

Business Results

Second Quarter of Fiscal Year
Ending March 31, 2022

MinebeaMitsumi Inc.

November 5, 2021

1. Financial Results
2. Business Update & Management Strategy

Financial Results

Katsuhiko Yoshida
Director, Senior Managing Executive Officer

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Passion to Create Value through Difference

My name is Yoshida.

Today I would first like to explain the consolidated financial results for the second quarter of the fiscal year ending March 31, 2022.

Summary of Consolidated Business Results for 2Q

Net sales, operating income and quarterly profit all hit 2Q record highs

(Millions of yen)	FY3/21	FY3/22		Change	
	2Q	1Q	2Q	YoY	QoQ
Net sales	274,267	248,305	281,955	+2.8%	+13.6%
Operating income	17,513	19,628	25,005	+42.8%	+27.4%
Profit before taxes	16,931	19,603	24,716	+46.0%	+26.1%
Profit for the period attributable to owners of the parent	13,209	14,659	20,393	+54.4%	+39.1%
Earnings per share, basic (yen)	32.34	36.11	50.36	+55.7%	+39.5%

Foreign Exchange Rates	FY3/21 2Q	FY3/22 1Q	FY3/22 2Q
US\$	¥105.90	¥108.99	¥110.10
Euro	¥123.56	¥130.84	¥130.82
Thai Baht	¥3.41	¥3.50	¥3.40
Chinese RMB	¥15.16	¥16.80	¥17.05

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Consolidated net sales for the second quarter of the fiscal year ending March 31, 2022, was up 2.8% year on year and up 13.6% quarter on quarter to total 281,955 million yen. Operating income totaled 25,005 million yen, which was 42.8% up year on year and up 27.4% quarter on quarter.

Profit for the period attributable to owners of the parent increased 54.4% year on year and 39.1% quarter on quarter, for a total of 20,393 million yen.

Net sales, operating income and quarterly profit all hit 2Q record highs.

We estimate that foreign currency translations have a year-on-year impact of plus 10.4 billion yen in net sales and plus 2.8 billion yen in operating income. Quarter on quarter impact was plus 1.7 billion yen in net sales and plus 1.5 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.

Summary of Consolidated Business Results for 1H

Net sales, operating income and profit all hit 1H record highs

(Millions of yen)	FY3/21	FY3/22	Change YoY	FY3/22	
	1H	1H		August Forecast	VS. Forecast
Net sales	461,730	530,260	+14.8%	537,000	-1.3%
Operating income	20,922	44,633	X2.1	45,000	-0.8%
Profit before taxes	20,250	44,319	X2.2	44,500	-0.4%
Profit for the period <small>attributable to owners of the parent</small>	15,425	35,052	X2.3	34,500	+1.6%
Earnings per share, basic (yen)	37.77	86.45	X2.3	84.99	+1.7%

Foreign Exchange Rates	FY3/21 1H	FY3/22 1H
US\$	¥106.82	¥109.55
Euro	¥120.90	¥130.83
Thai Baht	¥3.38	¥3.45
Chinese RMB	¥15.14	¥16.93

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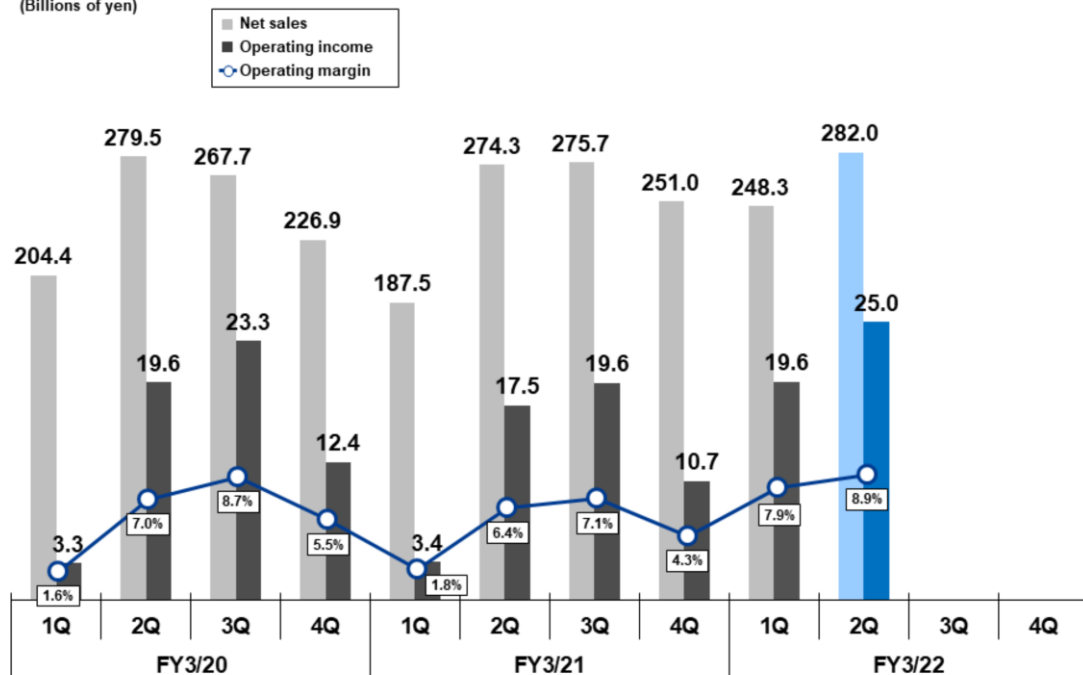
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This is the summary result for the first half.
They hit the first half record highs as well.

Net Sales, Operating Income/margin

(Billions of yen)



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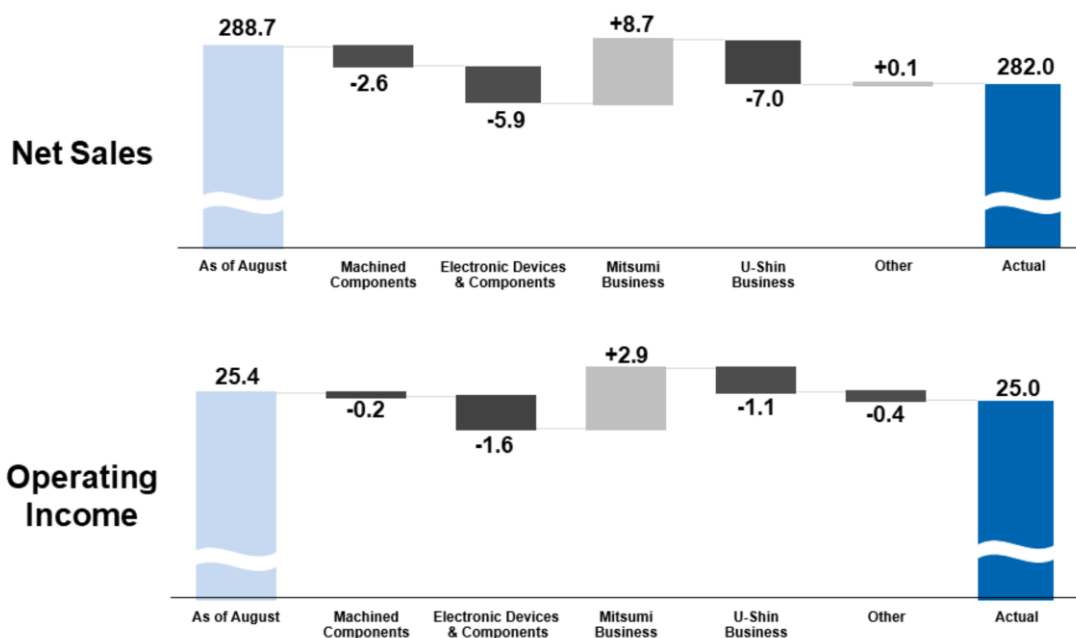
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This is for quarterly trend in net sales, operating income and operating margin.

The operating margin for the second quarter was 8.9%, up 2.5 percentage point year on year and up 1.0 percentage points quarter on quarter.

2Q Actual: Differences from the Forecast as of August

(Billions of yen)



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

Net sales for the machined components business segment were slightly lower than projected due to a slowdown in sales to the automobile industry caused mainly by a shortage of semiconductors.

The electronic devices and components business saw lower-than-expected net sales due primarily to lagging sales of automotive motors and backlights caused by a shortage of semiconductors.

The Mitsumi business enjoyed higher-than-projected sales for mechanical components, optical devices, analog semiconductors and so on.

The U-Shin business experienced lower-than-expected sales due to a slowdown in automobile production.

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

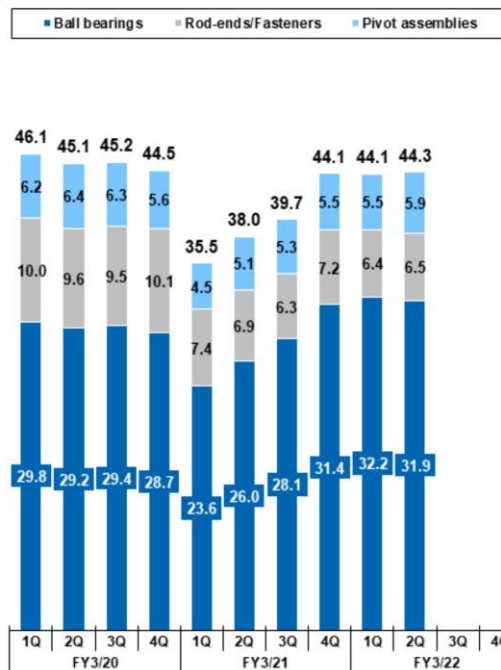
The electronic devices and components business experienced lower-than-expected operating income due to decline in sales.

The Mitsumi business saw operating income top the forecast thanks to higher-than-expected sales of optical devices and semiconductors as well as further improvement in the profitability of semiconductors.

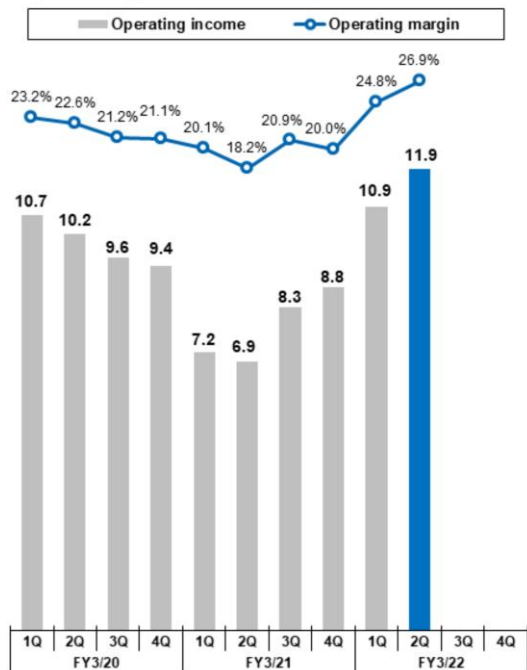
The U-Shin business experienced lower-than-expected operating income due to a decline in sales.

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.

Second quarter net sales were almost on a par with previous quarter to total 44.3 billion yen.

Ball bearing sales dipped 1.1% quarter on quarter to total 31.9 billion yen. The monthly external shipment volume was down 2.0% quarter on quarter for an average of 241 million units due primarily to a slowdown in sales to the automobile industry. Sales of aircraft bearings remained sluggish due to the stagnant market.

Sales of rod-ends and fasteners, totaling 6.5 billion yen, were up 1.6% from the previous quarter.

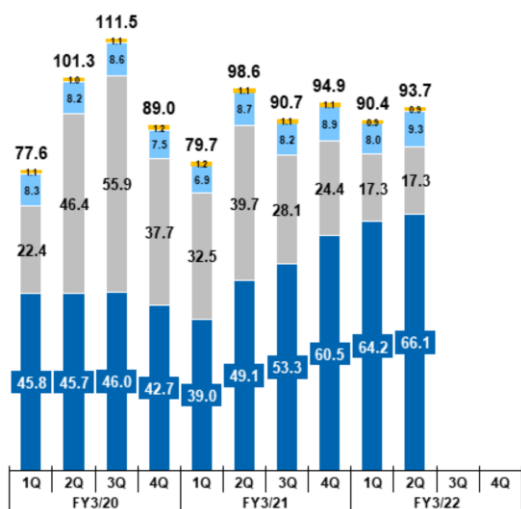
Sales of pivot assemblies increased 8.0% quarter on quarter to total 5.9 billion yen.

Operating income for the quarter totaled 11.9 billion yen, and the operating margin remained up, at 26.9%. Operating income rose 9.0% quarter on quarter while the operating margin improved 2.1 percentage points. Looking at the results by product, we see that operating income for ball bearings and pivot assemblies increased quarter on quarter while operating income for rod-ends and fasteners was about the same with last quarter. For ball bearings, profit increased while sales decreased quarter on quarter, thanks to high utilization rates on top of improved productivity.

Electronic Devices & Components

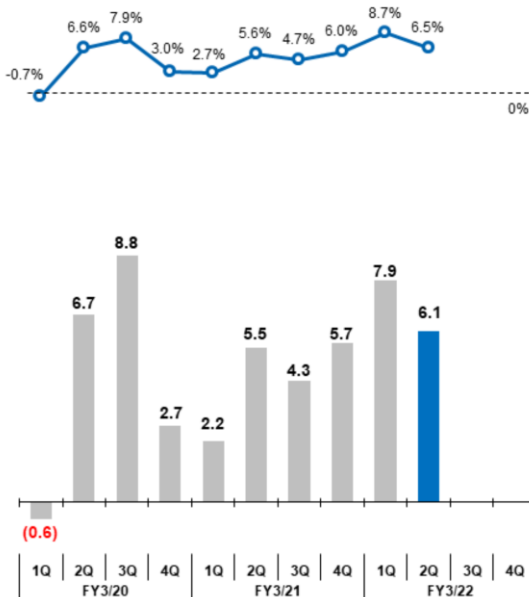
Net sales (Billions of yen)

■ 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 increased 3.6% quarter on quarter to hit 93.7 billion yen.

Looking at the results by product, we see that sales of motors increased 3.0% quarter on quarter to reach 66.1 billion yen. This is mainly due to robust sales for HDD despite impact of decrease in automobile production due to a shortage of semiconductors. Sales of electronic devices were on par quarter on quarter to total 17.3 billion yen. Sales of sensing device, totaling 9.3 billion yen, were up 16.8% from the previous quarter.

Operating income came to 6.1 billion yen, and the operating margin was 6.5%.

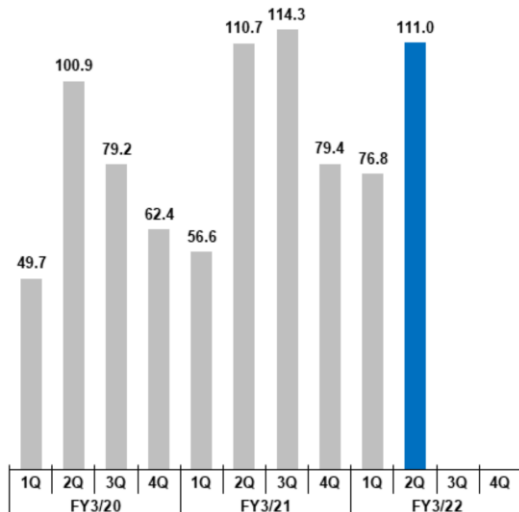
Operating income fell 23.2% quarter on quarter while the operating margin dropped 2.2 percentage points. Excluding the one-time recovery of costs from past fiscal years, which was recognized in the previous quarter, and the impact of the one-time cost due to the effects of the COVID-19 and semiconductor shortages, profits would substantially increase.

Looking at the results by product, although the operating income for sensing devices was up, the operating income for electronic devices was down while operating income for motors was about the same as what it was in the previous quarter.

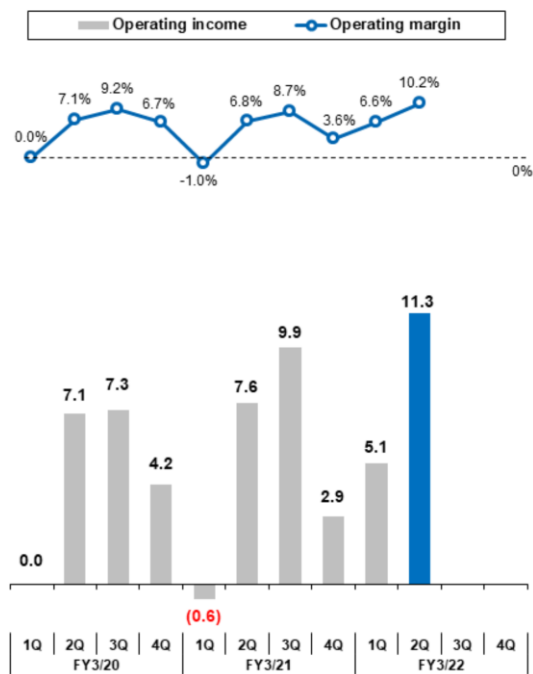
For your reference, figures shown for the fiscal year ended March 2021 and before are based on the classifications used before changes to the business segments were made. Please note that the same applies to the rest of the presentation.

Mitsumi Business

Net sales (Billions of yen)



Operating income (Billions of yen)



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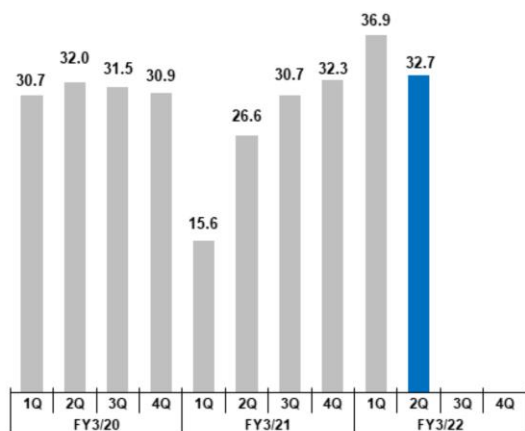
Let's look at the performance for the Mitsumi business segment.

Net sales increased 44.6% quarter on quarter to total 111.0 billion yen. As seasonal demand picked up so did sales of optical devices and mechanical components along with sales of analog semiconductors and other products which were also boosted by strong demand.

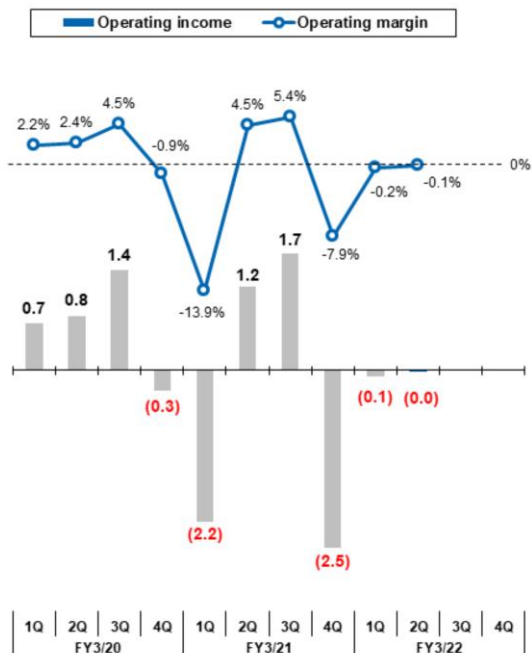
Operating income came to 11.3 billion yen, and the operating margin was 10.2%. On a quarter-on-quarter basis, operating income increased 2.2 times while the operating margin rose 3.6 percentage points. The primary factors behind these increases include a further increase in the profitability of analog semiconductors in addition to seasonal demand.

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.

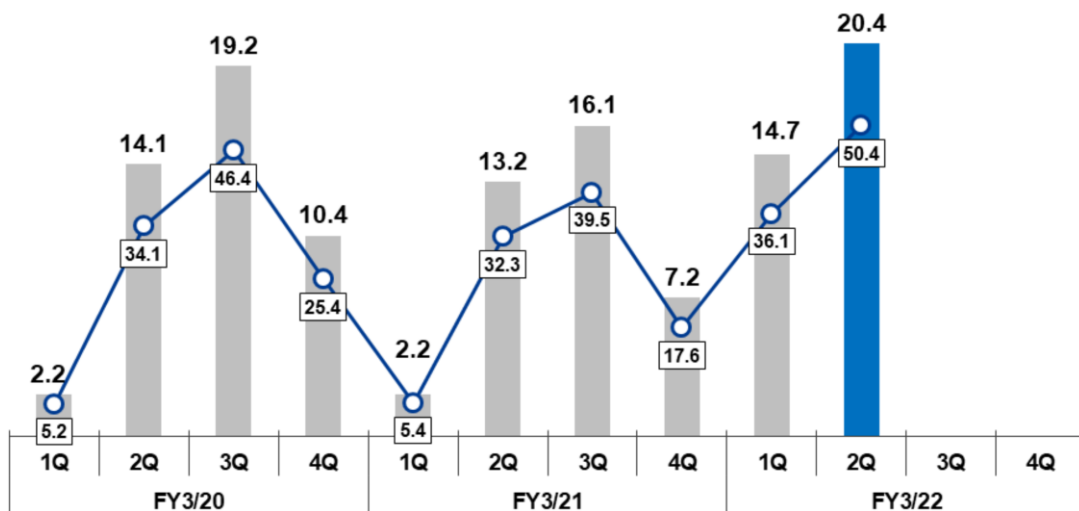
Net sales were down 11.3% quarter on quarter to hit 32.7 billion yen. This was due to production adjustments by some automakers due to the semiconductor shortage.

While our operating loss totaled 0.0 billion yen, and the operating margin was -0.1%.

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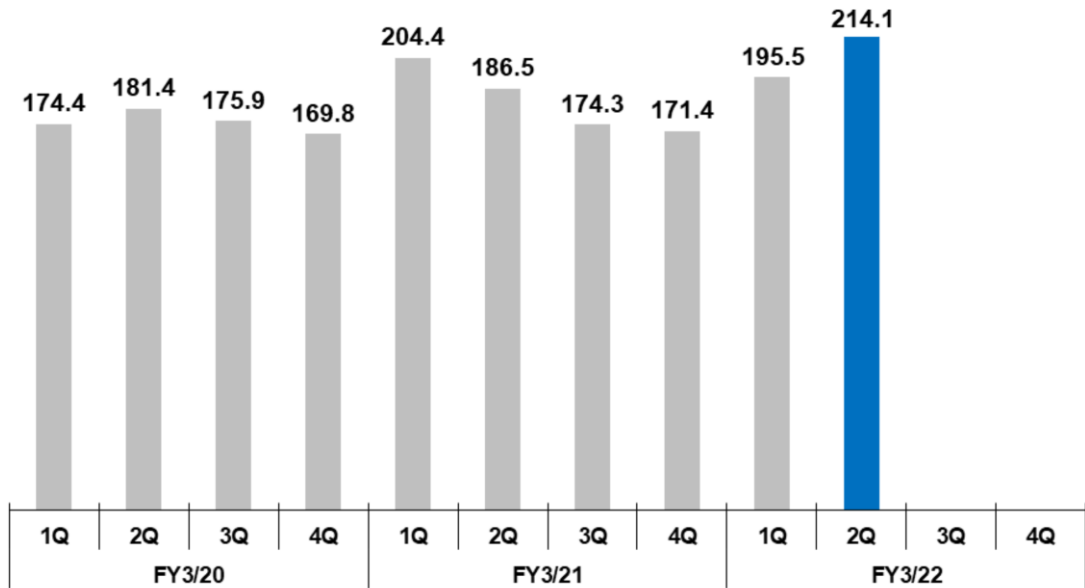
The bar graph here shows trends in profit attributable to owners of the parent while the line graph chart changes in the profit for the period per share.

The profit for the period was 20.4 billion yen.

Earnings per share was 50.4 yen.

Inventory

(Billions of yen)



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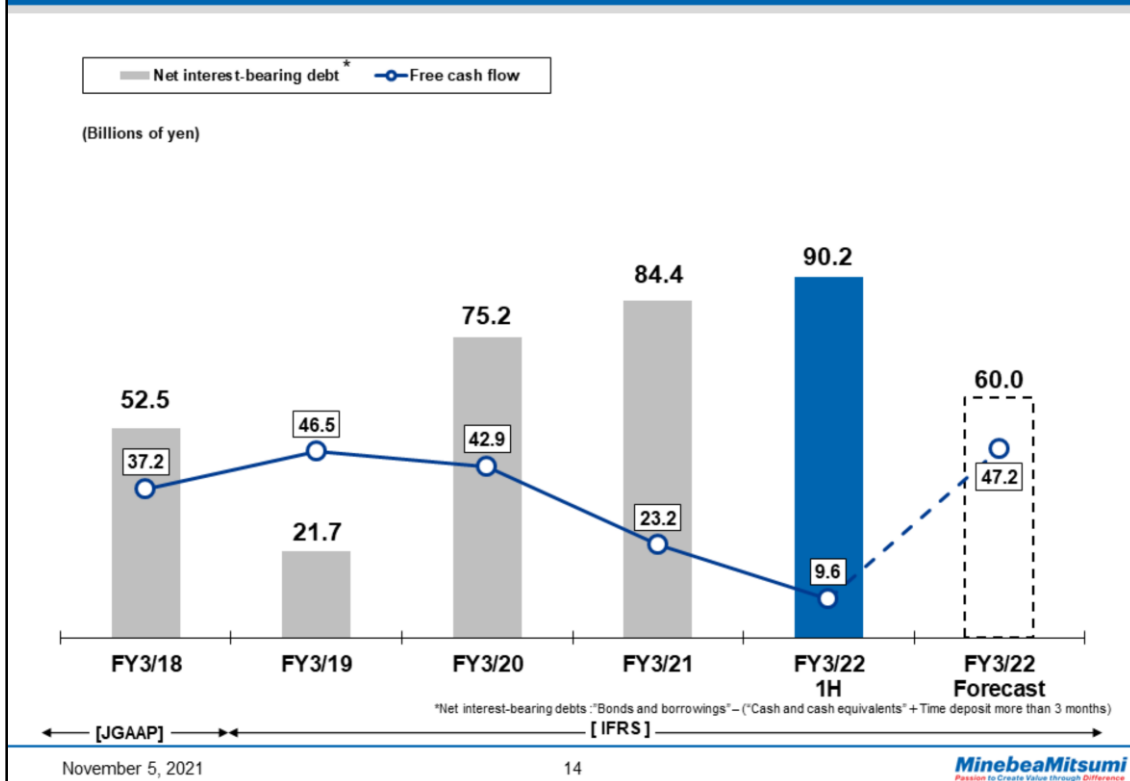
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Next we have the quarterly inventory trend.

At the end of the second quarter, inventory totaled 214.1 billion yen, which is 18.6 billion yen more than what it was three months ago. This was due to a strategic increase in the inventory of raw materials, etc. as well as a postponement in shipments of some products.

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 second quarter, net interest-bearing debt, totaling 90.2 billion yen, was up 5.8 billion yen from what it was at the end of the previous fiscal year.

Forecast for Fiscal Year Ending March 31, 2022

Full-year forecast revised upward

(Millions of yen)	FY3/21	FY3/22			
	Full Year	1st Half	2nd Half	Full Year	YoY
Net sales	988,424	530,260	519,740	1,050,000	+6.2%
Operating income	51,166	44,633	45,367	90,000	+75.9%
Profit before taxes	49,527	44,319	44,681	89,000	+79.7%
Profit for the period attributable to owners of the parent	38,759	35,052	36,948	72,000	+85.8%
Earnings per share, basic (yen)	94.95	86.45	91.24	177.69	+87.1%

Foreign Exchange Rates	FY3/21 Full Year	FY3/22 2H Assumptions
US\$	¥105.79	¥110.00
Euro	¥123.22	¥130.00
Thai Baht	¥3.40	¥3.35
Chinese RMB	¥15.52	¥17.50

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We made upward revisions to the full-year forecast for the fiscal year ending March 31, 2022, which was announced in August.

We expect 1,050 billion yen for net sales and have revised the forecast for operating income to 90 billion yen.

The estimated net sales figures for the machined components, electronic devices and components, and Mitsumi businesses were revised upward while the estimated net sales figure for the U-Shin business was revised downward since it will be significantly affected by the slowdown in automotive production due to the shortage of semiconductors. Overall, we have remained our overall sales forecast unchanged.

After revising the estimated operating income figures in light of the revised sales figure estimates, we made an upward revision to the operating income forecast.

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

Forecast for Business Segment

(Millions of yen)	FY3/21 Full Year (Adjusted)	FY3/22			YoY
		1st Half	2nd Half	Full Year	
Net sales	988,424	530,260	519,740	1,050,000	+6.2%
Machined components	157,411	88,357	88,643	177,000	+12.4%
Electronic devices and components	345,595	184,127	177,873	362,000	+4.7%
Mitsumi business	352,277	187,710	183,290	371,000	+5.3%
U-Shin business	132,112	69,579	69,421	139,000	+5.2%
Other	1,029	487	513	1,000	-2.8%
Operating income	51,166	44,633	45,367	90,000	+75.9%
Machined components	31,223	22,819	24,181	47,000	+50.5%
Electronic devices and components	17,685	13,941	11,059	25,000	+41.4%
Mitsumi business	20,458	16,414	16,586	33,000	+61.3%
U-Shin business	-2,594	-104	2,104	2,000	-
Other	-1,908	-910	-1,090	-2,000	+4.8%
Adjustment	-13,698	-7,527	-7,473	-15,000	+9.5%

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This slide shows the forecast by business segment.

This is all for my presentation.

Yoshihisa Kainuma

Representative Director, CEO & COO



Hello, I'm Yoshihisa Kainuma.

I will give a brief overview of our business update and explain our management strategy.

Full-year operating income forecast is estimated at 90 billion yen

Key points for 2H

- **Three spears (bearings / motors / analog semiconductors) + OIS** keep driving overall performance up.
- **Bearings** aim to realize monthly production of 345 million units ASAP improving productivity, to boost profitability.
- **Motors** grew as the pillar of profits. Continue to grow in 2H as a key profit driver.
- **Analog semiconductors** aim to boost profits even further.
- **OIS** for main customers remain strong. Prepare for expansion of customer base next fiscal year and onward.

(Millions of yen)	FY3/21	FY3/22			YoY
	Full Year	1st Half	2nd Half	Full Year	
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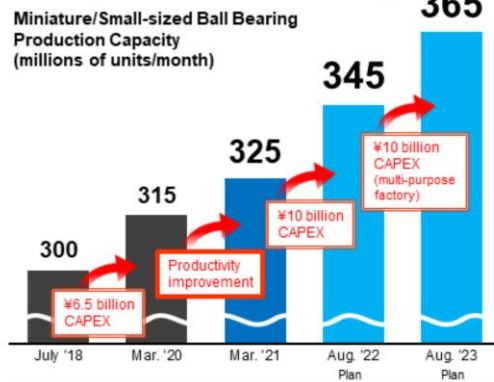
First half performance was very strong. There were many negative factors, including the semiconductor shortage, lock-downs in the supply chain, distribution delays, and sharp increases in material prices, but somehow we were able to bounce back. My assessment is that the measures we have been working on so earnestly up to now such as those for cost reduction and productivity improvement have been successful. In September, net sales hit a monthly record-high, finally surpassing 100.0 billion yen. This is an amount that would have been inconceivable at the time I assumed office, so I am very pleased. Our plants did not fully close during the COVID-19 pandemic, but operating rates did drop due to various circumstances, including restrictions on employees coming to work. We also had to make special provisions of supplies like masks and gloves. The lost operations and cost of measures related to COVID-19 amounted to a combined 5.0 billion yen or so in the first half. We also estimate lost profits of around 5.0 billion yen in part because of the increased inventories arising from the semiconductor shortage. Without these, I believe we could have certainly achieved operating income of 55.0 to 56.0 billion yen.

In the second half, we assume the exchange rate to be 110 yen to the U.S. dollar. We also expect to see gradual alleviation of the semiconductor shortage starting around January. Although it was reported that a major Japanese automobile manufacturer will enjoy record production this month, the automobile industry is a mixed bag, due in part to the fact that the effects of the semiconductor shortage are likely to persist a little longer. Considering these things, I believe the forecast for operating income of 90.0 billion yen this year is sufficiently conservative.

Give priority to boosting production capacity to maintain overwhelming competitive advantage

1 Ball bearings

- External sales will continue to grow year on year in 2H despite remaining semiconductor shortage impact to some extent.
- Establish a monthly production capacity of 365 million units in August '23 (plan) in the area with the highest investment efficiency.**
→ Establish optimal inventory levels, improve production efficiency and reduce costs (inefficiency from set changes and transportation expenses).
- Accelerate efforts to reduce power consumption and increase product life through innovative improvements in precision of bearings.



2 Aircraft components

- Expect recovery to pre-COVID-19 from 2H FY22 to 2H FY23.
→ Shift from push production to pull production in preparation for rebounding demand.
- Expect growth outpacing market recovery by winning major contracts in new areas that contribute to reduce CO₂ emissions.

New areas for aircraft applications (including R&D projects)

Key words: low fuel consumption, energy saving, electrification, lightweight materials



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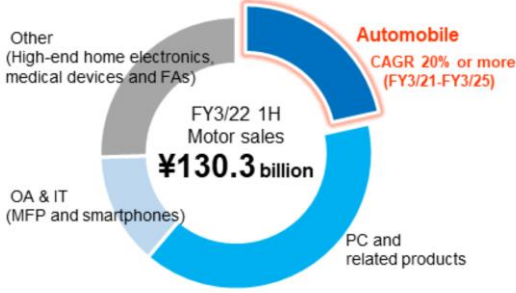










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In the latter half, bearings were impacted by the semiconductor shortage, but with historically low inventory levels, every month there are still 100 million yen in air charges. This time around we hope to achieve sound growth by optimizing inventory. For that reason, we will come up with detailed criteria such as holding more inventory for those items that have a longer distribution lead time.

In regard to our road map for production capacity, our greatest achievement was increasing production by 10 million units, going from 315 million to 325 million units through productivity improvement. Machines will gradually be coming in from the 10.0 billion yen investment already discussed. However, these deliveries have also been pushed back due to the semiconductor shortage. We hope to somehow get all lines up and running by around August of next year to reach 345 million units. Furthermore, we hope to enhance our overwhelming competitiveness and supply capacity of ball bearings by increasing our production capacity to 365 million units with an additional investment of 10.0 billion yen.

As for aircraft components, we expect to return to pre-COVID-19 levels on a monthly basis between the latter half of next year and the first half of the year after next. One of our new businesses is the landing gear with new functions you can see on the left side of the photo. Normally, a special vehicle such as a truck is used to push the aircraft back, but in this undertaking, we put a motor in the wheels and motorized them. Lightweight ceramic bearings offering high efficiency rotation from our subsidiary CEROBEAR were used. This is a very exciting example.

Motors bolstering the foundation for stable growth of the entire business

Motors	Examples of major motor products for EVs	
<ul style="list-style-type: none"> The results of cost cuts and product mix improvements have been realized. Profit of the motor business hit record high level in 1H despite the impact of the slowdown in the automobile production, soaring raw material prices, and semiconductor shortage. Launching a series of new mass-produced products for automobiles including EVs. <p>Motor Sales by Application</p>  <p>FY3/22 1H Motor sales ¥130.3 billion</p> <p>Automobile CAGR 20% or more (FY3/21-FY3/25)</p> <p>Other (High-end home electronics, medical devices and FAS)</p> <p>OA & IT (MFP and smartphones)</p> <p>PC and related products</p>	<p>EV unique function</p>  Resolvers for traction motors  Cooling fan for EV rechargeable battery	<p>Environment</p>  Active grill actuator  Actuator for valves
	<p>Safety</p>  DC motor for EPB  LIN Bus Type Headlamp actuator  Cooling fan for headlamp	<p>Comfortability</p>  Stepping motor for HVAC  Seat ventilation  ECU/GPU cooling fan for ADAS

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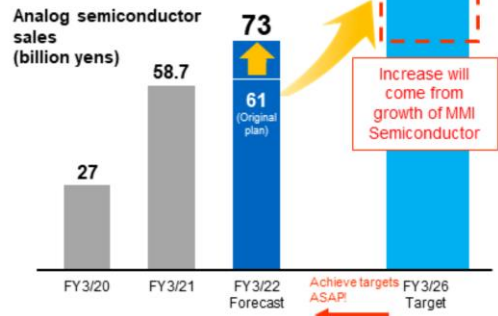
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As for motors, things are steady as usual, and we expect sales of 265.0 billion yen this year. If you look at our track record up to now, I think you can see the strength. The driver of growth going forward will be motors for vehicles. However, DC brush motors and others are used for various purposes, and fan motors will also continue to grow. Our capacity now surpasses 10 million units per month, and we will continue to increase it steadily.

Strengthen business portfolio and accelerate synergy via "INTEGRATION"

1 Analog semiconductors

- Sales are expected to reach 73 billion yen this fiscal year. **Achieve 100 billion yen ASAP.**
- Implement flexible pricing according to market conditions.
- Started PMI of MMI Semiconductor (former Omron Yasu facility) so it can contribute to our bottom line next fiscal year.
- Moved ahead on new sales promotion activity with an eye to the future.
→ **MEMS, IGBT, motor drivers**

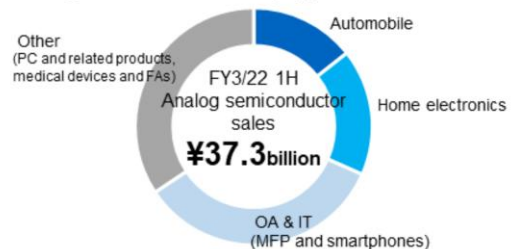


2 Optical devices* / Mechanical comp.

- Optical device sales will remain strong.
- Currently implementing a new production line at Cambodia factory for new customers (beginning this November).
→ Products for new customers have significant growth potential.
- Game console business is expected to remain steady next fiscal year.

* Optical devices include OIS and VCM.

Analog semiconductor Sales by Application



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Mitsumi has truly become an excellent company. Before the business integration, it depended solely on games, but when we came in, we thoroughly raised OIS productivity.

The proposal had been made to dispose of the analog semiconductor business prior to the business integration, but it is now one of the eight spears. As a result, we had a very successful first half of the year with 10.0 billion yen in operating income. What I am looking forward to now is the MEMS business acquired from Omron. The Shiga Plant will gradually begin contributing to results next year, and sales will continue to grow. Morale is very high on the front lines.

Analog semiconductors and OIS will be the big drivers in the Mitsumi business, and we expect that the game business will remain steady next year, too. If opportunities such as M&As present themselves in the future in relation to analog semiconductors, we will pursue them aggressively in the aim of making them the true core of the Mitsumi business.

Implement cost reduction measures while preparing to expand sales of next-generation products via “INTEGRATION”

1 Automotive

- While we will still assume some impact from the semiconductor shortage in 3Q, we expect to see a gradual recovery in 4Q and will just have to **wait patiently for the automobile production to recover**.
- “INTEGRATION” strategy is working, bringing in new orders for high value-added products.
 → **Flush handles, E-Latch, CSD**
- Combine Tier 1 know-how to improve business structure of automotive device business (antennas).
- **Increasing order intakes for products starting in 2024 onwards.**

2 Structural reform in Europe

- Withdraw from low-priced products and focus on “INTEGRATION” products.
- Reduction of fixed costs due to personnel cuts will contribute to bottom line next fiscal year.

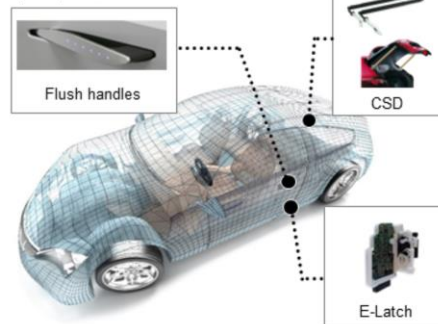
Next growth drivers

Flush handles: When a person with a remote control key approaches the car, the handles automatically comes out from the door surface. Contributes to improving design and aerodynamic performance.

E-Latch: An electrically unlocked latch (a device that locks and unlocks the door) that is smaller and lighter.

CSD: Mounted on both ends of the hatchback door of the vehicle to open and close it electrically.

*Compact Spindle Drive



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We are at our wits ends in regard to the U-Shin business as we did not expect automobile production to drop so far. With OEM companies experiencing 20-30% declines in sales, I think the U-Shin business is doing relatively well, considering that it relies almost 100% on automobiles. The important thing to note is that U-Shin will most certainly turn a profit when automotive industry bounces back. If all businesses are going well, there's no room to stretch, so businesses like U-Shin will be the future drivers of growth.

Our basic stance is that we will wait for the automotive industry to recover. The resolve of our employees in Europe has also changed. Above all, we are now able to take orders steadily. As explained during the last presentation, we have received large-scale orders from major customers. Our policy is to simply keep highlighting our technical capabilities and grow the business.

Structural reform is proceeding smoothly in Europe, but some customers have said they want us to somehow keep up production, so some may be continued, assuming we are able to properly bill for our costs. However, this will not cause us to record a loss. In any case, as we have always said, if something is performing poorly, something else will provide a boost. Our risk hedging has been very effective in this case as well.

Key businesses that will generate 100 billion yen in operating income next fiscal year

	Bearings	Increase monthly production capacity by 20 million units
	Aircraft components	Operating income will recover to 70% of pre-COVID-19 level
	Motors	Launch new mass-produced automotive products
	Analog semiconductors	Shiga plant* will go on line in 2H Expand MEMS sales ASAP <small>*MMI semiconductor</small>
	OIS	Sales will be up 30% year on year
	Game-related products	Sales are expected to remain steady

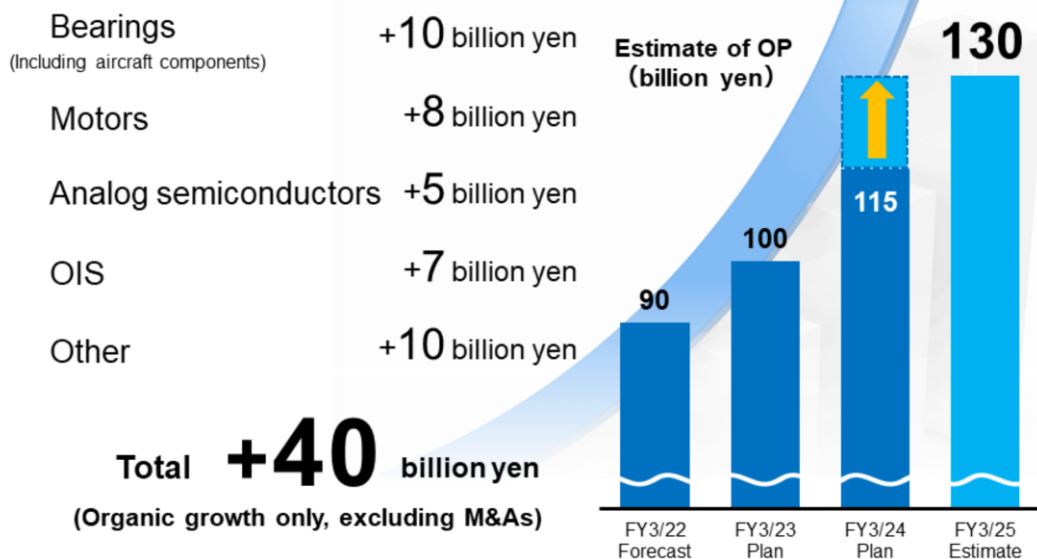
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The details concerning the overall picture of operating income next year will be explained next May, but we believe 100.0 billion yen is a sure thing. The growing products are clear, namely bearings, motors, analog semiconductors, and OIS, which are the three core products plus one. If we reach 90.0 billion yen this year, then getting to 100.0 billion yen will not be a problem. Inventories are depleted in the automotive market, so production will increase once semiconductors are available. Operating income in the U-Shin business is forecast at 2.0 billion yen this year, and we will build on that steadily next year. Bearing capacity has increased, and motors will grow, primarily those for automobiles. Operations will start at the Shiga Plant for analog semiconductors. And we expect OIS sales next year to be around 1.3 times what they are this year.

Compared with FY3/22 forecast

Potential for profit increases (by FY3/24-FY3/25)



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As for what things will look like beyond operating income of 100.0 billion yen, we are calling it “Beyond 100.0 billion,” playing on the term “Beyond Zero,” which will be explained later. Bearing production will increase 40 million units per month. Aircraft components will bounce back to pre-COVID-19 levels. Our track record shows that motors will expand steadily. Analog semiconductors will gradually fill up space at the Shiga Plant, and with the 10.0 billion yen investment, we will add 25.0 billion yen in sales to start. Deliveries to existing customers will continue to increase in the OIS business, and we will start delivering to other customers as well. Other businesses will add 10.0 billion yen, but first, the U-Shin business will become a profit base. Resonant devices, sensing devices, connectors, and power supplies, which are still behind among the eight spears, will also grow.

If we achieve 90.0 billion yen this year, then personally, I would like to tack on another 50.0 billion yen by the fiscal year ending March 2025, but conservatively, we believe we are estimating it at an additional 40.0 billion yen. At the financial results briefing in May of this year, the plan was 115.0 billion yen for the fiscal year ending March 2024, but based on the current situation with analog semiconductors and the exchange rate, I think it’s certain that we will surpass that.

Contribute to the reduction of
 global CO₂ emission volume by two pillars



(1) Challenge to carbon neutrality	(2) Expand “MMI Beyond Zero”
<p>Enhance reduction of our CO₂ emissions</p> <p>to become carbon neutrality by introduction of renewable energy and energy saving activities</p> <p>Reduce our total emission volume by FY3/31 (vs FY3/21)</p> <p style="text-align: right;">-30%</p>	<p>Support reduction of customers' CO₂ emissions</p> <p>by improving energy-saving efficiency of our product and contribute to carbon neutrality (comparing the power consumption with the same product equipped with previous generation parts)</p> <p>Increase the Volume of avoided CO₂ emissions by FY3/31 (vs FY3/21)</p> <p style="text-align: right;">+30%</p>

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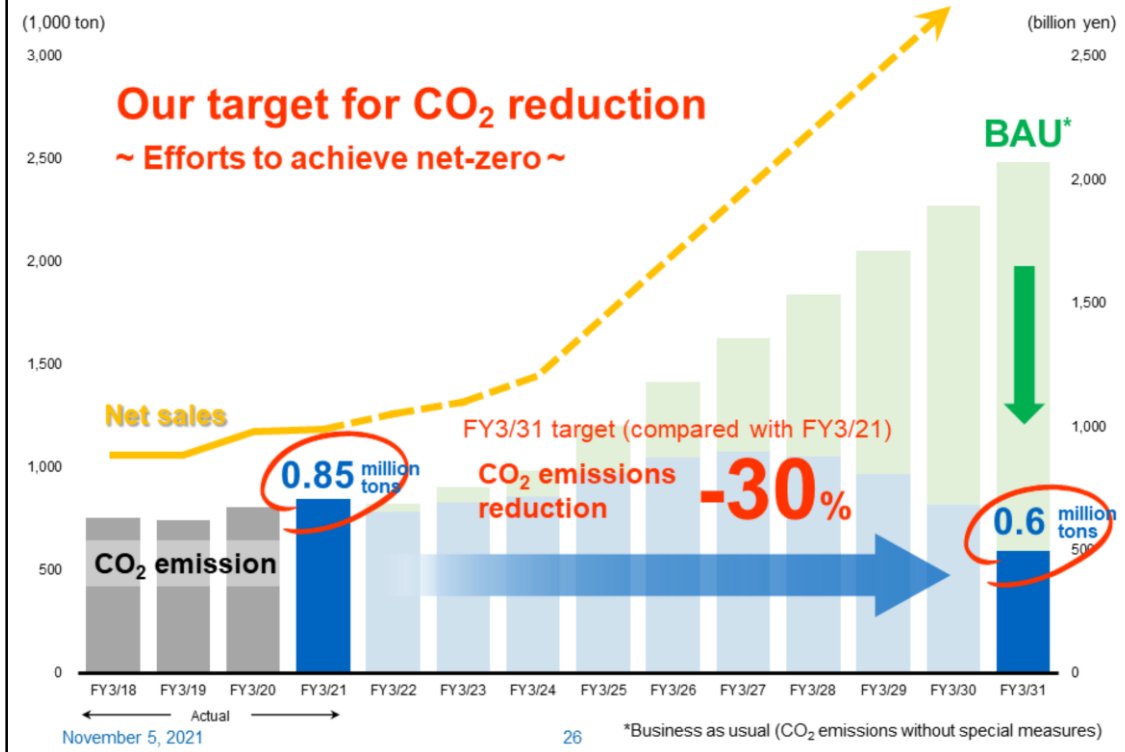
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In regard to QCDESS, at the financial results briefing in May of this year, we announced that we will be seriously working toward solving social issues as a parts manufacturer, and we have repeatedly said this to our employees.

As shown in the two examples provided, we have to start working on carbon neutrality first. We recently set a target of reducing total CO₂ emissions by 30% by fiscal 2030. We also believe that MMI Beyond Zero is very important. This involves us contributing to the global decarbonization initiative through our products. Specifically, by increasing the precision of our products, we will contribute to reduction of CO₂ emissions by our customers and their customers by reducing the power consumption of products that use our products. By fiscal 2030, we aim to increase the amount of this contribution by 30%.

Our team, led by the new Chief Green Officer (CGO), is looking into various things. I believe that what we must take most seriously as a public institution is not simply increasing our profits but rather solving social issues as a parts manufacturer. And I am confident that this can be achieved by making our signature ultra-precision parts even more precise.

(1) Toward carbon neutrality



As we go after our target net sales of 2.5 trillion yen by fiscal 2030, if we do nothing, our CO₂ emissions will increase. Our target of reducing CO₂ emissions by 30% may not sound like much, but it means reducing our current emissions of 850,000 tons to 600,000 tons even while achieving net sales of 2.5 trillion yen. The key here is what carbon-free power sources to use. There are various options available with more to come in the future, from solar panels to hydrogen power generation, and some have already been introduced. However, solar panels alone will not solve the problem. We will have to use some kind of large-scale carbon-free power source. We will consider things from various angles as we move forward. We are also working on lowering the power consumption of our machinery and equipment by upgrading the older equipment we are using. This also requires income. I believe it is important to turn a profit and properly return it to society.

(2) Toward Realizing “MMI Beyond Zero”

Realize “Beyond Zero” through inte-
Reducing our own CO₂ emissions and

gration of ultra-precision technologies
supporting global CO₂ reduction

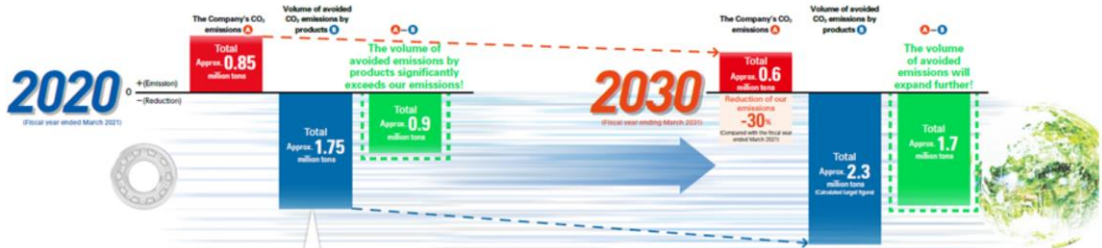
New strategy toward 2051, the 100th anniversary

Q C D E S S STM
Quality Cost Delivery Efficiency Service Speed

We have launched “OCDESS,” which stands for QCDS (Quality, Cost, Delivery, Service), Eco-Efficiency & Speed, as our new management strategy. This is to accelerate our response to reducing the environmental burden through our business activities—as initiatives to address climate change have become an urgent challenge globally. It will also lay a solid foundation for MinebeaMitsumi’s 100th year in 2051.

Reduction of our CO₂ emissions + Contribution toward the reduction of global CO₂ emissions → Contribution to the world at large To Beyond Zero

The Company contributes to the reduction of global CO₂ emission volume by working to reduce its own CO₂ emissions as well as by reducing the CO₂ emission volume of customers around the world who use our components. The Company has defined these initiatives as “Beyond Zero,” and will contribute to realizing a sustainable global environment toward the years 2030 and 2050, by further increasing the volume of avoided emissions.



MinebeaMitsumi Green Products

Since MinebeaMitsumi's ultra-precision products contribute to space and energy saving by reducing friction and resistance, our products and businesses, by nature, contribute to global environmental improvement. Since 2018, we have been certifying products that are particularly environmentally friendly as “MinebeaMitsumi Green Products.”

We will further expand the volume of avoided CO₂ emissions of customers by improving the ultra-precision technology of our products, such as bearings, to the limit, and demonstrating synergy by combining our core businesses and core technologies.



The “volume of avoided CO₂ emissions” is calculated in accordance with “Japan Electronics and Information Technology Industries Association (JEITA) guidelines,” but is not applicable for calculation in Scope 1, 2 and 3 of the “GHG Protocol” (because the Company is a BtoB component manufacturer). However, the Company has calculated and visualized this as its original KPI based on the belief that it will contribute to the reduction of CO₂ emissions in customers’ products through their use of the Company’s high quality products.

Disclosure of figures related to Scope 1, 2 and 3 based on the GHG Protocol, and details of the volume of avoided CO₂ emissions by products

Calculation formula:
$$C_a = \sum (S_i \times W_i \times L_i) \times H_{sp} \times C_{ef} \times S$$

C_a: Volume of avoided emissions directly derived by CO₂ (t-CO₂e); S_i: Reduction of electric power consumption in a rated condition (kW); W_i: Load factor during actual state of operation compared with rated usage condition; H_{sp}: Hours of operation (h); C_{ef}: Coefficient for CO₂ emissions from power consumption (0.300) by CEMAN “average emission coefficient in Japan”; S: Sales volume

We will increase the volume of avoided CO₂ emissions by products by enhancing the energy saving efficiency of our products and by being used by many customers!

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Integrated Report
2021

This is a picture of the combined contribution of carbon neutral and Beyond Zero efforts. Shown in red are our CO₂ emissions, which in fiscal 2020 were around 850,000 tons. Shown in blue is the contribution to reducing CO₂ emissions through our products (Beyond Zero). This is how much the current products are contributing to energy savings compared to older products. In fiscal 2020, the contribution was a 1.75 million ton reduction. The total amount of roughly 900,000 tons is the net contribution to reduction. In this way, we will contribute to global carbon neutrality by expanding the amount of our contribution to reducing CO₂ emissions through our products (Beyond Zero) in excess of our own emissions. What I want to emphasize in particular is that our products will further penetrate all energy-saving products. Internally, we are saying that we want to become a parts manufacturer whose products are essential for achieving decarbonization. It is said that half of the power consumed globally is for motors, so leveraging our ultra-precision machining technology from ball bearings to analog semiconductors will be beneficial to society.

(2) Effort for “MMI Beyond Zero”

Improving the precision of our ball bearing, we confirmed the improvement of energy-saving efficiency in customer’s product!

Simply by using our precision-improved ball bearings in the air conditioner motor,



the volume of avoided CO₂ emissions

0.13 million tons*

If you compare 130,000 tons of CO₂ to something familiar...

Annual amount of CO₂ stored in



Approx. **15 millions**** of Japanese cedars

Annual amount of CO₂ emissions by



Approx. **15 thousands***** of Japanese people

Definition of the volume of avoided CO₂ emissions

$$C_d = \Delta W \times L \times H_{sp} \times C_{cof} \times S$$

C_d: Volume of emissions directly avoided by CO₂. ΔW: Reduction of electric power consumption in a rated condition (kW). L: Load factor during actual state of operation compared with rated usage conditions. H_{sp}: Hours of operation (h). C_{cof}: Coefficient for CO₂ emissions from power consumption (0.5001 kg-CO₂/kWh). *average emission coefficient in Japan. S: Sales volume

The “volume of avoided CO₂ emissions” is calculated in accordance with “Japan Electronics and Information Technology Industries Association (JEITA) guidelines,” but is not applicable for calculation in Scope 1, 2 and 3 of the “GHG Protocol” (because the Company is a BtoB component manufacturer).

However, the Company has calculated and visualized this as its original KPI based on the belief that it will contribute to the reduction of CO₂ emissions in customers’ products through their use of the Company’s high quality products.

Our estimate as results of simple test

* S: 51 million units of motors
Bearings per motor: 2 units
L: 1
Hop: 19,656 hours
C_{cof}: 0.5001 kg-CO₂/kWh

** Amount of CO₂ stored in a cedar: 8.8kg per year (ref: Ministry of Agriculture, Forestry and Fisheries of Japan)

*** Energy-derived CO₂ emissions per one Japanese person: 8.5t per year (ref: the Japan Center for Climate Change Actions)

Volume of avoided CO₂ emissions (mil. tons)



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Our bearings that we refer to internally as super bearings offer triple the precision. If these were to be adopted in air conditioners, that alone would amount to a 130,000 ton reduction of CO₂. 130,000 tons of CO₂ is how much 15 million cedar trees absorb and is equivalent to the emissions of 15,000 Japanese people. We hope to accelerate efforts such as this.

Dividends for FY3/22

Interim dividend	Year-end dividend(Forecast)	Annual dividend(Forecast)
18 yen/share	18 yen/share	36 yen/share

While calculating the dividend payout for the fiscal year ending March 2022 with an eye to a consolidated payout ratio of around 20%, we will continuously work to distribute stable dividends in light of the overall business environment.

(Reference) Dividends for FY3/21

Annual dividend 36 yen/share
(14 yen for interim, 14 yen for year-end, 8 yen for commemorative dividend)

Last year, we provided a commemorative dividend for our 70th anniversary of 8 yen. This year, we will pay 36 yen per share for a payout ratio of 20%.



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.

All the information in this document is the property of MinebeaMitsumi Inc. All parties are prohibited, for whatever purpose, to copy, modify, reproduce, transmit, etc. this information regardless of ways and means without prior written permission of MinebeaMitsumi Inc.

Reference

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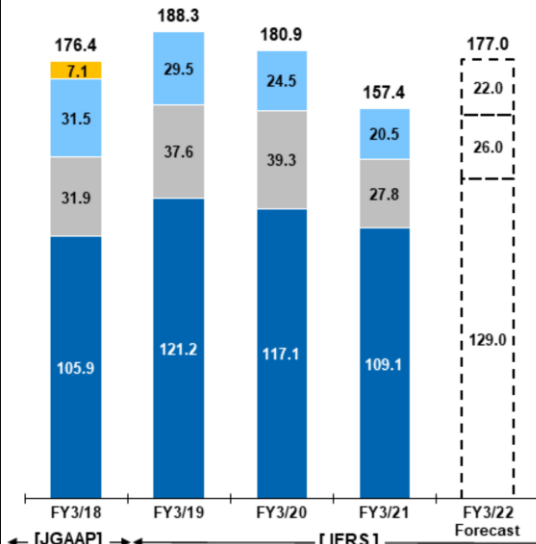
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Machined Components

*JGAAP for FY3/18

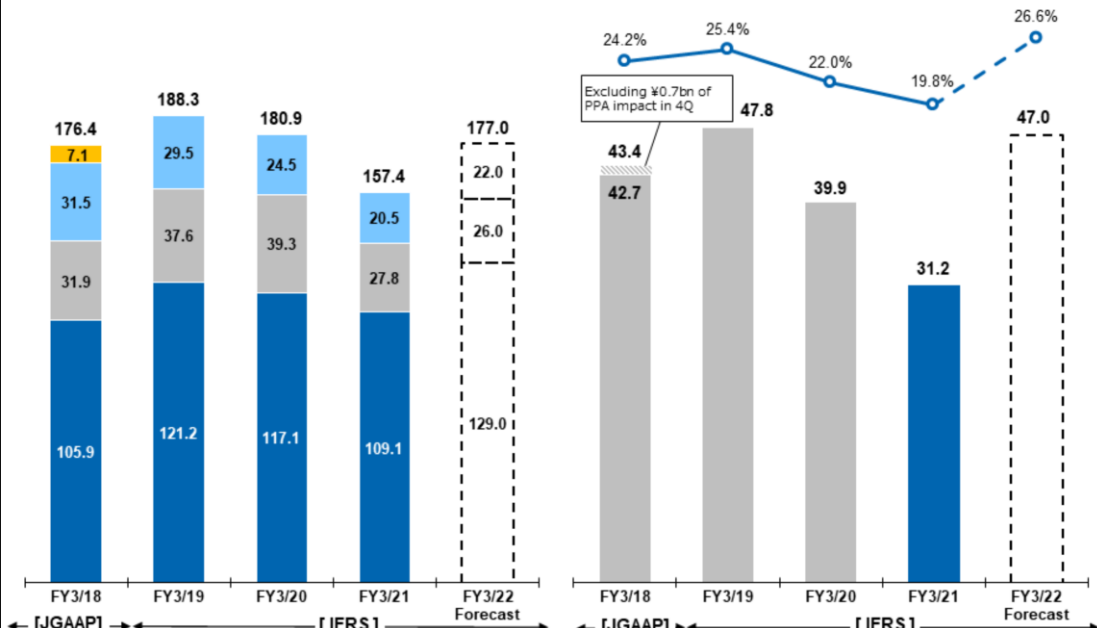
Net sales (Billions of yen)

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



Operating income (Billions of yen)

■ Operating income ■ Operating margin



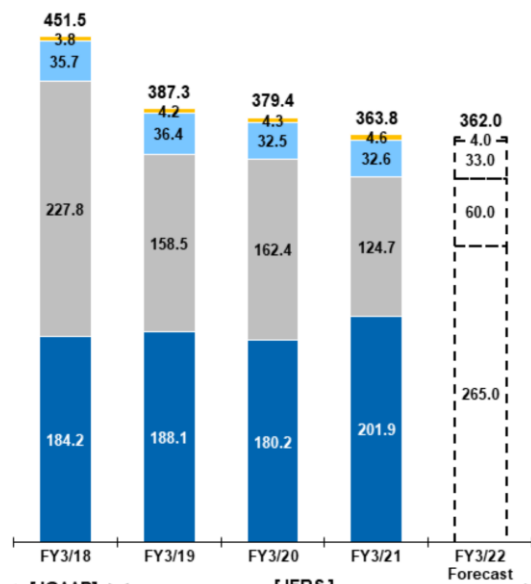
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MinebeaMitsumi
Passion to Create Value through Difference

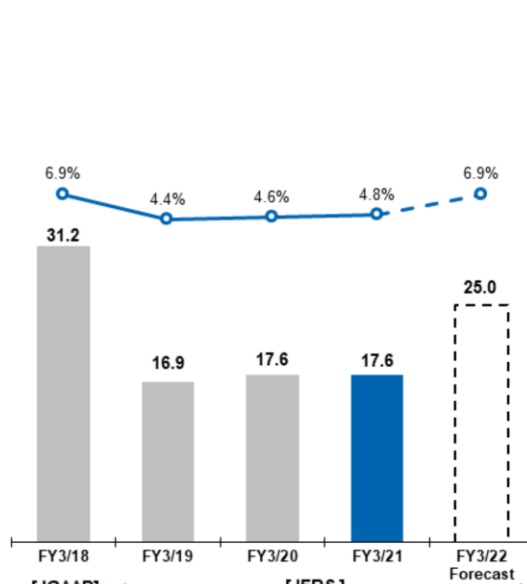
Net sales (Billions of yen)

■ Motors ■ Electronic devices ■ Sensing devices ■ Other



Operating income (Billions of yen)

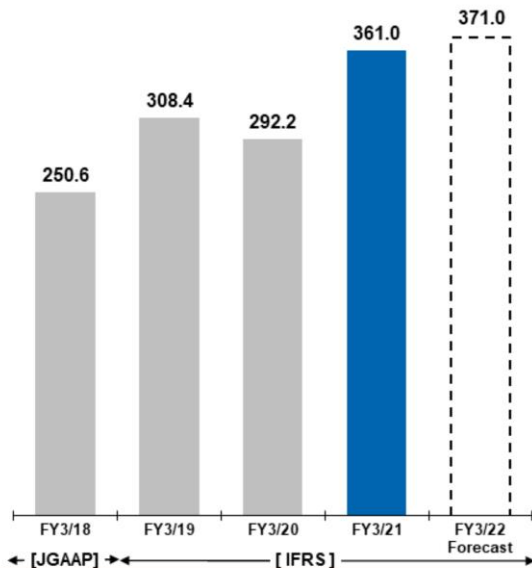
■ Operating income ● Operating margin



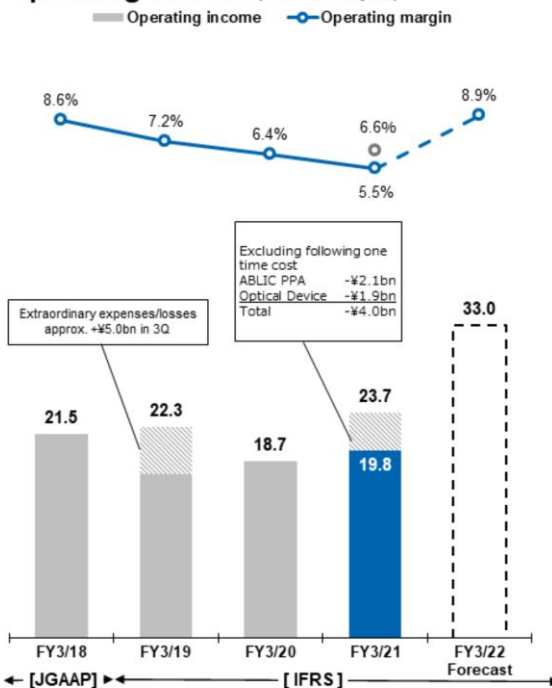
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Net sales (Billions of yen)



Operating income (Billions of yen)



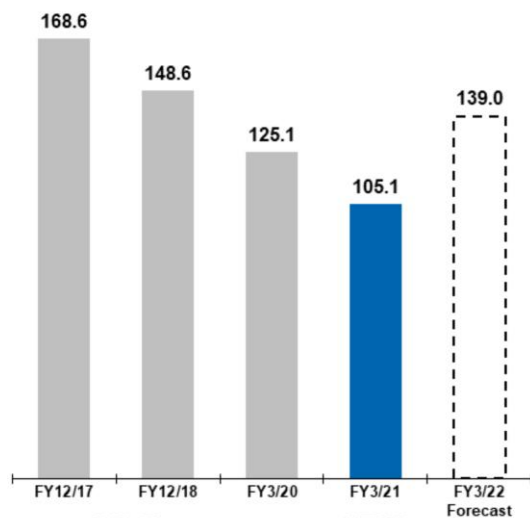
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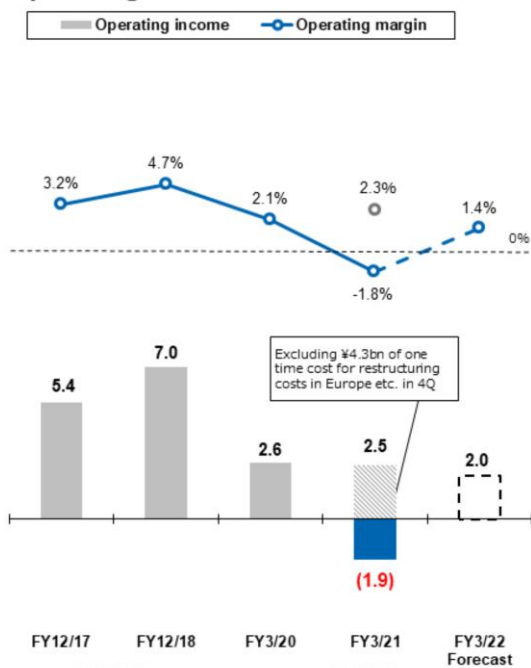
U-Shin Business

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)



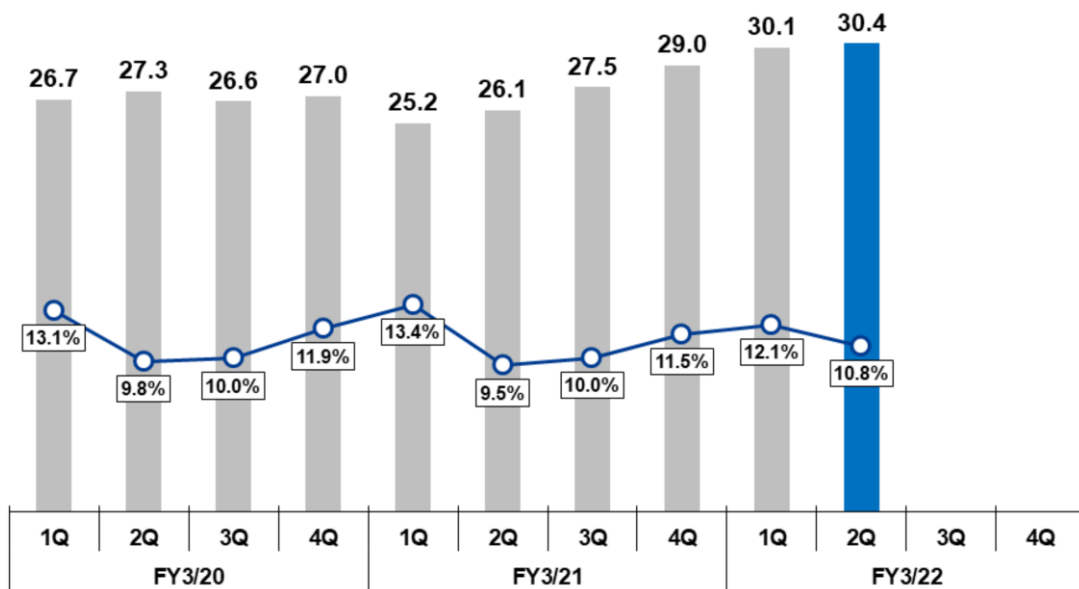
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S.G.&A. expense / ratio

(Billions of yen)



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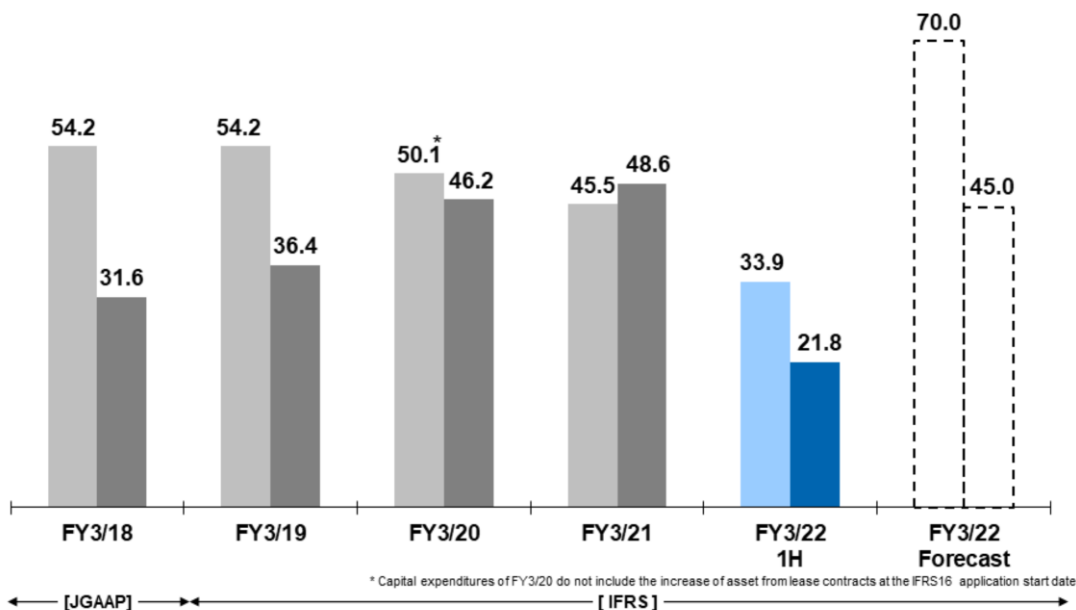
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Capital Expenditure / D&A Expense

*JGAAP for FY3/18

(Billions of yen)

■ Capital expenditure ■ Depreciation & Amortization expenses



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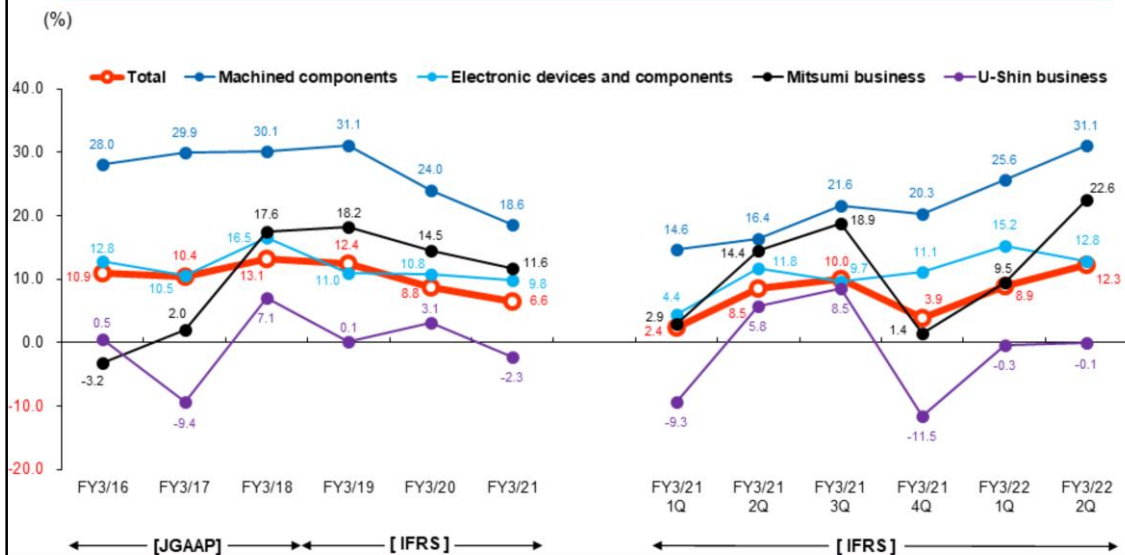
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ROIC (Return On Invested Capital)

ROIC for U-Shin business are pre-merger result and based on JGAAP, and are not included in the Total until FY3/19. 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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