

## **Business Results**

# Third Quarter of Fiscal Year Ending March 31, 2018

MinebeaMitsumi Inc.

**February 7, 2018** 

#### **Summary of Consolidated Business Results for 1Q-3Q**

## Net sales as well as operating, ordinary, and net income totals for first three quarters hit record highs

(Millions of yen)	FY3/17	FY3/18	Change	FY3/18 Full Year		
	1Q-3Q	1Q-3Q	YoY	Nov. Forecast	VS. Forecast	
Net sales	442,508	654,927	+48.0%	810,000	80.9%	
Operating income	34,715	64,389	+85.5%	73,000	88.2%	
Ordinary income	34,772	64,515	+85.5%	72,000	89.6%	
Income attributable to owners of the parent	24,912	51,555	X2.1	57,000	90.4%	
Net income per share (yen)	66.46	122.40	+84.2%	135.51	90.3%	

Foreign Exchange Rates	FY3/17 1Q-3Q	FY3/18 1Q-3Q
US\$	¥106.92	¥111.68
Euro	¥118.73	¥127.88
Thai Baht	¥3.04	¥3.32
Chinese RMB	¥16.06	¥16.55

### Summary of Consolidated Business Results for 3Q

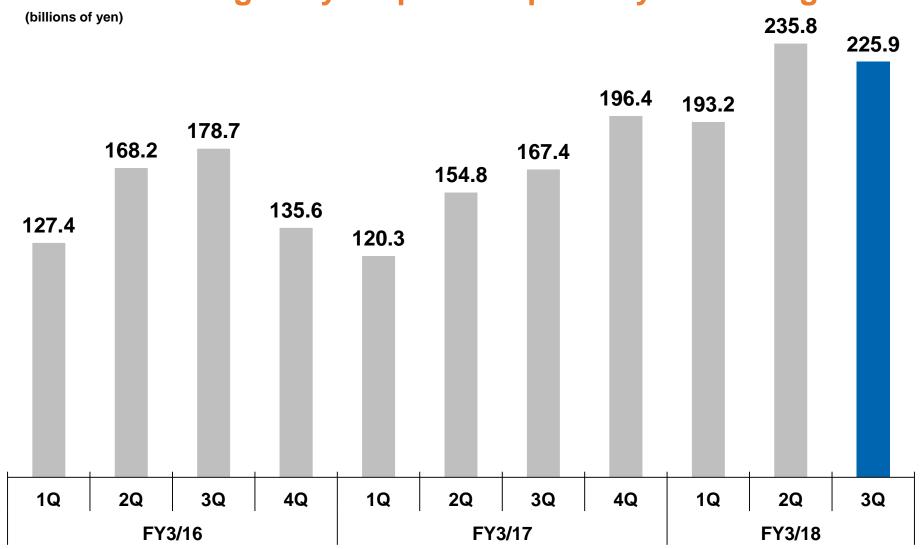
## Net sales as well as operating, ordinary, and net income all set 3Q record highs

(Millions of yen)	FY3/17	FY3	3/18	Change		
(Millions of yell)	3Q	2Q	3Q	YoY	QoQ	
Net sales	167,375	235,823	225,900	+35.0%	-4.2%	
Operating income	16,120	24,889	22,437	+39.2%	-9.9%	
Ordinary income	15,857	24,789	22,353	+41.0%	-9.8%	
Income attributable to owners of the parent	12,167	20,095	17,278	+42.0%	-14.0%	
Net income per share (yen)	32.44	47.72	41.22	+27.1%	-13.6%	

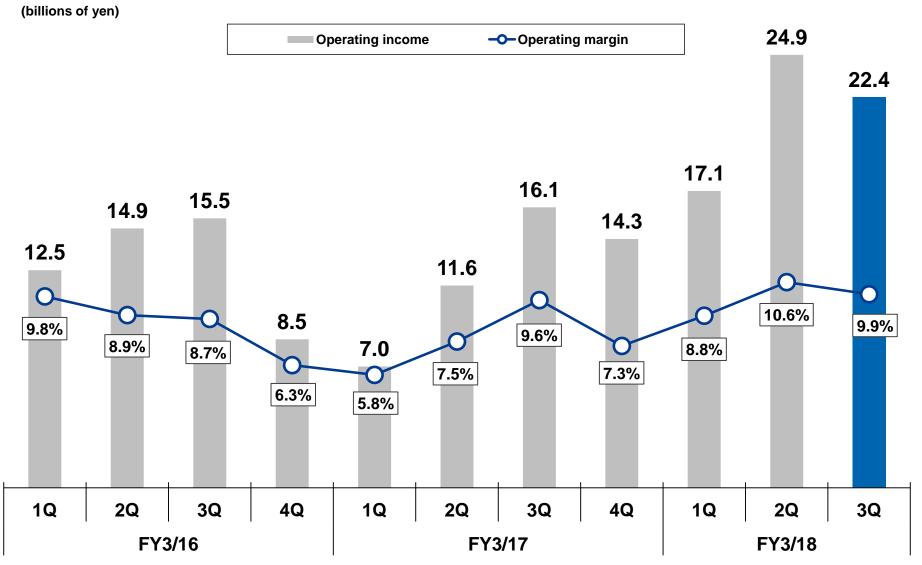
Foreign Exchange Rates	FY3/17 3Q	FY3/18 2Q	FY3/18 3Q
US\$	¥106.13	¥110.92	¥112.65
Euro	¥116.04	¥129.65	¥132.47
Thai Baht	¥3.02	¥3.31	¥3.41
Chinese RMB	¥15.62	¥16.53	¥16.95

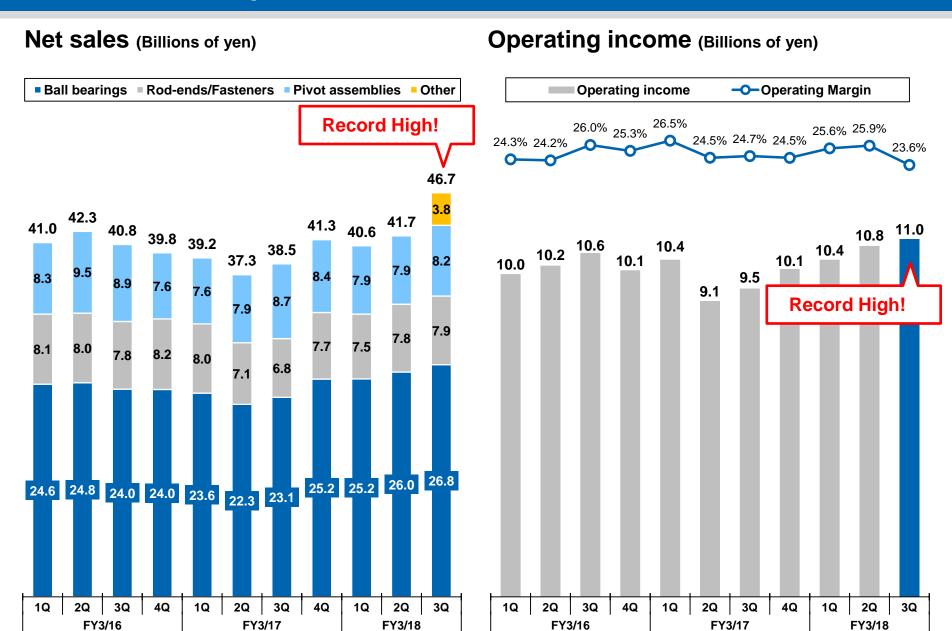
**Net Sales** 

#### Net sales greatly surpassed quarterly record high



### Operating income greatly surpassed quarterly record high





#### Net sales (Billions of yen) **Operating income** (Billions of yen) Operating income Operating Margin Sensing devices Motors Electronic devices Other 137.8 133.1 128.7 125.8 8.6% 7.3% 8.5 6.6% 117.4 6.5% 114.6 5.4% 5.5% 5.5% 4.9% 112.3 104.4 9.0 95.7 11.4 0.5% 86.3 8.6 0.7 80.9 75.8 87.3 8.2 9.4 73.3 80.9 55.5 68.9 58.9 51.3 7.6 46.6 37.8 6.8 6.7 32.2 6.4 5.6 5.6 5.5 39.7 42.0 40.2 39.1 39.4 38.8 38.0 42.1 44.0 46.5 46.7 2.4 0.4

2Q

1Q

3Q

FY3/16

4Q

1Q

2Q

FY3/17

**3Q** 

4Q

1Q

2Q

FY3/18

**3Q** 

2Q

3Q

FY3/17

4Q

1Q

2Q

FY3/18

3Q

2Q

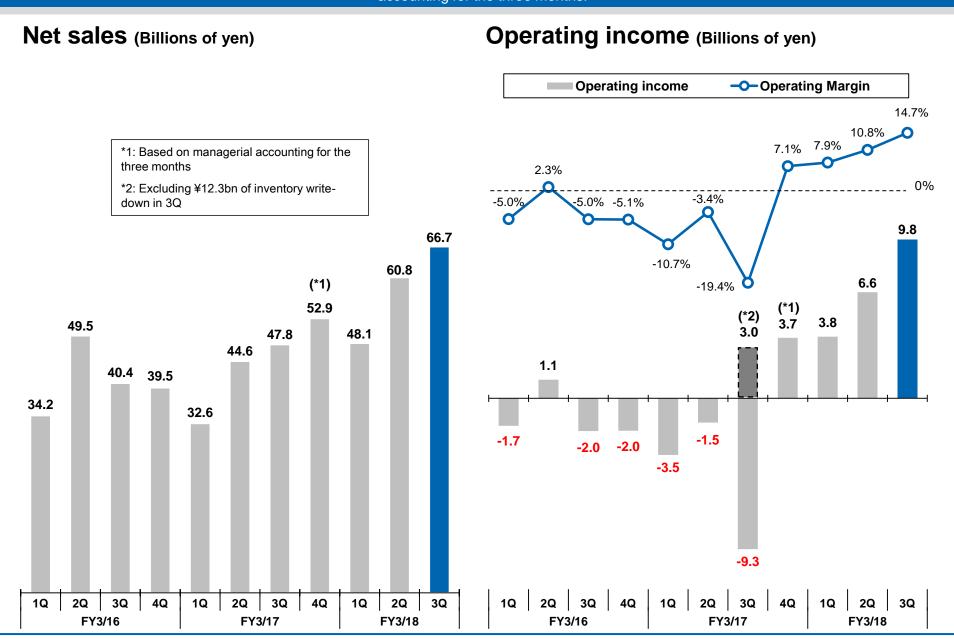
FY3/16

1Q

3Q

4Q

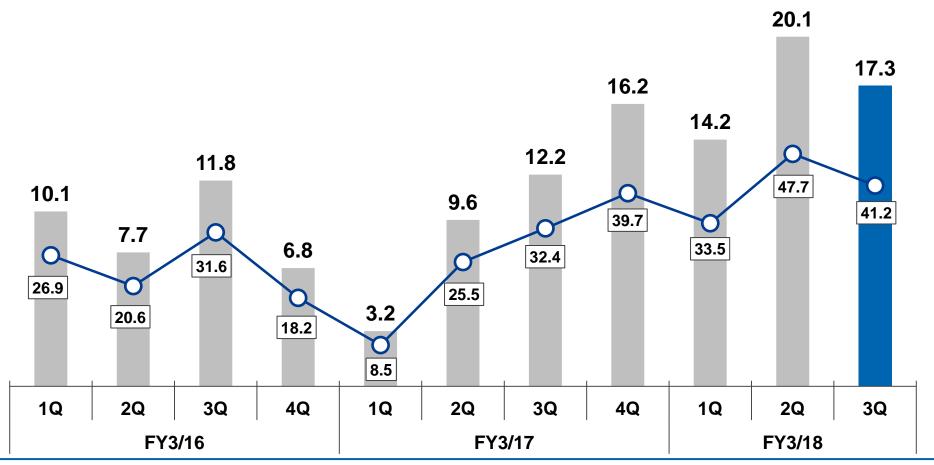
1Q

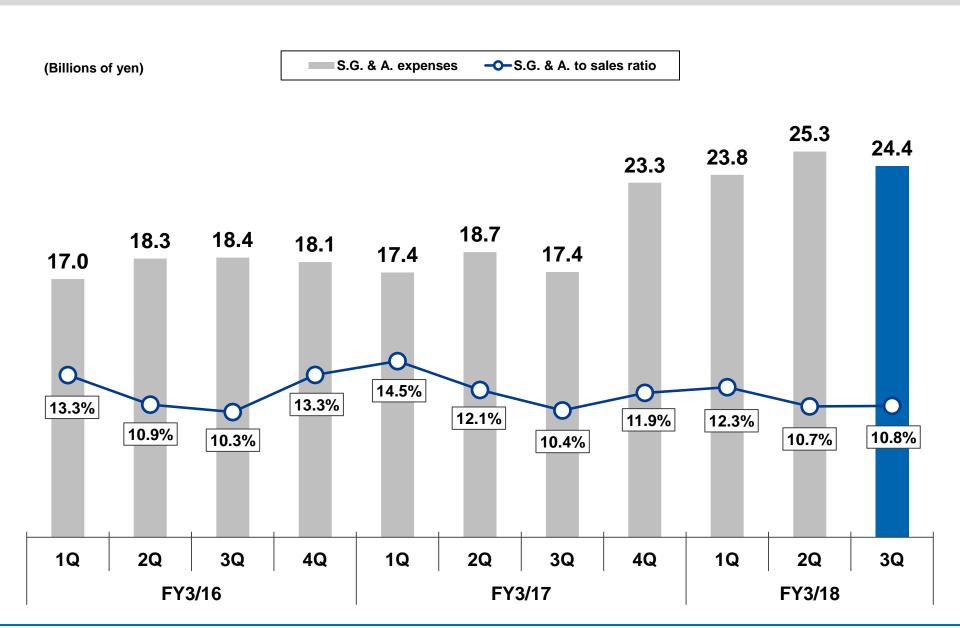


### Up year on year for sixth straight quarter

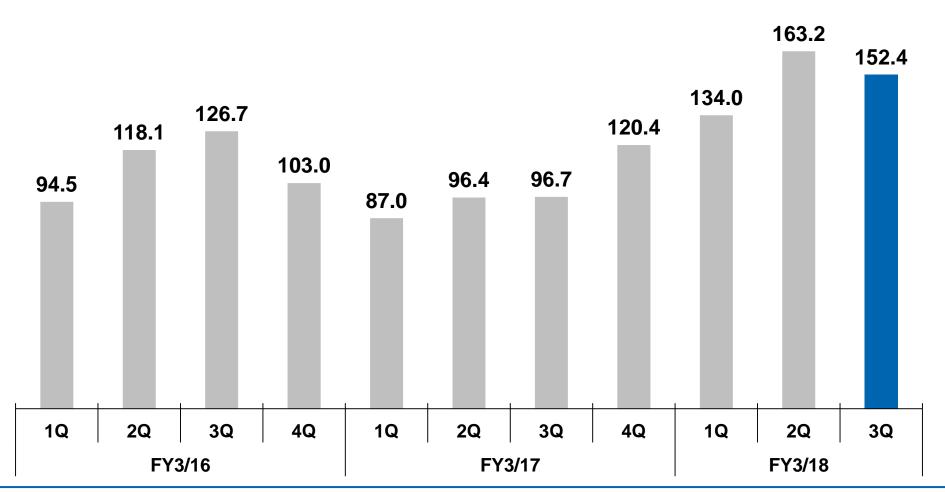
(Billions of yen)

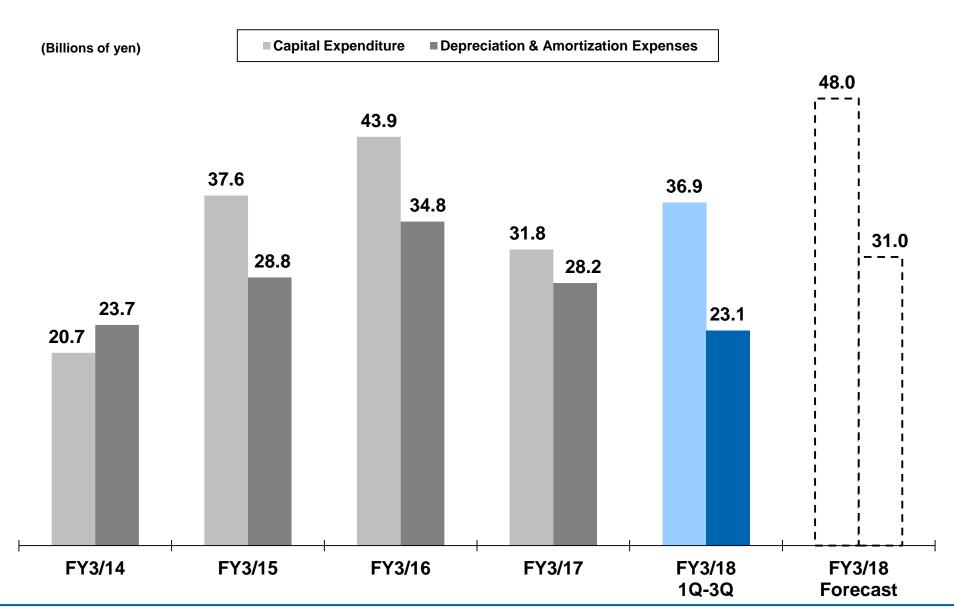
Income attributable to owners of the parent —O—Net income per share (yen)

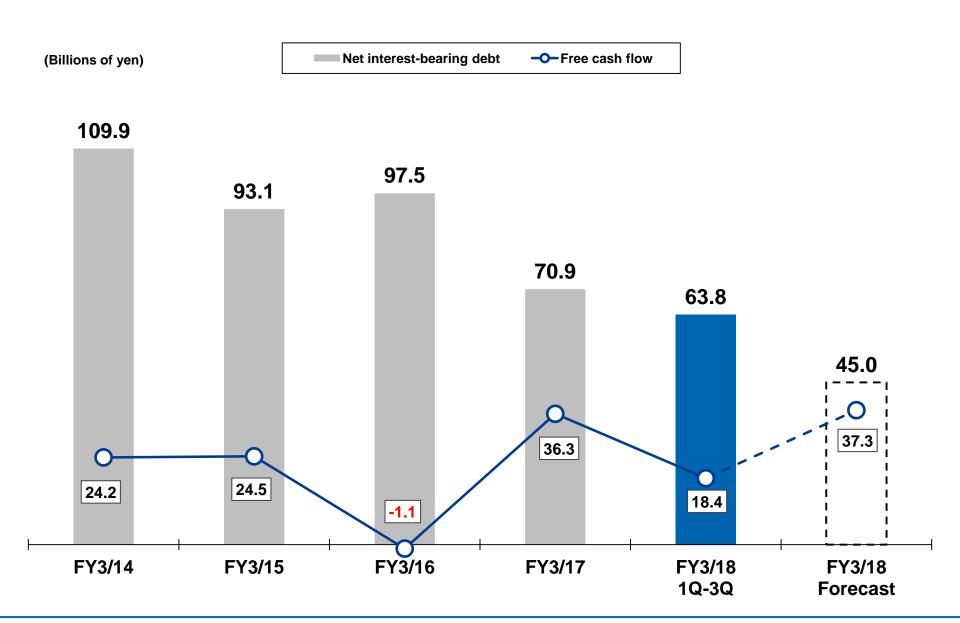




(Billions of yen)







#### Forecast for Fiscal Year Ending March 31, 2018

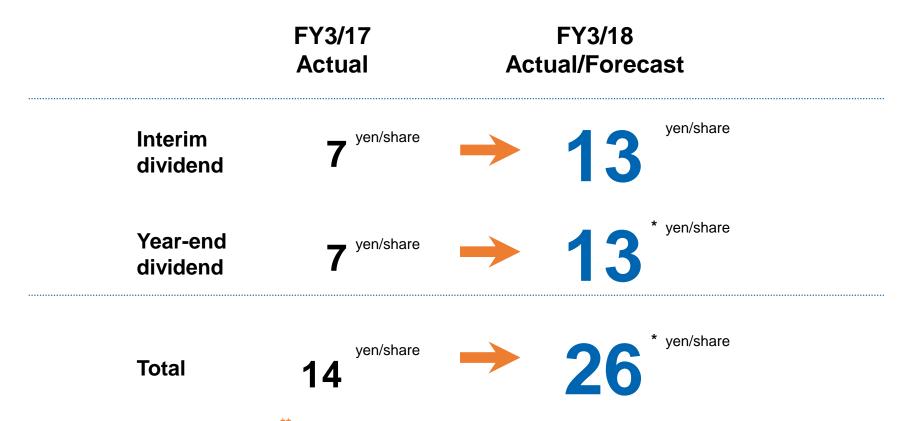
## Expecting net sales, operating income, ordinary income & net income greatly surpass record highs

	FY3/17	FY3/18					
(Millions of yen)	Full Year	1Q-3Q	4Q Forecast	Full Year Revised Forecast	YoY	Nov. Forecast	
Net sales	638,926	654,927	195,073	850,000	+33.0%	810,000	
Operating income	49,015	64,389	15,611	80,000	+63.2%	73,000	
Ordinary income	48,393	64,515	14,985	79,500	+64.3%	72,000	
Income attributable to owners of the parent	41,146	51,555	10,445	62,000	+50.7%	57,000	
Net income per share (yen)	107.33	122.40	24.97	147.37	+37.3%	135.51	
Foreign Exchange Rates	FY3/17 Full Year	FY3/18 1Q-3Q	FY3/18 4Q Assumption	FY3/18 Full Year Assumption			
US\$	¥108.76	¥111.68	¥110.00	¥111.26			
Euro	¥119.34	¥127.88	¥135.00	¥129.66			
Thai Baht	¥3.09	¥3.32	¥3.50	¥3.37			
Chinese RMB	¥16.18	¥16.55	¥17.25	¥16.73			

## **Forecast for Business Segment**

(Millions of yen)		FY3/17	FY3/18					
		Full Year	1Q-3Q	4Q Forecast	Full Year Revised Forecast	YoY	Nov. Forecast	
Net	sales	638,926	654,927	195,073	850,000	+33.0%	810,000	
	Machined components	156,310	129,101	44,899	174,000	+11.3%	163,000	
	Electronic devices and components	441,615	349,764	98,236	448,000	+1.4%	418,000	
	Mitsumi business	40,342	175,551	51,849	227,400	X5.6	228,400	
	Other	658	510	90	600	-8.8%	600	
Ope	rating income	49,015	64,389	15,611	80,000	+63.2%	73,000	
	Machined components	39,147	32,263	11,437	43,700	+11.6%	42,500	
	Electronic devices and components	21,898	23,734	6,266	30,000	+37.0%	27,500	
	Mitsumi business	2,315	20,135	3,065	23,200	X10.0	20,000	
	Other	-120	-145	-255	-400	X3.3	-400	
	Adjustment	-14,223	-11,597	-4,903	-16,500	+16.0%	-16,600	

#### **Shareholders Return**



#### Total return ratio, including share buyback, reaching about 30%

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

<sup>\*\*</sup> Total return ratio = (total dividend + share buyback) / net income

#### Taking Ball Bearings to the Next Level

Volume

External sales

**Production** 

External sales hit record highs three times this FY and grew 9% YoY

→ 209mil units in January!

Improved productivity boosted monthly production volumes

→ Capacity for 300mil or more next FY with planned investment

**∼Four Strong Winds∼** 

**Automobiles** 

**Data Centers** 

High-end Home Appliances

**Small Robots** 

Will start FY18 at 280mil units! (Internal + External)



Cost

One-time costs to be eliminated after 4Q, such as set-up and logistics costs, boosting productivity

→ Ball bearing profitability to be way up next fiscal year

**Price** 

Ensure optimal profits via pricing review (shift the focus from volume to quality requirements)

Prices of core parts and high quality products should reflect their added value

### **Next Fiscal Year's Growth Engines Remain Unchanged**

**Ball bearing** Profitability to be way up from April onward

**Fastener (Mechanical Parts for Aircraft) productivity** Rod-ends and profitability will be up

Game consoles Demand to soar beginning in April

Furthering inroads & sales expansion in China **Smartphones** (LED backlights will remain robust in next FY)

> Sales to top ¥180 bil. this FY and will remain robust in next FY mainly due to Auto Motors Launching many new products

A strong product portfolio is our foundation for reaching new heights and weathering any changes over the next fiscal year!

**Motors** 

#### Sources of Sustainable Growth - ESG Activities

## We will continue growth with enhancing ESG activities replying the requirements of society

#### **Important ESG items**

#### **Example of MinebeaMitsumi Group Activities**

#### √ Global Warming

- ✓ Global Warming
- ✓ Natural Resources
- √ Waste Control
- ✓ Eco Market Opportunities

- •Infrastructure development in emerging economies by installing smart street lights through JCM
- ·Zero wastewater systems at plants
- · Ultimate energy saving factory with introduction of all available technologies
- Introduction of rainwater re-use and river water purification systems
- ·Raw kitchen waste recycling at bio-gas plant

Effluent treatment facilities at our Shanghai Plant



#### Related SDGs\* items

















\* SDGs: Sustainable Development Goals: 17 global goals to meet by 2030 set by the United Nations in September 2015.

#### ✓ Human Capital

- ✓ Product Safety
- ✓ Social Market Opportunities

- ·Promoting global female employee empowerment
- •Mass employment of young people and elementary education programs in emerging economies
- ⇒ Contributing to national development with shift from agriculture to new industries
- ·MinebeaMitsumi Group Conflict Minerals Response Policy

Sample Indices for women (Group total, as of the end of Dec. 2017)

- % of women in the overall workforce: 69%
- % of women among new hires: 75%
- % of women in senior and middle management: 18%

- ✓ Corporate Governance
- ✓ Internal Controls
- ✓ Corporate Act
- ✓ Responsibility to Stake Holders
- Enhance engagement between top management and shareholders/investors
- ·Establish global risk management system, including BCP training
- ·Establish compliance system, including internal audits

Examples of enhancing compliance

- •Compliance training for employees (on antitrust acts, counter corruption, information security, etc.)
- Compliance awareness survey of executives and employees

(Governance)

(Environmental )

(Social)

#### **GUINNESS WORLD RECORDS™ For Smallest and Longest**

### Passion to Create Value through Difference





World Smallest Fidget Spinner\*1

World Longest Fidget Spinner\*2

<sup>\*1:</sup> Smallest fidget spinner, Accreditation date: 14 November 2017, Accredited size: 5.09mm

<sup>\*2:</sup> Longest duration spinning a fidget spinner on one finger, Accreditation date: 11 December, 2017, Accredited duration: 24 minutes 46.34 seconds



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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