

Business Results

First Quarter of Fiscal Year
Ending March 31, 2022

MinebeaMitsumi Inc.

August 4, 2021

My name is Yoshida.

Today I would first like to explain the consolidated financial results for the first quarter of the fiscal year ending March 31, 2022, and then Mr. Kainuma, Representative Director, CEO & COO, will explain the highlight of this fiscal year.

Summary of Consolidated Business Results for 1Q

Net sales and Operating income hit 1Q record highs

(Millions of yen)	FY3/21		FY3/22	Change	
	1Q	4Q	1Q	YoY	QoQ
Net sales	187,463	250,985	248,305	+32.5%	-1.1%
Operating income	3,409	10,692	19,628	X5.8	+83.6%
Profit before taxes	3,319	9,928	19,603	X5.9	+97.5%
Profit for the period attributable to owners of the parent	2,216	7,192	14,659	X6.6	X2.0
Earnings per share, basic (yen)	5.43	17.64	36.11	X6.7	X2.0

Foreign Exchange Rates	FY3/21 1Q	FY3/21 4Q	FY3/22 1Q
US\$	¥107.74	¥104.74	¥108.99
Euro	¥118.23	¥127.53	¥130.84
Thai Baht	¥3.34	¥3.47	¥3.50
Chinese RMB	¥15.12	¥16.17	¥16.80

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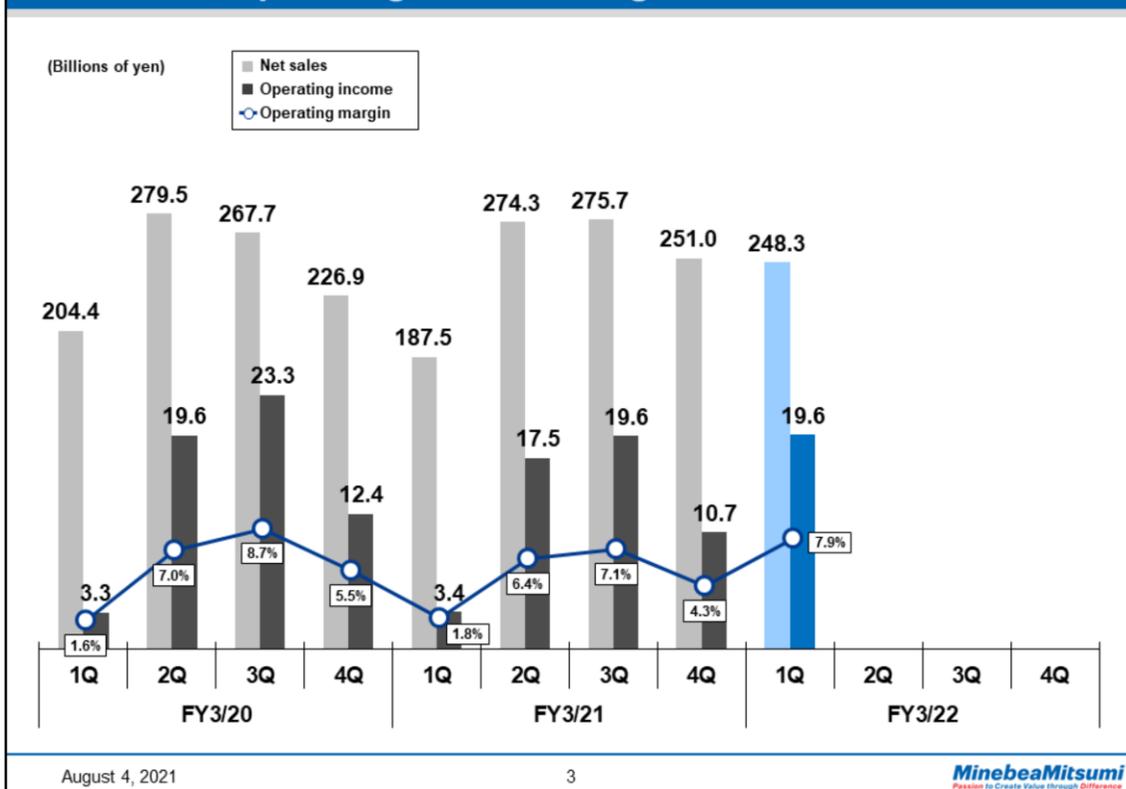
Consolidated net sales for the first quarter of the fiscal year ending March 31, 2022, was up 32.5% year on year and down 1.1% quarter on quarter to total 248,305 million yen.

Operating income totaled 19,628 million yen, which was 5.8 times higher than what it was in the first quarter of last year and up 83.6% quarter on quarter. Profit for the period attributable to owners of the parent increased 6.6-fold year on year and 2.0-fold quarter on quarter, for a total of 14,659 million yen.

We estimate that foreign currency translations have a year-on-year impact of plus 6.9 billion yen in net sales and minus 0.2 billion yen in operating income. Quarter on quarter impact was plus 7.0 billion yen in net sales and plus 1.9 billion yen in operating income.

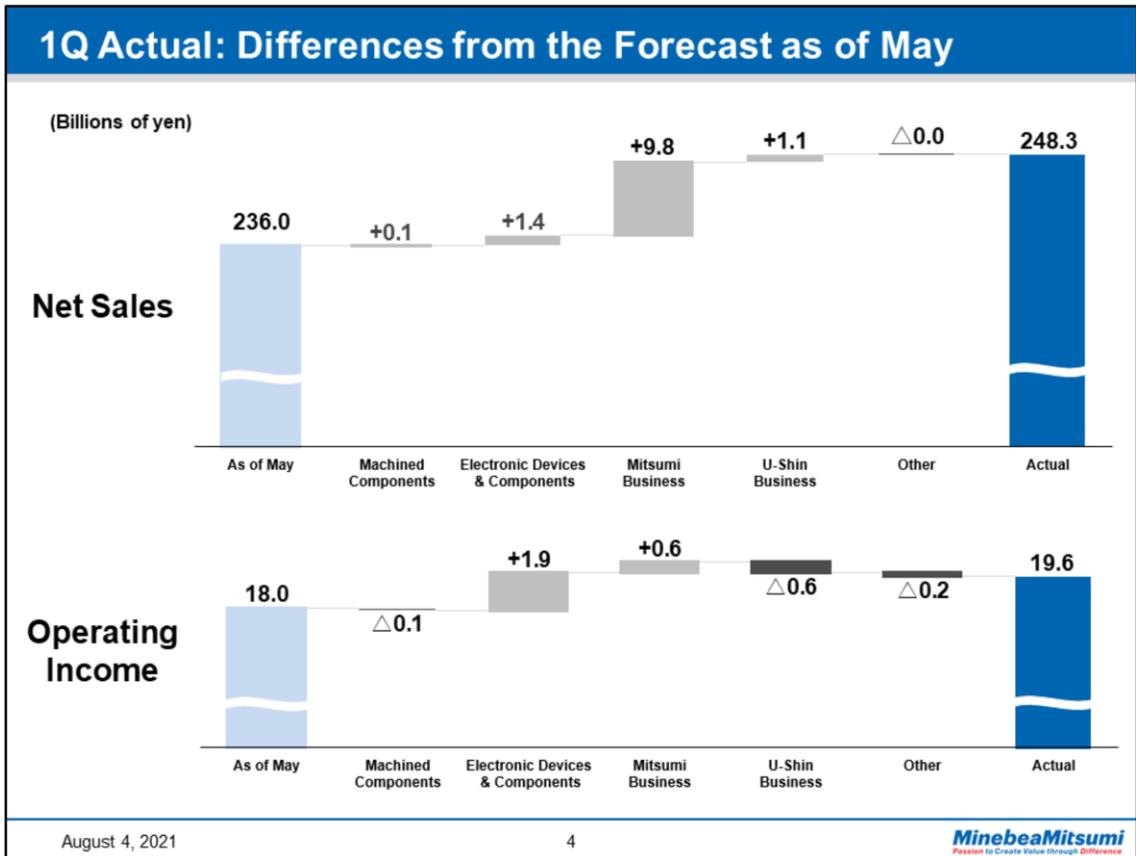
We made slight retrospective changes to last fiscal year's financial statements due to the PPA for ABLIC. Please note that the figures on the following pages are revised figures.

Net Sales, Operating Income/margin



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

The operating margin for the first quarter was 7.9%, up 6.1 percentage point year on year and up 3.6 percentage points quarter on quarter.



Here shows the difference between the forecast as of May and actual results for net sales and operating income by business segment for the first quarter.

While net sales for the machined components business segment started off the fiscal year with a bang, overall sales were generally in line with our forecast due to slowing sales to the automobile industry caused by a shortage of semiconductors.

In the electronic devices and components business segment, sales for electronic devices were higher than forecasted.

The Mitsumi business enjoyed higher-than-projected sales for mechanical components, analog semiconductors, and optical devices. The U-Shin business saw slightly higher-than-expected sales mainly in the automobile market.

Operating income for the machined components business segment were almost on a par with the forecast.

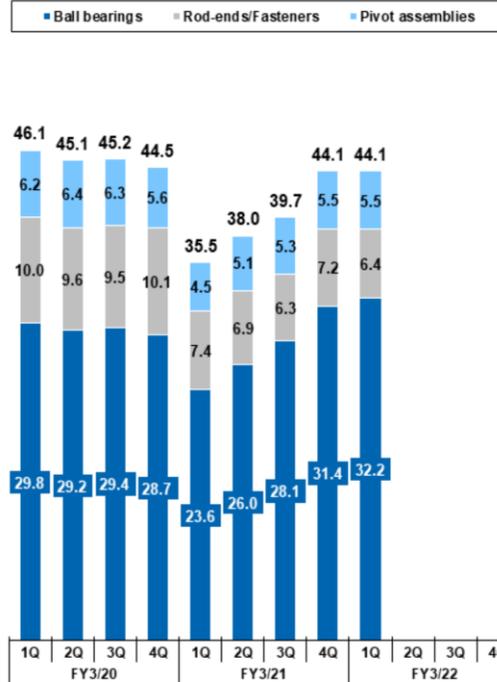
The electronic devices and components business enjoyed higher-than-expected operating income due mainly to the recovery of expenses in the previous fiscal year.

The Mitsumi business enjoyed higher-than-expected operating income as a result of increased sales.

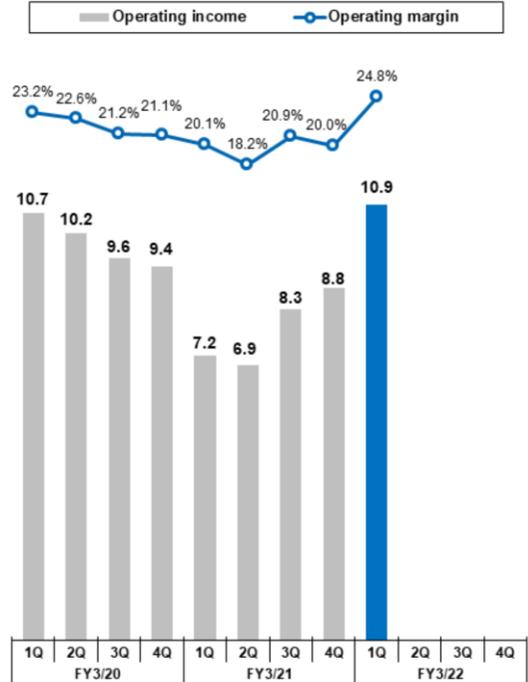
The U-Shin business saw lower-than-expected operating income due mainly to the impact of the one-time cost for the consolidation of U-Shin's retirement benefit plans.

Machined Components

Net sales (Billions of yen)



Operating income (Billions of yen)



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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 quarterly operating income trends along with a line chart for operating margins.

First quarter net sales were almost on a par with previous quarter to total 44.1 billion yen.

Ball bearing sales increased 2.5% quarter on quarter to total 32.2 billion yen. The monthly external shipment volume was up 1.2% quarter on quarter for an average of 246 million units. The growing shipment volume of data center ball bearings continued to drive sales upward. Sales of aircraft bearings remained sluggish due to the stagnant market.

Sales of rod-ends and fasteners, totaling 6.4 billion yen, were down 11.1% from the previous quarter. Although this has not yet led to an improvement in net sales at this point, we are seeing bright signs in the aircraft sales.

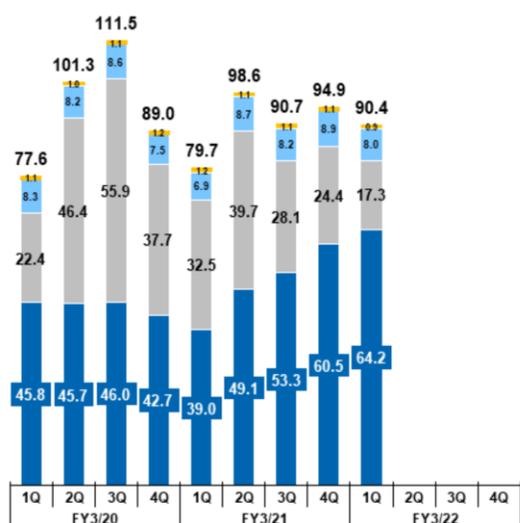
Sales of pivot assemblies remained at the same level quarter on quarter to total 5.5 billion yen.

Operating income for the quarter totaled 10.9 billion yen, and the operating margin was 24.8% which surpass the level before COVID-19. On a quarter-on-quarter basis, operating income rose 23.5% while the operating margin improved 4.8 percentage points. Looking at the results by product, we see that profits for ball bearings, rod-ends/fasteners, and pivot assemblies all increased quarter on quarter.

Electronic Devices & Components

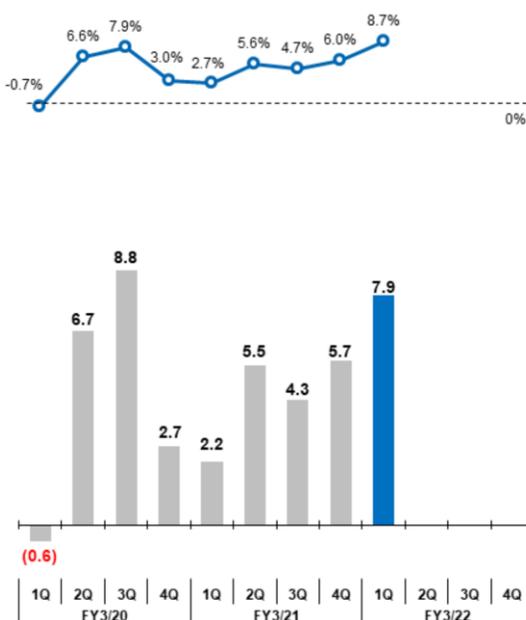
Net sales (Billions of yen)

■ Motors ■ Electronic devices ■ Sensing devices ■ Other



Operating income (Billions of yen)

■ Operating income ■ Operating margin



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Now let's look at the electronic devices & components segment.

Net sales decreased 4.7% quarter on quarter to hit 90.4 billion yen.

Looking at the results by product, we see that sales of motors increased 6.1% quarter on quarter to reach 62.4 billion yen. This is because the robust sales in all types of motors, mainly in the HDD and in the automobile market.

Sales of electronic devices were down 29.0% from the previous quarter to total 17.3 billion yen. This decrease was due primarily to a loss of approximately 4.1 billion yen incurred as a result of the transfer of some business beginning in the fiscal year ending March 31, 2022 (hereinafter referred to as the "impact of the business transfer"), as well as the seasonal demand decrease in LED backlights for our major customers.

For your reference, figures shown for the fiscal year ended March 2021 and before are based on the classifications used before changes to the business segments were made. Please note that the same applies to the rest of the presentation.

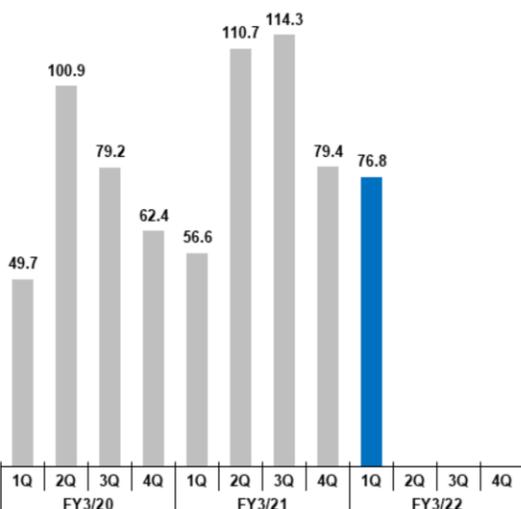
Sales of sensing device, totaling 8.0 billion yen, were down 10.2% from the previous quarter.

Operating income came to 7.9 billion yen, and the operating margin was 8.7%.

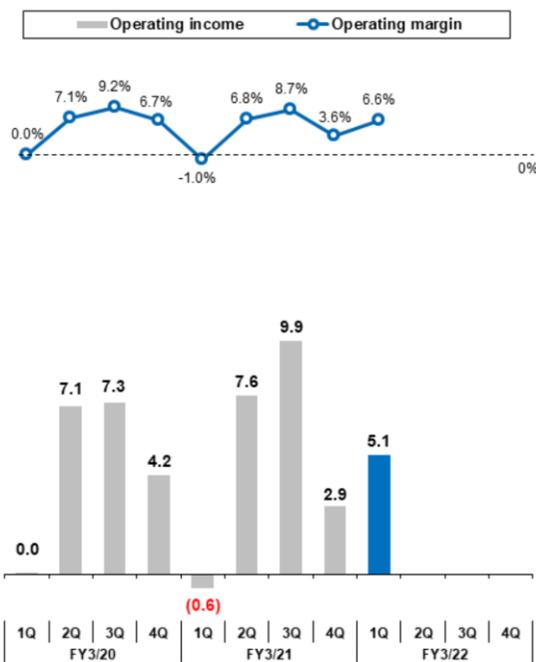
On a quarter-on-quarter basis, operating income increased 39.2% while the operating margin rose 2.7 percentage points. Looking at the results by product, although profit of sensing device decreased, profits for electronic devices increased due mainly to the recovery of expenses in the previous fiscal year while profit of motor was about the same as the previous quarter.

Mitsumi Business

Net sales (Billions of yen)



Operating income (Billions of yen)



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Let's look at the performance for the Mitsumi business segment.

Net sales decreased 3.3% quarter on quarter to total 76.8 billion yen. Although sales of mechanical components and analog semiconductors increased thanks to strong demand, overall sales for the segment declined due to the impact of the business transfer (resulting in a loss of approximately 3.3 billion yen).

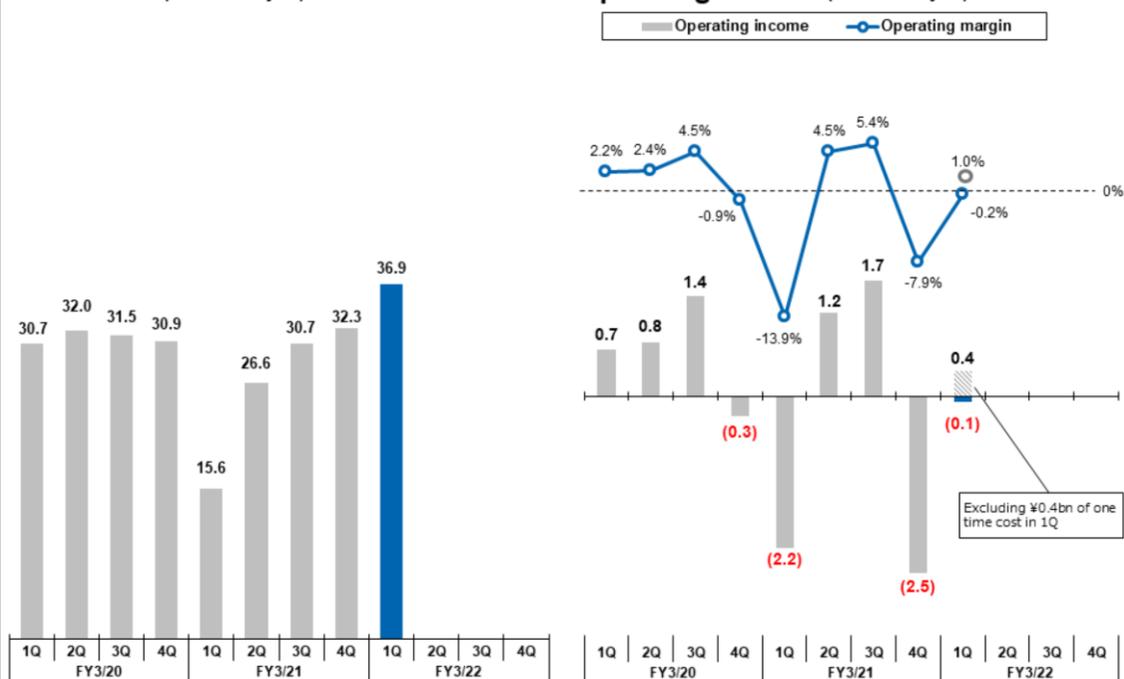
Operating income totaled 5.1 billion yen while the operating margin was 6.6%. On a quarter-on-quarter basis, operating income increased 77.7% while the operating margin rose 3.0 percentage points. The primary factors behind these increases include a further increase in the profitability of analog semiconductors in addition to the one-time cost recorded in the previous quarter.

You can see the operating income for the first quarter of the fiscal year ending March 2021 became negative, but this is due to the retrospective changes to the figures for each quarter of last fiscal year due to the finalization of PPA for ABLIC.

U-Shin Business

Net sales (Billions of yen)

Operating income (Billions of yen)



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Finally, let's look at the U-Shin business segment.

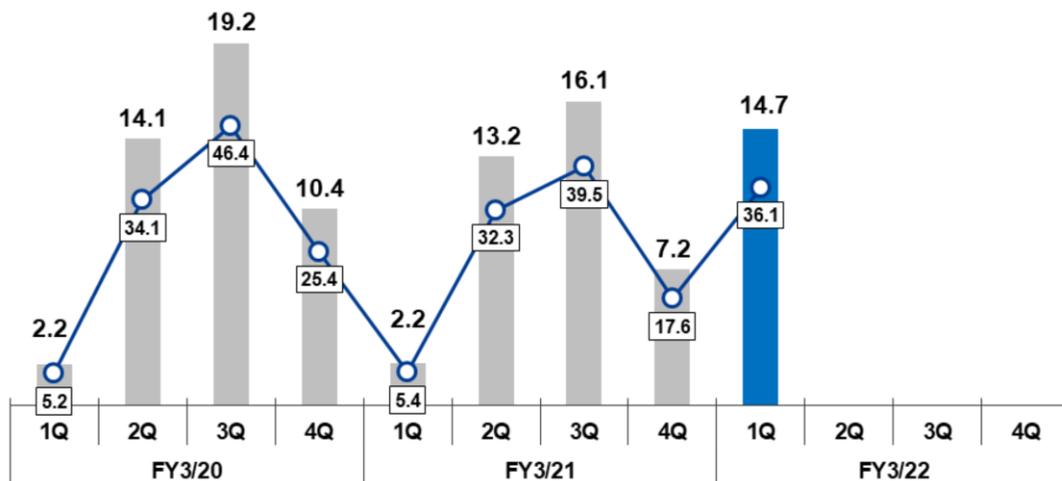
Net sales rose 14.3% quarter on quarter to hit 36.9 billion yen. Although there was a negative impact from production adjustments at some OEMs due to the semiconductor shortage, overall sales for the segment were up due to the impact of the business transfer (resulting in a gain of approximately 7.4 billion yen).

While our operating loss totaled 0.1 billion yen, and the operating margin was -0.2%, if the impact of the one-time cost for the consolidation of U-Shin's retirement benefit plans were not factored in, operating income would be 0.4 billion yen and the operating margin would be 1%.

Profit attributable to owners of the parent / EPS

(Billions of yen)

— Profit for the period attributable to owners of the parent
 ○ Earnings per share, basic (yen)



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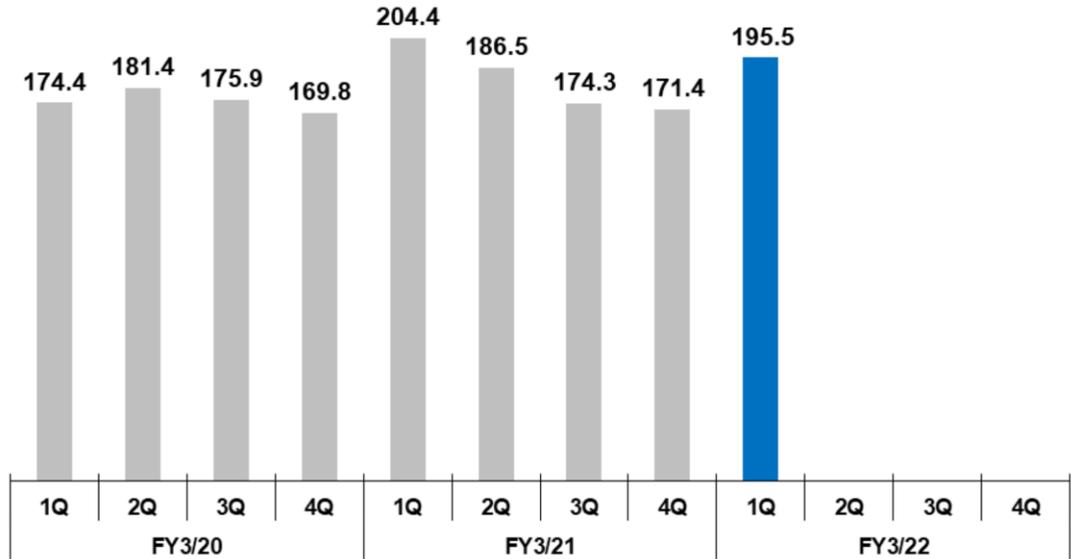
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The bar graph here shows trends in profit attributable to owners of the parent while the line graph chart changes in the profit for the period per share.

The profit for the period was 14.7 billion yen.
 Earnings per share was 36.1 yen.

Inventory

(Billions of yen)



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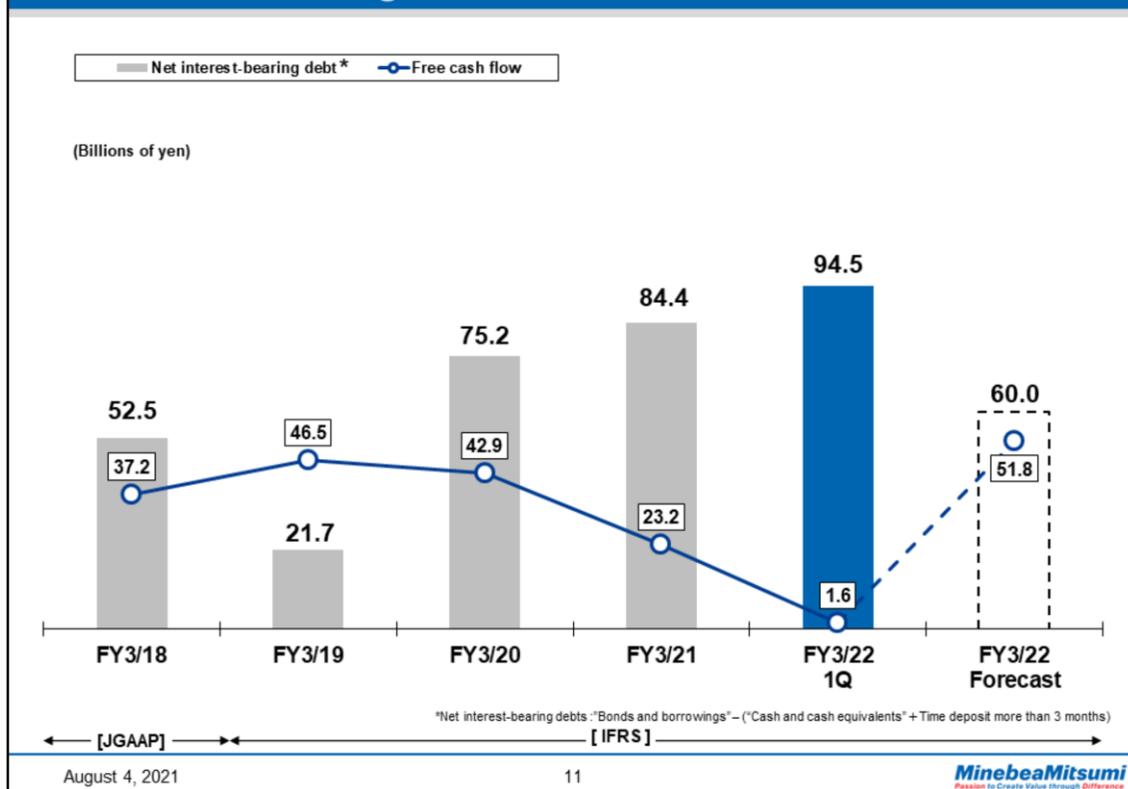
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Next we have the quarterly inventory trend.

At the end of the first quarter, inventory totaled 195.5 billion yen, which is 24.1 billion yen more than what it was three months ago. This is due primarily to the fact that we strategically accumulated to secure the inventory needed to increase sales that is currently expected.

Net interest-bearing debt / Free cash flow

*JGAAP for FY3/18



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 first quarter, net interest-bearing debt, totaling 94.5 billion yen, was up 10.2 billion yen from what it was at the end of the previous fiscal year.

Forecast for Fiscal Year Ending March 31, 2022

Made upward revision to full-year forecast (1H only)

(Millions of yen)	FY3/21	FY3/22			
	Full Year	1st Half	2nd Half	Full Year	YoY
Net sales	988,424	537,000	513,000	1,050,000	+6.2%
Operating income	51,166	45,000	42,000	87,000	+70.0%
Profit before taxes	49,527	44,500	41,500	86,000	+73.6%
Profit for the period attributable to owners of the parent	38,759	34,500	33,500	68,000	+75.4%
Earnings per share, basic (yen)	94.95	84.99	82.53	167.52	+76.4%

Foreign Exchange Rates	FY3/21 Full Year	FY3/22 2Q Assumptions	FY3/22 2H Assumptions
US\$	¥105.79	¥110.00	¥107.00
Euro	¥123.22	¥130.00	¥130.00
Thai Baht	¥3.40	¥3.45	¥3.45
Chinese RMB	¥15.52	¥17.00	¥16.50

No change for the 2H foreign exchange assumptions

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We made an upward revision to the full-year forecast for the fiscal year ending March 31, 2022, which we announced in May. This latest revision, which was made only to the forecast for the first half, was prompted by higher-than-projected first quarter results and the expectation that demand for ball bearings, motors, analog semiconductors, etc. will continue in the second quarter. We have revised the forecast for net sales from 1 trillion yen to 1.05 trillion yen, for operating income from 80 billion yen to 87 billion yen respectively.

The exchange rate is assumed to be 110 yen to the U.S. dollar for the second quarter.

We have not changed the assumptions for the second half.

Forecast for Business Segment

(Millions of yen)	FY3/21 Full Year (Adjusted)	FY3/22			
		1st Half	2nd Half	Full Year	YoY
Net sales	988,424	537,000	513,000	1,050,000	+6.2%
Machined components	157,411	91,000	84,000	175,000	+11.2%
Electronic devices and components	345,595	190,000	165,000	355,000	+2.7%
Mitsumi business	352,277	179,000	191,000	370,000	+5.0%
U-Shin business	132,112	76,600	72,400	149,000	+12.8%
Other	1,029	400	600	1,000	-2.8%
Operating income	51,166	45,000	42,000	87,000	+70.0%
Machined components	31,223	23,000	20,500	43,500	+39.3%
Electronic devices and components	17,685	15,500	10,500	26,000	+47.0%
Mitsumi business	20,458	13,500	16,500	30,000	+46.6%
U-Shin business	-2,594	1,000	3,500	4,500	-
Other	-1,908	-1,000	-1,000	-2,000	+4.8%
Adjustment	-13,698	-7,000	-8,000	-15,000	+9.5%

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This slide shows the forecast by business segment.

Today's Points

Overall

- **1Q net sales and operating income both hit record highs. (X5.8 year-on-year)**
- **Diversified business portfolio offsets negative factors, such as weak demand for aircraft-related products, declining demand due to semiconductor shortage, and rising raw material prices.**
- **Made upward revision to full-year forecast. (1H only)**

Machined components

- **1Q operating margin for machined components made V-shaped recovery as projected.**
- **Decided to make additional investment in multi-purpose factory to increase ball bearing production capacity.**
- **Some positive signs in the aircraft-related business.**

Electronic devices and components/ Mitsumi

- **Launched series of new automotive products, primarily motors.**
- **Significantly augmented tangible and intangible resources for analog semiconductors.**
1H operating income of ¥10B now in sight this fiscal year.
=> They may surpass Access products and move up to the third spear in the ranking!
- **Customer interest in camera actuators is steadily rising.**

U-Shin

- **Shift to high value-added products continues. (Won the first vendor for large projects!)**
- **Moved ahead with ongoing structural reforms.**

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Hello, I'm Yoshihisa Kainuma.

First off, I'd like to go over the highlights of today's presentation.

First quarter performance significantly improved although it's difficult to make a year-on-year comparison with last fiscal year when we conducted a PPA for ABLIC and had other factors to deal with. We went against headwind of soaring material prices, a shortage of semiconductors, and a slowdown in supply chain operations due to COVID-19, but I feel that we were able to make significant headway due to favorable foreign exchange rates and the fact that business segments were performing well across the board.

The machined components segment saw its operating margin pick up substantially, and its operating income target of 50 billion yen a year will be well within reach once the aircraft-related business bounces back. While pivot assembly sales are declining, we plan to make an additional capital investment since overall demand for miniature and small-sized ball bearings is way up. I'll go into further detail about that later on.

Semiconductor sales are still booming, and by the end of the first half, operating income is likely to reach 10 billion yen, which was our annual target just a couple of years ago.

Now here's some good news about U-Shin. Note the text in red that says, "large projects." This is about us having become the first vendor to a giant automaker for its 10-year door handle business worth approximately 100 billion yen. This has probably astonished door handle manufacturers around the world. One of the reasons for acquiring U-Shin was that I was sure the acquisition would generate lots of synergy. I also knew that our motors, analog semiconductors, and antennas would play a big part in the door handle business that will see a shift to electrification. I'm glad customers are beginning to fully realize that we have a global supply chain network and the ability to handle large volume orders like this one, and happy that we won this new contract. It goes beyond door handles, and in fact Chinese and other leading automakers have been increasingly adopting our compact spindle drives (CSDs) for their hatchbacks. The gears turn slowly in the automotive business, but you can see that we are making progress in the right direction.

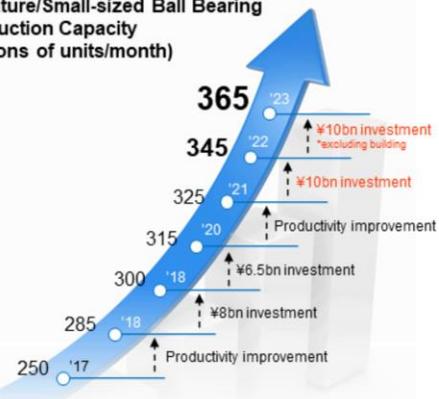
Key Points

1 Form part of the multi-purpose factory into a miniature/small-sized ball bearing factory!
Establish monthly capacity of 365 million units ASAP

2 External sales keep growing
Strong demand growth continues in all applications
=> Automotive, data center, high-end home appliances, etc.

3 Higher production capacity to bring operating margin up

Miniature/Small-sized Ball Bearing Production Capacity (millions of units/month)



Install ball bearing manufacturing equipment in the multi-purpose factory

- Amount to be invested Building: ¥4billion
Equipment: ¥10 billion (Phase 1)
- Planned construction site Bang Pa-in Plant, Thailand
- Start of operation (plan) Around August 2022
- Production capacity 20 million units/month



Multi-purpose factory (Bang Pa-in Plant, Thailand)

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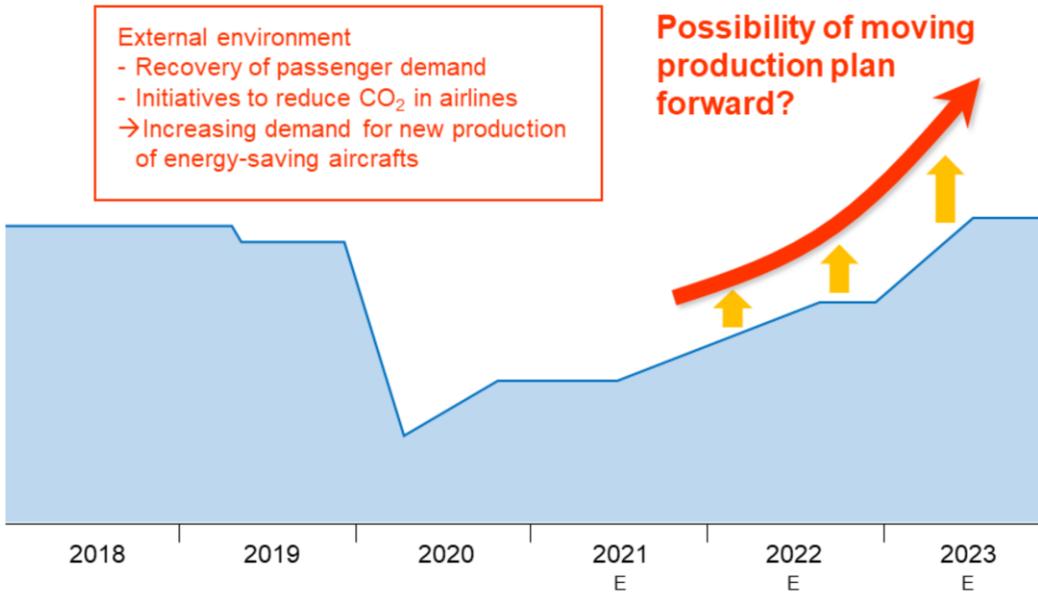
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As previously announced, we were aiming to boost our monthly production capacity of miniature and small-sized ball bearings to 345 million units by the end of this fiscal year but have decided to increase it to 365 million units. As noted in the diagram shown in the top right-hand corner of this slide, production capacity was 250 million units in 2017. Starting from there, we increased it to 285 million units via our initiative to improve productivity, which I myself was involved in, and to 315 million units via 8-billion- and 6.5-billion-yen capital investments designed to eliminate bottlenecks. The business unit's improved productivity then brought the capacity up to 325 million units. We made an additional 10-billion-yen capital investment last year, which upped the capacity to 345 million units. It will reach 365 million units with the latest additional investment of 10 billion yen. This decision was prompted by the extremely high demand for cars and fan motors. As I have said repeatedly, the volumes for miniature and small-sized ball bearings per car will increase with the shift to EVs. In fact, we have seen a tremendous increase in demand already, requiring us to increase our production capacity by more than 100 million units in the past four or five years.

Our recent decision to increase production will involve installing production facilities in the multi-purpose factory that is being constructed in Thailand. At the same time, we have been gradually making capital investments in the NHT factory which was built in Thailand in 2011. Since it's been 10 years since it was built, depreciation expenses for the factory will decline from now on. That means, even if we make a capital investment of 20 billion yen, depreciation expenses will not change much. I'd say we're seeing the beginning of a virtuous cycle. I am convinced that our bearings' competitive edge, as well as our supply capacity, is getting better and better.

Trend of commercial aircraft production rate

(Source: MinebeaMitsumi)



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The aircraft-related business is basically still the same, but I think it might be just a bit better than last year. As you are aware, there have been news reports that United Airlines bought 200 planes, that Airbus and Boeing saw profit turnarounds, and that US domestic passenger traffic has made a big comeback. There will also be a growing demand for environmentally friendly engines and more efficient aircraft designed for carbon-neutral flights. I believe it's possible that we could see an explosive recovery in demand as we've been witnessing with automobiles these days.

Last week, I attended a meeting that brought together sales, development, and operations personnel from aircraft-related businesses around the world, and there was a lot of talk about how demand is expected to bounce back in a big way beginning in the second half of next fiscal year. Personally, that's exactly what I think as well, and something I've been saying for some time. Now it looks like it's really going to happen. However, demand is likely to grow mainly for single-aisle aircraft, i.e., planes with two rows of seats split down the middle by an aisle. I heard that it will be a while until demand for double-aisle aircraft comes back, but I'd like to let you know that, even if demand is mainly for single-aisle aircraft, our sales should return to pre-COVID-19 levels once the sales volume increases.

Key Points

1 Continually launching new products/large projects for automotive motors

- Resolver for EV traction motors
- Cooling fan for EV rechargeable batteries
- DC motor for EPBs
- Active grill actuator, etc.

2 High value-added product strategy benefits HDDs as well

3 Pursue synergy with semi-conductor business

Examples of automotive motors that are expected to grow exponentially

Safety



DC motor for EPB

Comfort



Stepping motor for HVAC



Expect CAGR at 20% or higher for sales of motor for autos (FY3/21-FY3/25)

Environment



Resolver for traction motor



Cooling fan for EV rechargeable battery



Actuator for valves



Active grill actuator

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We are aiming to boost motor sales by at least 60 billion yen this fiscal year to reach between 260 and 270 billion yen. This is a 30% increase, and it will largely come from HDD spindle motors and automotive motors. As I've told you before, we have been seeing our products make inroads into various areas, and we have finally started to see that in the numbers with the launch of product models. The motor business has been the second spear of our Eight Spears strategy and is expected to grow by leaps and bounds.

Key Points

1 Improvements in tangible resources

- Leverage 6-inch/8-inch wafer fabs to increase efficiency
 - Make an additional ¥10+ bn investment in an 8-inch wafer fab to **up company-wide production capacity by 50%**
- > **Subsidy granted**

2 Improvements in intangible resources

- Secure **engineering/development workforce of 300**
- Leverage **mixed-signal semiconductors** to make analog semiconductors more competitive
- Accelerate synergy via **INTEGRATION with businesses including motors**

3 Solve facility issues with further room for expansion

Analog semiconductor production sites



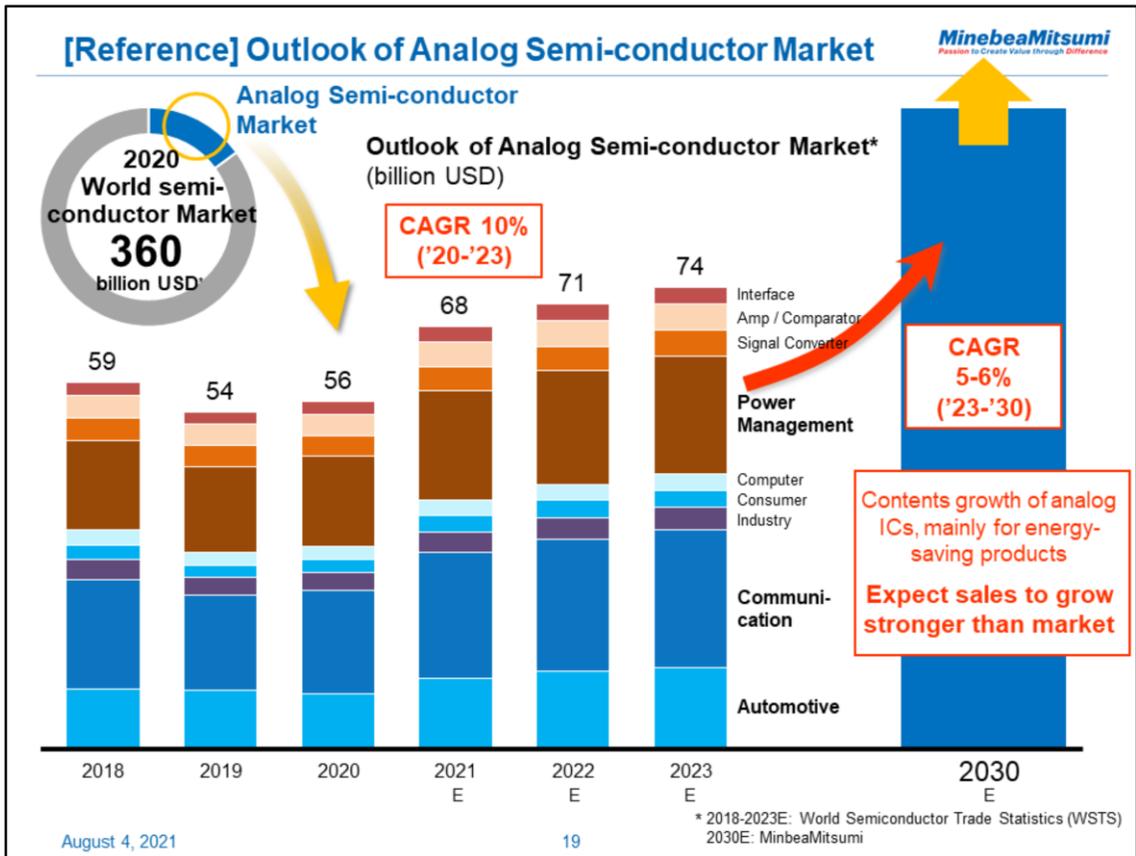
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For analog semiconductors, we have posted the presentation file for the semiconductor business briefing we recently had for sell-side analysts on our website. If you haven't seen it, please take a look.

Roughly speaking, I believe that analog semiconductors have grown into a business that could generate 10 billion yen in operating income in a fiscal half. That doesn't mean that they would generate 20 billion yen this fiscal year though. We expect fiscal-half expenses increase of approximately 1.5 billion yen in total, related to the factory we recently acquired in Yasu which will be consolidated into our company on October 1, and also related to the hiring of about 60 engineers in Gunma and Gifu. Since the business won't contribute to our bottom line until the second half of the next fiscal year, annual operating income should hover around 18 billion yen until then.

There's a new development I would like to share with you. Our application for a subsidy filed with the Japanese government has been approved, and we will be receiving 4 billion yen. We will follow the national policy and aim to become a more competitive semiconductor manufacturer as soon as possible.



As I've been saying all along, we will initially aim for 100 billion yen in analog semiconductor sales, which would make us roughly the 10th highest in sales worldwide. As shown on the slide, the overall semiconductor market is huge, generating 36 trillion yen. Analog semiconductors alone account for about 7 trillion yen. Compared with this figure, 100 billion yen may seem like a small amount. But in the 4-trillion-yen bearing market, we generate a huge profit with about 100-billion-yen sales coming from the niche market for 22-millimeter or smaller bearings. If we can focus on specializing in types of analog semiconductors that can generate a profit using a similar niche strategy, I'm sure we can come up with a business model just like the one we use for bearings. In order to make that a reality, I believe it's important that we turn the factory in Yasu into a profit center as quickly as possible.

Key Points

1 Start of new OIS for major customers going smoothly

- Off to a good start again this fiscal year
=> Huge year-on-year increases in sales and profit thanks to increasing adoption rate of high value-added models
- Continue to respond proactively to growing OIS technology



2 Increase sales of next-generation OIS to pioneer technological innovations in smartphone cameras

3 Game-related sales expected to be strong again this fiscal year

Boost sales with 3 spears + 1 + 1
(Bearings, motors, analog semiconductors, OIS, game consoles)



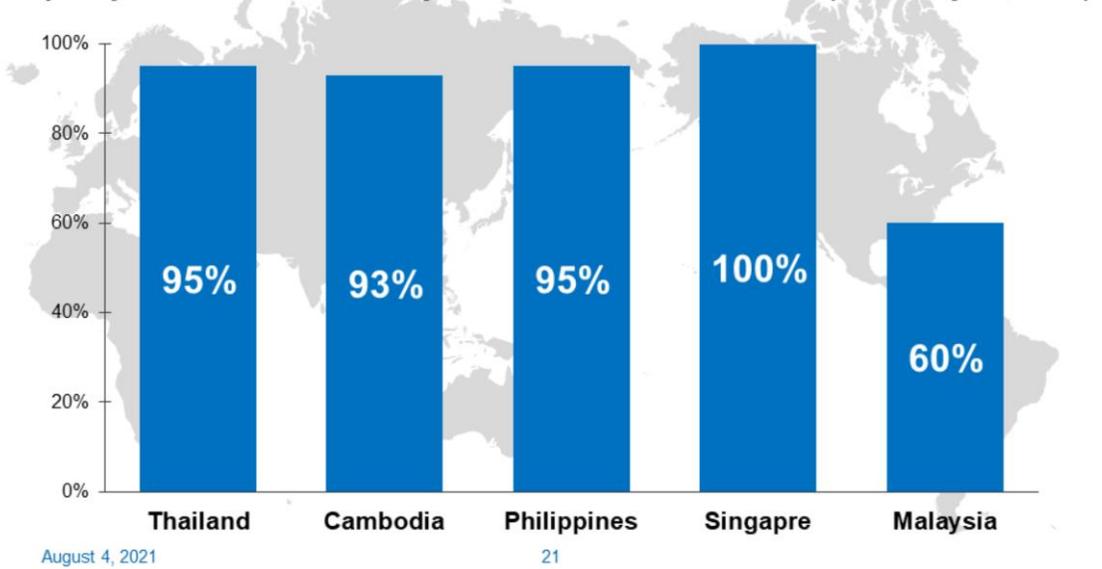
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While we see the optical devices and mechanical components businesses as sub-core businesses, both are doing extremely well in terms of production. We expect products used in smartphones will make a big contribution to our bottom line beginning in the second quarter when seasonal demand picks up. Game-related sales are also up as you know. We believe that these businesses will definitely generate a profit from July onward despite the impact of global logistics problems and production adjustments by customers due to semiconductor shortages.

**Despite sporadic outbreaks of infection,
overall operations are about the same as normal**
(Held nearly 200 CEO-led meetings on countermeasures in 18 months)

Capacity utilization rates of major southeast Asian locations (as of July 31, 2021)



While recent newspaper reports have highlighted the impact of COVID-19 in Southeast Asia, we have managed to keep our operations running without any hitches. While there have, of course, been COVID-19 cases among our employees, we have implemented thorough infection control measures, including more than 200 meetings on countermeasures, which I myself led, over the past 18 months. We are proud of the fact that our initiatives have been highly evaluated and trusted by governments around the world.

Although there are many problems in the supply chain, we will continue to make our best efforts to maintain the current high utilization rates.

Resolution of share buyback (August 4, 2021)

- Number of shares: Up to 3 million shares
(equal to 0.74% of total issued shares excluding treasury shares)
- Amount: Up to 10.0 billion yen
- Period: From August 5, 2021 to October 29, 2021
- Purpose: In order to improve return on shareholders and improve capital efficiency and to implement agile capital policy according to the business environment.

[For reference] KPIs for determining remuneration of CEO and other directors who are executive officers

Profit, sales growth rate, performance compared against the Nikkei average, and operating margin, **plus market capitalization which was added this year.**

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We decided to buy back shares as part of our shareholder return policy. If you look at other companies' P/E ratios and take the electrical equipment sector whose market capitalization is over 500 billion yen for example, the median is 22.5x and the average is 28.8x. Compared to that, our P/E ratio is a little less than 19x, so I believe it is still undervalued. Beginning this year, the absolute value of market capitalization was added to the KPIs used by the Nomination and Compensation Committee for evaluating my bonus. We will not only pursue profit as we have in the past, but we will also focus on how we can please our shareholders and increase our market capitalization.

Donations to Single-Parent Support Organization: 70th Anniversary Project

We wish to express our deepest sympathies to those who are experiencing difficulties due to the spread of the novel coronavirus, and have decided to make the following charitable donations.

- Purpose: Support single-parent families with high school aged children
- Donations to be used for: "We Support High School Students!", a project of the certified NPO, Single Mothers Forum
- First donation—50 million yen
=> Plan to donate up to 100 million yen depending on our performance



Making a donation to Single Mothers Forum

Completion of 60th Anniversary Project

- Support for children who lost their parents in the Great East Japan Earthquake (announced on August 8, 2012)
- Established a scholarship fund to support orphans
 - 138 children from first graders to third year junior high school students (at that time)
 - Donated a total of 100 million yen



Graduation event for the Great East Japan Earthquake scholarship fund

Let's turn to the ESG topics. Following on the heels of the support program benefitting children who lost their parents in the Great East Japan Earthquake, we will provide support for single mothers.

Completion of COVID-19 workplace vaccination in Japan

- Target: Employees and their families, etc. of MinebeaMitsumi group who wish to get vaccination
- Date: June 24, 2021 and onwards
- Location: Tokyo HQ, Karuizawa, Hamamatsu, Fujisawa, Hiroshima, Chitose

Completed to nearly 13,000 employees

Awarded the “Excellence Awards” of the “3rd ASEAN-OSHNET Award” for the first time for a Japanese Company.

- ASEAN-OSHNET Award: Selects companies with good occupational safety and health systems and performance in each ASEAN country
- "Excellence Awards": Given to one company with the best occupational health and safety management systems in each country.



Award Ceremony (Remote)

Released “ESG Information Index” on MinebeaMitsumi corporate website

We have organized our environmental, social and governance (ESG) activities as well as sustainability initiatives in line with the GRI Standards, and provided links to relevant information.

Please refer to our website → <https://www.minebeamitsumi.com/english/csr/list/data/>

Here are more ESG topics. Please take a look.

The possibility of realizing the estimated breakdown announced in 2017 has been raised toward FY3/23!

Estimated breakdown (FY3/23)

- Machined Components **¥50 bn**
- Electronic Devices & Components **¥30 bn**
- Mitsumi **¥30 bn**
- U-shin **¥10 bn**
- HQ Expenses **¥-20 bn**

Upside from M&A!

(Reference)
Estimated breakdown (FY3/21)
announced in May 2017

- Machined Components **¥50 bn**
- Electronic Devices & Components **¥30 bn**
- Mitsumi **¥20 bn**
- M&A **¥15 bn**
- HQ Expenses **¥-15 bn**

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This slide is from the third quarter investor meeting held this past February. It shows an estimated breakdown of our 100-billion-yen operating income. The numbers on the bottom right are from the May 2017 investor meeting, which I explained changed with the two-year delay.

Some of you may remember that I mentioned during the investor meeting held in May 2020 that we had the capability to generate 81 billion yen in operating income. Now that the market has finally been recovering with foreign exchange rates returning to what they were, we are ready to show you this capability. The major difference between then and now is that, in the first place, our semiconductor business is much bigger. While two years ago, we were aiming to generate 10 billion yen annually in operating income, we are now very likely to achieve that figure in six months. Bearings and motors, which are among the dramatically growing core businesses under the Eight Spears strategy, are bringing profits up.

If this momentum continues, we should be able to say that we have paved the way to generating 100 billion yen in operating income. The machined components segment should be able to generate 50 billion yen or more once the aircraft-related business bounces back. While it may be difficult for U-Shin to generate 10 billion yen, the electronic devices and components business along with the Mitsumi business segments combined should be ready to generate over 60 billion yen.



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

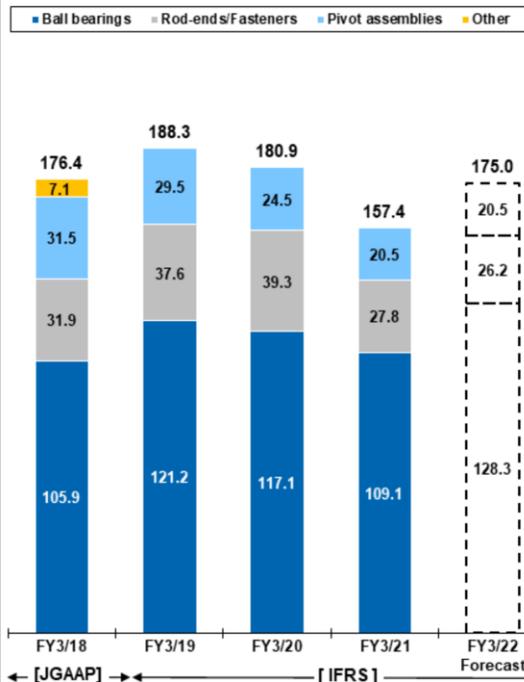
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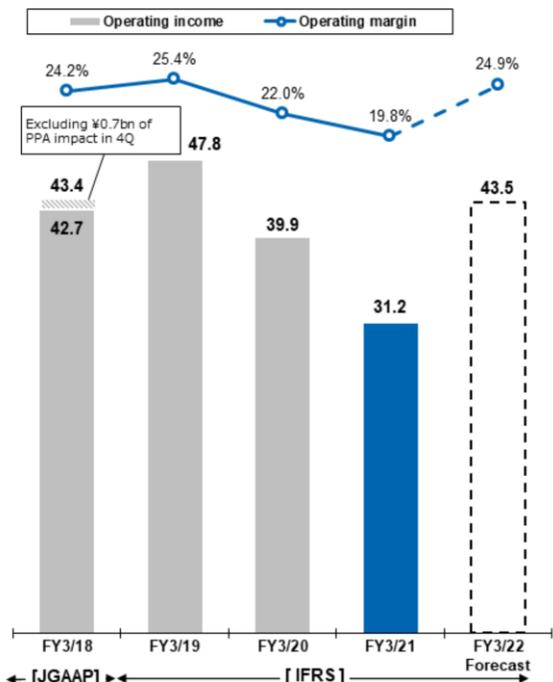
Machined Components

*JGAAP for FY3/18

Net sales (Billions of yen)



Operating income (Billions of yen)



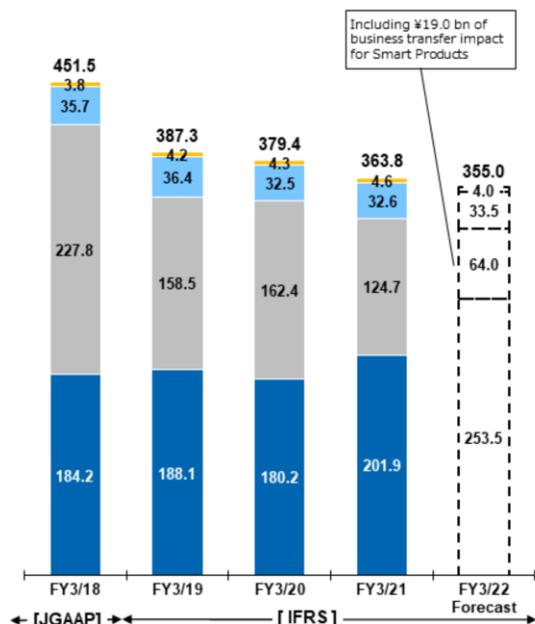
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Passion to Create Value through Difference

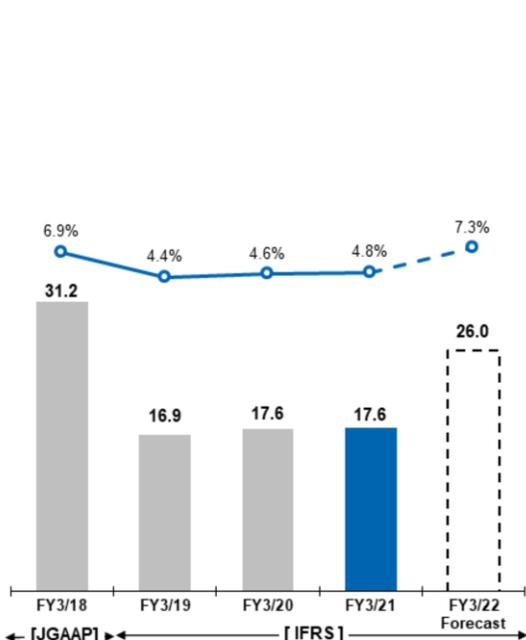
Net sales (Billions of yen)

■ Motors ■ Electronic devices ■ Sensing devices ■ Other

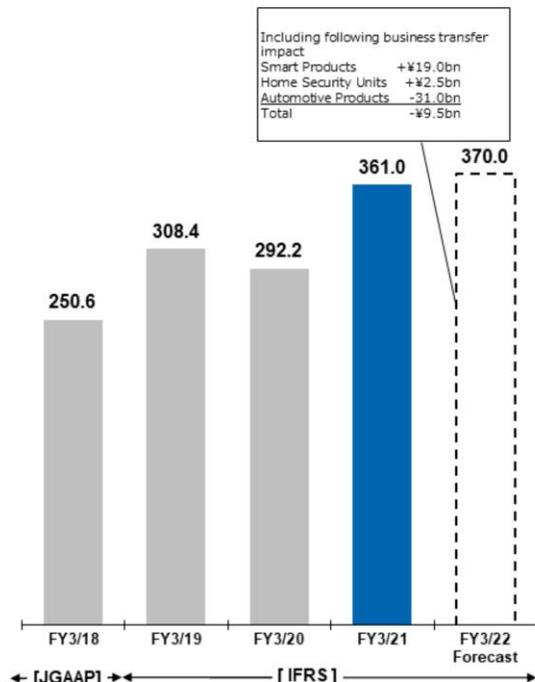


Operating income (Billions of yen)

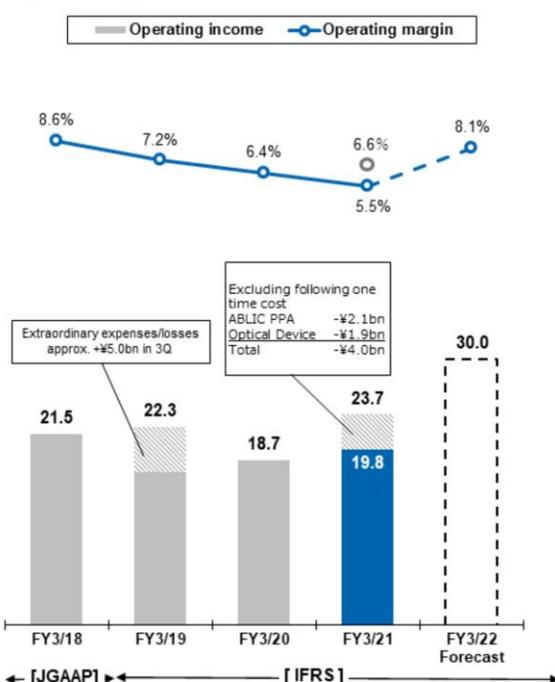
■ Operating income ● Operating margin



Net sales (Billions of yen)



Operating income (Billions of yen)



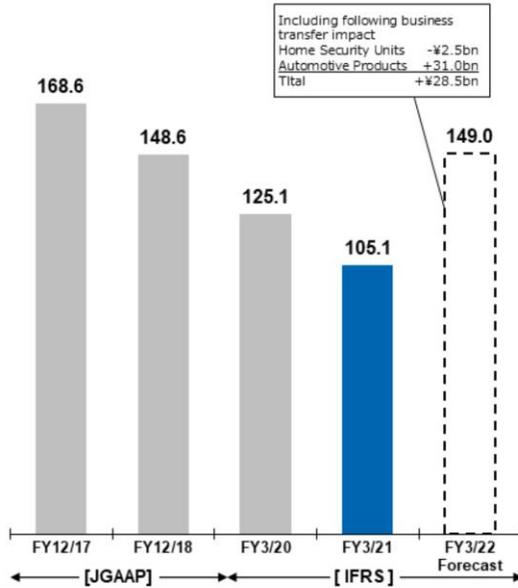
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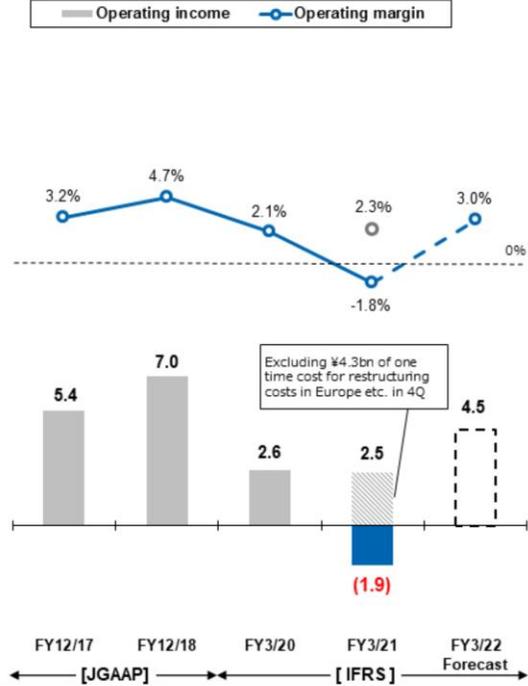
U-Shin Business

As a result of change of the fiscal year end, FY12/17 consists of 13 months.
Both net sales and operating income until FY12/18 are pre-merger results.
FY3/20 does not include Jan.-Mar. 2019 results. JGAAP until FY12/18

Net sales (Billions of yen)



Operating income (Billions of yen)



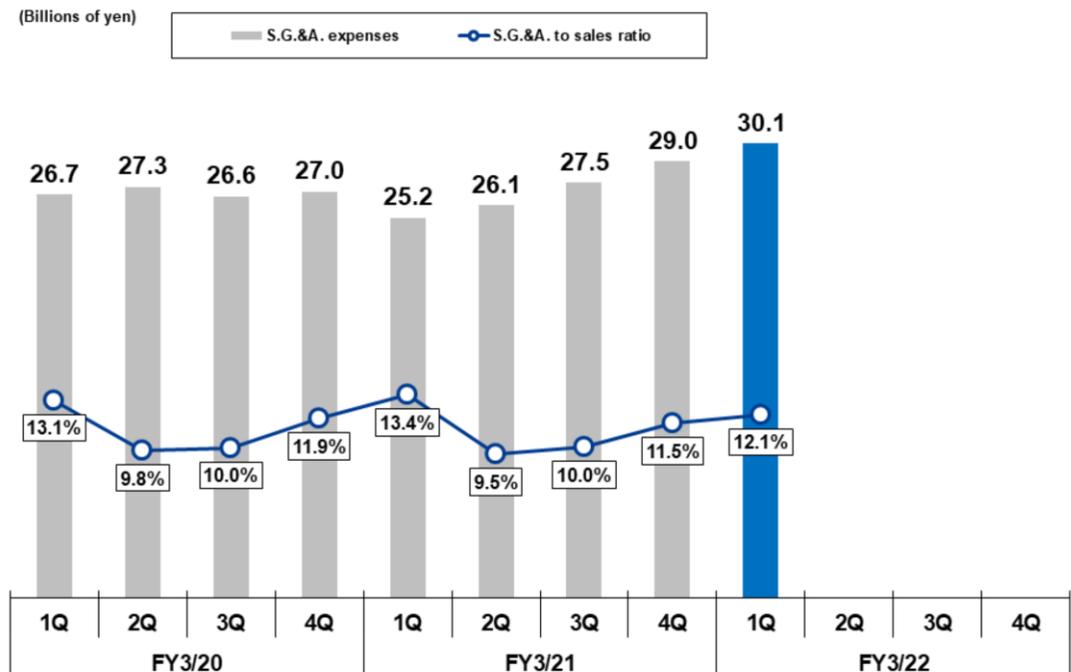
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Pursuing to Create Value through Difference

S.G.&A. expense / ratio

(Billions of yen)



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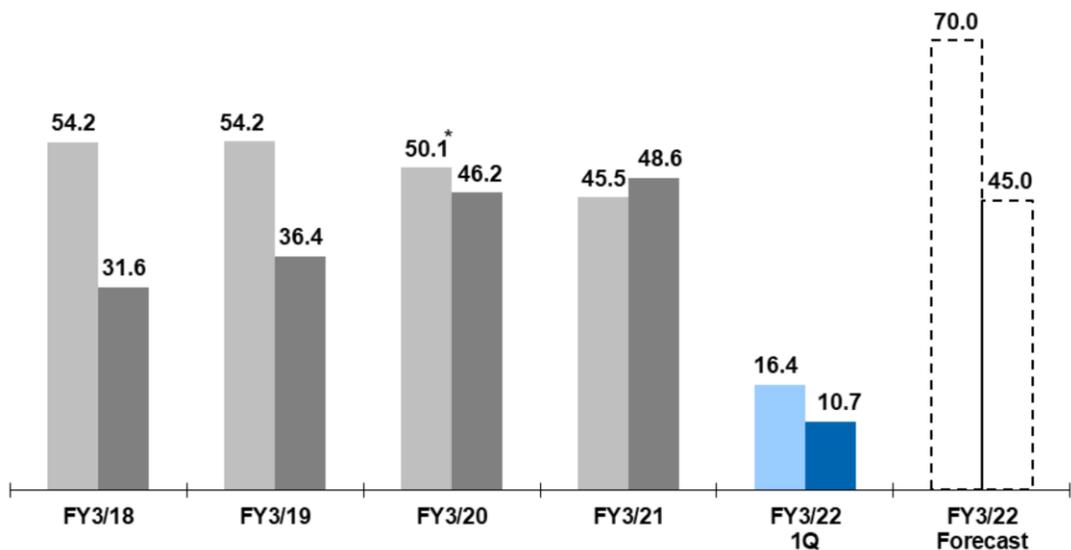
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Capital Expenditure / D&A Expense

*JGAAP for FY3/18

(Billions of yen)

■ Capital expenditure ■ Depreciation & Amortization expenses



* Capital expenditures of FY3/20 do not include the increase of asset from lease contracts at the IFRS16 application start date

← [JGAAP] → ← [IFRS] →

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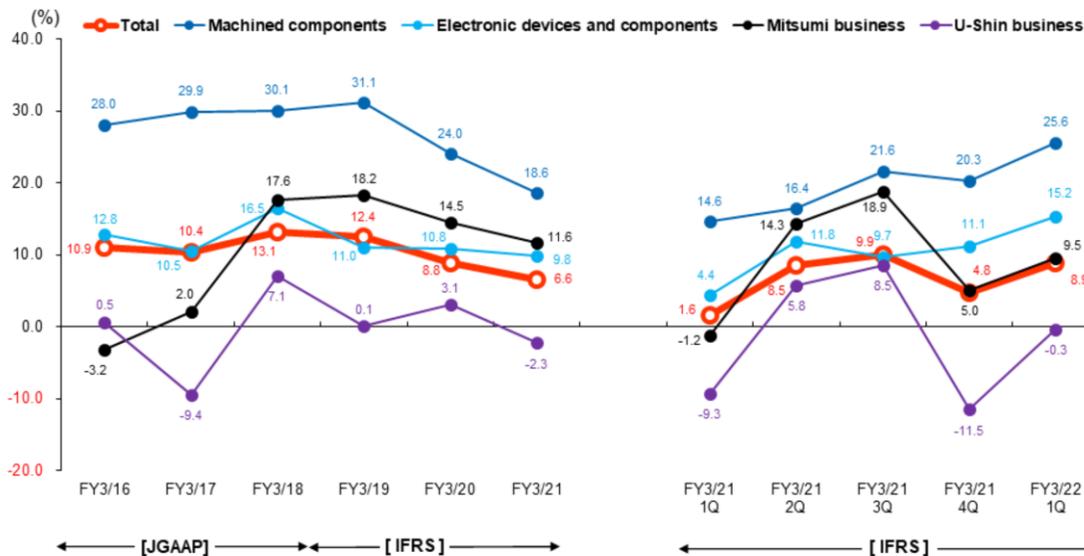
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ROIC (Return On Invested Capital)

ROIC for U-Shin business are pre-merger result and based on CY / JGAAP, and are not included in the Total. JGAAP until FY3/18

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

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



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