

# 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<br>YoY | FY3/18 Full Year |              |
|---|---------|---------|---------------|------------------|--------------|
|   | 1Q-3Q   | 1Q-3Q   |               | 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<br>1Q-3Q | FY3/18<br>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

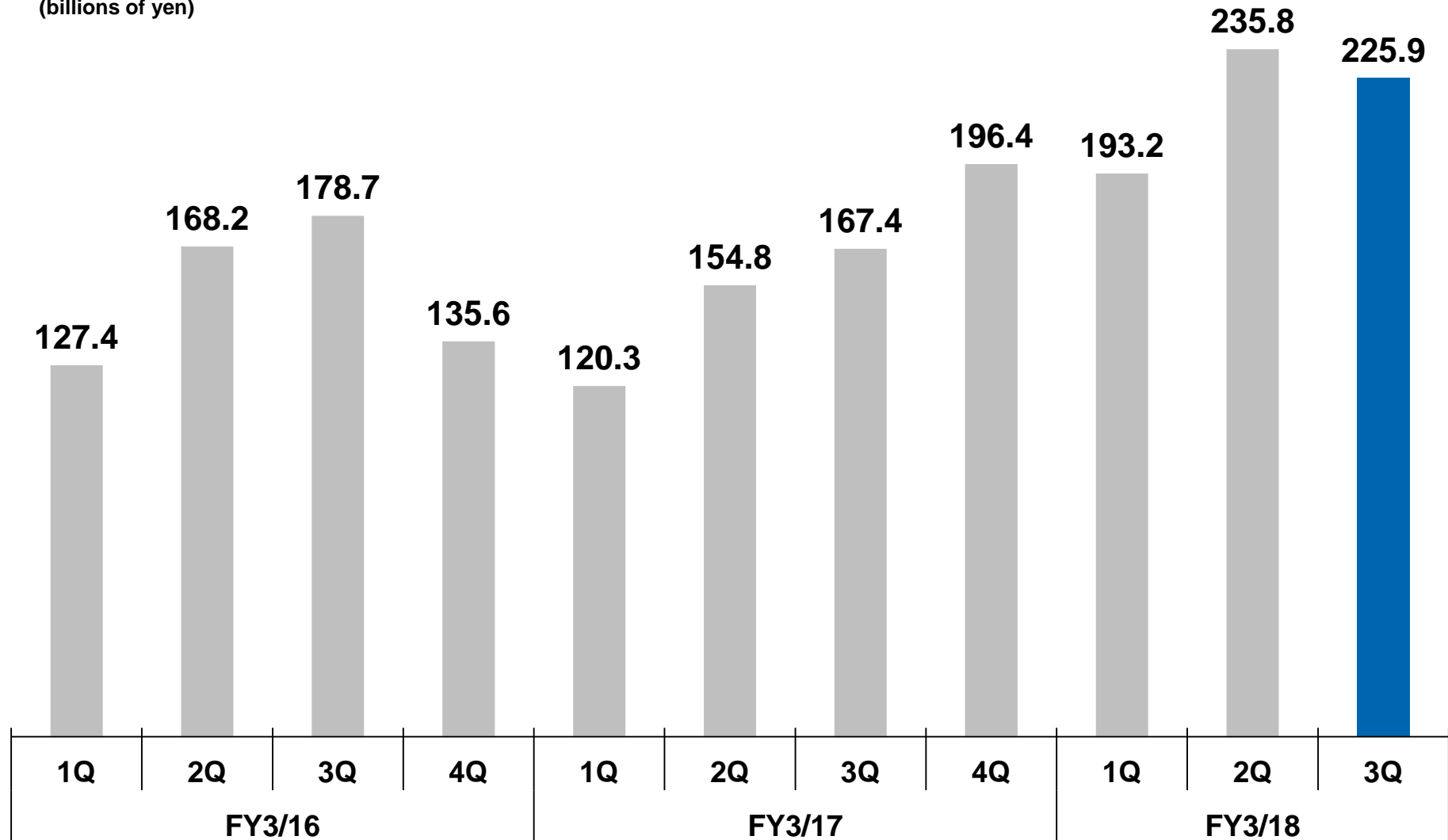
**Net sales as well as operating, ordinary, and net income all set 3Q record highs**

| (Millions of yen)                           | FY3/17<br>3Q | FY3/18  |         | Change |        |
|---|--------------|---------|---------|--------|--------|
|   |              | 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<br>3Q | FY3/18<br>2Q | FY3/18<br>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       |

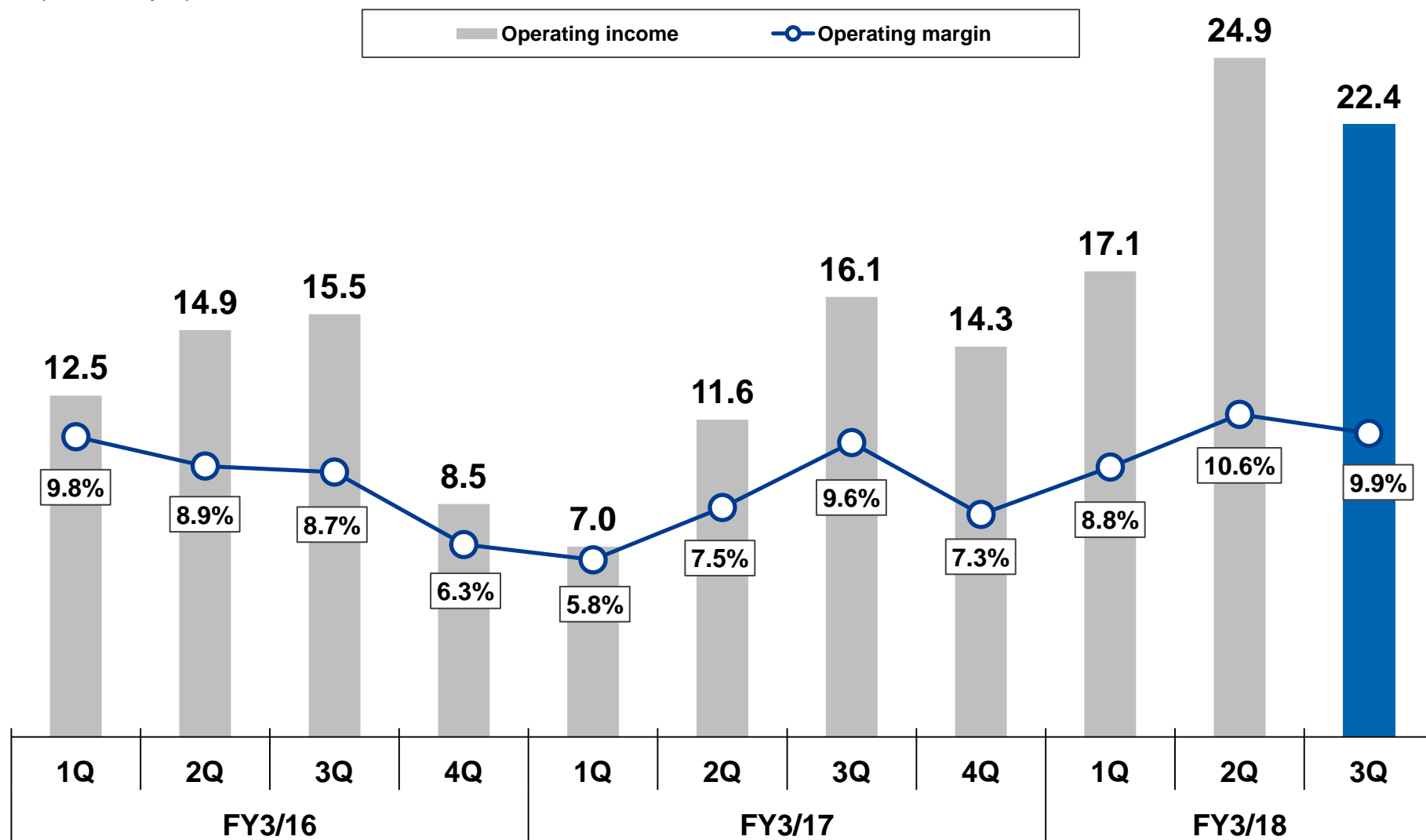
## Net sales greatly surpassed quarterly record high

(billions of yen)



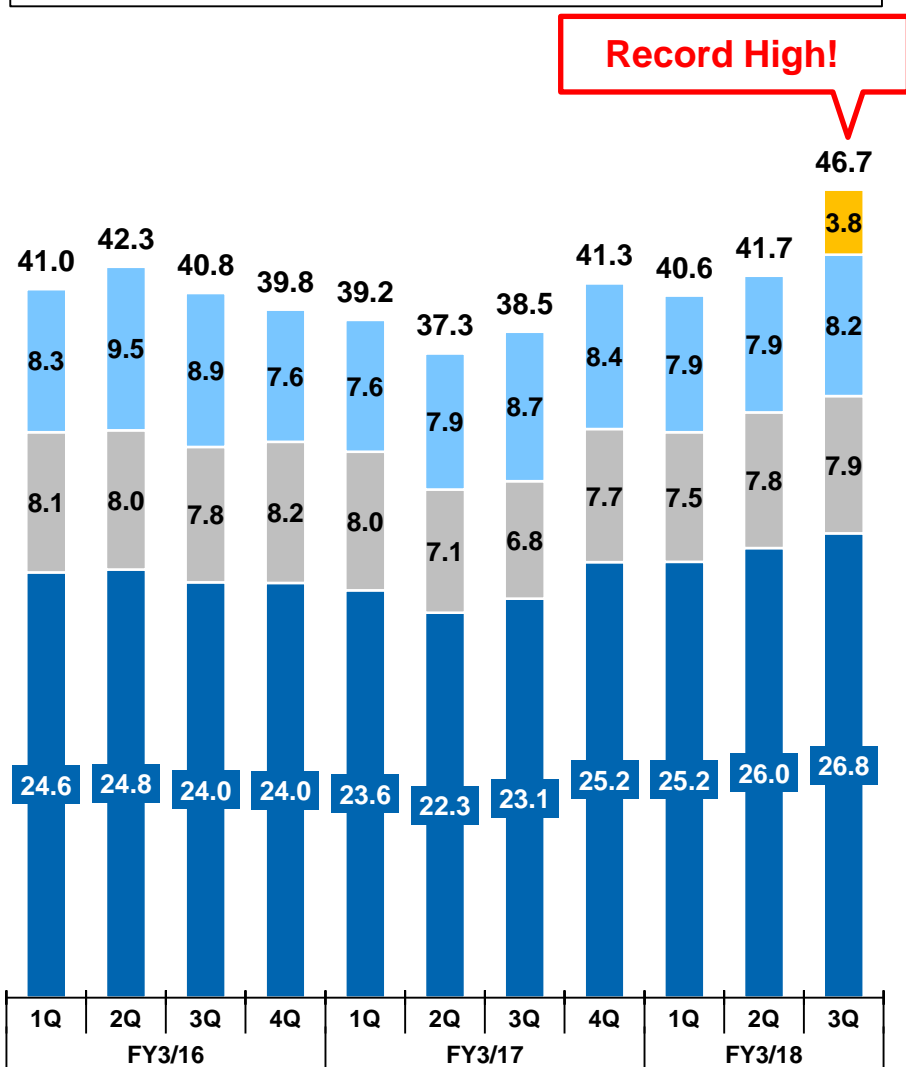
## Operating income greatly surpassed quarterly record high

(billions of yen)



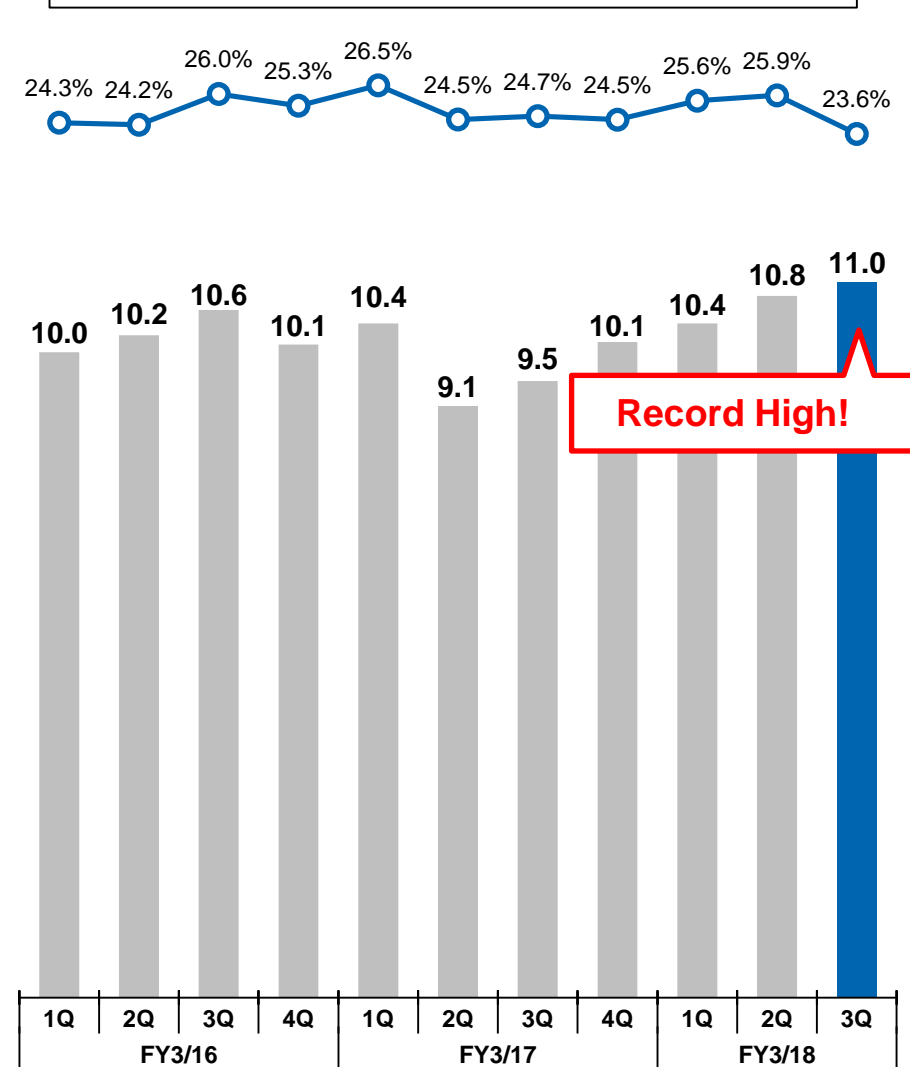
## Net sales (Billions of yen)

■ Ball bearings ■ Rod-ends/Fasteners ■ Pivot assemblies ■ Other

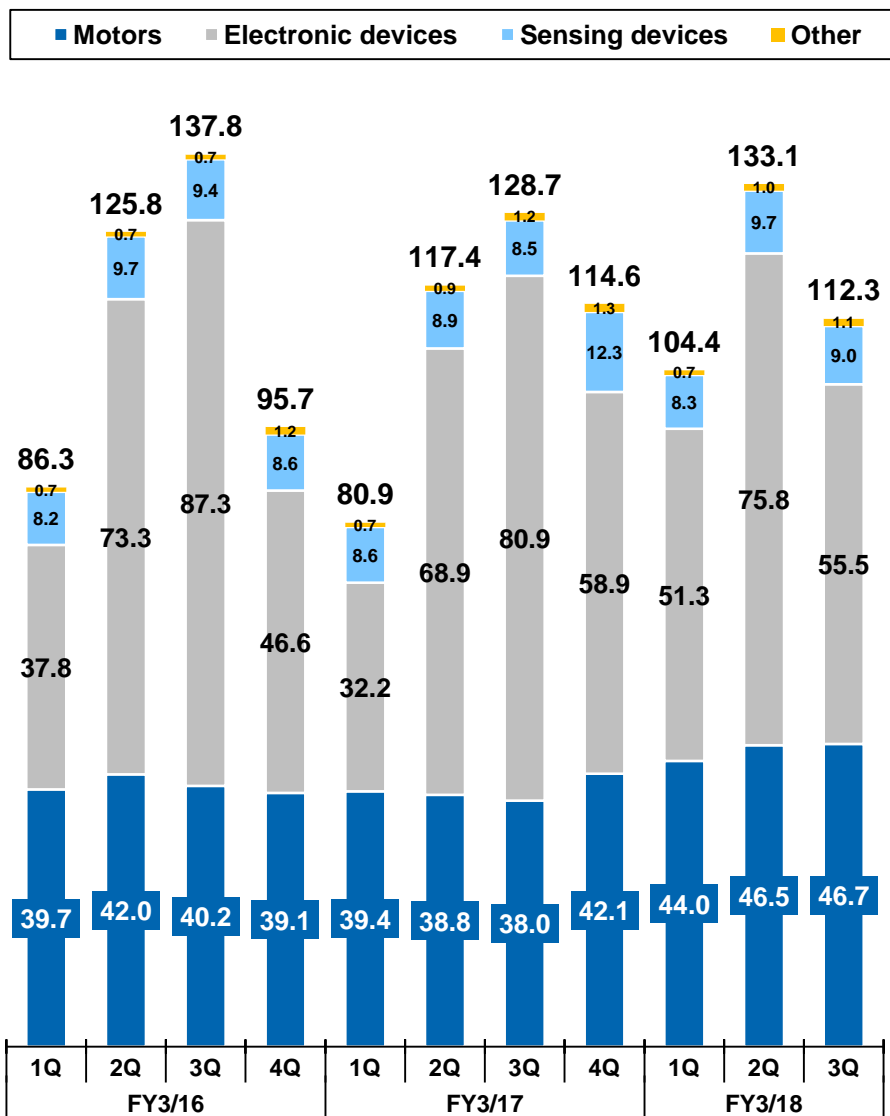


## Operating income (Billions of yen)

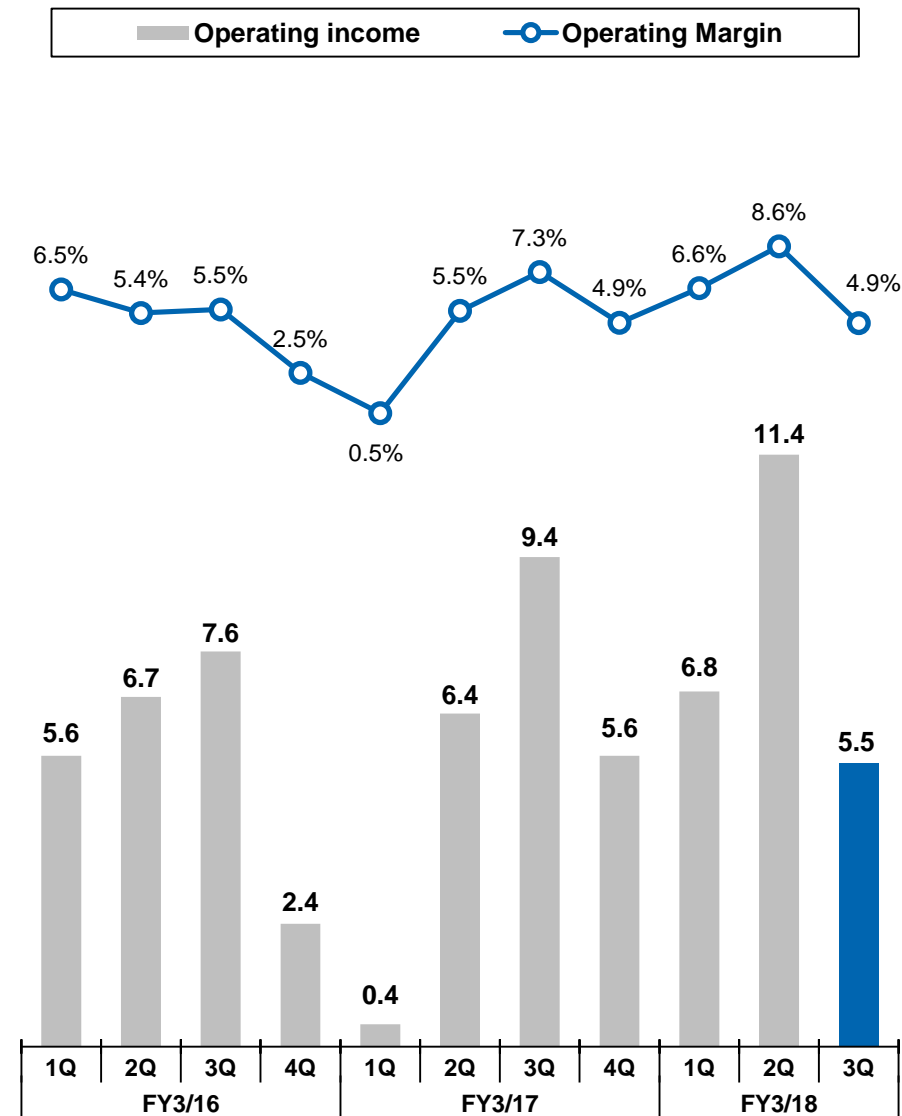
■ Operating income ○ Operating Margin



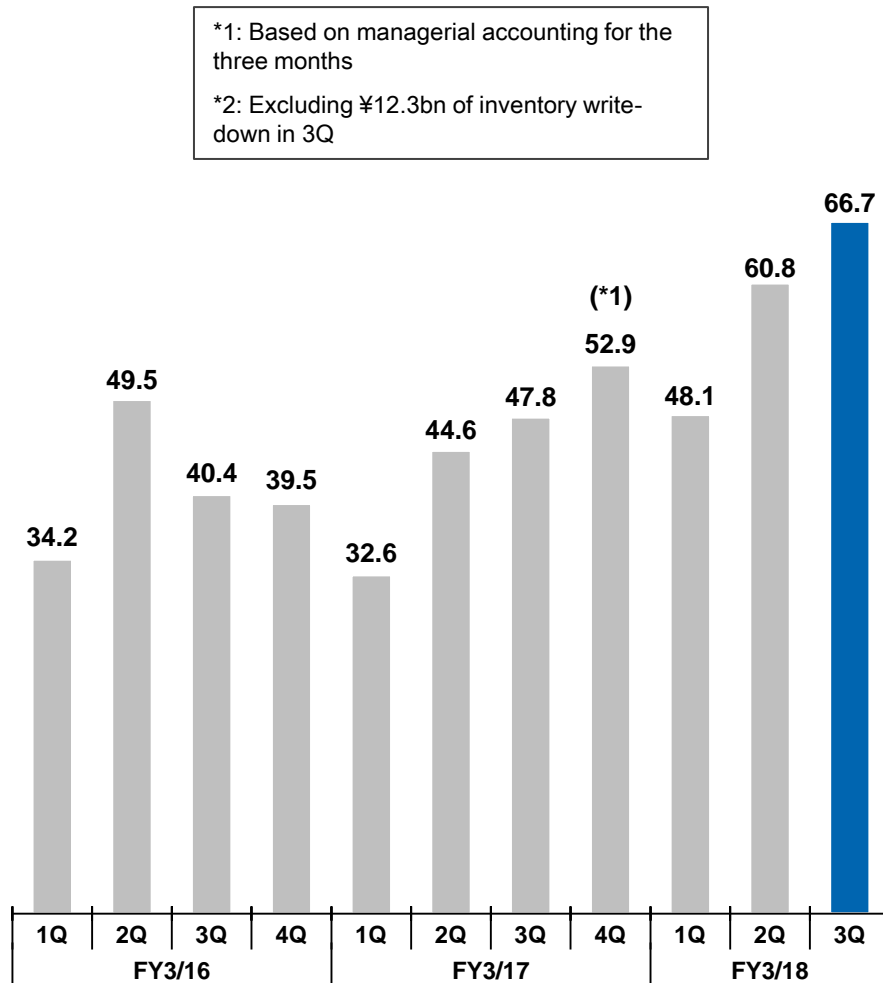
## Net sales (Billions of yen)



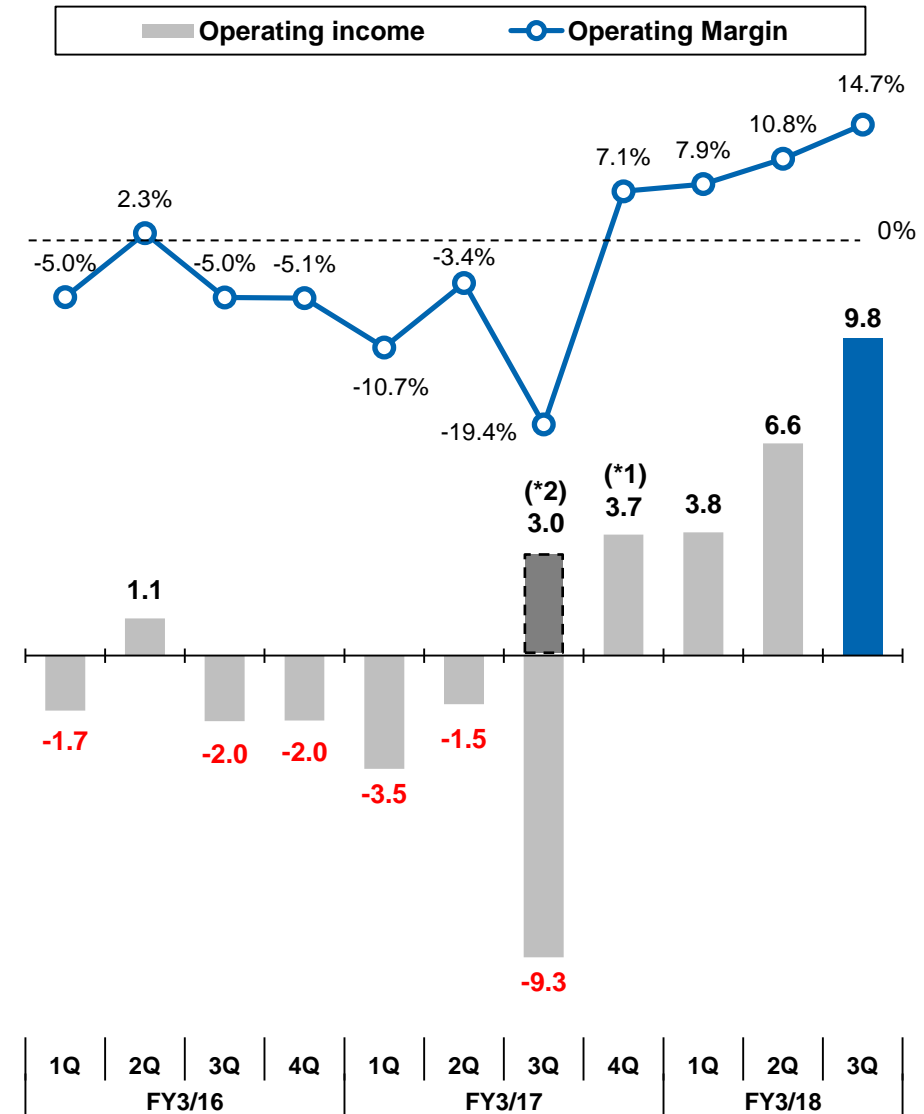
## Operating income (Billions of yen)



## Net sales (Billions of yen)



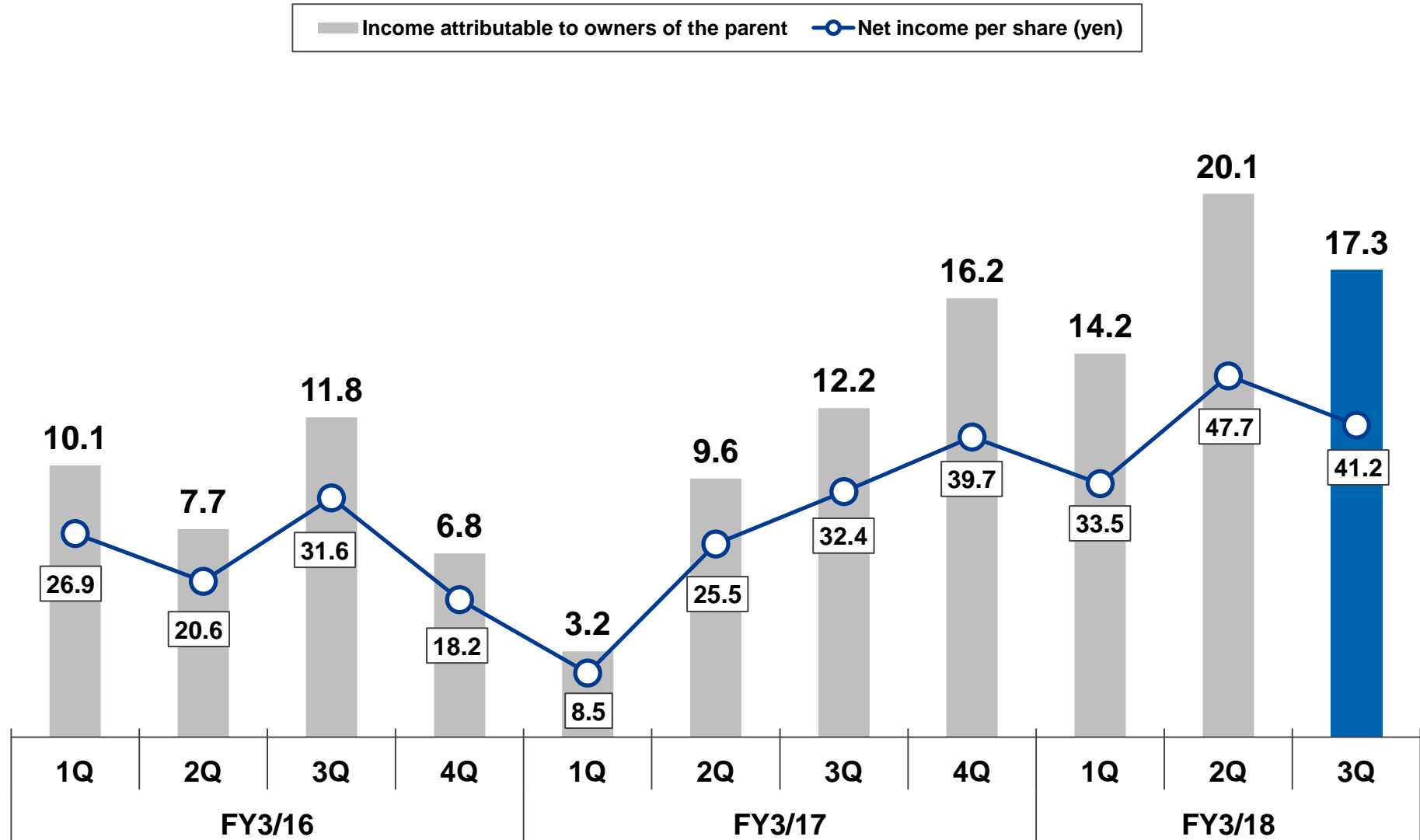
## Operating income (Billions of yen)



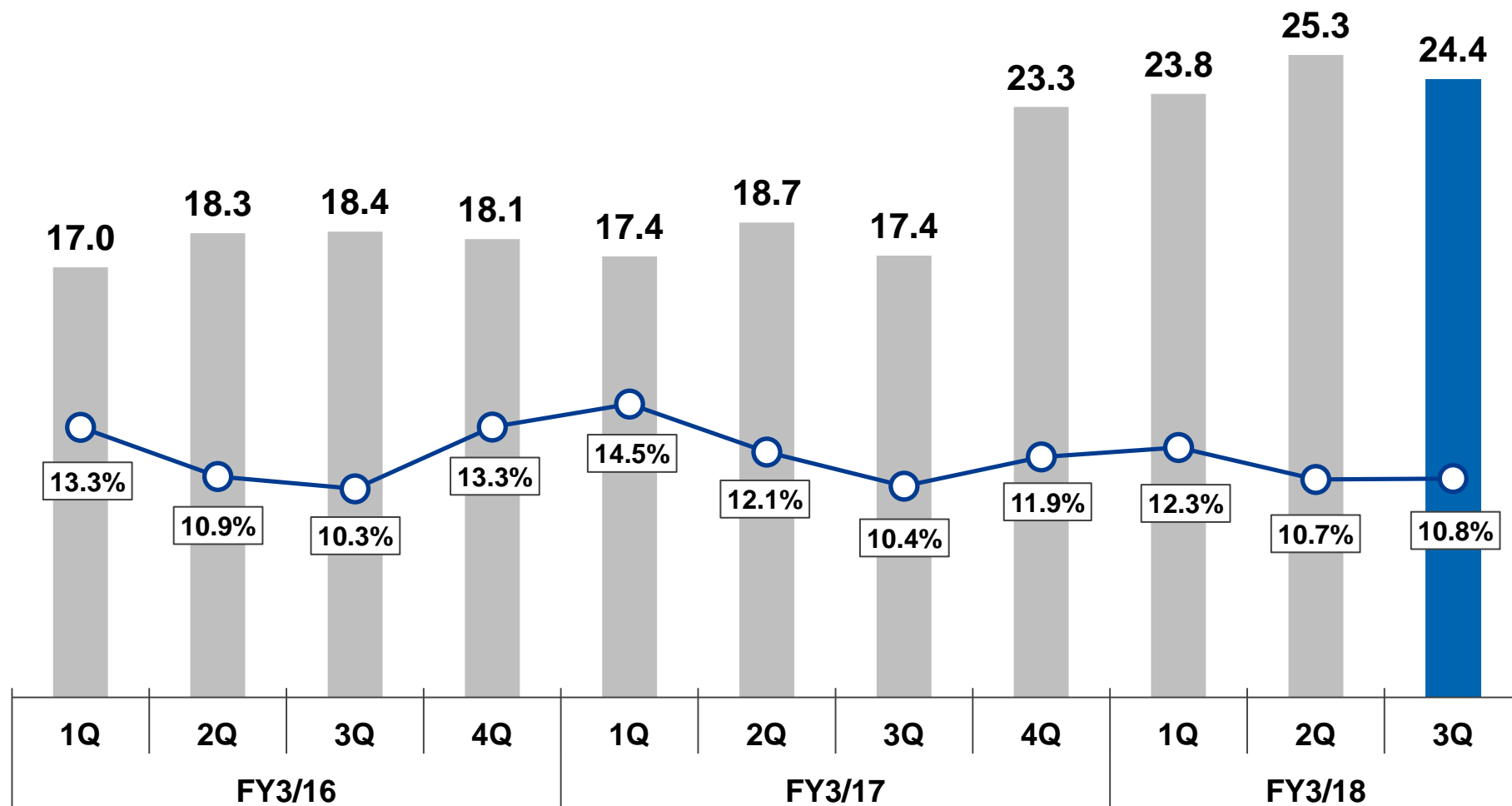


## Up year on year for sixth straight quarter

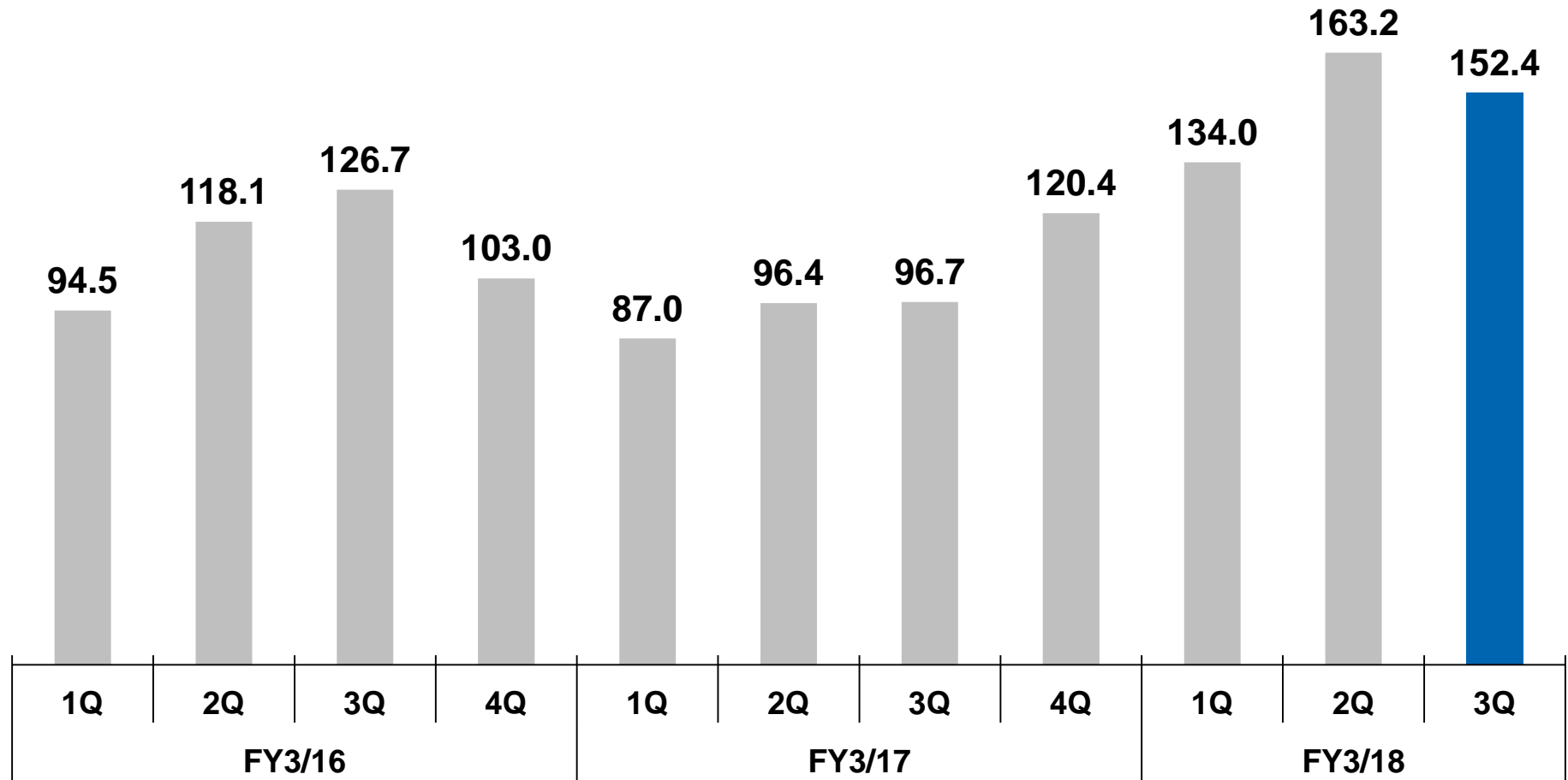
(Billions of yen)



(Billions of yen)



(Billions of yen)

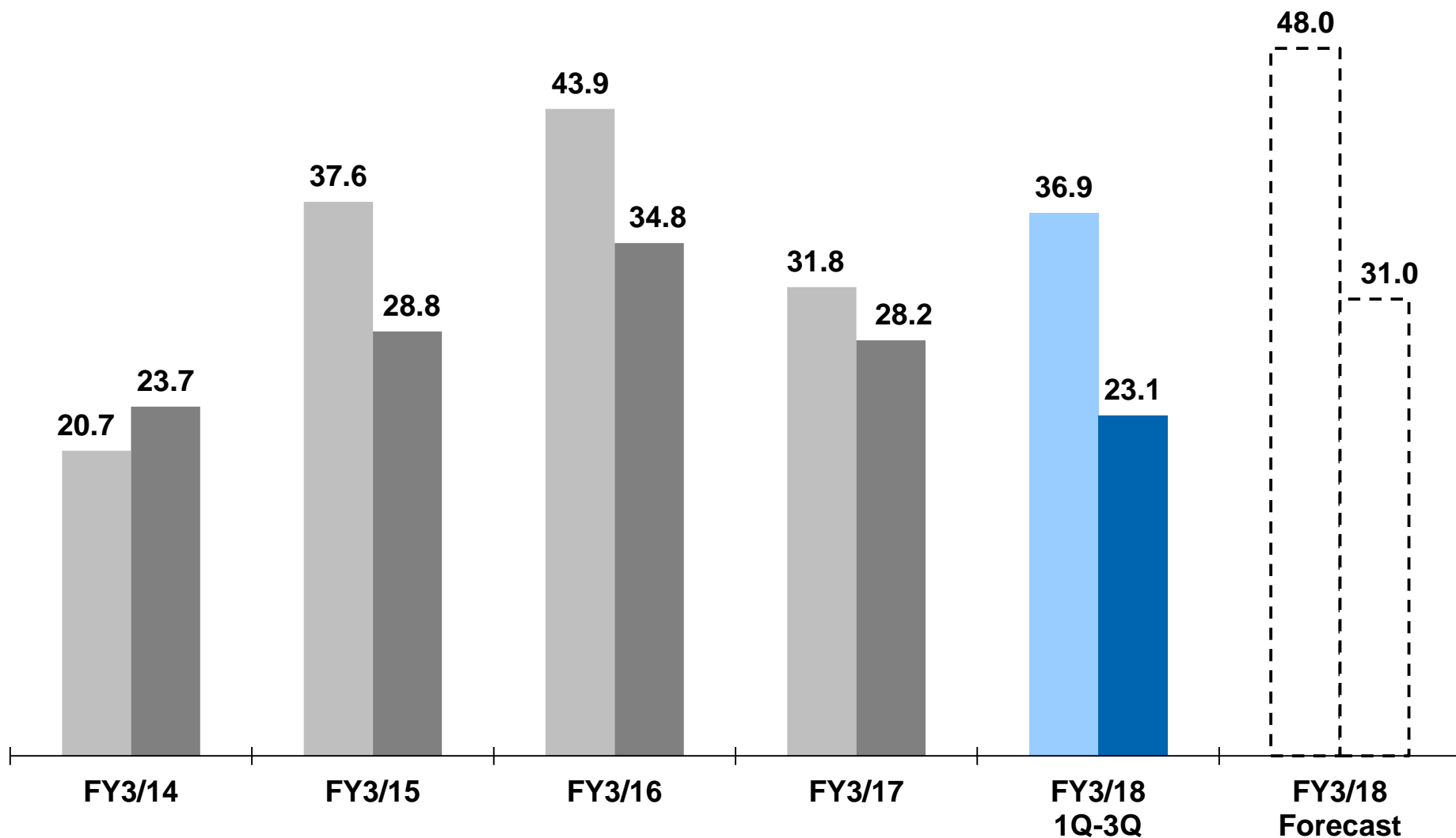


# Capital Expenditure & Depreciation

Yearly

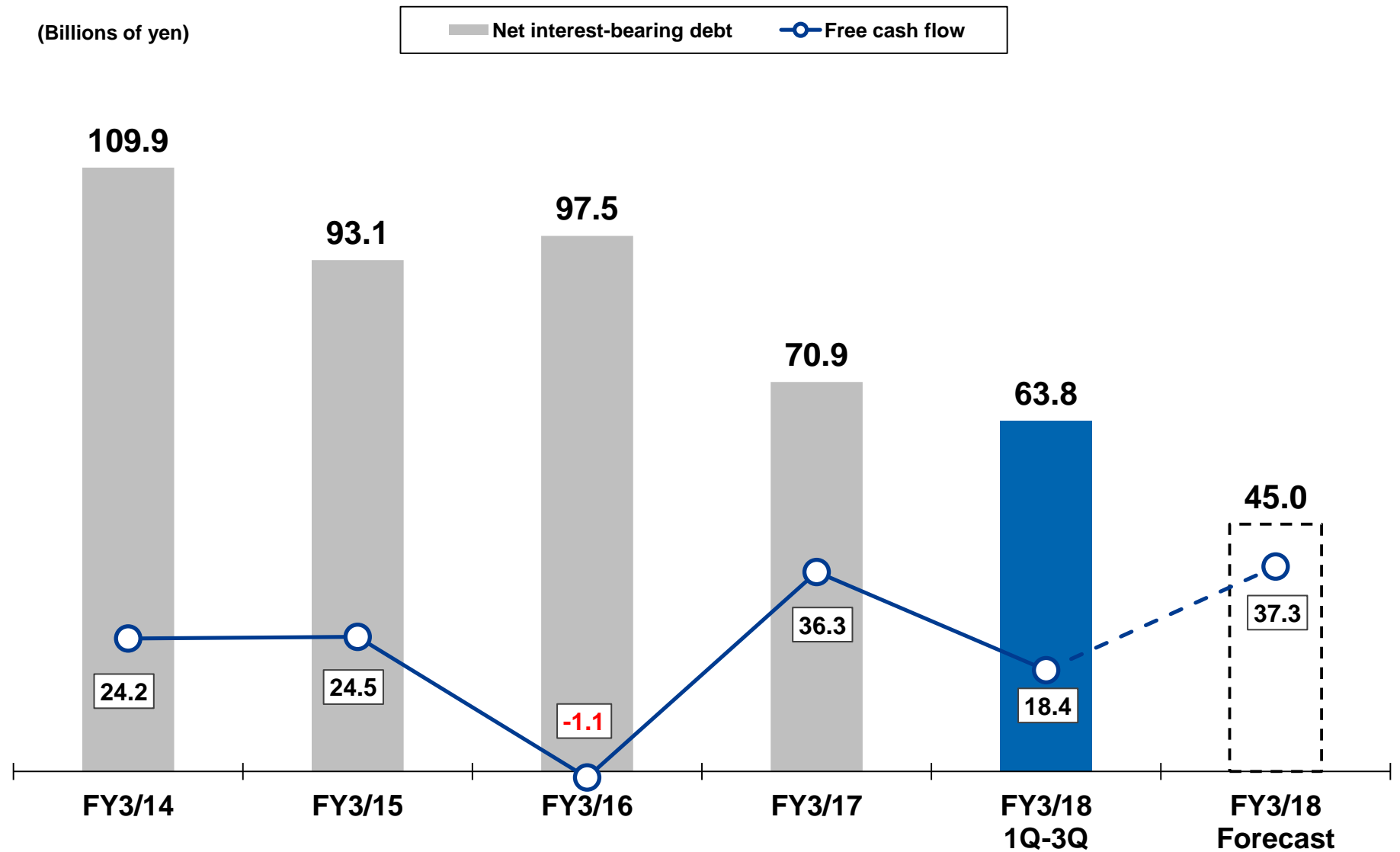
(Billions of yen)

■ Capital Expenditure ■ Depreciation & Amortization Expenses



# Net Interest-Bearing Debt/Free Cash Flow

Yearly



# Forecast for Fiscal Year Ending March 31, 2018

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

| (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       |
| 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           |
| Operating 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

|                   | FY3/17<br>Actual |   | FY3/18<br>Actual/Forecast |
|-------------------|------------------|---|---------------------------|
| Interim dividend  | 7 yen/share      | → | 13 yen/share              |
| Year-end dividend | 7 yen/share      | → | 13* yen/share             |
| Total             | 14 yen/share     | → | 26* yen/share             |

**\*\* Total return ratio, including share buyback, reaching about 30%**

\* 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



# Taking Ball Bearings to the Next Level

## Volume

External sales

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

→ **209mil units** in January!

Production

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)

Ball bearing external shipments (mil. Unites/month)



## 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

## Rod-ends

Fastener (Mechanical Parts for Aircraft) productivity and profitability will be up

## Game consoles

Demand to soar beginning in April

## Smartphones

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

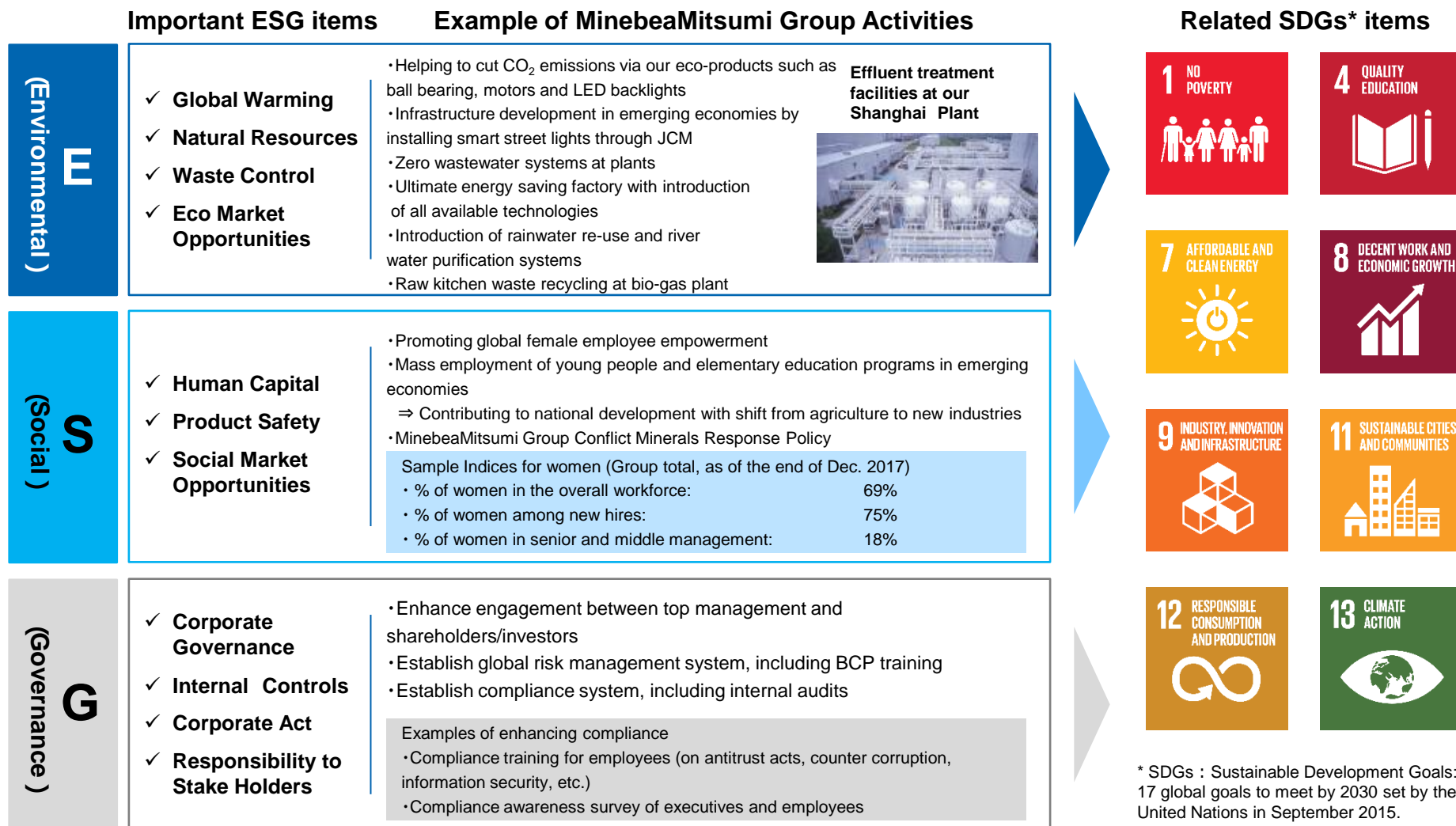
## Motors

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!**

# Sources of Sustainable Growth - ESG Activities

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



## *Passion to Create Value through Difference*



**World Smallest Fidget Spinner<sup>\*1</sup>**

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



**World Longest Fidget Spinner<sup>\*2</sup>**

<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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