

Business Results

First Quarter of Fiscal Year
Ending March 31, 2019

MinebeaMitsumi Inc.

August 3, 2018

Net sales hit 1Q record highs

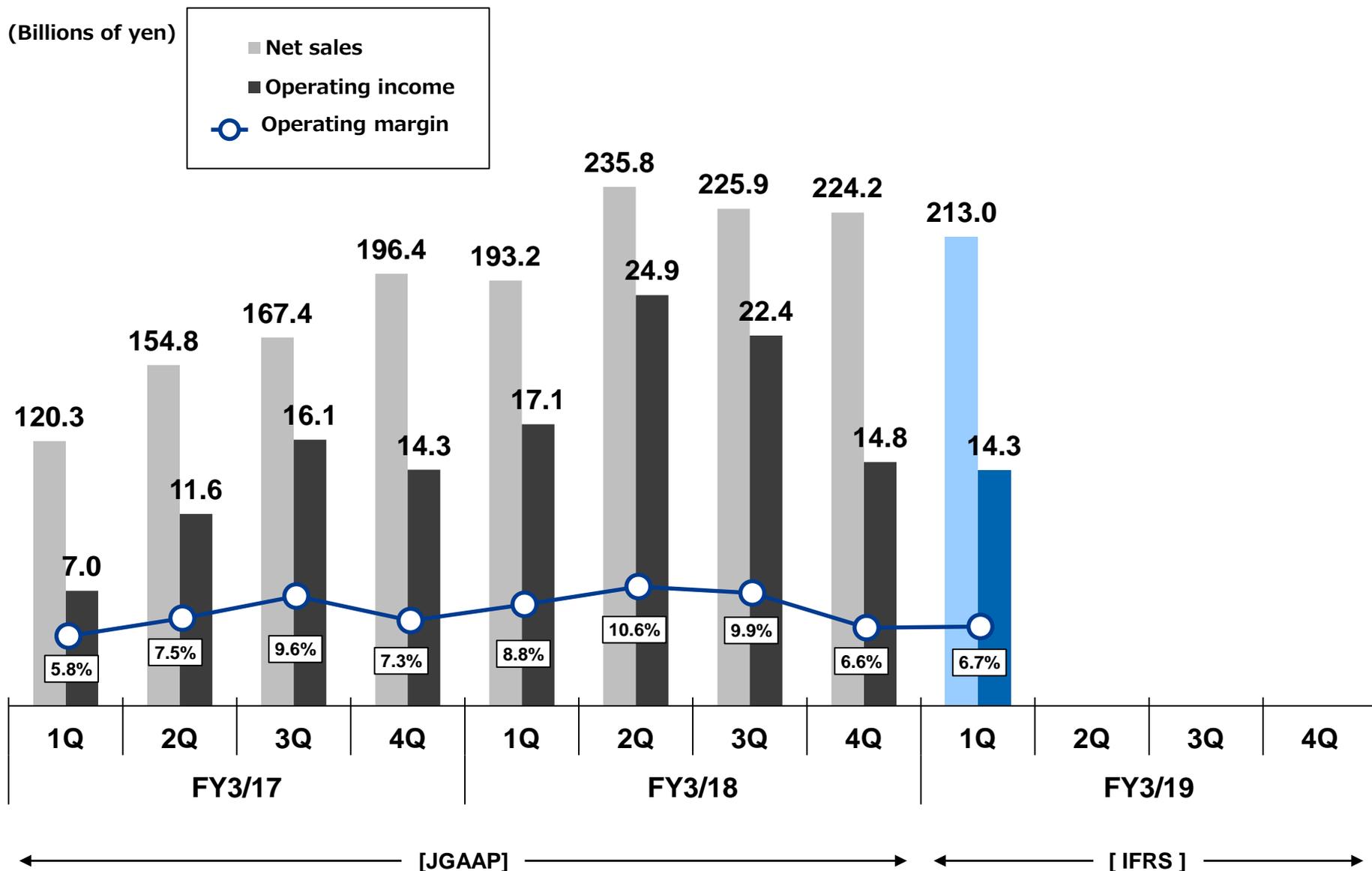
[IFRS]

(Millions of yen)	FY3/18		FY3/19	Change	
	1Q	4Q	1Q	YoY	QoQ
Net sales	195,069	224,246	213,038	+9.2%	-5.0%
Operating income	16,698	6,453	14,291	-14.4%	X2.2
Profit before taxes	16,176	5,497	14,170	-12.4%	X2.6
Profit for the period attributable to owners of the parent	12,603	1,814	10,886	-13.6%	X6.0
Earnings per share, basic (yen)	29.77	4.44	25.95	-12.8%	X5.8

Foreign Exchange Rates	FY3/18 1Q	FY3/18 4Q	FY3/19 1Q
US\$	¥111.48	¥109.72	¥108.10
Euro	¥121.53	¥133.77	¥129.88
Thai Baht	¥3.24	¥3.45	¥3.42
Chinese RMB	¥16.18	¥17.16	¥17.02

Net Sales, Operating Income/margin

*JGAAP until FY3/18, IFRS for FY3/19

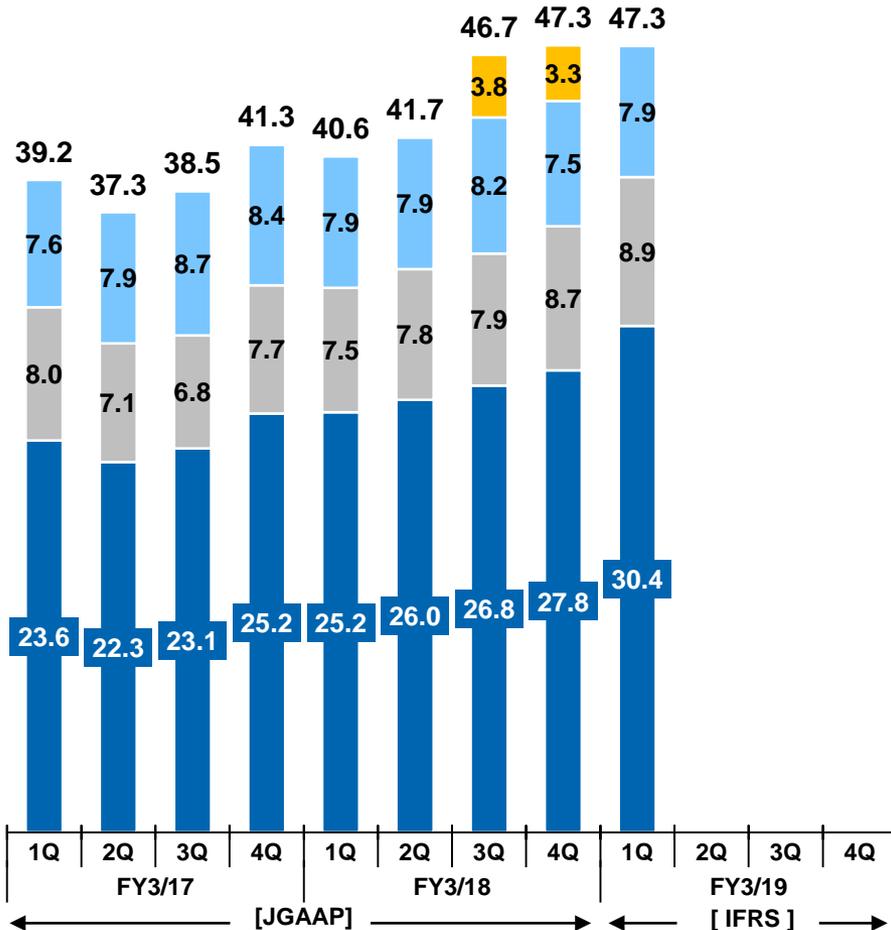


Machined Components

*JGAAP until FY3/18, IFRS for FY3/19

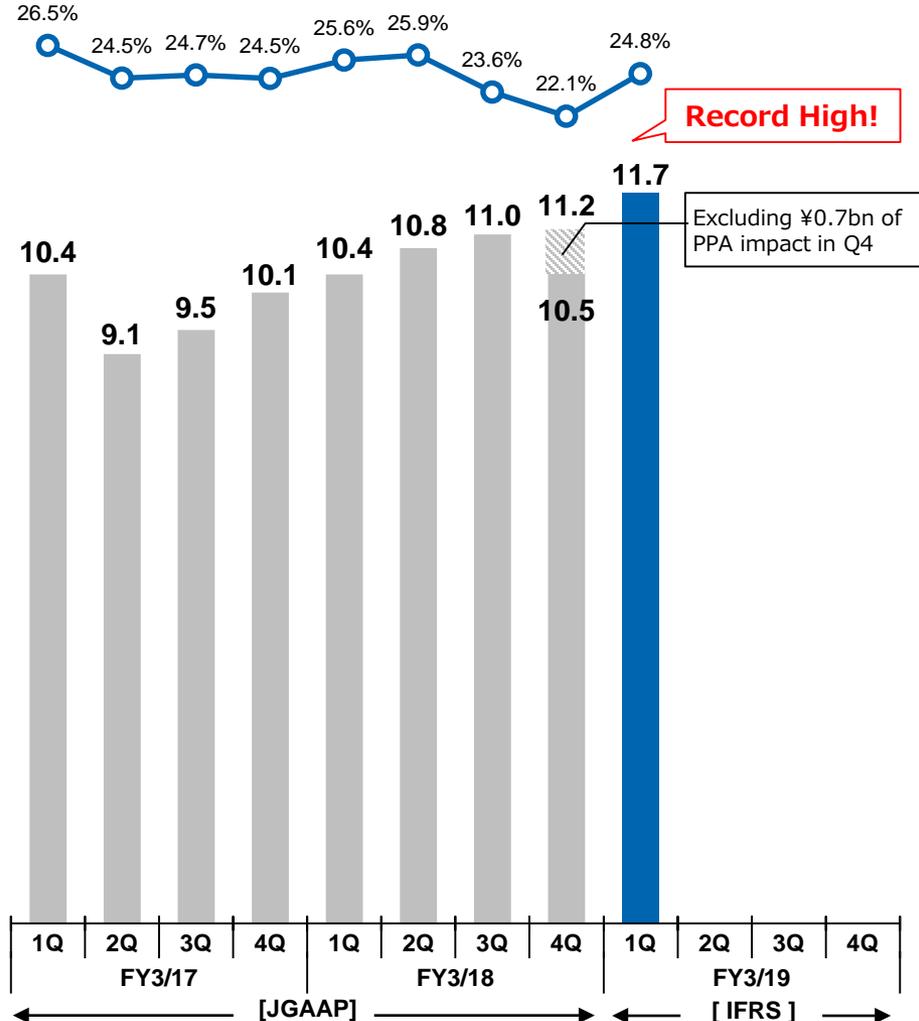
Net sales (Billions of yen)

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

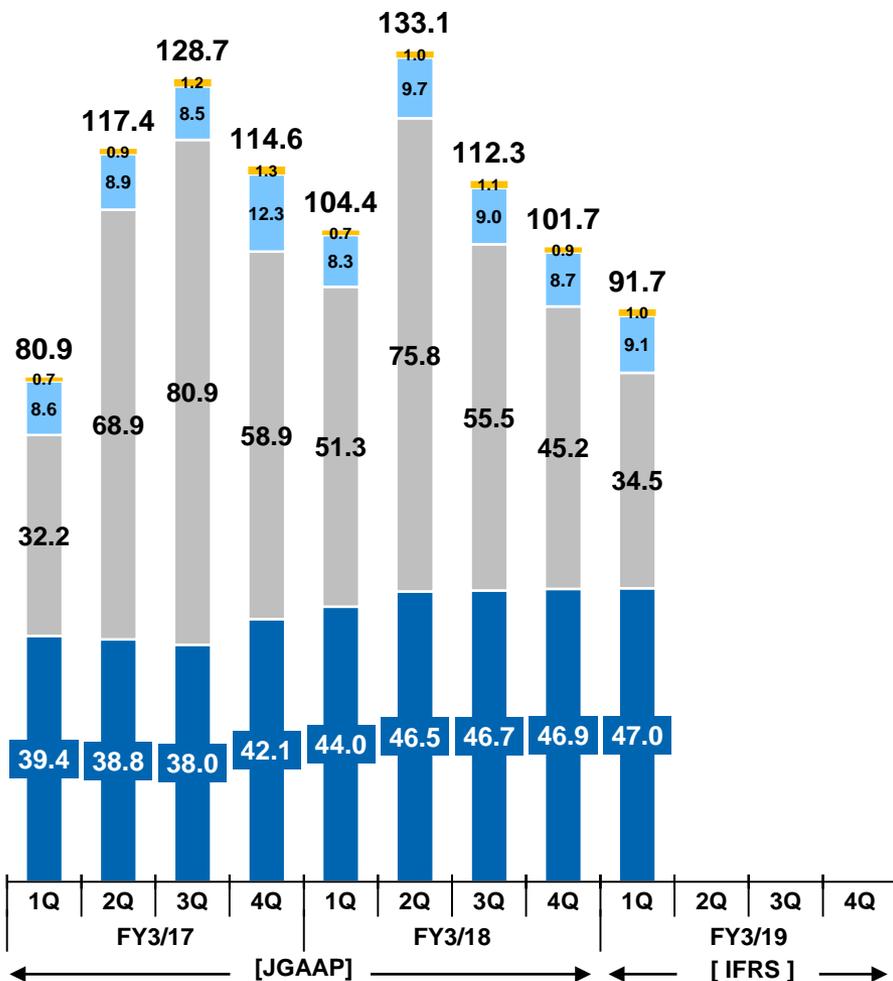


Operating income (Billions of yen)

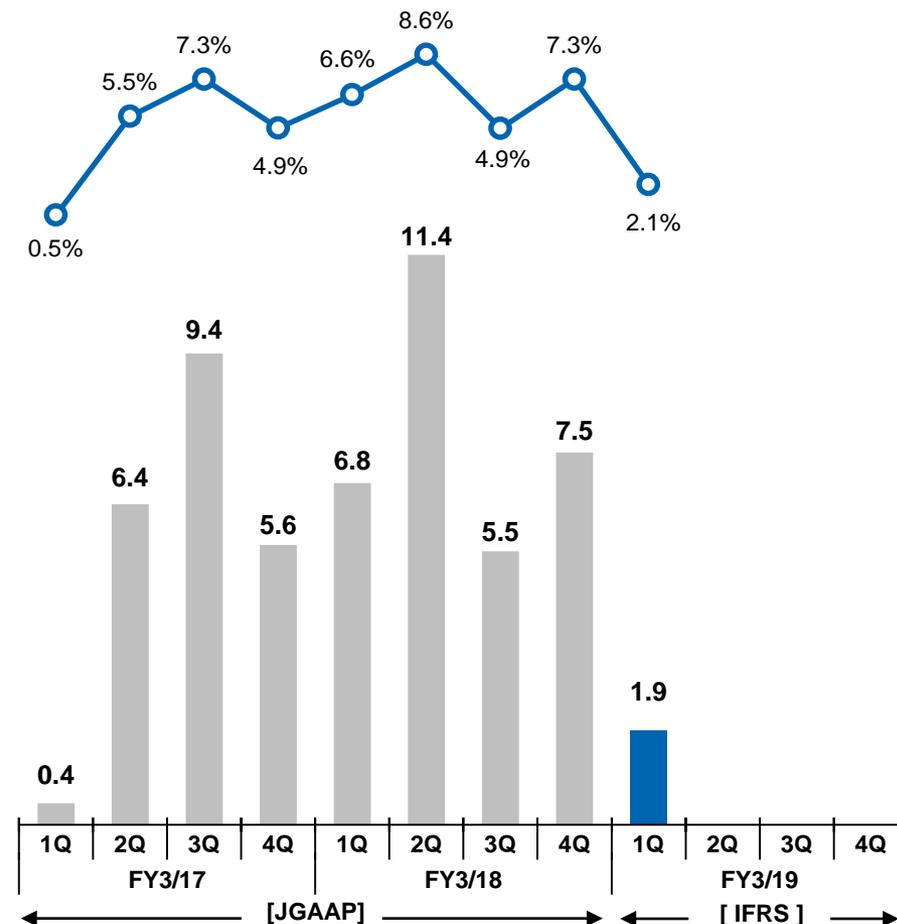
■ Operating income ○ Operating Margin



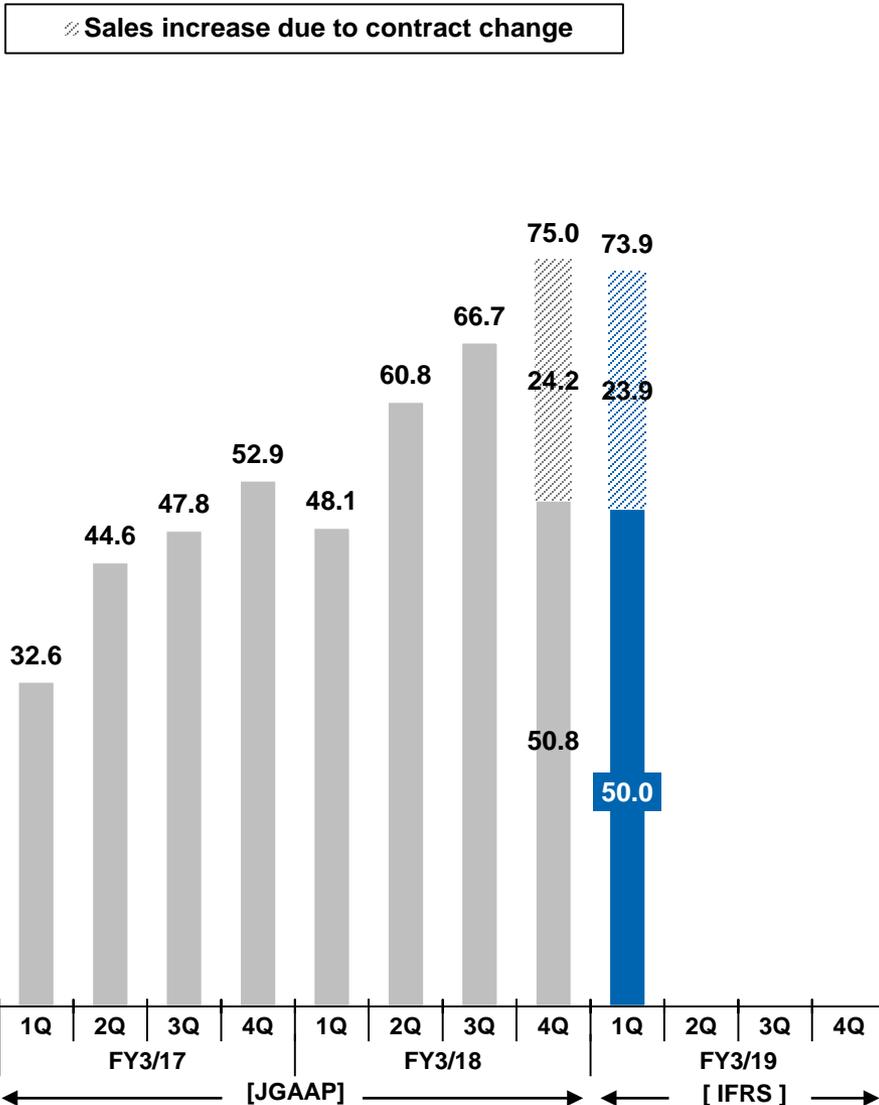
Net sales (Billions of yen)



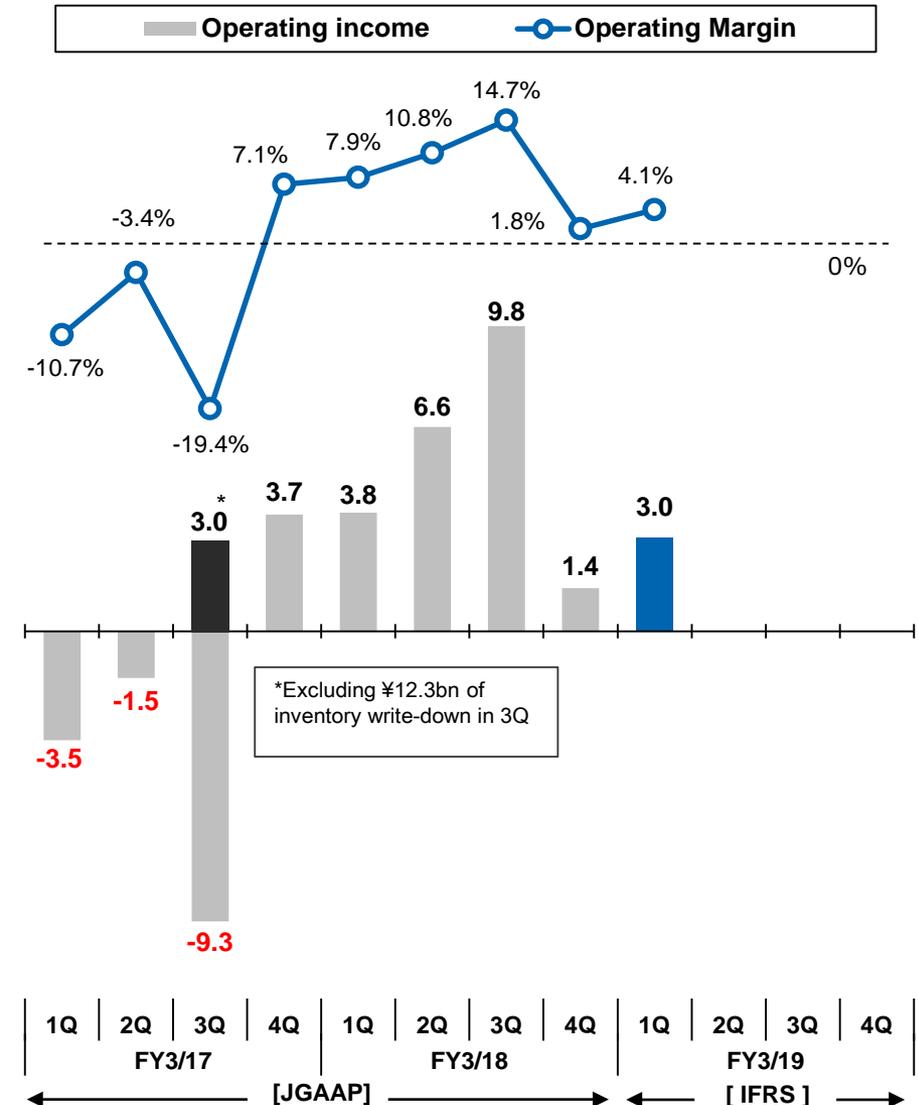
Operating income (Billions of yen)



Net sales (Billions of yen)



Operating income (Billions of yen)



Upward Revision for Operating Income & Profit

[IFRS]

(Millions of yen)	FY3/18	FY3/19			
	Full Year	1st Half	2nd Half	Full Year	YoY
Net sales	881,413	453,800	486,200	940,000	+6.6%
Operating income	68,902	34,000	51,000	85,000	+23.4%
Profit before taxes	66,855	33,500	50,500	84,000	+25.6%
Profit for the period attributable to owners of the parent	50,326	26,300	39,700	66,000	+31.1%
Earnings per share, basic (yen)	119.61	62.70	94.64	157.34	+31.5%

Foreign Exchange Rates	FY3/18 Full Year
US\$	¥111.19
Euro	¥129.36
Thai Baht	¥3.35
Chinese RMB	¥16.70

FY3/19 2Q-4Q Assumptions
¥105.00
¥130.00
¥3.39
¥16.90

Forecast for Business Segment

*Based on IFRS

[IFRS]

(Millions of yen)	FY3/18	FY3/19			
	Full Year	1st Half	2nd Half	Full Year	YoY
Net sales	881,413	453,800	486,200	940,000	+6.6%
Machined components	176,427	94,500	95,500	190,000	+7.7%
Electronic devices and components	451,879	174,400	225,600	400,000	-11.5%
Mitsumi business	252,415	184,400	164,600	349,000	+38.3%
Other	693	500	500	1,000	+44.3%
Operating income	68,902	34,000	51,000	85,000	+23.4%
Machined components	41,007	24,000	25,500	49,500	+20.7%
Electronic devices and components	24,096	6,400	19,600	26,000	+7.9%
Mitsumi business	20,069	11,000	15,000	26,000	+29.6%
Other	-806	-300	-200	-500	-38.0%
Adjustment	-15,463	-7,100	-8,900	-16,000	+3.5%

Profit-sharing Policy

In using the free cash flow generated by following our mid-term business plan, we will **give priority to growth investing**, including M&As in Japan and overseas. At the same time we aim to pay steady dividends to our shareholders at a **payout ratio of around 20%**. We will also look at **flexible share buyback** with an eye to maintaining an optimal balance with growth investing to enhance capital efficiency.

Dividend Forecast

We will decide the amount at a **payout ratio of around 20%**.

Efforts Related to MSCI Japan Empowering Women Index (WIN)



2018 Constituent
MSCI Japan Empowering
Women Index (WIN)

MSCI Japan Empowering Women Index (WIN)
MSCI calculates a multifaceted score based on data on employment of women disclosed under the Act on Promotion of Women's Participation and Advancement in the Workplace and corporate disclosures, which it uses to select companies within each industry to recognize for their efforts to promote women's participation and advancement. It is one of the indexes that the Government Pension Investment Fund (GPIF) has adopted for ESG investments in Japanese stock.

Publication of 2018 Integrated Report (planned)

~A tool for explaining our medium- to long-term growth strategy and value creation story~

Operating Policies and Goals MinebeaMitsumi

Passion to Create Value through Difference

Create new value from extraordinary difference

Net sales **¥1 trillion** and/or Operating income **¥100 billion**

Operating margin **10%**

ROE **15%** or higher

Close-up on Our Value Creation Equation MinebeaMitsumi

Our value creation equation

Strengthen core businesses × Diversify business and establish niche (7 spears) × Mix & match* to create synergy = Sustainable growth of MinebeaMitsumi

*Mix & match means "combining" rather than "simple gathering" and integrating and utilizing the company's proprietary technologies to create the "best space" and to create synergies in various fields by combining the advanced products of the "seven spears".

<p>Non-financial capital to build up strengths</p> <p>Intellectual capital</p> <ul style="list-style-type: none"> Ultra precision machining technology Competence manufacturing, engineering, environment, and sales capability MSA capability/PAI <p>Human capital</p> <ul style="list-style-type: none"> Global human resources Advanced engineering Global work/progress <p>Intangible capital</p> <ul style="list-style-type: none"> Virtually integrated manufacturing Industry operation Manufacturing know-how <p>Value chain</p> <ul style="list-style-type: none"> MSD Coors Production Global CS Product MSD team Service skills MSD/PAI 	<p>Financial capital</p> <ul style="list-style-type: none"> Profitability has surpassed the 1 product Low sales, high EPS Appropriate capital structure Shareholder return via leverage Ability to generate cash and cost Marketable shareholder return policy <p>Business strategy</p> <ul style="list-style-type: none"> MSD team Business plan Service skills MSD/PAI 	<p>Environmental/social value created</p> <ul style="list-style-type: none"> Ultra-precision with minimum environmental impact Creating environmentally friendly products Using ICT to help build smart society Trust focused on emerging markets and to reach industry leaders Expanding across countries <p>Economic value created</p> <ul style="list-style-type: none"> Environmentally friendly products Manufacture 10 products High core/lay margin Ability to generate cash Ranked by high profitability ROE
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Fundamental philosophy

- Highly transparent operation based on the Five Principles, our corporate credo
- Focus on Create Value through Difference
- Commitment to manufacturing

ESG: Aiming to be an indispensable company for society MinebeaMitsumi

We will contribute to the environment and society through our business with various products that help reducing energy consumption.

Legal Issues	Our approach	Enhance our unique strengths	Initiatives for sustainable growth (ESG management)
<p>Climate warming</p> <p>Environment</p> <p>Resource scarcity</p> <p>Human resources</p> <p>Customer privacy</p> <p>Product safety</p> <p>Food safety</p> <p>Supply chain management</p> <p>Business continuity</p>	<p>Low carbon products with minimum environmental footprint</p> <p>Low ICT to facilitate smart industrialized work</p> <p>Appropriate diversity initiatives</p> <p>Check for local compliance in production</p> <p>Stakeholder engagement</p> <p>Appropriate interactive disclosure, active dialog with investors</p> <p>Full compliance</p> <p>Full compliance and incentives based on performance</p>	<p>Strengthen core businesses</p> <p>Diversify business and establish niche (7 spears)</p> <p>Mix & match* to create synergy</p>	<p>Zero emissions</p> <p>Decarbonizing production</p> <p>Enhance size of investment</p> <p>Dialog with local communities</p> <p>Diversity</p> <p>Ensuring human rights</p> <p>Personnel development</p> <p>Support for social generation</p>

At the heart of our corporate credo, the Five Principles, is a commitment to engaging our stakeholders (employees, suppliers, shareholders, local and global communities, and society) and ensuring management transparency. This spirit is part of our corporate DNA that has been passed down over generations and the source of sustainable growth.

Today's highlights

- Overall: **Much better start than the initial forecast** in Q1. (The year-on-year decrease in profit had been factored in)
- Machined components: Ball bearing production reached **300 million units. Keep on expanding business.**
- Electronic devices and components: LED backlights are expected to have a favorable launch. Motors **continue to perform well.**
- Mitsumi business: **Performance has been better than fair** despite it being the off season.
This is the **result of structural reform**, including improved productivity and reduced costs.
- Upped operating income target to reflect forecast-topping Q1 performance, but only by half in light of market uncertainties.

The current performance of machined components

Very good start in 1Q

Ball bearings

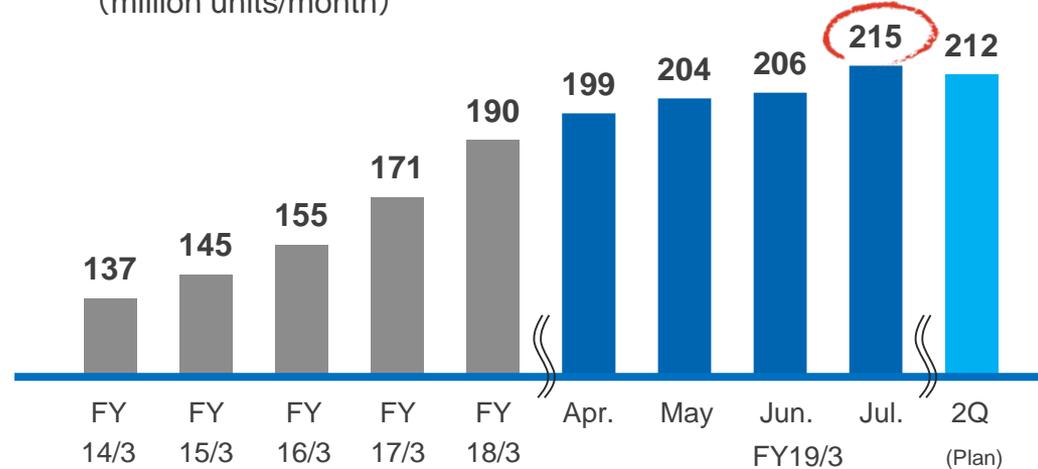
- External shipments hit a record high in July!
Up **YoY** for the **23rd consecutive quarter**
and up **QoQ** for the **5th consecutive quarter**
- Production reached **300 million units** in July!
Targeting **315 million** in the next fiscal year
- Inventory will reach appropriate levels, and temporary expenses will start decreasing in the second half
- Price revisions will be partly applied starting in the third quarter

Rod-ends/Fasteners

- **Improvements in earnings from fasteners** are becoming tangible

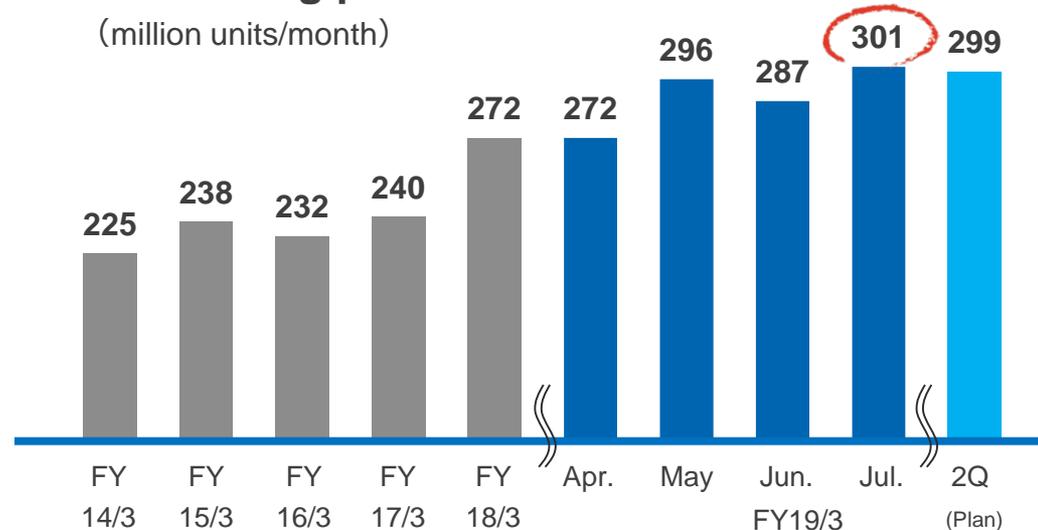
Ball bearing external shipment

(million units/month)



Ball bearing production

(million units/month)



Favorable launch expected for LED backlights Motors continue to perform well

LED backlights

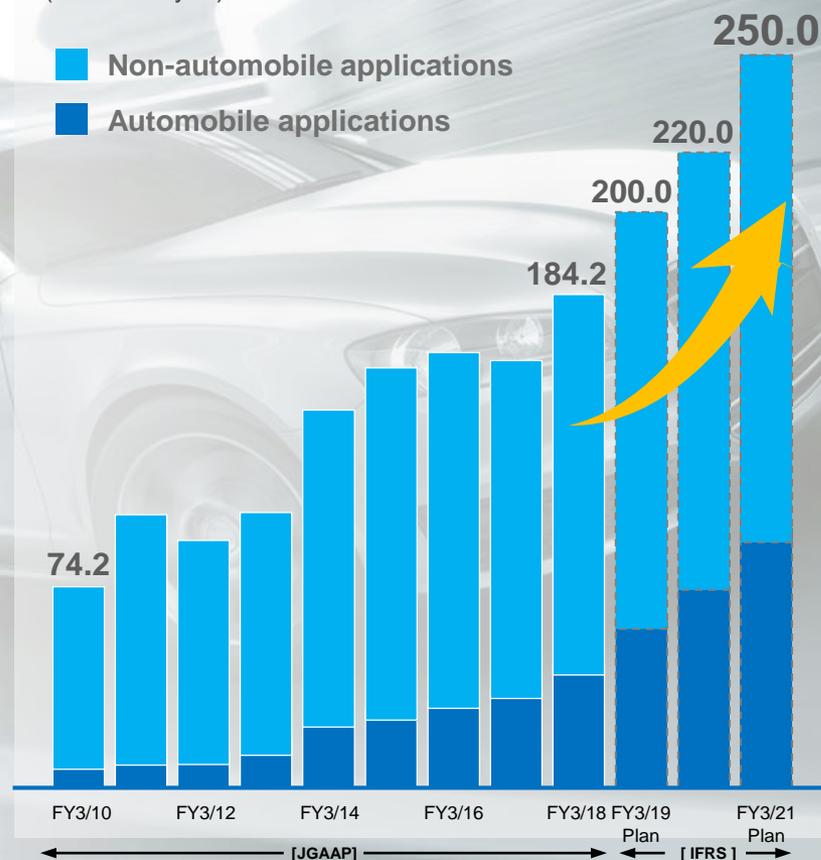
- Technical difficulty of this year's model is high, but favorable launch expected
- Earnings forecast remains conservative
- Solid business opportunities expected to continue next quarter and beyond
- Working with supply chain partners to develop displays that can compete with OLEDs

Motors

- Motors continuing to perform well due mainly to automobile
- Operations launched at Slovakia factory

Motor Business Sales Targets

(Billions of yen)



The current performance of Mitsumi business

**Profit much higher than expected in 1Q despite it being off season
Full-year forecast remains conservative**

Optical devices business

- Very favorable launch for new models
(Quality and yield not far from expectations)
- Higher specs of Chinese smartphones
translate to solid business opportunity

Mechanical parts business

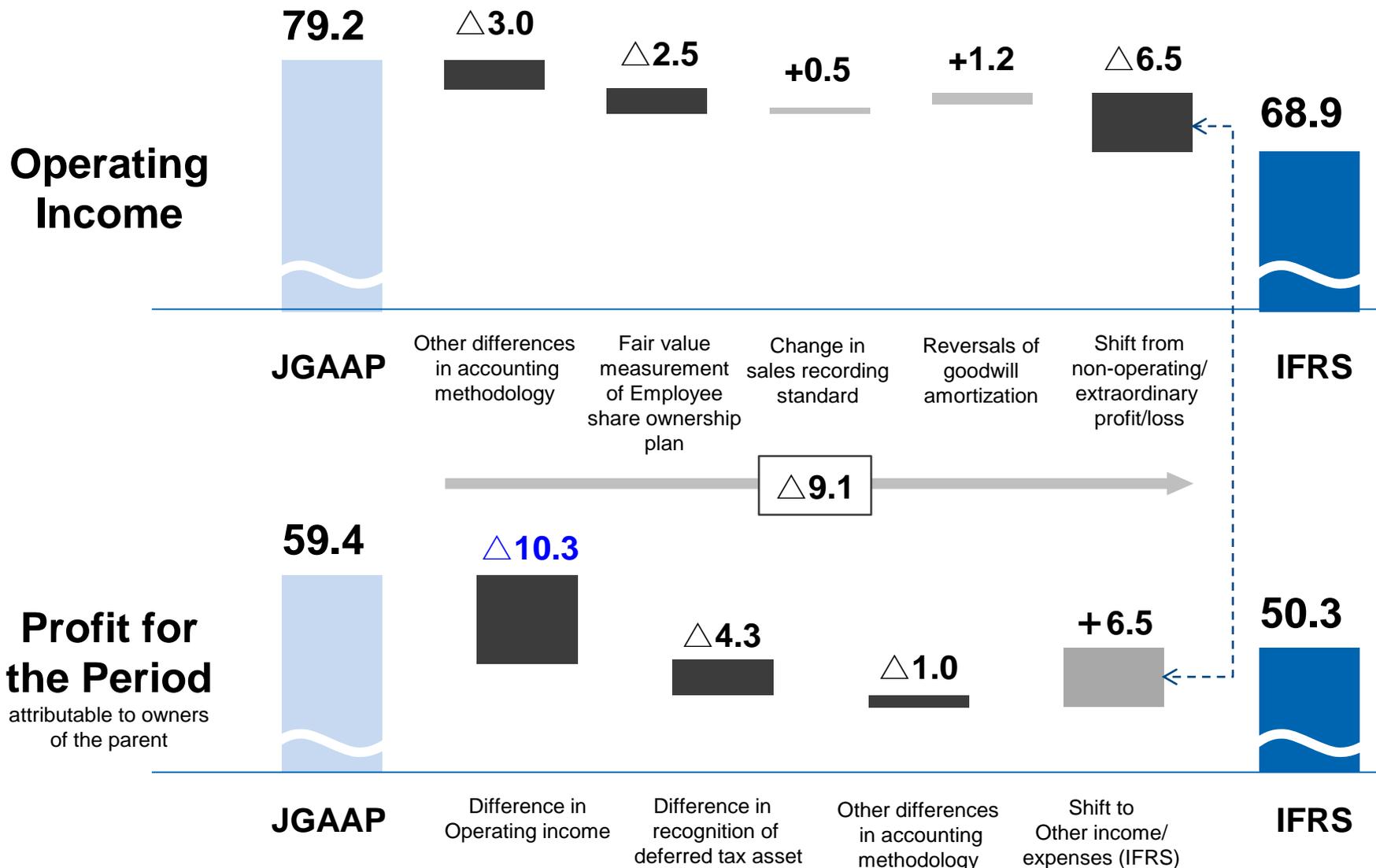
- 1Q earnings much higher than expected
- Demand will get into gear starting in 2Q



Reference

Difference between JGAAP and IFRS for FY3/2018

(Billions of yen)



Difference between JGAAP and IFRS for 1Q of FY3/2018

(Billions of yen)

Operating Income

17.1

△ 0.9

△ 0.1

+0.3

+0.3

16.7

JGAAP

Fair value measurement of Employee share ownership plan

Other differences in accounting methodology

Reversals of Goodwill amortization

Shift from non-operating/extraordinary profit/loss

IFRS

△ 1.6

Profit for the Period
attributable to owners of the parent

14.2

△ 0.4

△ 0.9

△ 0.3

12.6

JGAAP

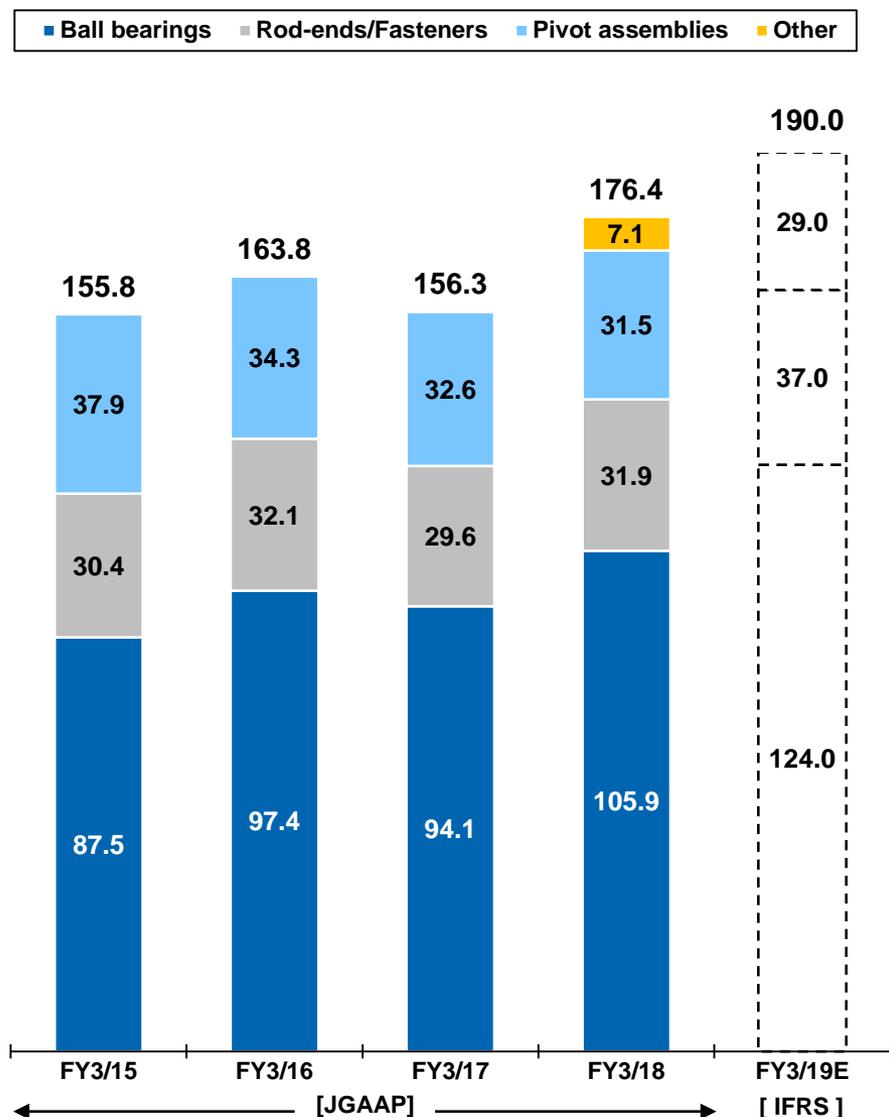
Difference in Operating income

Other differences in accounting methodology

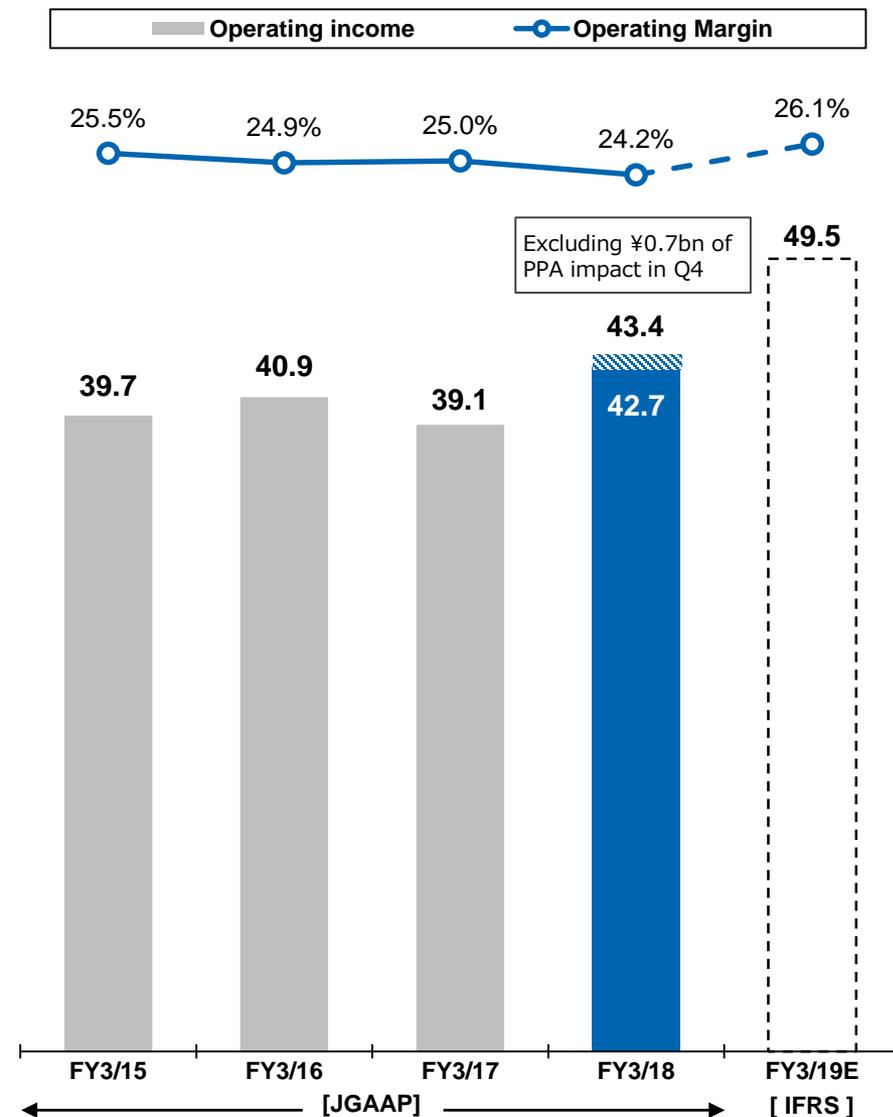
Shift to Other income/expenses (IFRS)

IFRS

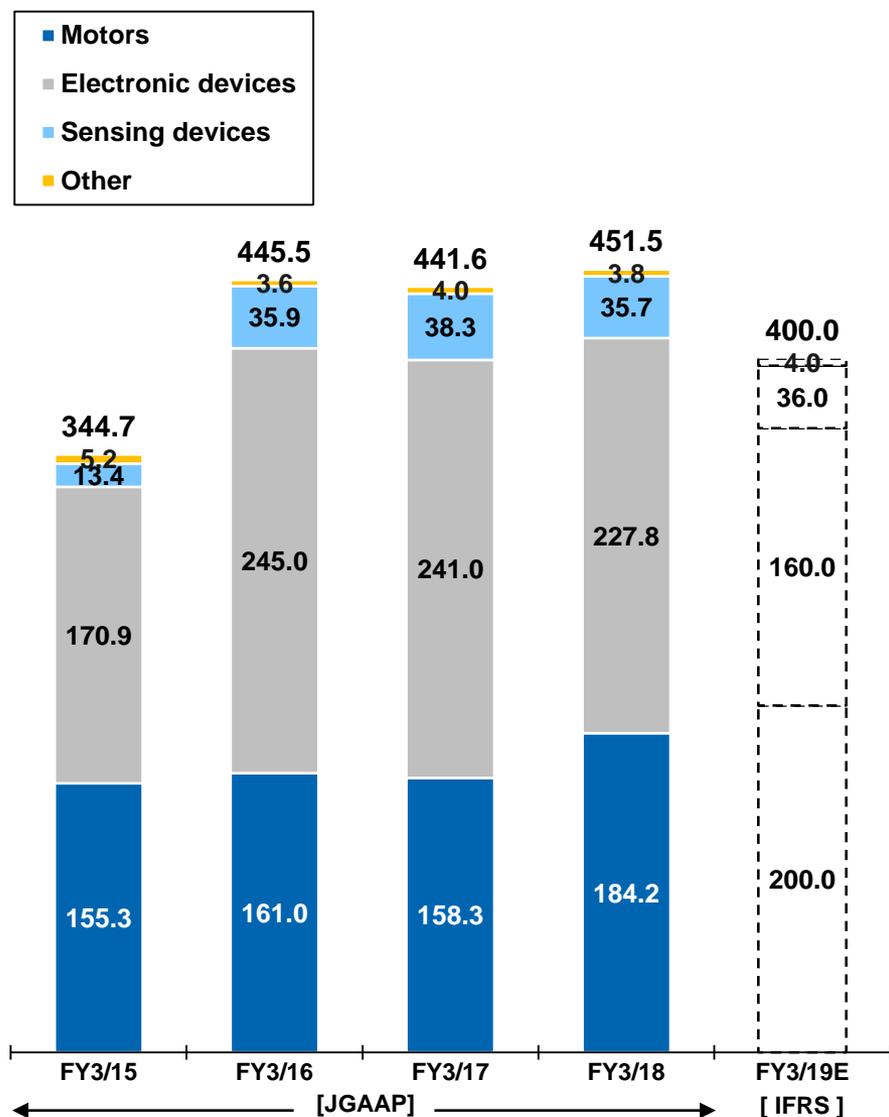
Net sales (Billions of yen)



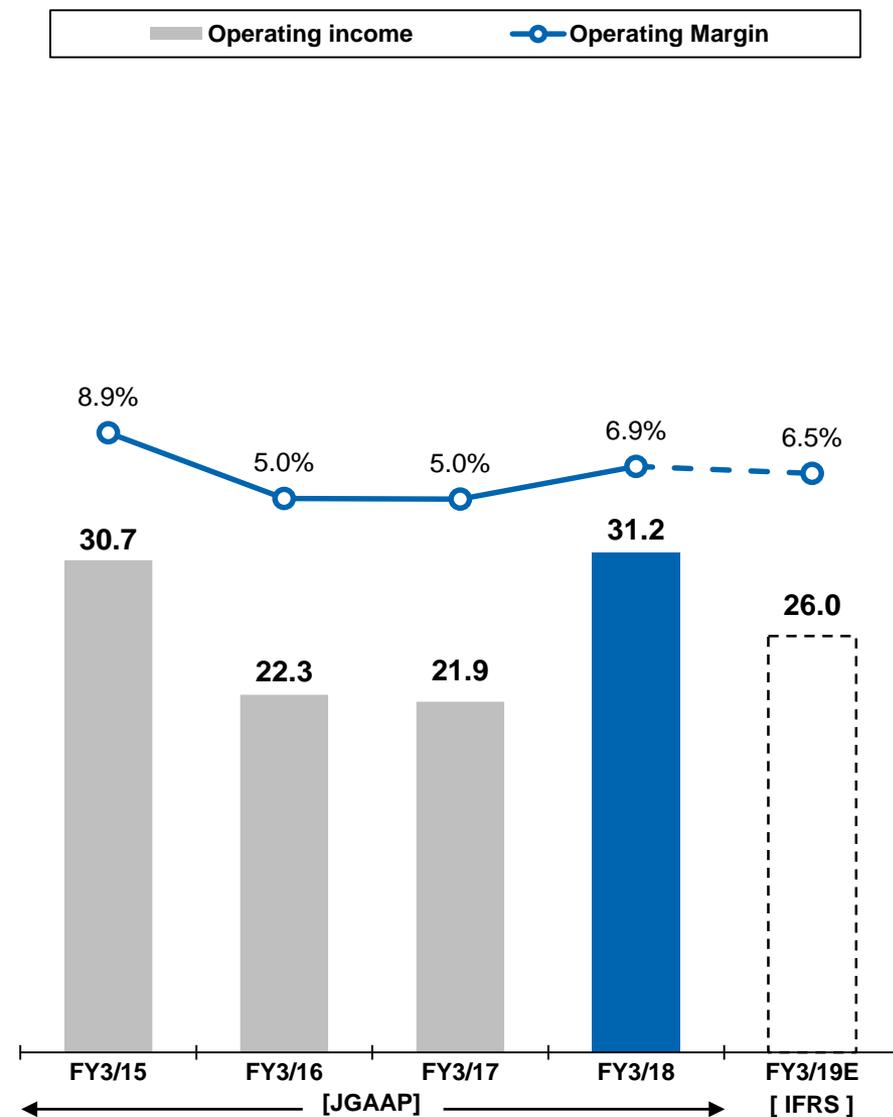
Operating income (Billions of yen)



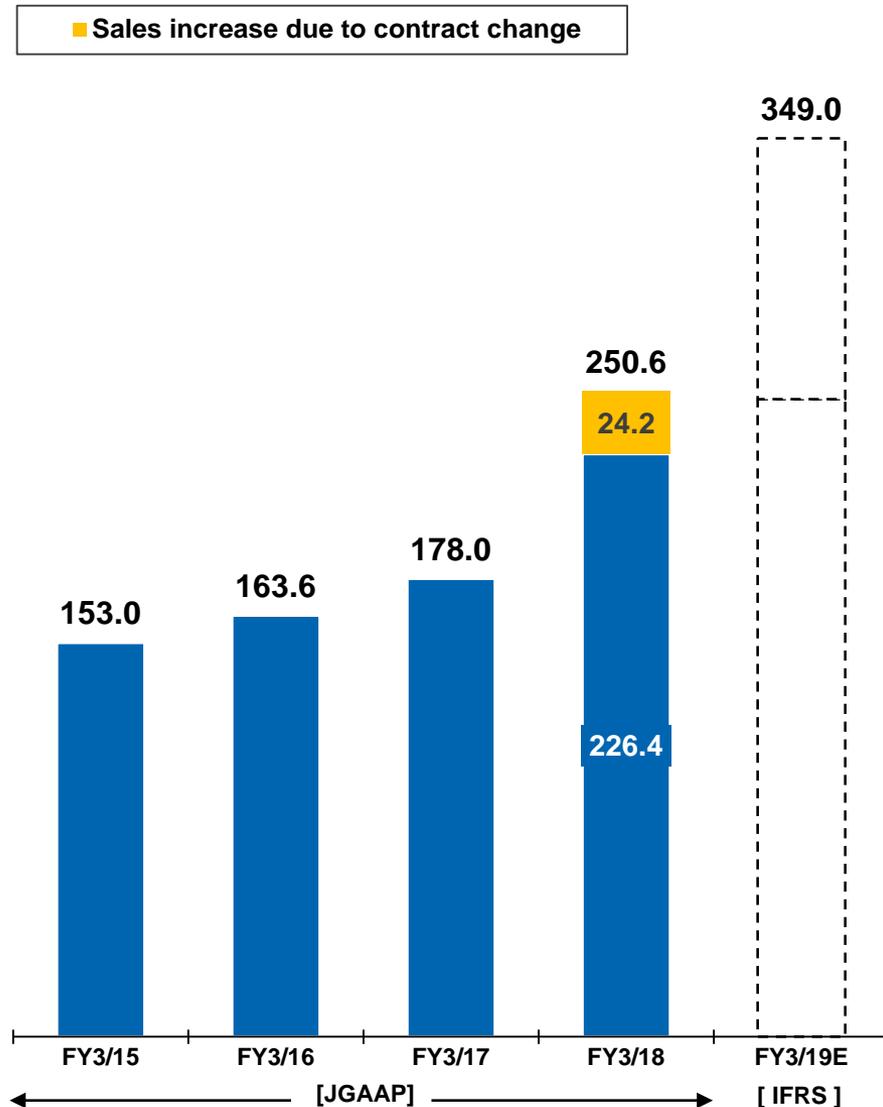
Net sales (Billions of yen)



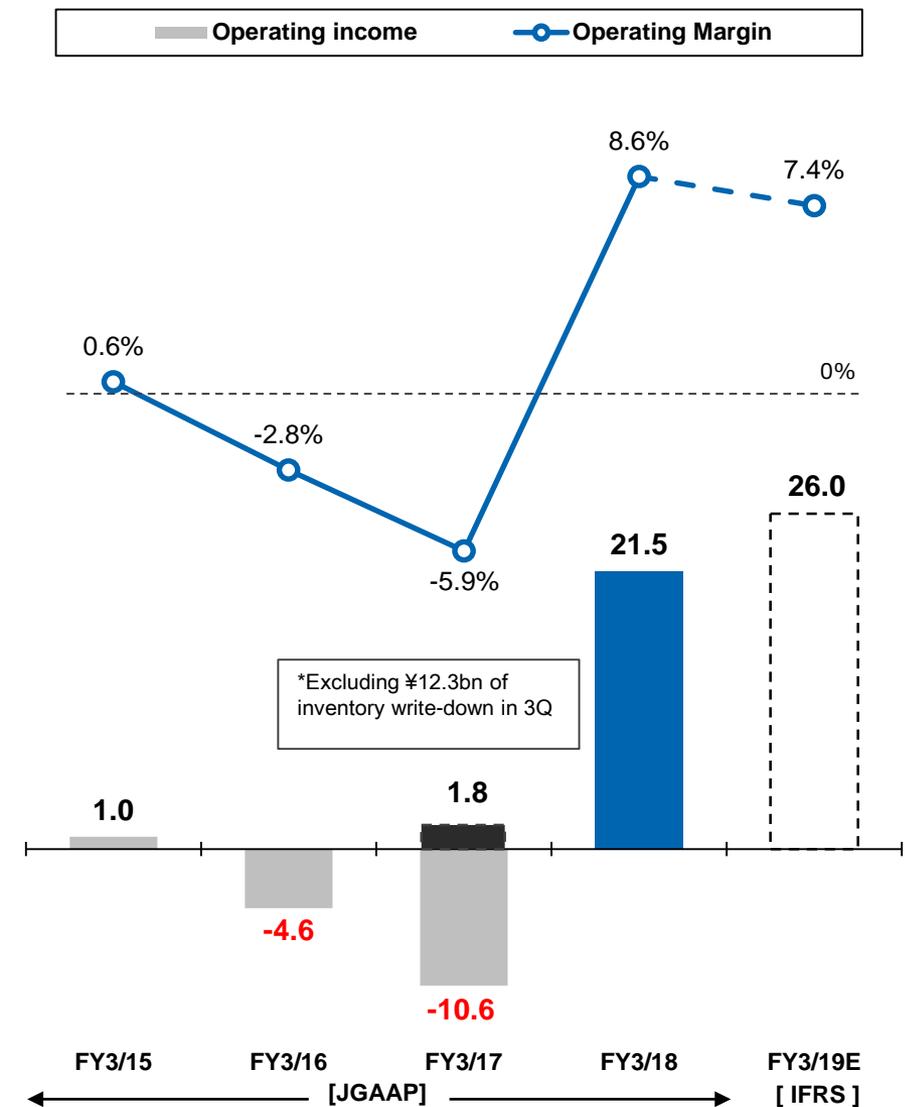
Operating income (Billions of yen)



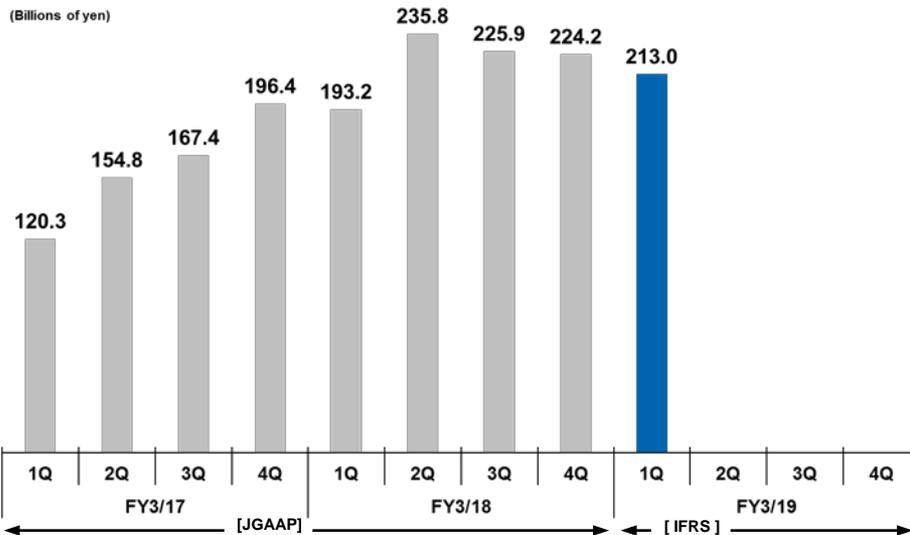
Net sales (Billions of yen)



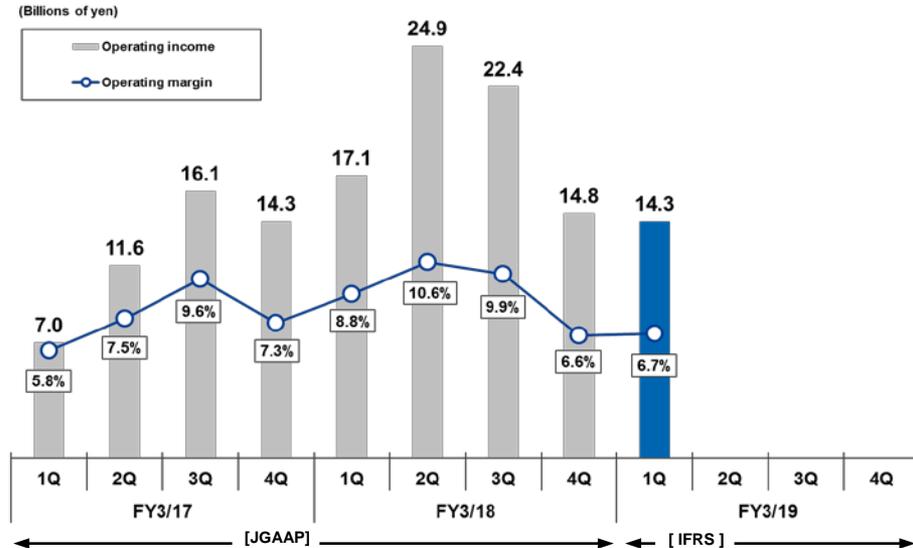
Operating income (Billions of yen)



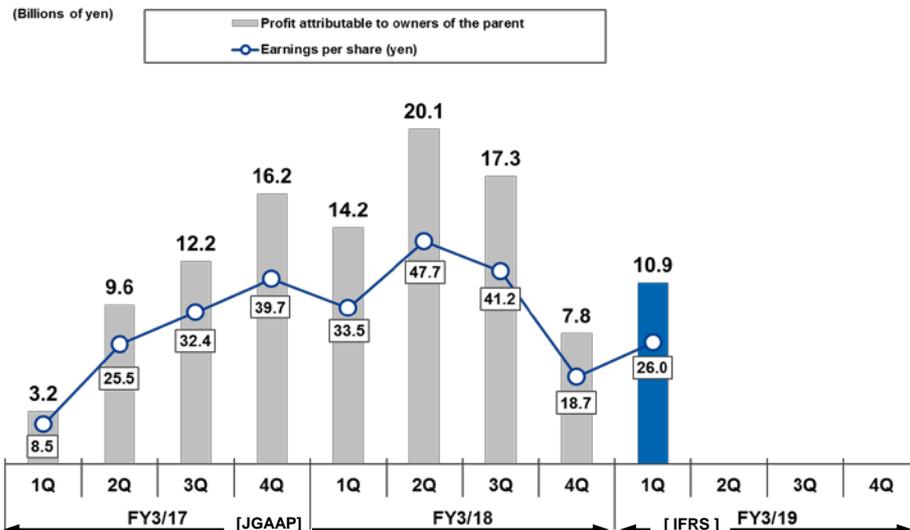
Net sales



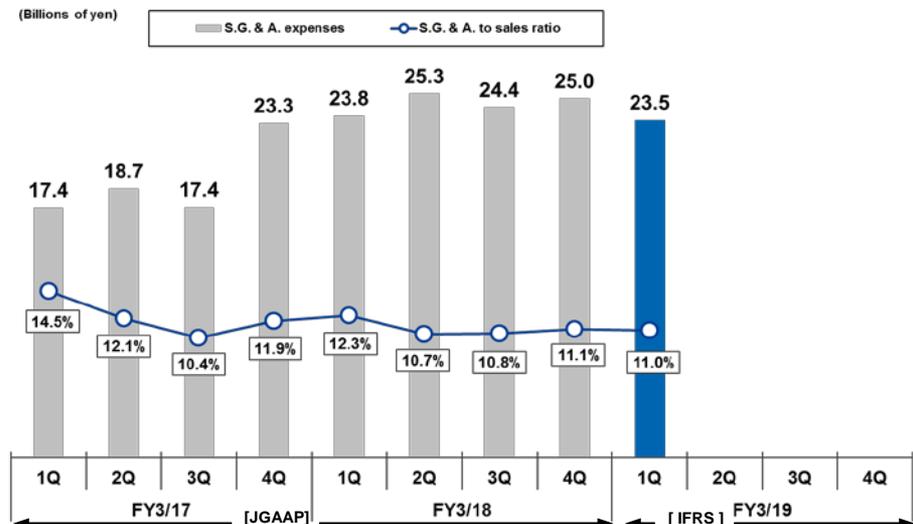
Operational profit/margin



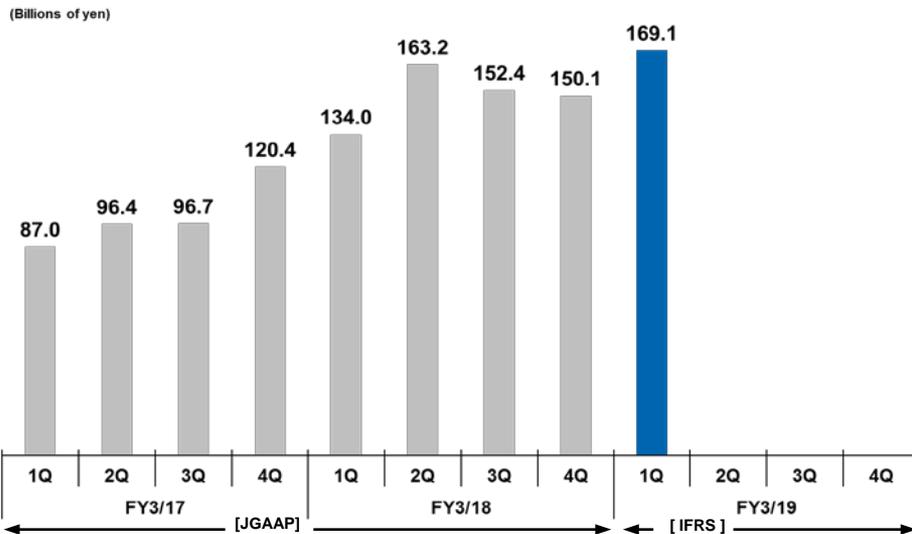
Profit attributable to owners of the parent / EPS



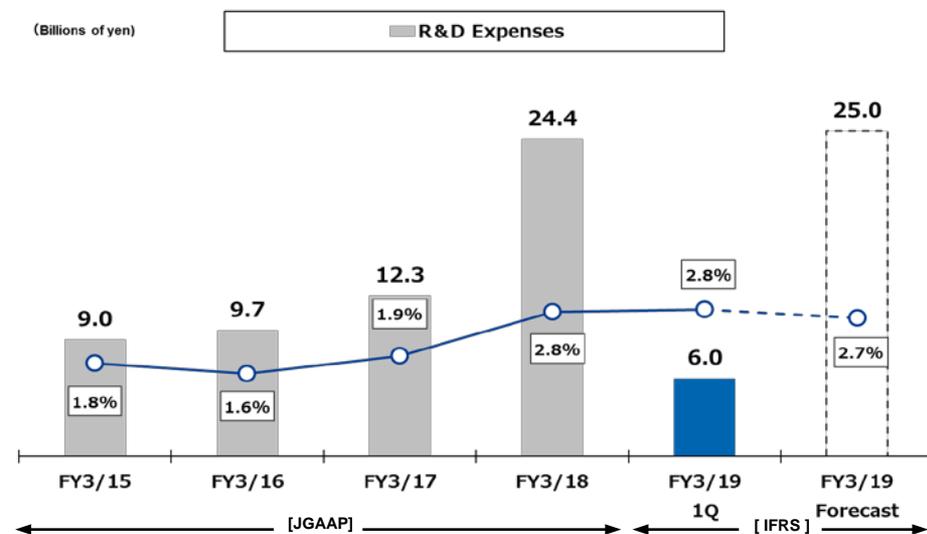
S.G.&A. expence/ratio



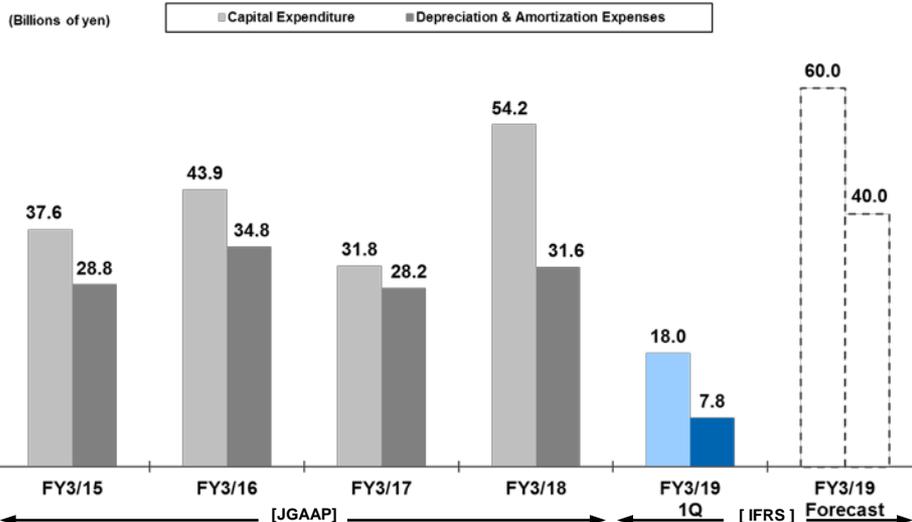
Inventory



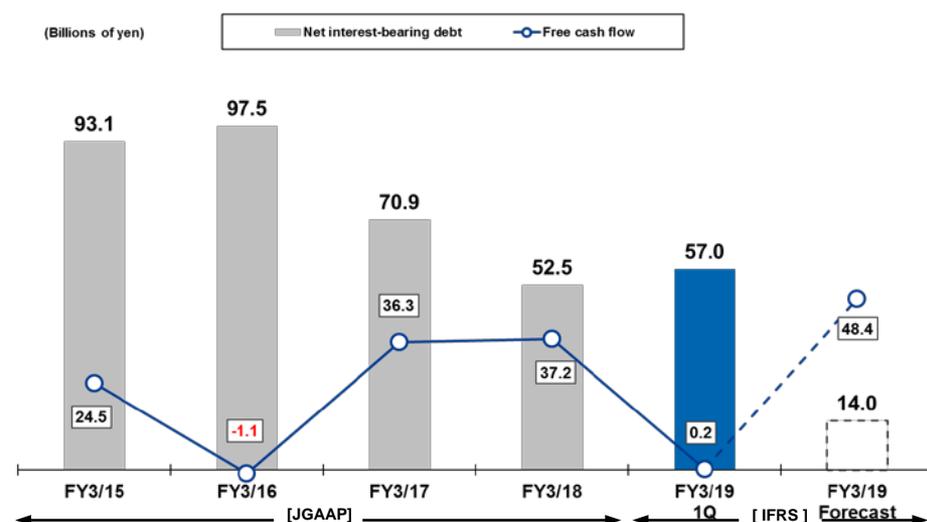
R&D Expenses



Capital Expenditure/ D&A Expense



Net interest bearing debt / Free cash flow

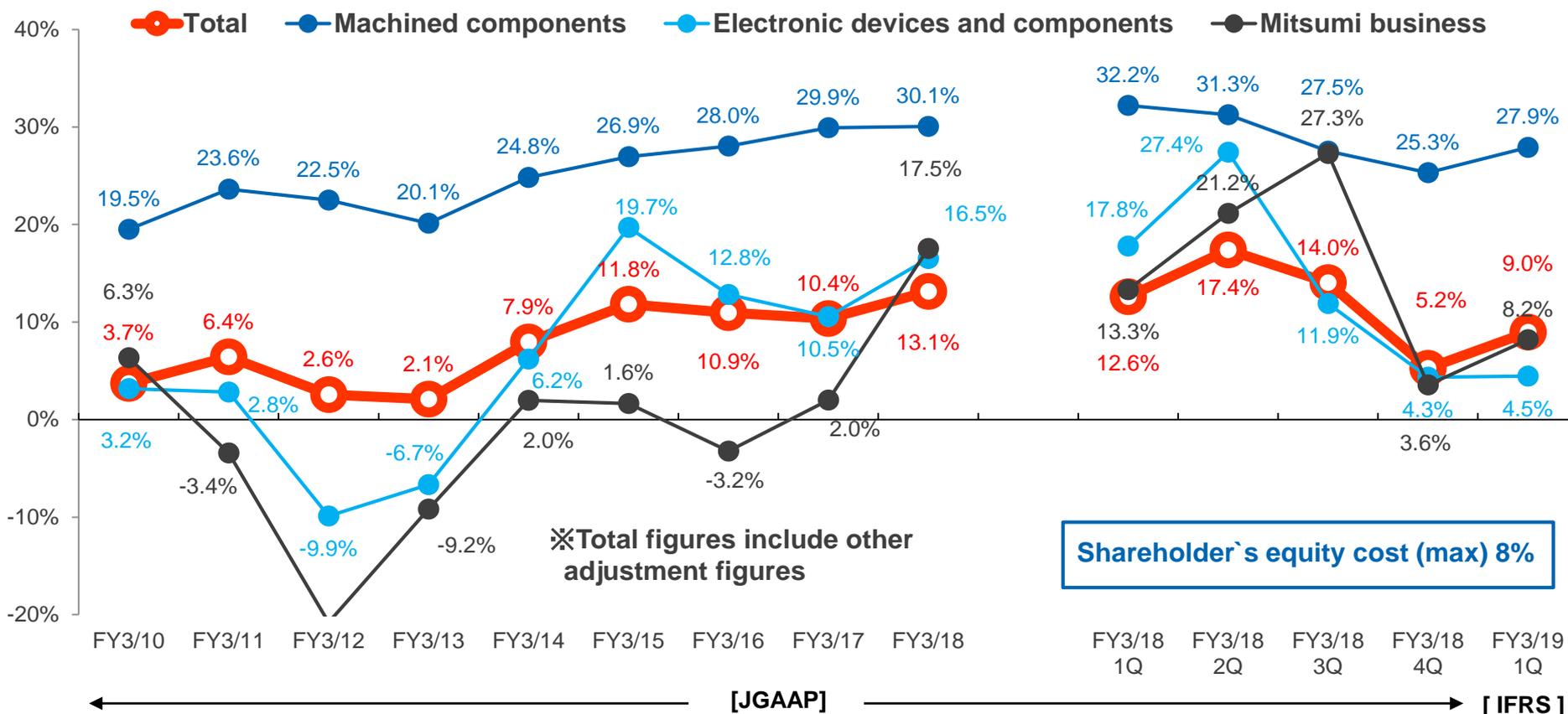


ROIC (Return On Invested Capital)

*JGAAP until FY3/18, IFRS for FY3/19

$$\text{MinebeaMitsumi ROIC} = \frac{\text{NOPAT (Operating income + extraordinary profit/loss) x (1-tax rate)}}{\text{Invested capital (Notes receivable/accounts receivable + inventories + non-current assets - notes payable/accounts payable)}}$$

Calculated using business assets (trade receivable/payable, inventories, non-current assets) by segment





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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