

Business Results

Second Quarter of Fiscal Year
Ending March 31, 2019

MinebeaMitsumi Inc.

November 7, 2018

1. Financial Results
2. Business Update and Management Strategy

Financial Results

Katsuhiko Yoshida
Managing Executive Officer

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Pursuing to Create Value through Difference

I would like to explain the consolidated financial results for second half of the fiscal year ending March 2019.

Net sales and operating income were as expected [IFRS]

(Millions of yen)	FY3/18	FY3/19		Change	
	2Q	1Q	2Q	YoY	QoQ
Net sales	237,709	213,038	236,330	-0.6%	+10.9%
Operating income	24,700	14,291	19,624	-20.6%	+37.3%
Profit before taxes	24,483	14,170	20,106	-17.9%	+41.9%
Profit for the period attributable to owners of the parent	18,911	10,886	15,970	-15.6%	+46.7%
Earnings per share, basic (yen)	44.91	25.95	38.04	-15.3%	+46.6%

Foreign Exchange Rates	FY3/18 2Q	FY3/19 1Q	FY3/19 2Q
US\$	¥110.92	¥108.10	¥110.87
Euro	¥129.65	¥129.88	¥129.13
Thai Baht	¥3.31	¥3.42	¥3.35
Chinese RMB	¥16.53	¥17.02	¥16.37

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Consolidated net sales for the second quarter of the fiscal year ending March 31, 2019 totaled 236,330 million yen, down 0.6% year on year but up 10.9% quarter on quarter.

Operating income dropped 20.6% year on year but increased 37.3% quarter on quarter to total 19,624 million yen.

Profit for the period attributable to owners of the parent was down 15.6% year on year and up 46.7% quarter on quarter to total 15,970 million yen.

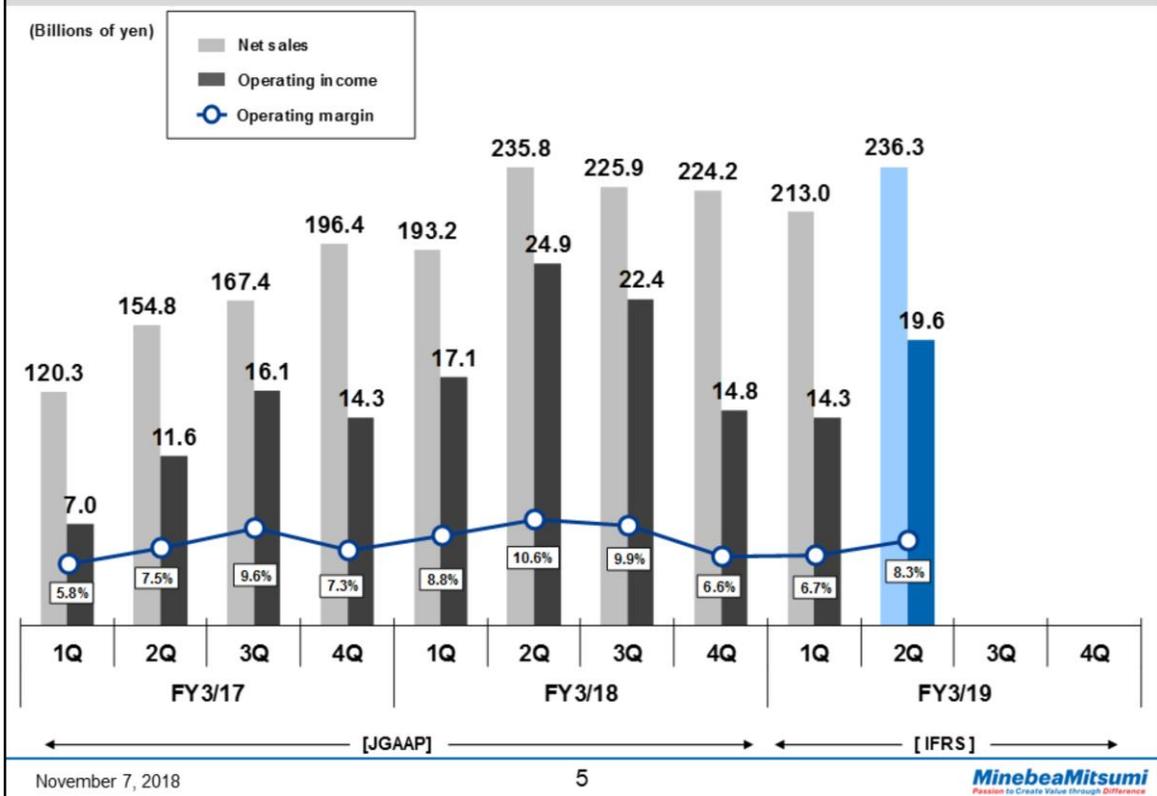
Both net sales and operating income were as expected with solid sales of ball bearings, motors and other products despite timing issues and one-time costs in some businesses.

Currency fluctuations brought net sales up an estimated 3.0 billion yen quarter on quarter and down 0.1 billion yen year on year. It also brought operating income up 2.1 billion yen quarter on quarter and 0.0 billion yen year on year.

Also, we adopted International Financial Reporting Standards (hereinafter referred to as "IFRS") instead of Japanese Standard (hereinafter referred to as "JGAAP" from the current fiscal year (fiscal year ending March 31, 2019).

Net Sales, Operating Income/Margin

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



This is the quarterly trend in net sales, operating income and operating margin.

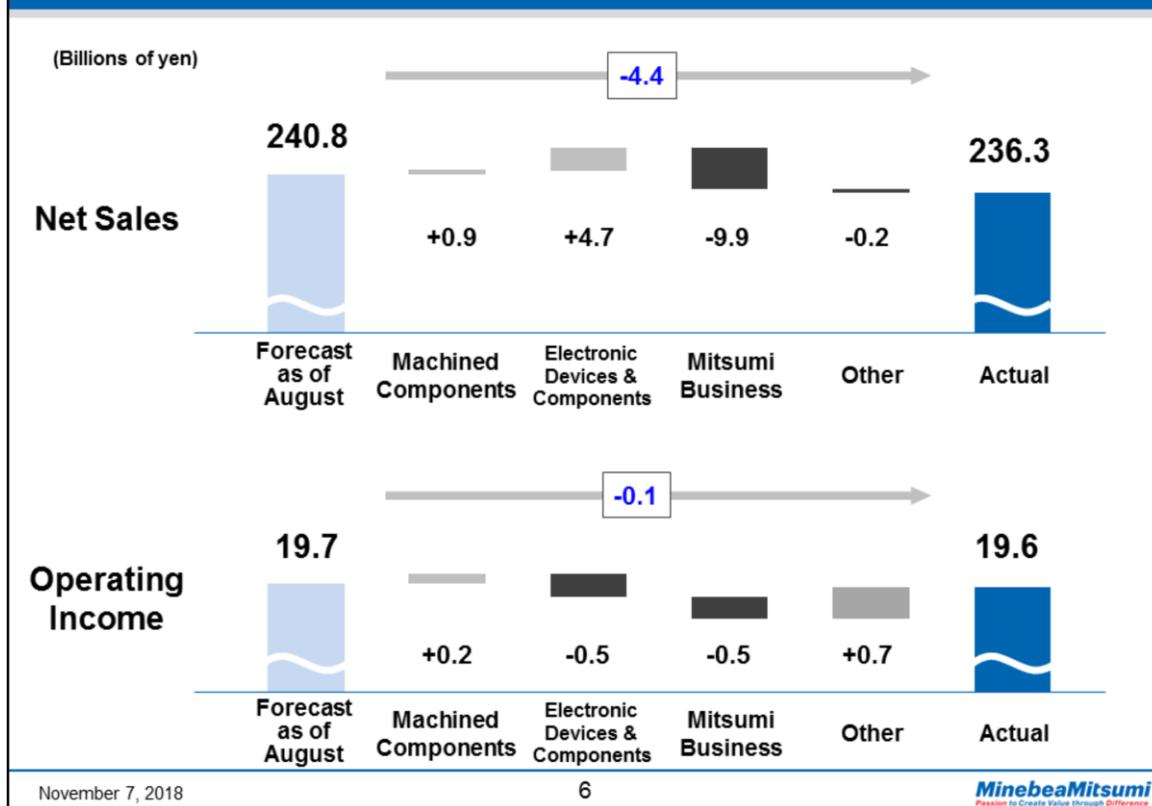
The bar graph on the left is net sales, and the one on the right is operating income along with a line chart for the operating margin.

The operating margin for the second quarter was 8.3%, down 2.3 percentage points year on year but up 1.6 percentage points quarter on quarter.

Now, please note that figures of the fiscal year ended March 2018 and before are based on JGAAP and are provided for your reference so that you can look at past figures.

The same applies hereinafter.

2Q Actual; Differences from the Forecast as of August



Here shows the difference between forecast as of August and actual results for Net sales and Operating income by business segment for second quarter.

While net sales for the machined components business segment were almost on a par with the forecast, sales for the electronic devices and components business segment were higher than forecasted mainly thanks to electro devices.

On the down side, the Mitsumi business' sales were lower than projected mainly due to timing issue for smart phone related parts.

Although operating income for the machined components was about the same as projected, operating income for the electronic devices and components business as well as Mitsumi business segments were lower than forecasted due to the impact from sales shift of smart phone related parts, but edged up slightly after other and head office adjustments.

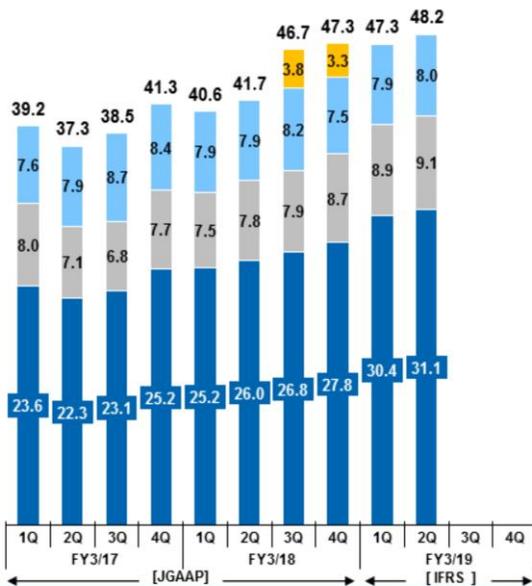
Also, please note that the temporal expense, approximately negative 1.0 billion yen from the Hokkaido Eastern Iburi earthquake, was included in the Mitsumi segment.

Machined Components

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

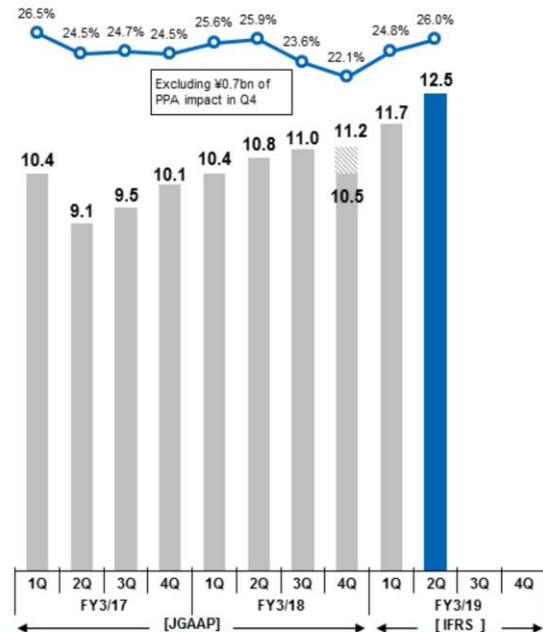
Net sales (Billions of yen)

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



Operating income (Billions of yen)

■ Operating income ○ Operating Margin



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Now let's take a look at the results by segment, starting with machined components business segment.

On the left is a graph indicating quarterly net sales trends and on the right is a graph with a bar chart showing quarterly operating income trends along with a line chart for operating margins.

Net sales for the second quarter were up 0.9 billion yen from what they were the previous quarter to reach 48.2 billion yen.

Ball bearings sales increased 2% quarter on quarter to total 31.1 billion yen. The average monthly external shipment volume hit an all-time high of 206 million units, marking a year-on-year increase for the 24th quarter in a row. The monthly production volume for August hit a record high of 302 million units.

Sales of rod-ends and fasteners, totaling 9.1 billion yen, were up 2% over the previous quarter.

Sales of pivot assemblies increased 2% over what they were in the previous quarter to total 8.0 billion yen. Pivot assemblies steadily contributed to our bottom line as we held on to an 80% plus market share.

Operating income for this quarter hit a record high of 12.5 billion yen to put the operating margin at 26.0%. Operating income was up 7% quarter on quarter while the operating margin was 1.2 percentage points higher than what it was last quarter.

Looking at the results by product, we see that profits for ball bearings, rod-ends/fasteners, and pivot assemblies all rose quarter on quarter.

Electronic Devices & Components

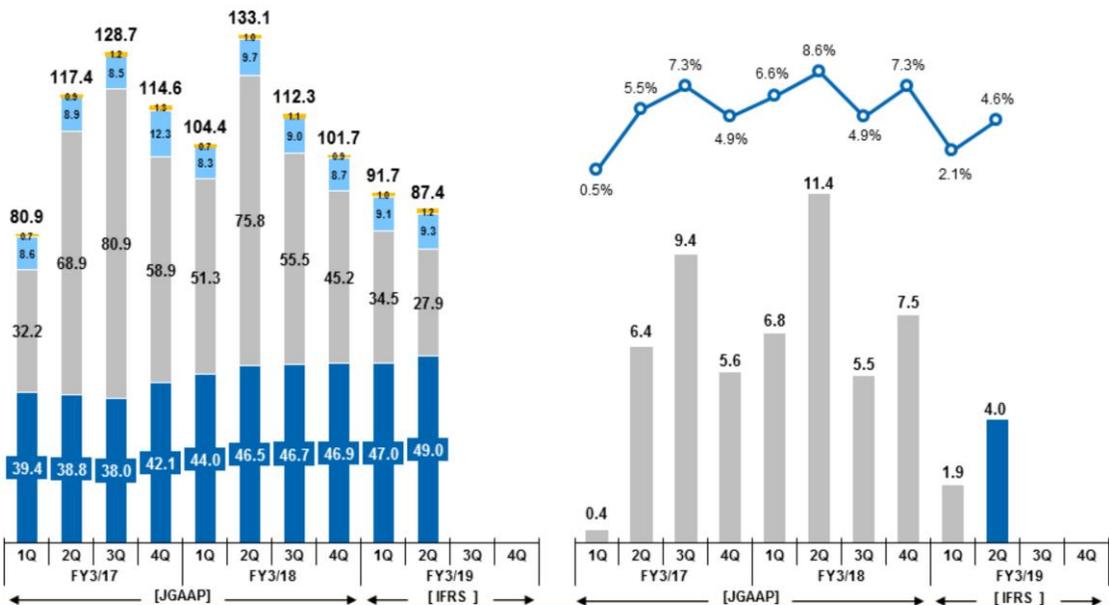
*JGAAP until FY3/18, IFRS for FY3/19

Net sales (Billions of yen)

Operating income (Billions of yen)

■ Motors ■ Electronic devices ■ Sensing devices ■ Other

■ Operating income — Operating Margin



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This slide shows the results for the electronic devices and components business segment.

Net sales fell 5% quarter on quarter to hit 87.4 billion yen.

Looking at the results by product, we see that sales of motors grew 4% quarter on quarter to reach 49.0 billion yen as sales remained strong primarily in the automobile market.

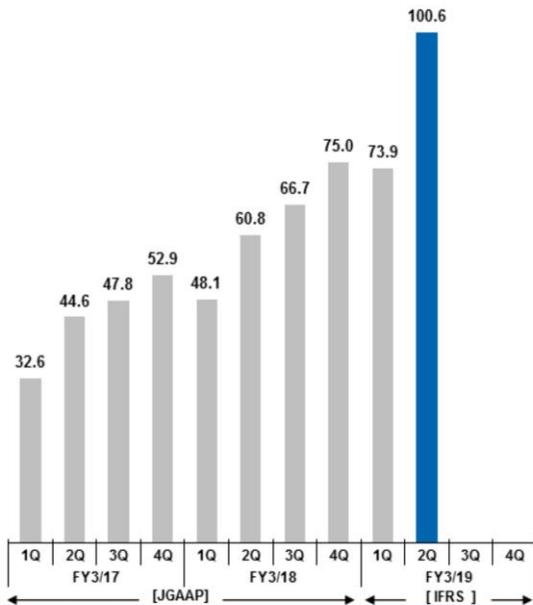
Sales of electronic devices were down 19% from the previous quarter at 27.9 billion yen. This was primarily due to the shift to new model of LED backlight for major customers.

Sensing device sales grew 2% quarter on quarter to hit 9.3 billion yen.

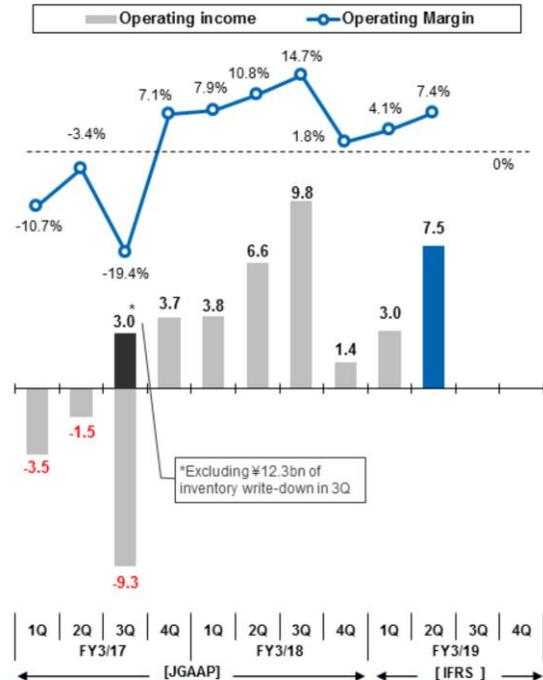
Operating income totaled 4.0 billion yen while the operating margin reached 4.6%. We saw a 2.1-fold quarter-on-quarter increase in operating income while the operating margin climbed 2.5 percentage points.

Looking at the results by product, we see that all categories including motors, electro devices and sensing devices were a higher operating income.

Net sales (Billions of yen)



Operating income (Billions of yen)



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Finally, let's look at the performance of the Mitsumi business segment.

Net sales increased 36% quarter on quarter to hit 100.6 billion yen. Sales in all products were increased, primary in mechanical components.

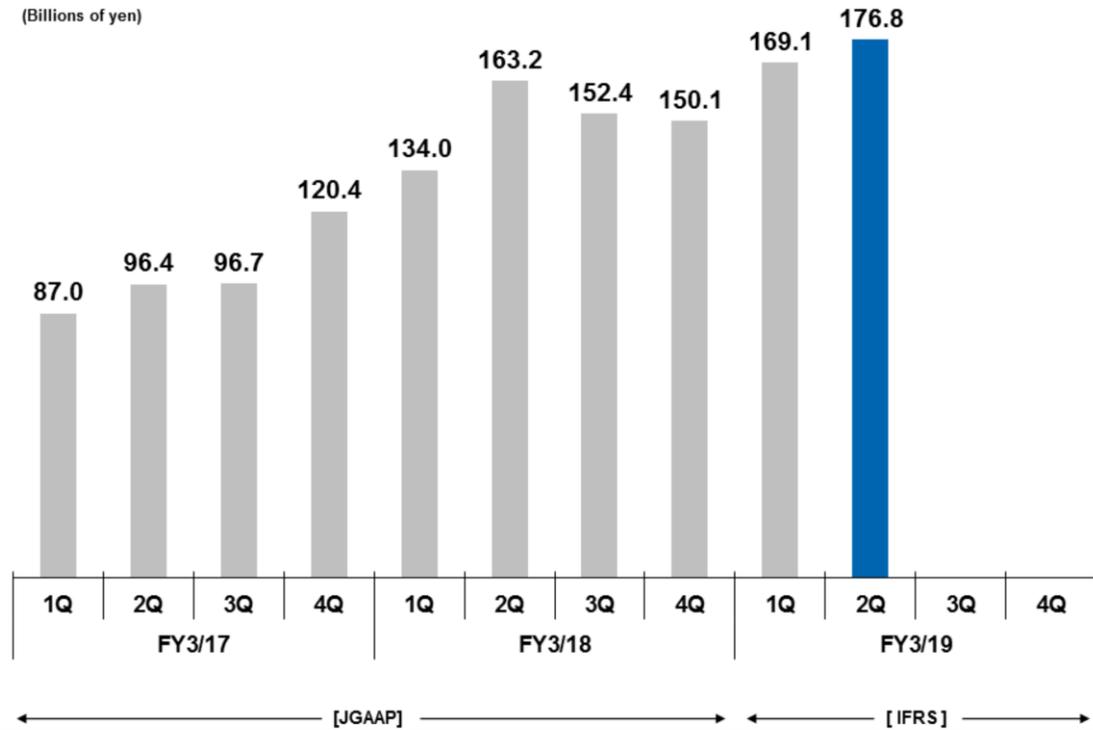
Operating income reached 7.5 billion yen to put the operating margin at 7.4%. These figures reflect the temporal expenses in semiconductor business from the Hokkaido Eastern Iburi earthquake.

Operating income rose 2.5-fold quarter on quarter while the operating margin grew 3.3 percentage points.

Inventories

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

(Billions of yen)



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Next we have the quarterly inventory trend.

We see that as of the end of the second quarter inventories amounted to 176.8 billion yen. That figure is up 7.7 billion yen from what it was three months ago.

The increase was largely due to the increase of strategic parts inventories considering market conditions.

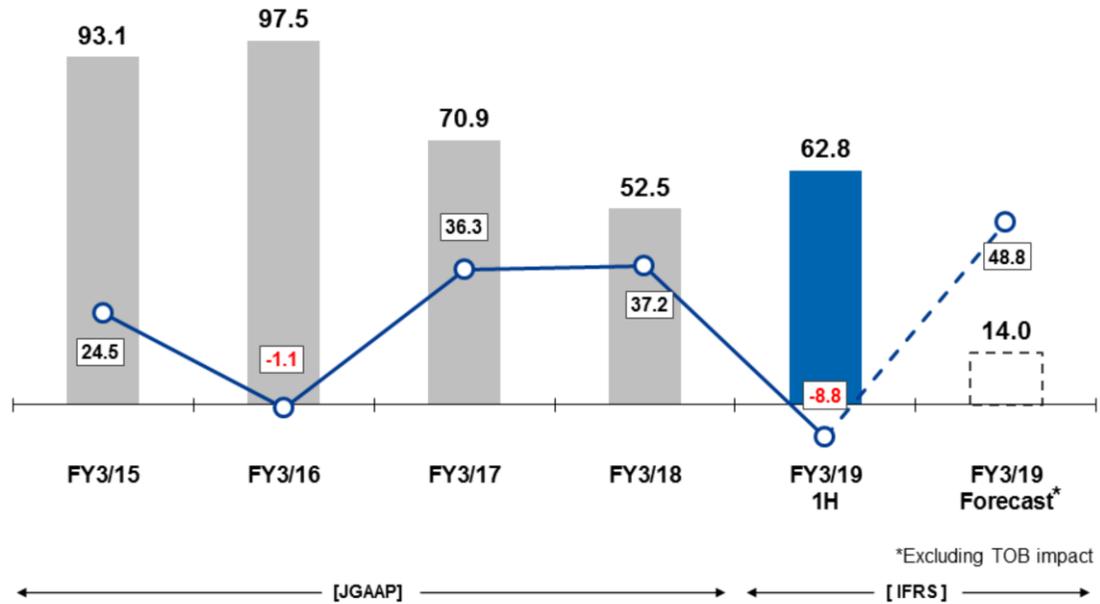
Inventory should reach an optimal level in the third quarter and onward as demand peaks.

Net Interest-Bearing Debt/Free Cash Flow

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

(Billions of yen)

Net interest-bearing debt Free cash flow



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This graph contains a bar chart showing trends in net interest-bearing debt, which is total interest-bearing debt minus cash and cash equivalents, and a line chart indicating free cash flows.

At the end of the second quarter, net interest-bearing debt, totaling 62.8 billion yen, was up 10.3 billion yen from what it was at the end of the previous fiscal year.

Despite increasing capital expenditures this fiscal year, we expect free cash flows to increase as profits grow and inventory decreases, and net interest-bearing debt to decrease significantly at the end of fiscal year.

Please note that these figures do not include the impact from the TOB.

Revision for Profit for the Period

[IFRS]

(Millions of yen)	FY3/18	FY3/19			
	Full Year	1st Half	2nd Half	Full Year	YoY
Net sales	881,413	449,368	490,632	940,000	+6.6%
Operating income	68,902	33,915	51,085	85,000	+23.4%
Profit before taxes	66,855	34,276	49,724	84,000	+25.6%
Profit for the period attributable to owners of the parent	50,326	26,856	40,144	67,000	+33.1%
Earnings per share, basic (yen)	119.61	64.00	95.64	159.64	+33.5%

Foreign Exchange Rates	FY3/18 Full Year	FY3/19 2H Assumptions
US\$	¥111.19	¥110.00
Euro	¥129.36	¥130.00
Thai Baht	¥3.35	¥3.39
Chinese RMB	¥16.70	¥16.40

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This is a summary of the forecast for the fiscal year ending March 31, 2019.

In the second half, we expect machined components and motors to continue to grow steadily, and smartphone components to make a contribution to earnings from the third quarter.

However, future trends in the global economy are uncertain due to factors such as trade policies, exchange rate trends, and geopolitical risks in each country.

Under these circumstances, we have revised the forecast of the profit of the period to the extent that it is currently able to forecast.

The exchange rate assumption was changed to 110 yen to the U.S. dollar

Forecast for Business Segment

*Based on IFRS

[IFRS]

(Millions of yen)	FY3/18	FY3/19			YoY
	Full Year	1st Half	2nd Half	Full Year	
Net sales	881,413	449,368	490,632	940,000	+6.6%
Machined components	176,427	95,435	94,565	190,000	+7.7%
Electronic devices and components	451,879	179,142	230,858	410,000	-9.3%
Mitsumi business	252,415	174,482	164,518	339,000	+34.3%
Other	693	309	691	1,000	+44.3%
Operating income	68,902	33,915	51,085	85,000	+23.4%
Machined components	41,007	24,205	25,795	50,000	+21.9%
Electronic devices and components	24,096	5,914	21,086	27,000	+12.1%
Mitsumi business	20,069	10,484	15,516	26,000	+29.6%
Other	-806	-159	-341	-500	-38.0%
Adjustment	-15,463	-6,529	-10,971	-17,500	+13.2%

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PASSION TO CREATE VALUE THROUGH DIFFERENCE

This slide shows the forecast by business segment.

Sustainability Topics

NMB-Minebea Thai wins Thailand Labor Management Excellence Award 2018

- **Ayutthaya and Rojana Plants** recognized by the Thailand Department of Labour Protection and Welfare
- For **maintaining** excellent work environments, employee welfare, and occupational health and safety management
- Taking our motto to "Be a company where our employees are proud to work," which is part of our company credo, "**The Five Principles**," and putting it into practice

Continually working to create better and safer workplaces across the globe

Promoting ESG information disclosure and initiating ESG dialogues

- Publishing **integrated report** as well as CSR reports and using them as communication tools to give feedback to top management
- **Improving the corporate website** and information disclosure

Actively providing non-financial information, a key engine of sustainable growth

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Pursuing to Create Value through Difference

Finally, I'd like to go over our sustainability topics.

We are actively addressing ESG, that is environmental, social, and governance issues, while recognizing them as business opportunities as we aim for sustainable growth and respond to the various needs of society.

Here are two recent topics I'd like to share with you.

First NMB-Minebea Thai, our Thai subsidiary won the Thailand Labor Management Excellence Award 2018 for its two factories. These awards are a testament to our ongoing efforts to build better and safer workplaces across the globe.

Secondly, we are doubling our efforts to disclose ESG information.

Specifically, we issued an integrated report in addition to a CSR report and convey any comments and requests we receive to top management.

We will keep Aiming to realize sustainable growth while contributing to solutions for social issues.

Yoshihisa Kainuma

Representative Director, CEO & COO



Hello, I'm Kainuma. I would like to now turn your attention to our current financial performance and management strategies.

- 2Q overall: Mostly in line with forecasts despite **timing issue and one-time costs** for some businesses.
- Machined components: **Sales and production volume** of ball bearings hit **quarterly record highs**. OP of ¥50 billion is expected to be achieved **two years ahead of the initial target (FY3/21)**.
- Electronic devices and components: LED backlights saw timing issue. Ramp up of new model is in good shape. Motor sales are expected to reach **¥200 billion** in the current fiscal year as initially planned.
- Mitsumi Business: Mechanical components secures forecasted profit. Camera actuators to be in full swing in 2H.
- Despite the LED backlight loss, overall OP hit **¥34 billion** in 1H!
- M&A paves the way to further growth. Strengthening portfolio of next-generation products.
- Tariff issue is a **great business opportunity**. **China +1 strategy** and a **25% tariff on Chinese-made bearings** exported to the United States.

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As explained earlier, Mitsumi's Chitose plant had a one-time loss of about one billion yen due to the earthquake in Hokkaido. Even though the first fiscal half results show that the LED backlight business was in the red, operating income in the first half totaled about 34 billion yen, which would suggest that we are stronger in lots of different ways. The machined components business segment's operating income target of 50 billion yen for this fiscal year was set when I first announced that we would aim for one trillion yen in net sales and/or 100 billion yen in operating income by the fiscal year ending March 2021. We can now expect to achieve this target two years ahead of schedule, and that means we are making improvements at a tremendous speed. While there have been reports about how Trump's tariffs will affect the Chinese economy, our diversified operations equips us with the ability to weather any storm that may lie ahead. I will go into more detail later on.

Core businesses keep driving growth

Points

- Machined components sure to continue growing.
- Steady demand for ball bearings.
- Ramp up of components for new smartphone is in good shape.
(LED backlights, camera actuators)
- Top-line growth and profit improvement to continue for motors.
- Steady earnings are expected in mechanical components.
- FX rate estimate: 1 USD = 110 JPY

(Millions of yen)	FY3/18 Full Year	FY3/19 Plan			
		1st Half	2nd Half	Full Year	YoY
Net sales	881,413	449,368	490,632	940,000	+6.6%
Operating income	68,902	33,915	51,085	85,000	+23.4%
Profit for the period attributable to owners of the parent	50,326	26,856	40,144	67,000	+33.1%
Earnings per share, basic (yen)	119.61	64.00	95.64	159.64	+33.5%

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Our latest revised targets are not so different from our previous forecast. As we have already told you, the outlook across our entire business spectrum remains clouded, but since we made rather conservative projections right from the start, we should be able to achieve all our targets with only a partial change to the projected exchange rate, making it 110 yen to the dollar.

Targeting OP of ¥50 billion via strengthening profitability

Ball bearings

● 2Q external shipment and production volume increased both YoY and QoQ

● Although demand may see temporary adjustment for some applications from 3Q onwards, **CASE of automobile, IoT and 5G infrastructure will drive growth in mid-to-long term**

NO change in mid-to-long term demand outlook

● Profitability improves even if demand sees adjustment

- ✓ Optimization of inventory level
- ✓ Reduction in shipment costs
- ✓ Effect of price adjustment

Opportunity to optimize profit structure

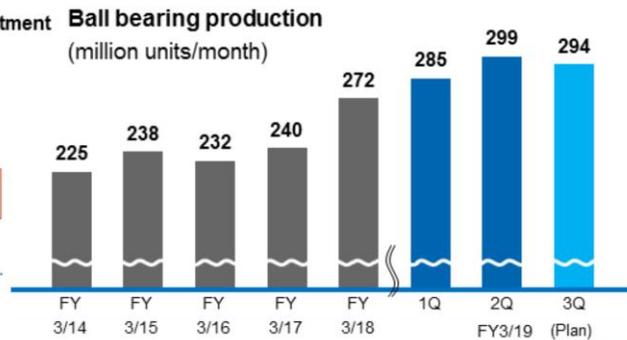
Rod-ends & fasteners

● **Fasteners totally turned around**

Ball bearing external shipment (million units/month)



Ball bearing production (million units/month)



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Sales of automotive ball bearings hit a record high of 60 million units last month. That means our annual growth rate was approximately 11%. I have been informed that sales should grow even further next fiscal year. The main factor behind the boost in sales is that all kinds of pumps, whether they be water, oil, or air pumps, are going electric. The growing use of electric components in cars is driving demand for higher quality and more durable ball bearings. We are the only manufacturer that has the kind of production capacity to meet this sharp increase in demand. We also made some price adjustments and saw a 2-year increase in the average price last month.

As for cooling fans, the development of base station infrastructure for 5G and ADAS will pick up momentum and surely drive demand up. They have to be high quality fans built to keep on running 24-7, which will require extremely durable ball bearings. We expect that sales of ball bearings for cooling fans will also grow annually by a two-digit percentage.

Super-efficient vacuum cleaners are another blockbuster development. Soon after a famous foreign manufacturer first came out with its vacuum cleaner that had incredible suction power, both Japanese as well as Chinese makers followed suit, and as a result demand for high-speed bearings is climbing. Sales have grown by 20%.

That's why we don't have any big concerns about ball bearings. If you look at the balance between production and sales, you'll see that we are currently producing more than we are selling, but on the upside we've finally reduced air freight expenses from 100 million yen to 60 million yen. We'll try to whittle this figure down to 20 million yen while working on keeping inventory at an optimal level.

We tend to spotlight ball bearings, but I have to say that our rod-end and fastener business is actually doing really great. As I have mentioned several times in previous investor meetings, we successfully improved productivity of ball bearings and boosted the monthly production volume by 35 million units via the same strategy used for the Mitsumi Business. We also made an investment that would enable us to produce an additional 15 million units, taking the monthly production volume from 250 million units to 300 million units. We then decided to do the same for rod-ends, and are seeing a steady payoff with last month's shipment volume hitting a record high at the Karuizawa Plant. Although last year I said that we would see about an 800 million yen uptick in profits this fiscal year, the complete turnaround for fasteners will put that figure even higher.

C&A and Mach Aero are also doing well, keeping our rod-end business in the U.S. booming. One big plus is that we are in the middle of negotiating prices with customers as their long-term plans are replaced with new ones. This means that the upswing won't end anytime soon. Since we will be selling to our customers at higher prices for a while under new long-term contracts, annual operating income for machined components, which was initially projected to be 50 billion yen, should reach 55 billion yen this year, if we were to annualize last month's operating income figure. We can expect to see 10% growth for machined components again next fiscal year.

LED backlights ramped up in good shape Motors remain steady

LED backlights

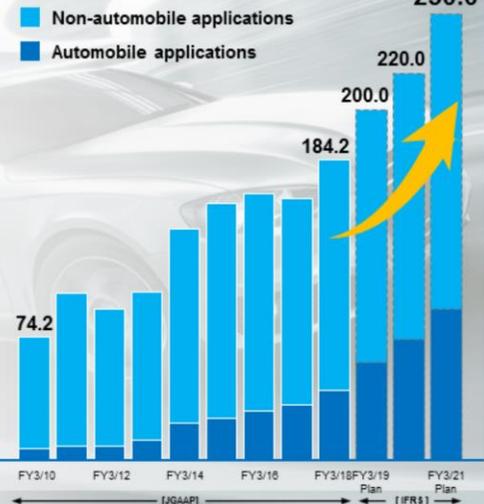
- Timing issue occurred in 2Q
- Ramp up of new model is in good shape.
- Developing anti-OLED panels with supply chain partners

Motors

- Sales of motors remain up, mainly for automobiles
- Aiming for ¥200 billion in sales this current fiscal year

Motor Business Sales Targets

(Billions of yen)



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Let's move on to LED backlights. We had something of a timing issue, which we've already covered, so I won't go into the details here. Some of this year's smartphone models use fewer parts than last year's models, so we lost the added value for those parts. Since we initially factored this development, affecting some smartphone models, into our forecast, it will have only a limited impact on our results.

Sales of motors are expected to reach 200 billion yen this fiscal year. Automotive motors are doing especially well as you can see in more detail on the graph. We are getting an increasing number of orders for actuators and seeing orders for resolvers and other parts for main as well as auxiliary engine motors flooding in. On top of that, sales of PM motors and brushless motors have been upbeat due to the new European auto exhaust emission standards that are slated to go into effect in 2021.

Big increase in production from 3Q onwards despite timing issue and one-time costs in 2Q

Optical devices

- Significant increase in production from 3Q despite time lag for some new products in 2Q
(No big difference in quality and yield from projection)
- Expecting good business opportunities for Chinese smartphones with better specs

Mechanical components

- Earnings for the fiscal year remain mostly on track

Other businesses

- Semiconductors booked one-time costs due to the Hokkaido Earthquake, but production resumed without any hitches

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We had a timing issue for Mitsumi's optical devices as well, but its effect on our bottom line should be offset somewhat by climbing profits in the Chinese smartphone market where model specs are getting better. Recently analog semiconductors have become the star performers in the Mitsumi business. The analog semiconductor market is huge, but we are going to set our sights on a small section of it with the aim of garnering a little piece of the entire pie. After all, a grain of pepper may be tiny but it packs a punch. About 75% of all high-end smartphones on the global market currently use Mitsumi's analog semiconductors. Earnings for mechanical components are expected to remain on track.

- **US-China tariff issue driving US companies to China +1**
- **Opportunities to use 64 global manufacturing sites, including Cambodia factory, are rapidly expanding.**
E.g. a 25% tariff on Chinese-made bearings
-->Reduction of price difference with Chinese competitors
- **RFQs flowing into various businesses**

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Earlier I mentioned that we are extremely risk resistant with my point being that Trump's tariffs have driven many US companies to adopt the China plus one strategy. Until now we would have to sit idly by as Chinese manufacturers with their low-priced bearings, etc., got all the business thrown their way, but now that a 25% tariff has been imposed on exports to the U.S., we are getting the orders instead. The same goes for businesses other than bearings. Customers who couldn't be bothered with our Cambodian operations, no matter how hard we tried to earn their business, are now suddenly coming to us, wanting to see our Cambodian plant. If this trend continues, more and more customers will move their manufacturing operations to Cambodia or ask their suppliers to move their operations to Cambodia. That's why I tell our employees "adversity breeds opportunity."

TOB of U-Shin toward Business Integration

Target company	U-Shin Ltd. (ticker: 6985)	
Tender offer period	TBD *Targeting at the end of January 2019	
Tender offer price	JPY 985 per common stock	
Tender offer funds	JPY 32,622 million	
Number of shares to be purchased	Maximum: none Minimum: 22,079,500 shares (66.67% of the shares outstanding)	

Automotive division



ESCL
(Electronic Steering Column Lock)

Industrial equipment division



Various fuel pumps

Home security unit division



Electric door frame lock

Expected synergies

- To expand presence in the automotive industry**
Ability to develop and propose new products that meet customer needs
- Enhance Tier1 sales force and global manufacturing sites**
Realizing cross-selling and "Time to Market"
- Exploiting technological synergies**
To create new economic value through new products and services that INTEGRATE core technologies
- Introduction of high functional safety and quality control methods**
Master of know-how on the quality of automotive parts
- Strengthening competitiveness by mutually promoting vertical integration**
E.g. Application of U-Shin's molding, painting, and color adjustment technologies to a variety of automotive parts in MinebeaMitsumi.
- Utilizing automotive technologies to housing**
Creation of new solutions in IoT-related businesses

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Since I already talked about the U-Shin takeover bid, I'll skip this slide.

Significant business expansion via strengthening portfolio through M&A and synergies from INTEGRATION

◆ New business opportunities from synergy between our CASE business and U-Shin

Connectivity

- Leverage Mitsumi business to make network devices, such as Car2Car and Car2X
- Expand product portfolio, including key sets and switches

Autonomous

- ADAS devices such as BLDC for LiDAR and high-frequency modules
- Strengthen sensing solutions, including millimeter-wave radar using proprietary algorithms

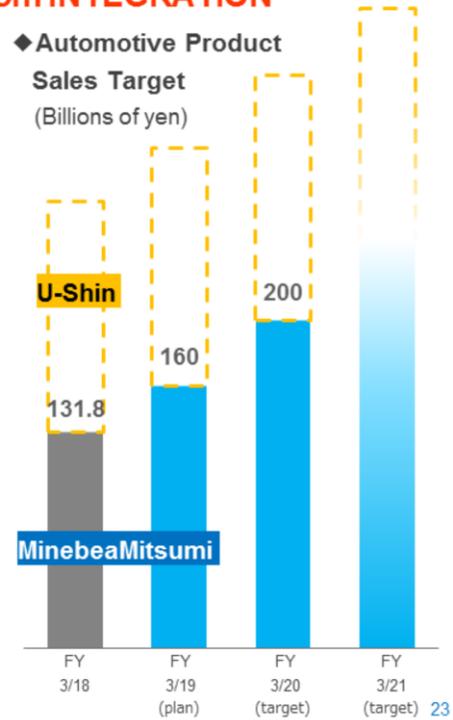
Shared & Services

- Demand for our energy-saving products is riding high on soaring car utilization rates fueled by the spread of carsharing and ridesharing
- Strengthen ties with OEMs as a Tier 1 manufacturer

Electric

- Expanding existing products for EV such as ball bearings for various cooling fans, resolvers, and so on.
- Motorization of lock and gate system, and enhancing competitiveness through the INTEGRATION with MinebeaMitsumi products

◆ Automotive Product Sales Target (Billions of yen)



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The dream of a 300-billion-yen automotive business is not so distant now. MinebeaMitsumi's current automotive business generates 130 billion yen in sales. If you add U-Shin's approximately 150 billion yen in sales to that figure, it comes to 280 billion yen. We expect the business to keep growing until it reaches well over 300 billion yen.

SALIOT
Soaring inquiries / Various events
acoysa with lights by SALIOT

Bed Sensor System
Sales activity launched by Ricoh

Smart City
Strengthening product development
Nodes, gateways, environmental sensors, parking sensors, etc.

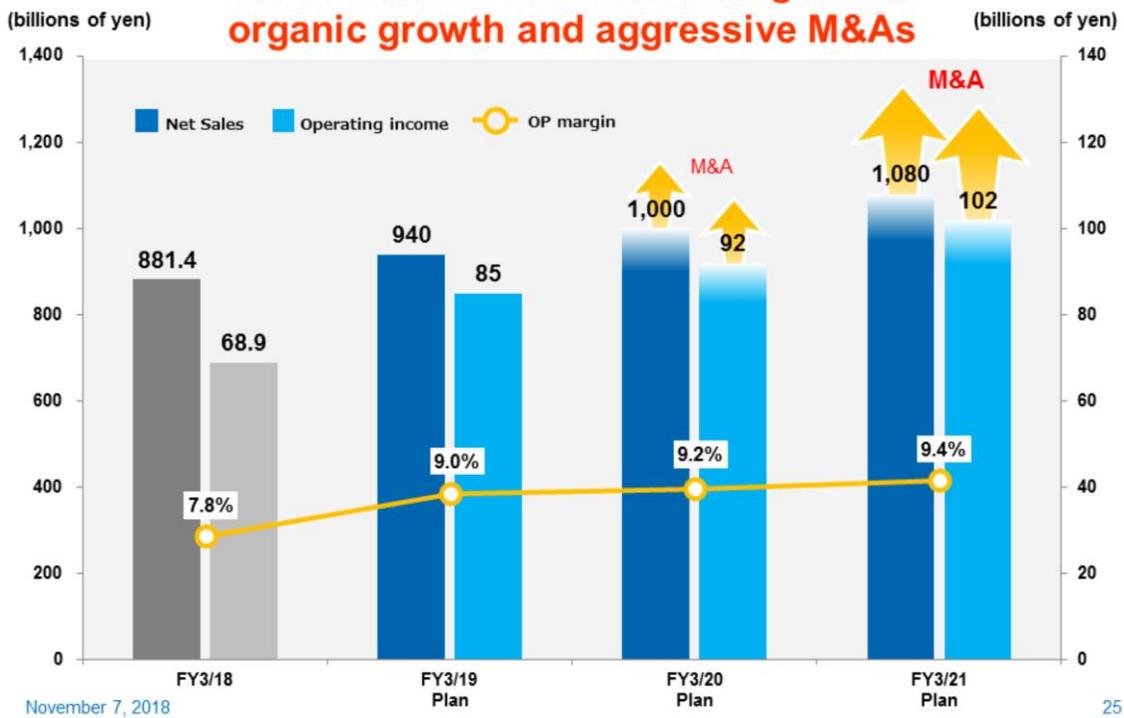
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Here are some updates on our New Product Trio. We've seen lots of interest in SALIOT, and orders are coming in from different customers. What's more, we are getting bulk orders, such as quantities of one hundred or two hundred units, so we expect to see substantial results next fiscal year and the year after that. There are a number of developments occurring with SALIOT products, and although I cannot give you any details about exactly how they are used, I can tell you we've gotten positive feedback from customers about these products, including high marks for their lighting quality.

We began selling bed sensors in August through Ricoh, but they really haven't taken off yet. We need to work on product appeal a little more and will move forward with making improvements.

As for smart city lighting, we received an order for 5,000 units in Cambodia along with an order for an additional 1,500 units that just came in recently. All 6,500 units are equipped with a billing system. Development work is also now underway to provide connectivity with various devices.

Hit ¥1 trillion / ¥100 billion targets via organic growth and aggressive M&As



I have shown this graph to you before. It's about the plan to achieve our one-trillion-yen and/or 100-billion-yen targets ahead of schedule. Just as I said in answer to the question asked during the earlier session, I'm not going to take my foot off the gas when it comes to M&As. I usually spend a considerable amount of time trying to find a good M&A opportunity, but it's not always easy to seize it because an M&A is not something you can do alone and sometimes involves competitors. Still, I'll continue to look for partners who would create synergy with us while focusing on achieving our one-trillion-yen and/or 100-billion-yen targets next fiscal year.

Increase dividends reflecting business forecast

	FY3/18 Actual		FY3/19 Actual/Forecast
Interim dividend	13 yen/share	→	14 yen/share
Year-end dividend	13 yen/share	→	14 [*] yen/share
Total	26 yen/share	→	28 [*] yen/share

* Dividend for FY3/19 will be decided on business performance at payout ratio of around 20%

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The interim and year-end dividends were upped by one yen respectively since we expect that profit for the period will hit a record high of 67 billion yen. We decided on the two-yen dividend increase in light of the substantial year-on-year decrease in extraordinary losses and the declining effective tax rate.

At any rate we will do everything possible to achieve the one-trillion-yen and/or 100-billion-yen targets next fiscal year. This concludes my presentation.

**Using all means possible to hit
¥1 trillion / ¥100 billion targets
next fiscal year!**

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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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Reference

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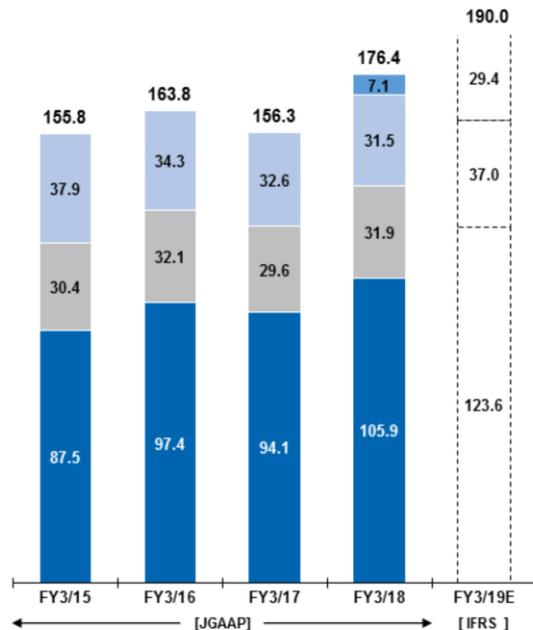
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Machined Components

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

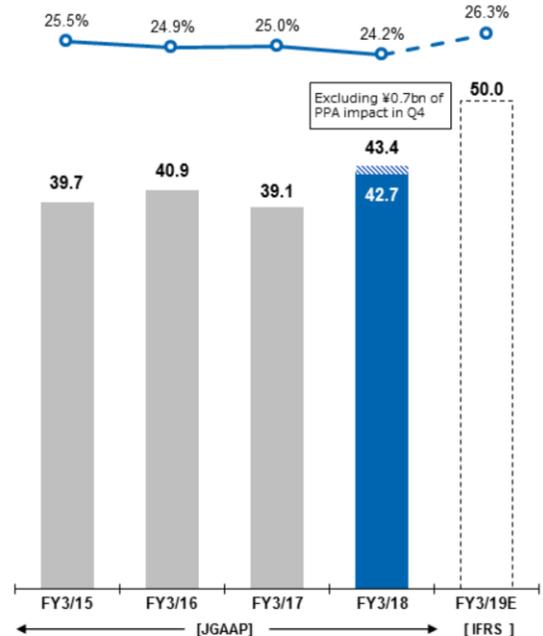
Net sales (Billions of yen)

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



Operating income (Billions of yen)

■ Operating income ○ Operating Margin



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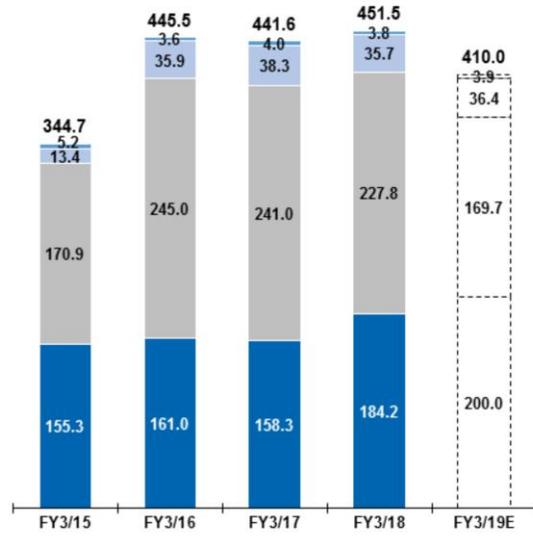
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Electronic Devices & Components

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

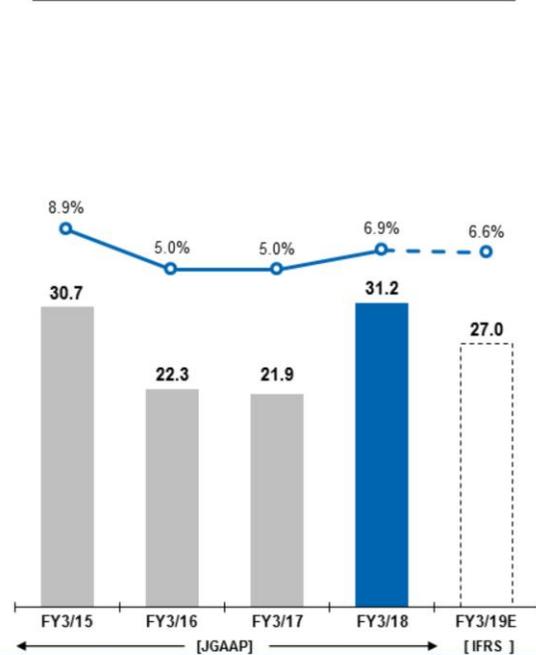
Net sales (Billions of yen)

- Motors
- Electronic devices
- Sensing devices
- Other



Operating income (Billions of yen)

- Operating income
- Operating Margin

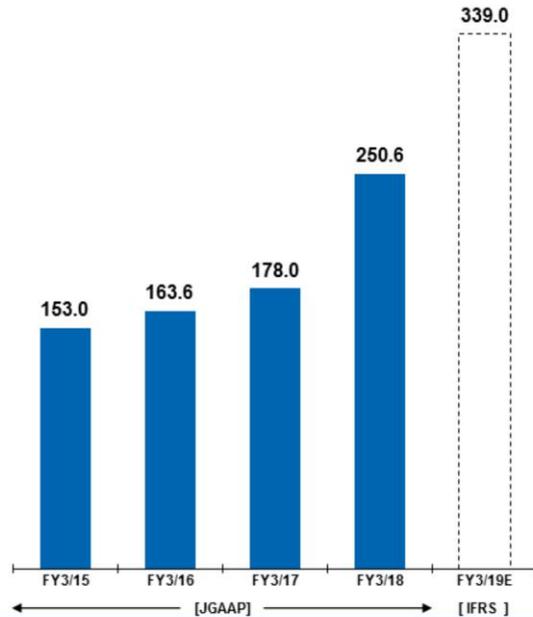


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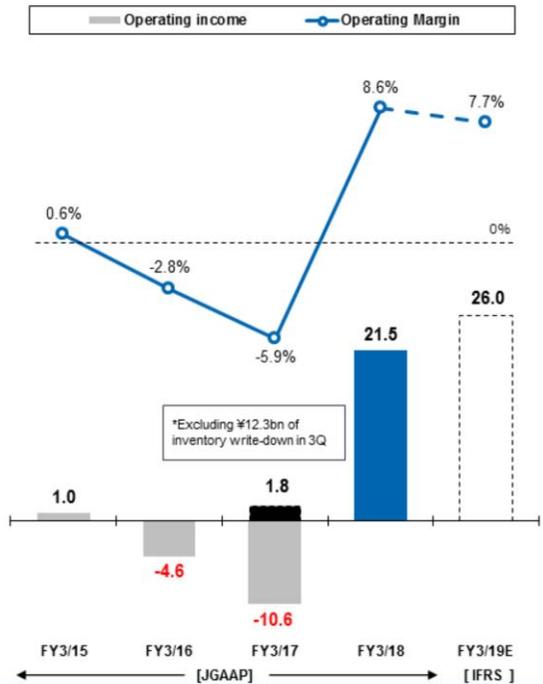
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Net sales (Billions of yen)



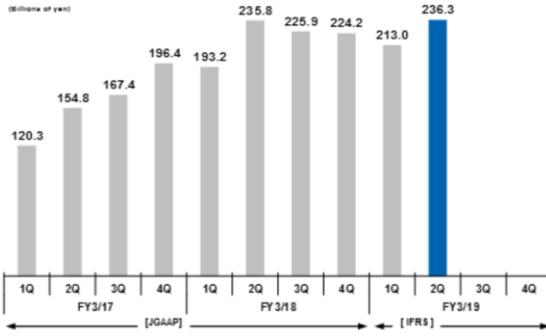
Operating income (Billions of yen)



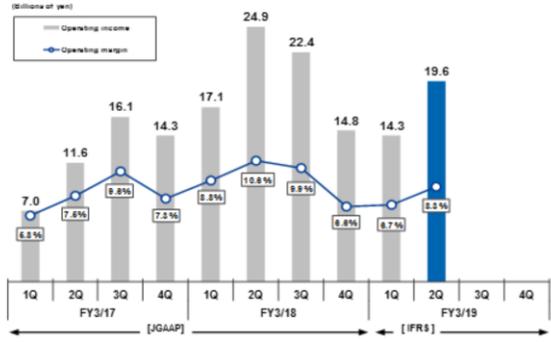
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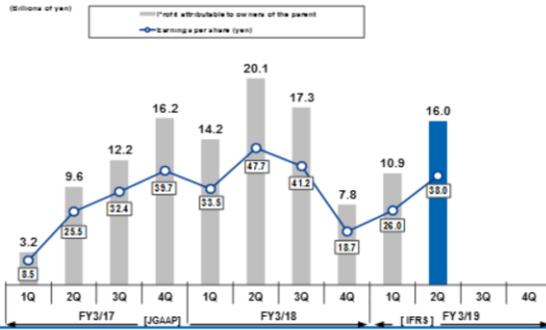
Net sales



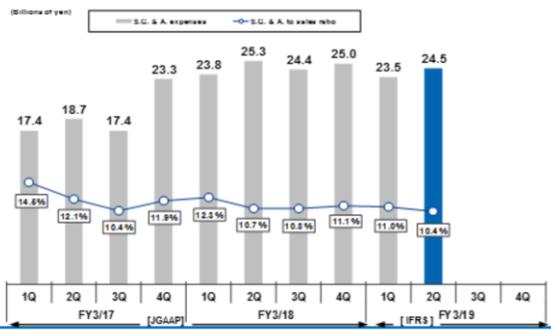
Operational profit/margin



Profit attributable to owners of the parent/EPS



S.G.&A. expense/ratio

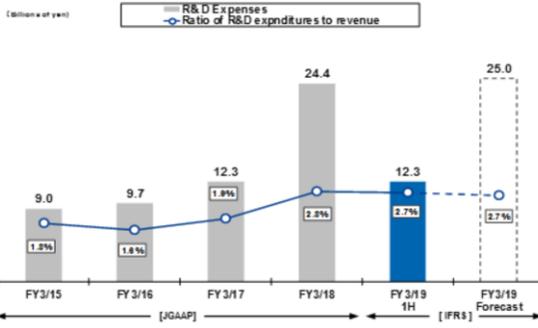


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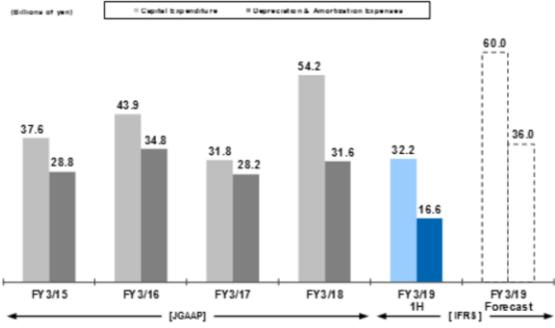
Other Financial Data 2

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

R&D Expenses



Capital Expenditure/D&A Expense

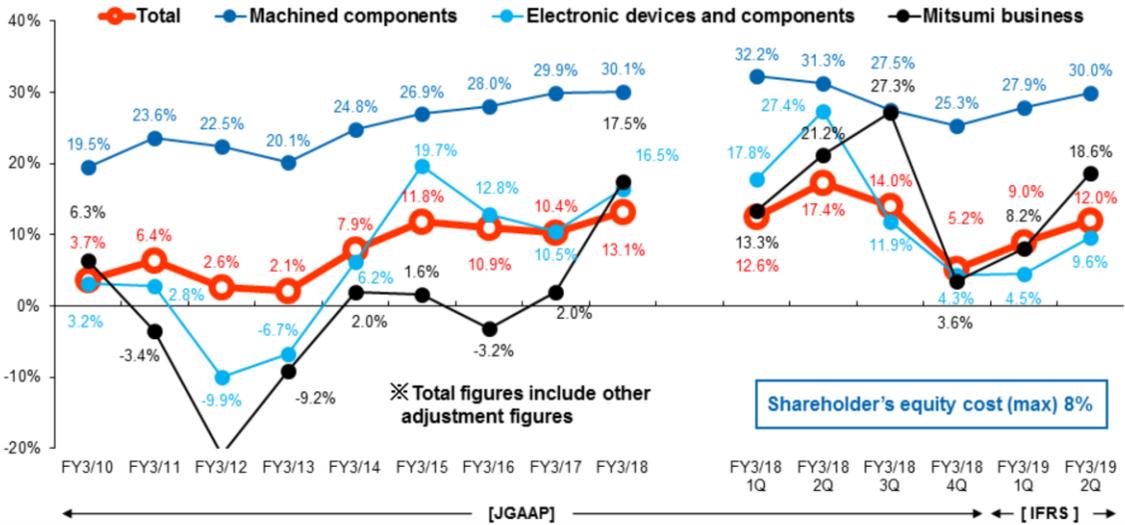


ROIC (Return On Invested Capital)

*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



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