/18 (fcst.) vs FY3/20 (fcst.)

Machined components

FY3/20 target operating income

¥51 billion

Monthly ball bearing production

300 million units

Early achievement

Electronic devices and components

FY3/20 target operating income

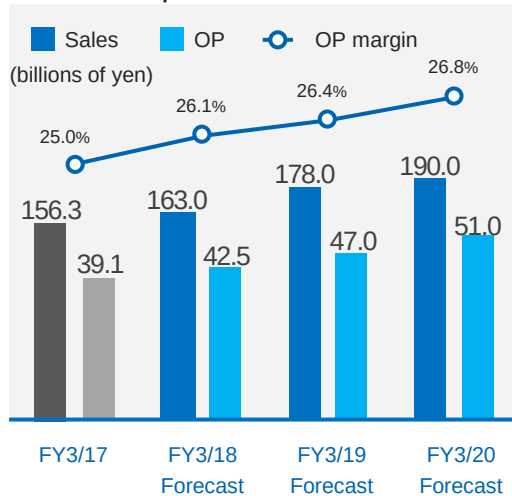
¥33 billion

Motor business sales growth rate

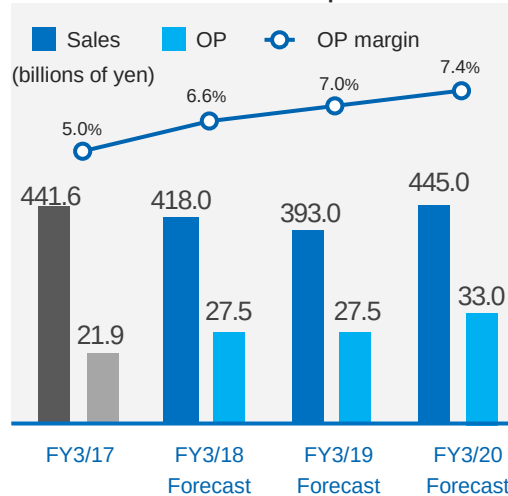
10% or higher

Contribution as cornerstone of earnings

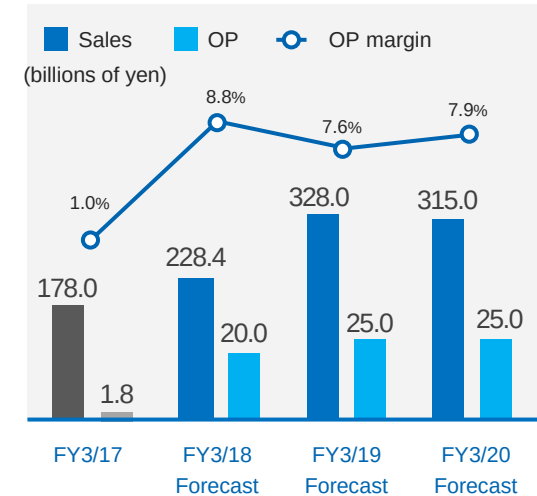
Machined components



Electronic devices and components



Mitsumi business



Other & adjustment (billions of yen)

= -14.3 (FY3/17), -17.0 (FY3/18), -17.5 (FY3/19), -19.0 (FY3/20)

Note: Business results for FY3/17 are provided on a 12-month managerial accounting basis

Acquisition of all shares of US-based C&A Tool Engineering



Name	C&A ToolEngineering,Inc
Location	Indiana, USA
Principal business	Precision machinery metal machining (1) Medical (2) Aircraft Industry and Fuel Systems
Ownership	MinebeaMitsumi: 51% Development Bank of Japan: 49%
Net sales	US\$73 million (FY ended December 2016)
Synergy	● Top line synergy • Expansion of product portfolio in aircraft field and accelerated entry into medical field • Strengthening the competitiveness by utilizing Direct Metal Laser Sintering (3D printing) and precision machinery metal machining technology (hard metals) C&A is one of the first enterprises approved by FDA that can provide technical support to customers ● Cost synergy • Capacity expansion of Machined components (NHBB) by utilizing C&A production sites

Medical



SPINE DISK
* FDA approved

Aerospace



BLISK
(by 3D Printing)

Industry



ARMATURE ASSEMBLY

Acquisition of all shares of Mach Aero group



Name	Mach Aero Bretigny Rectification SAS (MAB)	Name	Mach Aero Components Private Ltd. (MACPL)
Location	France, suburb of Paris	Location	India, Bangalore
Principal business	Development, manufacturing, and sales of precision machined components for aircraft	Principal business	Development, manufacturing, and sales of precision machined components for aircraft
Ownership	NMB France 100% * NMB France is a 100% owned subsidiary	Ownership	NMB France & NMB UK combined 100% * Both companies are 100% owned subsidiaries
Net sales	22 million Euros (FY12/16)	Net sales	3 million Euros (FY12/16)

Synergy

● Top line synergy

- Expand European business for aircraft and helicopter with deep expertise in development and production of machined parts for complex aerospace applications (for engines etc.)
- Boost the sales of mechanical component products toward major customers with the French factory and engineering center, and also key French customers
- Acquire new business by utilizing the Indian factory and contribute to raise customers' local procurement ratio

● Cost synergy

- Improve procurement lead time and cost with optimization of the supply chains through the coordinated and mutual use of materials procurement route by MAB, MACPL and the MinebeaMitsumi group companies

Rod-end bearing/bushing



Spherical bearing equipment



To be a foothold for future Group operations in India along with Intech

Huge jump on dividend forecast in response to the new financial forecast

	FY3/17 Actual		FY3/18 Actual/Forecast	
Interim dividend	7 yen/share	→	13	yen/share Previous forecast: 10 yen/share
Year-end dividend	7 yen/share	→	13	* yen/share Previous forecast: 10 yen/share
Total	14 yen/share	→	26	* yen/share

**** Total return ratio, including share buyback, reaching about 35%**

Rating by R&I upgraded from A- to A

(Rating and Investment Information Inc.)

* Dividend for FY3/18 will be decided on business performance at payout ratio of around 20%

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

Business Results

MinebeaMitsumi Inc.

<http://www.minebeamitsumi.com/>

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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