

# Business Results

Third Quarter of Fiscal Year  
Ending March 31, 2022

**MinebeaMitsumi Inc.**

**February 4, 2022**

# Summary of Consolidated Business Results for 3Q

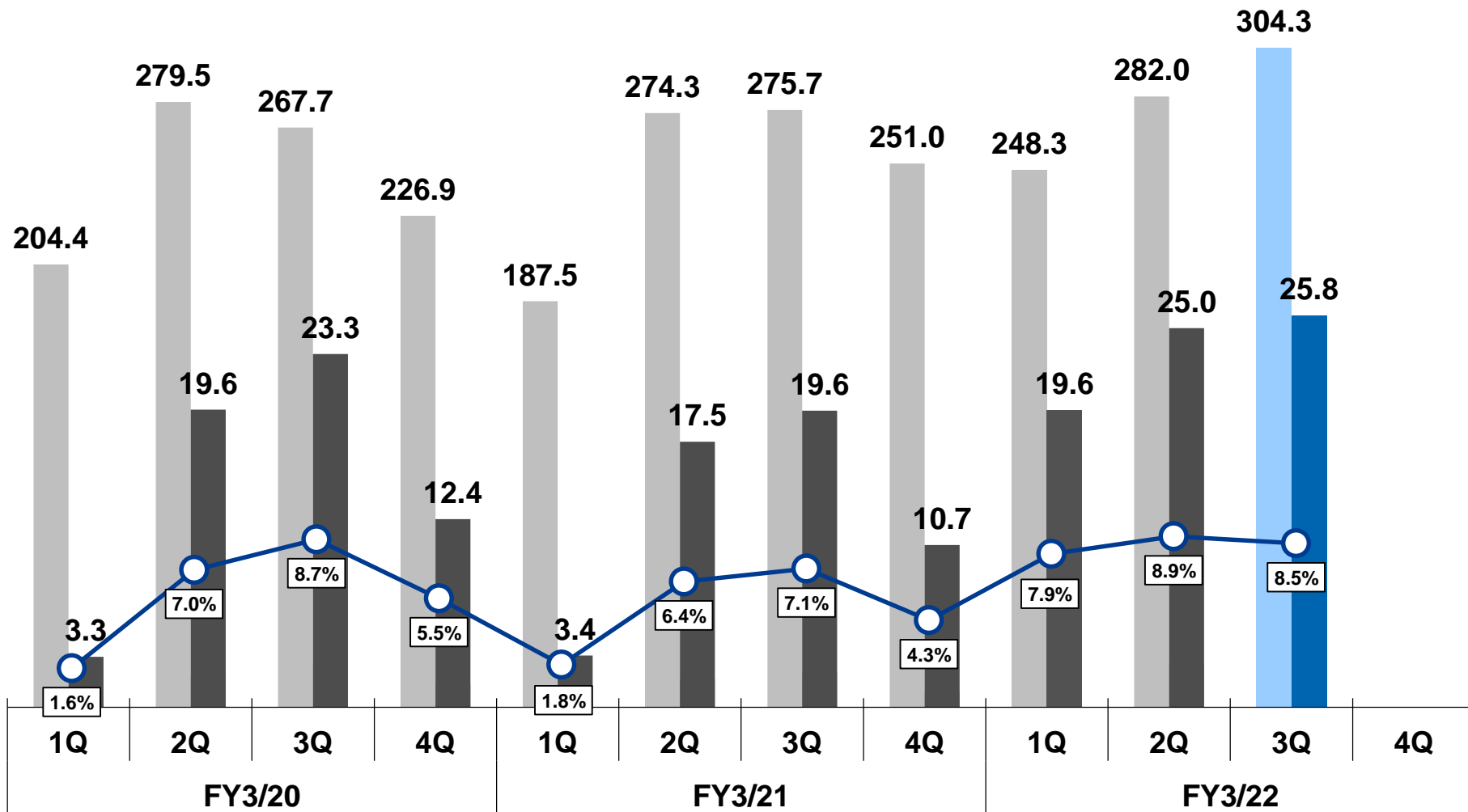
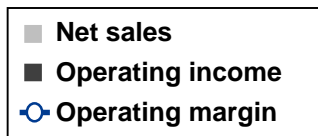
**Net sales hit a quarterly record high**  
**Net sales, operating income and profit for the period**  
**all hit record highs for 9 months**

(Millions of yen)	FY3/21	FY3/22		Change	
	3Q	2Q	3Q	YoY	QoQ
Net sales	275,709	281,955	304,348	+10.4%	+7.9%
Operating income	19,552	25,005	25,832	+32.1%	+3.3%
Profit before taxes	19,349	24,716	25,122	+29.8%	+1.6%
Profit for the period attributable to owners of the parent	16,142	20,393	18,395	+14.0%	-9.8%
Earnings per share, basic (yen)	39.53	50.36	45.42	+14.9%	-9.8%

Foreign Exchange Rates	FY3/21 3Q	FY3/22 2Q	FY3/22 3Q
US\$	¥104.76	¥110.10	¥112.47
Euro	¥123.56	¥130.82	¥130.44
Thai Baht	¥3.38	¥3.40	¥3.39
Chinese RMB	¥15.62	¥17.05	¥17.52

# Net Sales, Operating Income/ Margin

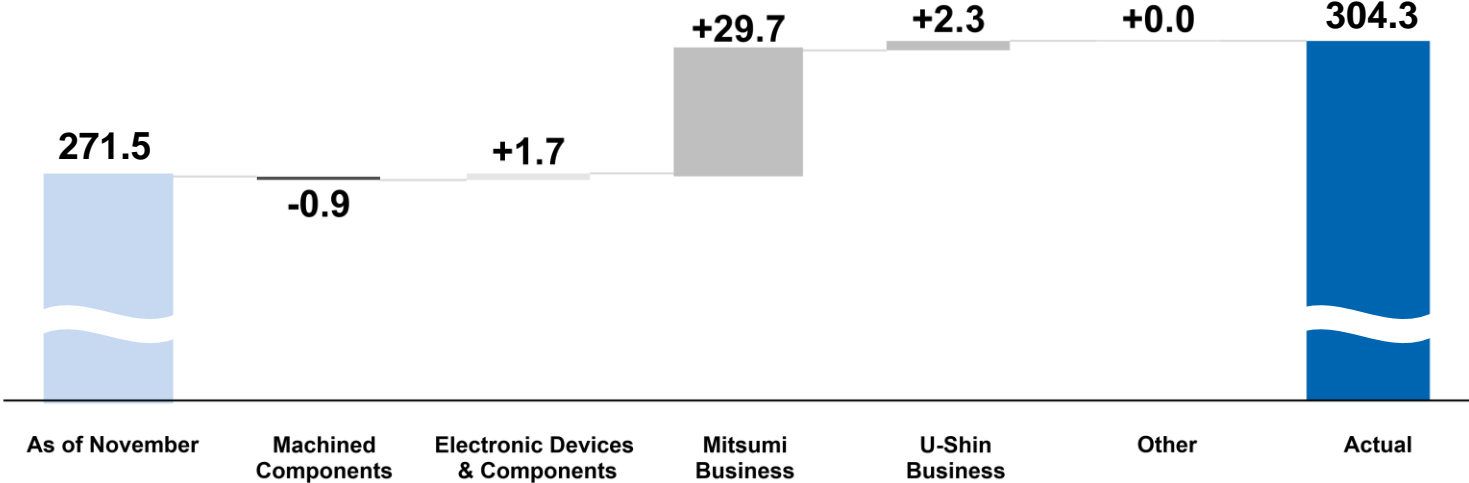
(Billions of yen)



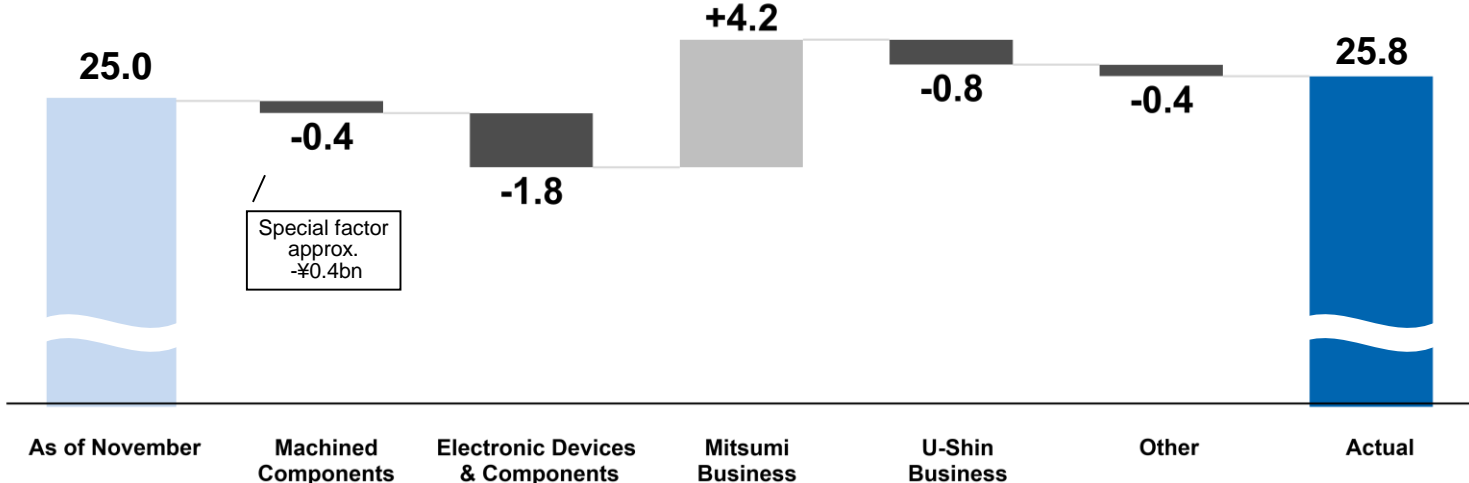
# 3Q Actual: Differences from the Forecast as of November

(Billions of yen)

## Net Sales

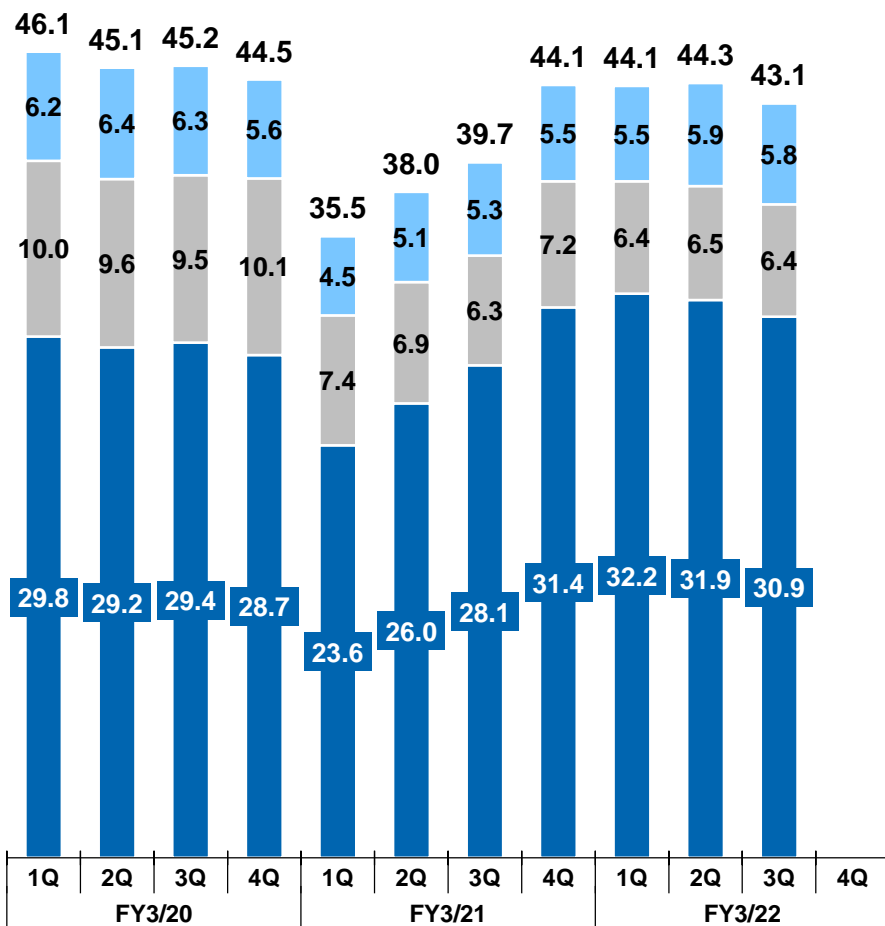


## Operating Income

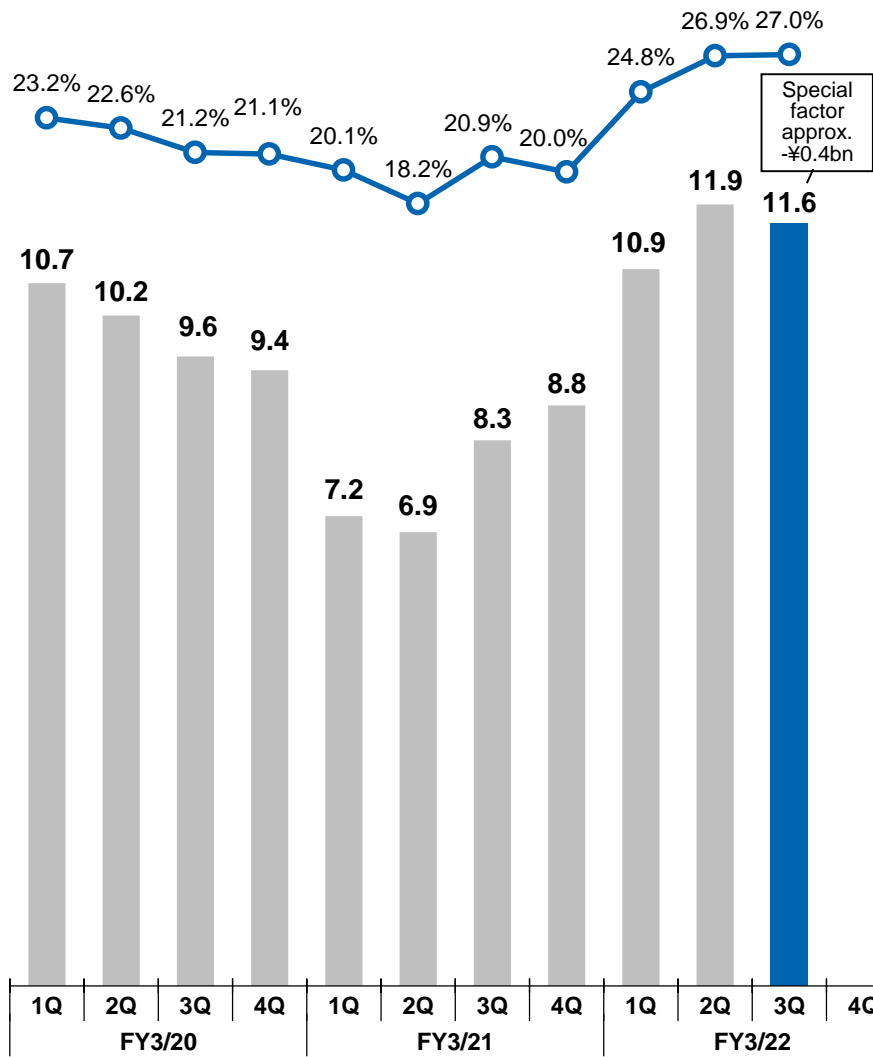
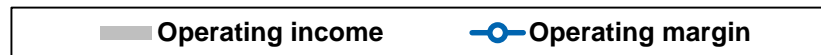


# Machined Components

## Net sales (Billions of yen)

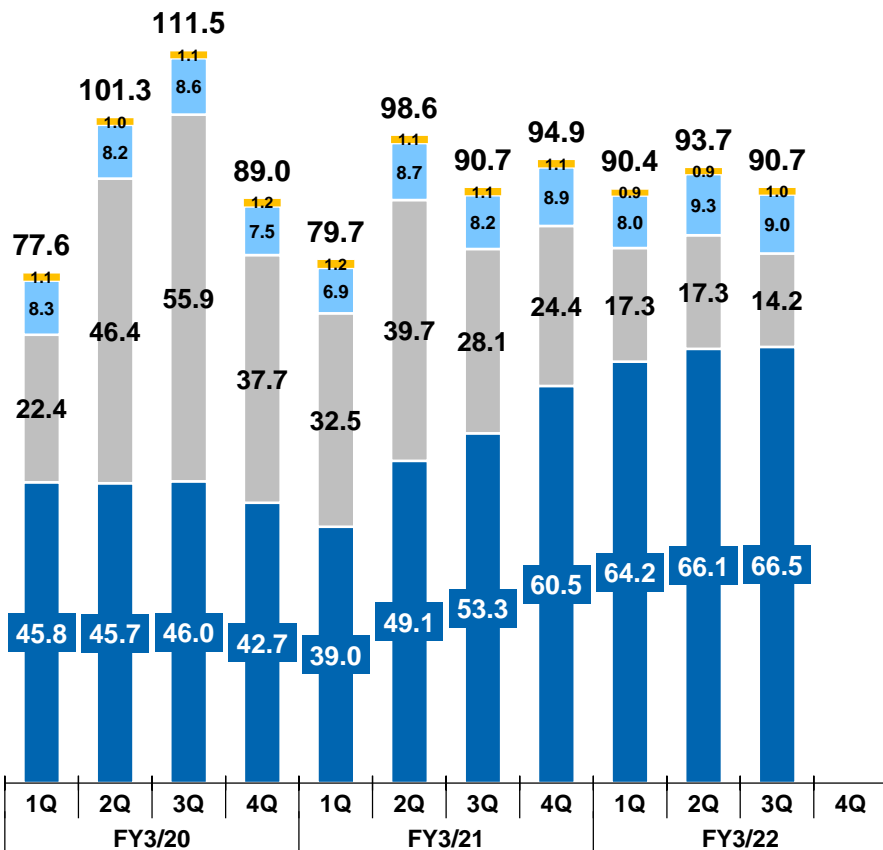
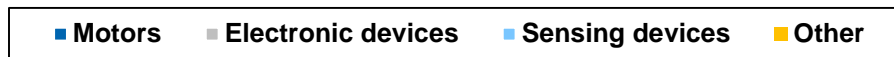


## Operating income (Billions of yen)

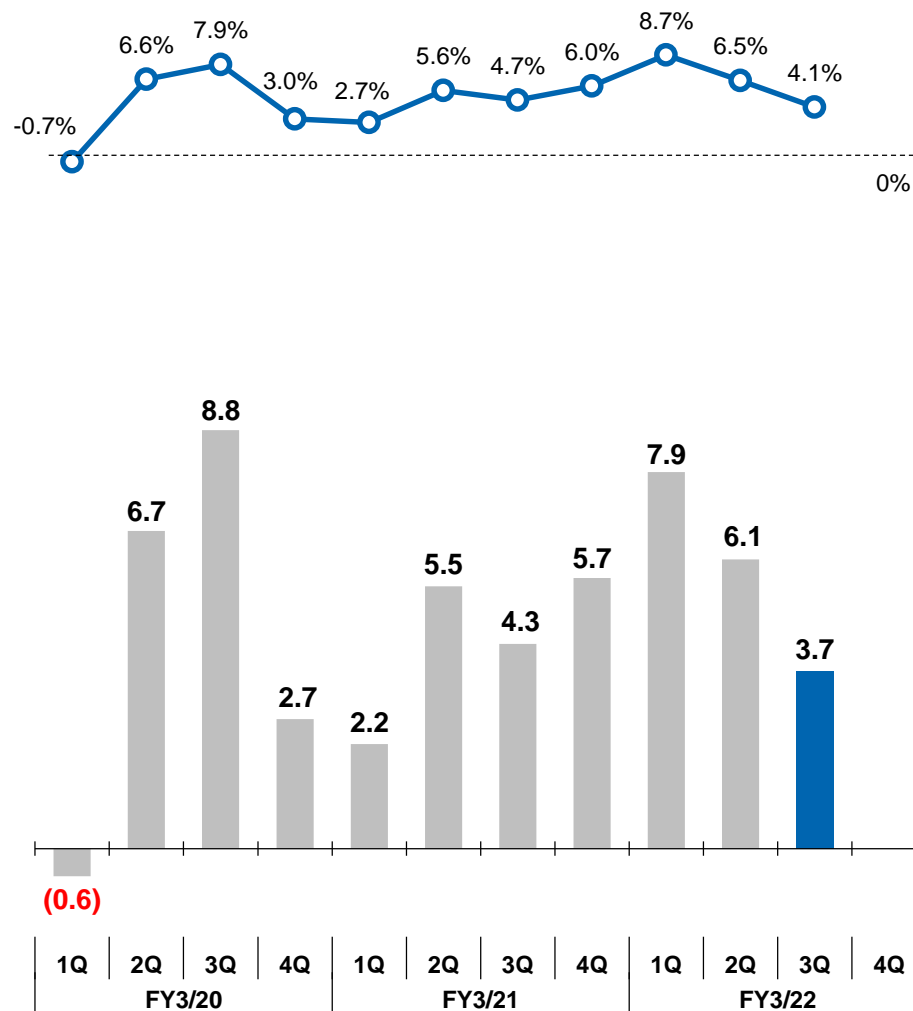


# Electronic Devices & Components

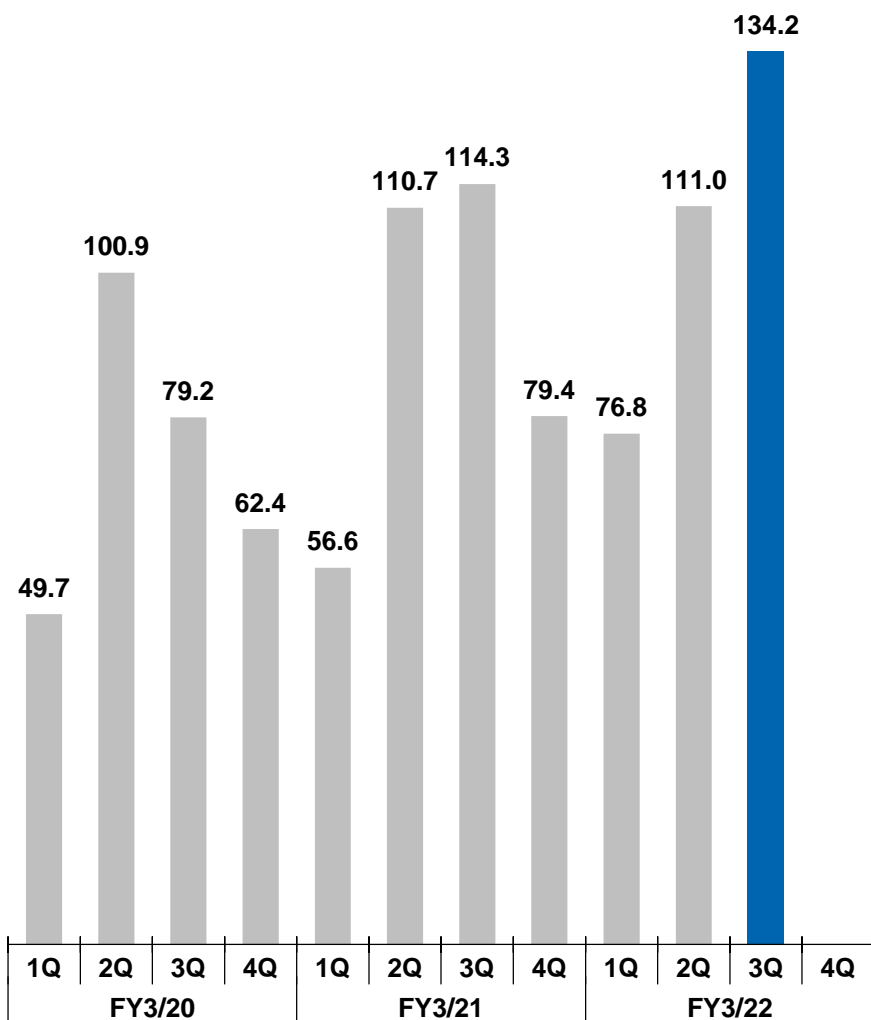
## Net sales (Billions of yen)



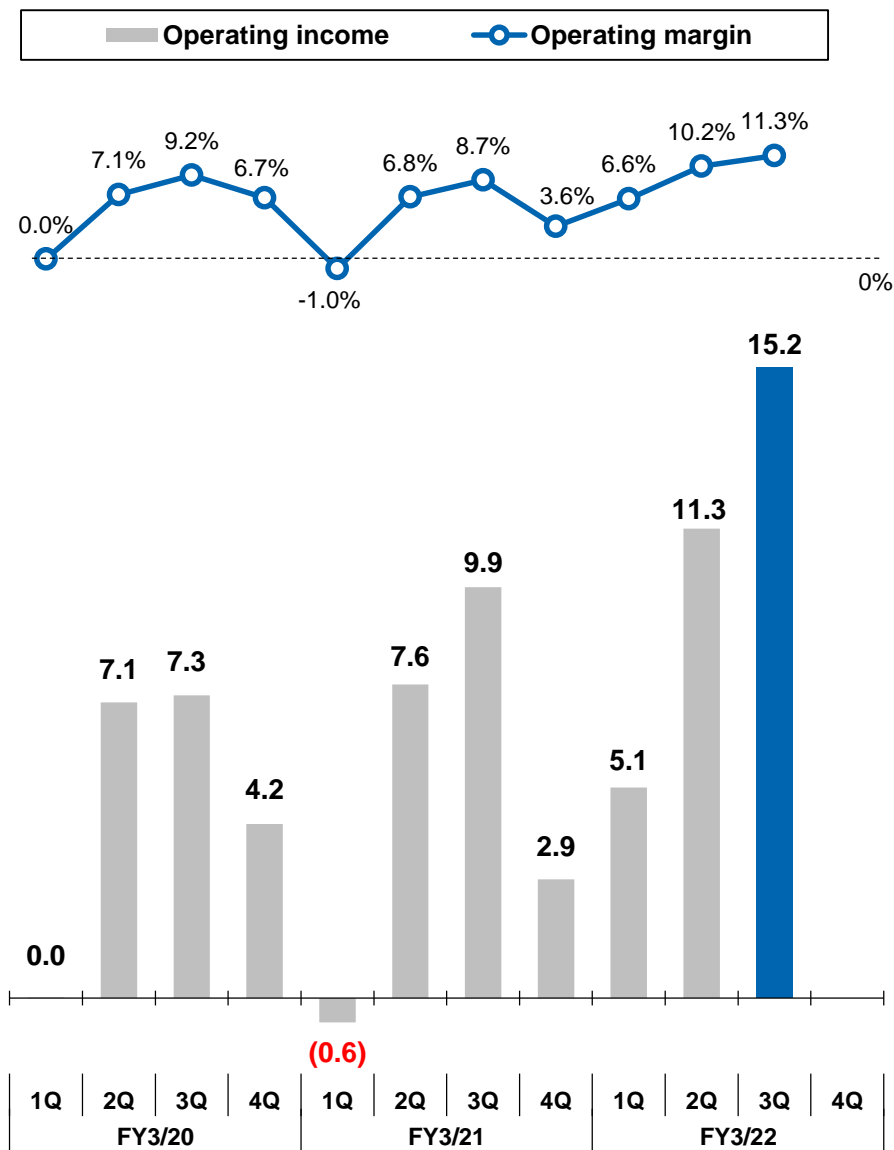
## Operating income (Billions of yen)



## Net sales (Billions of yen)

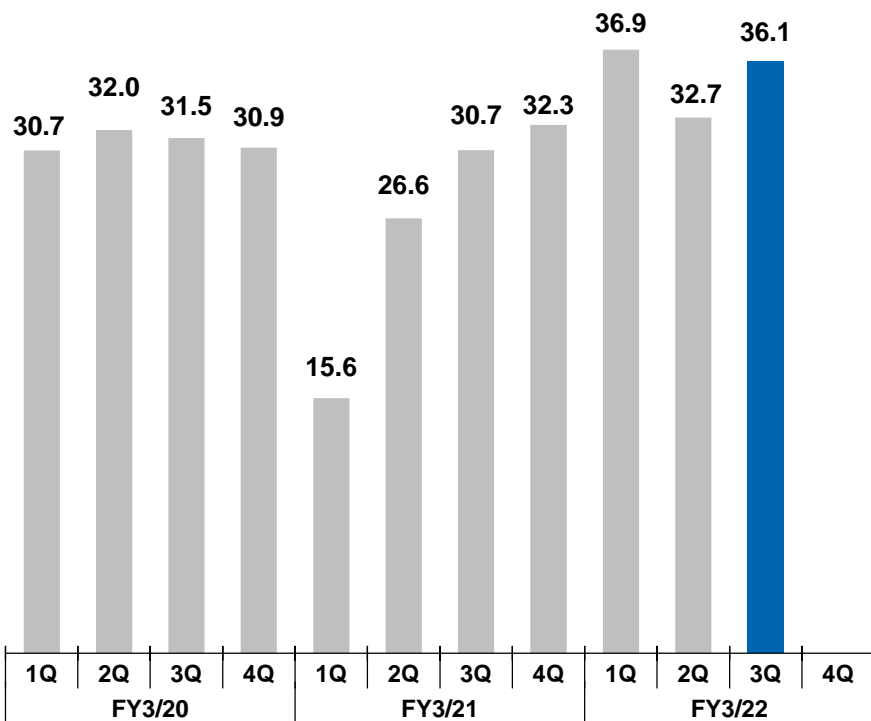


## Operating income (Billions of yen)

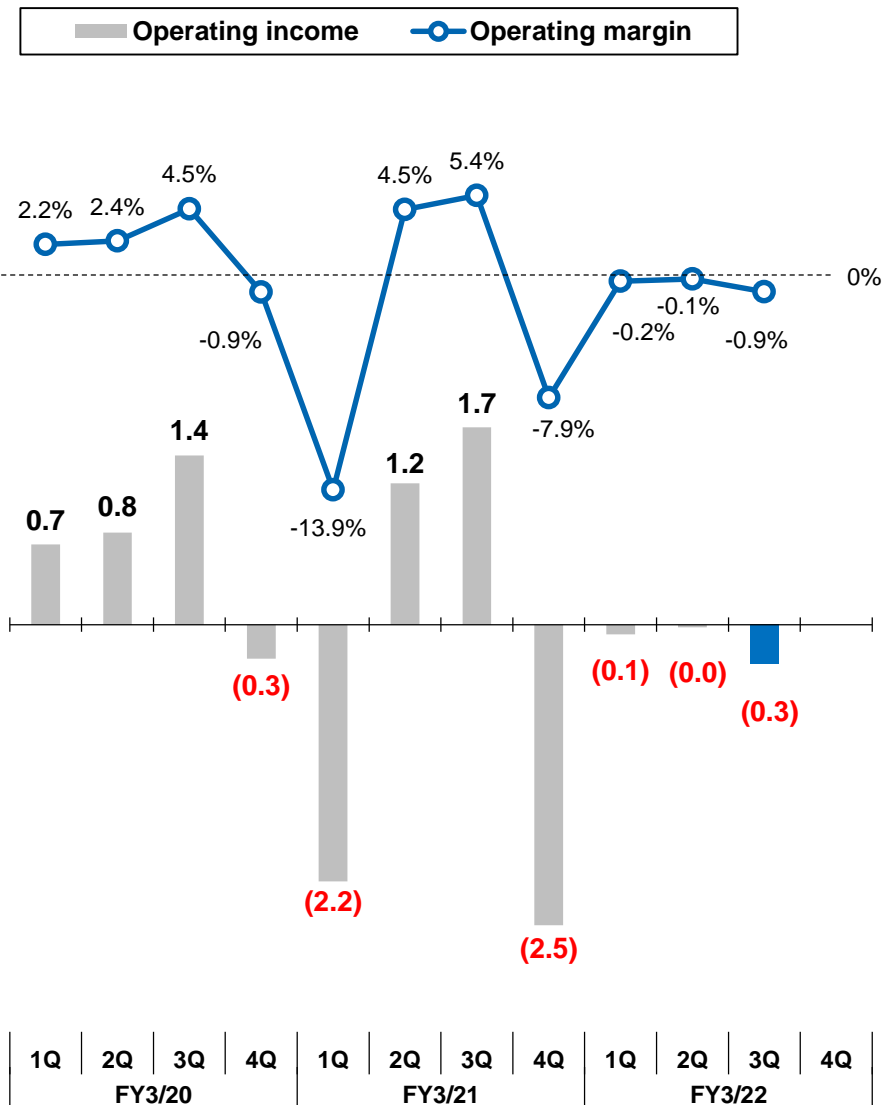


# U-Shin Business

## Net sales (Billions of yen)



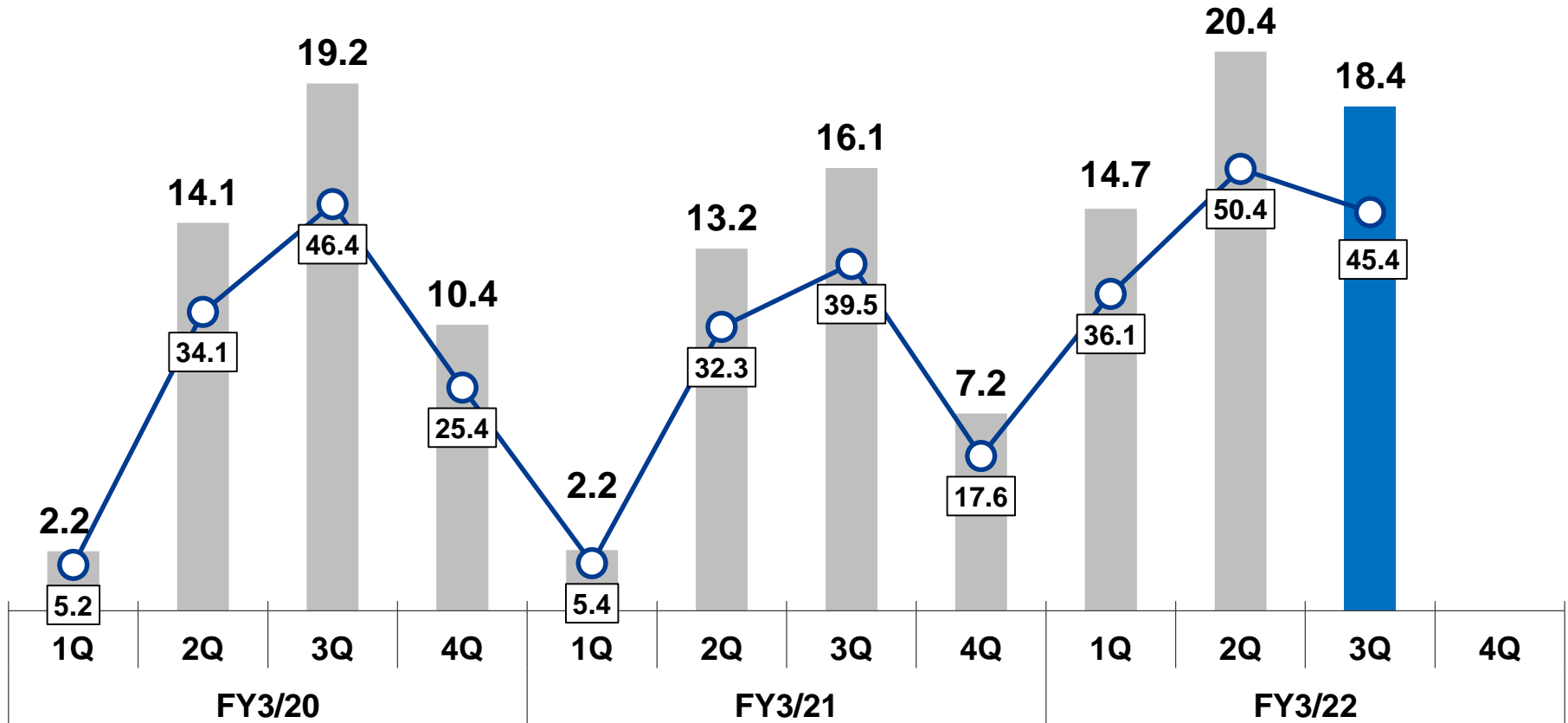
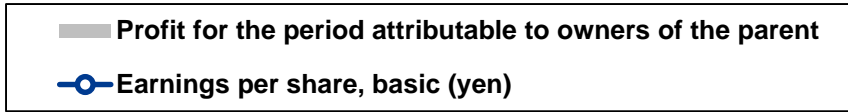
## Operating income (Billions of yen)





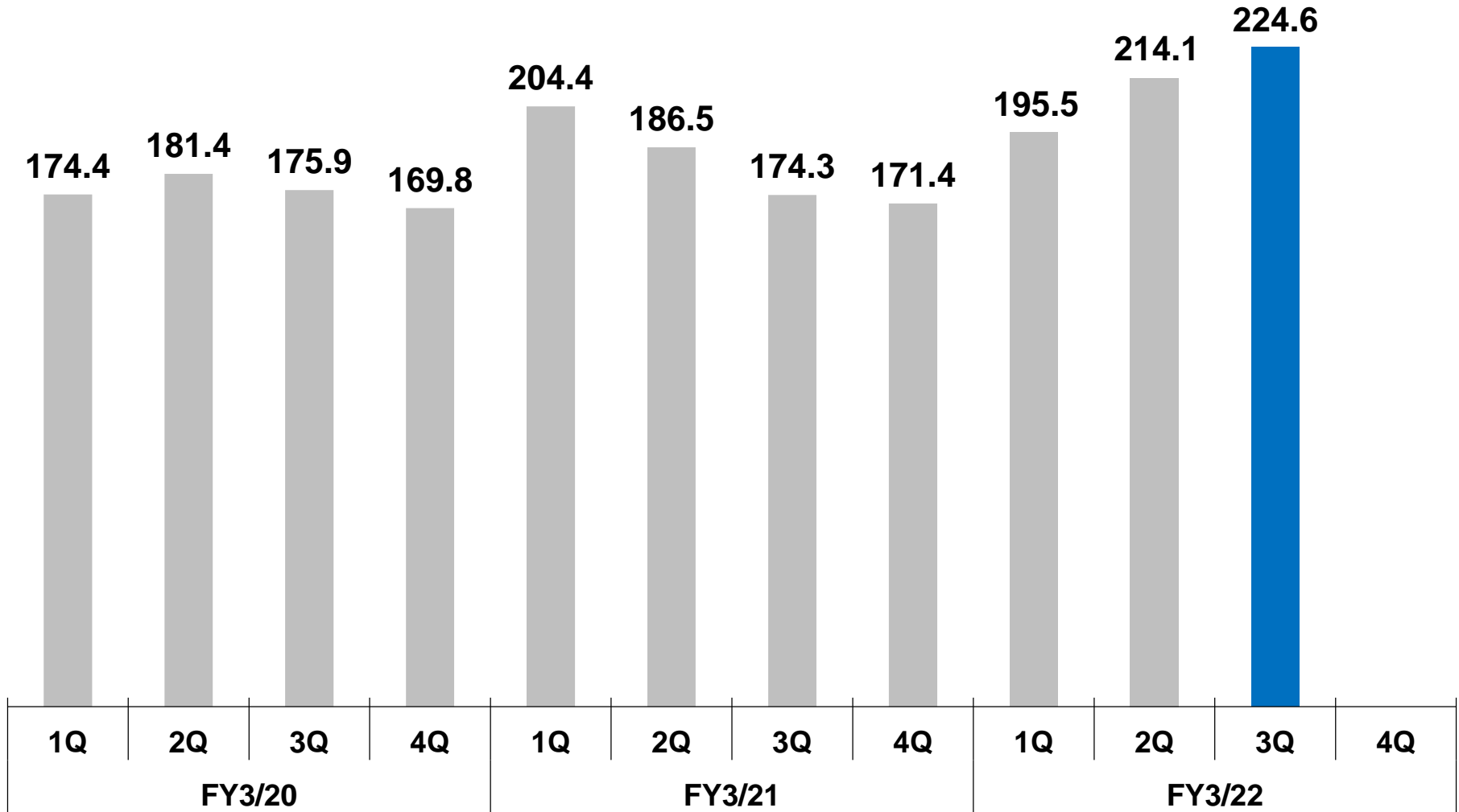
# Profit Attributable to Owners of the Parent / EPS

(Billions of yen)



# Inventory

(Billions of yen)

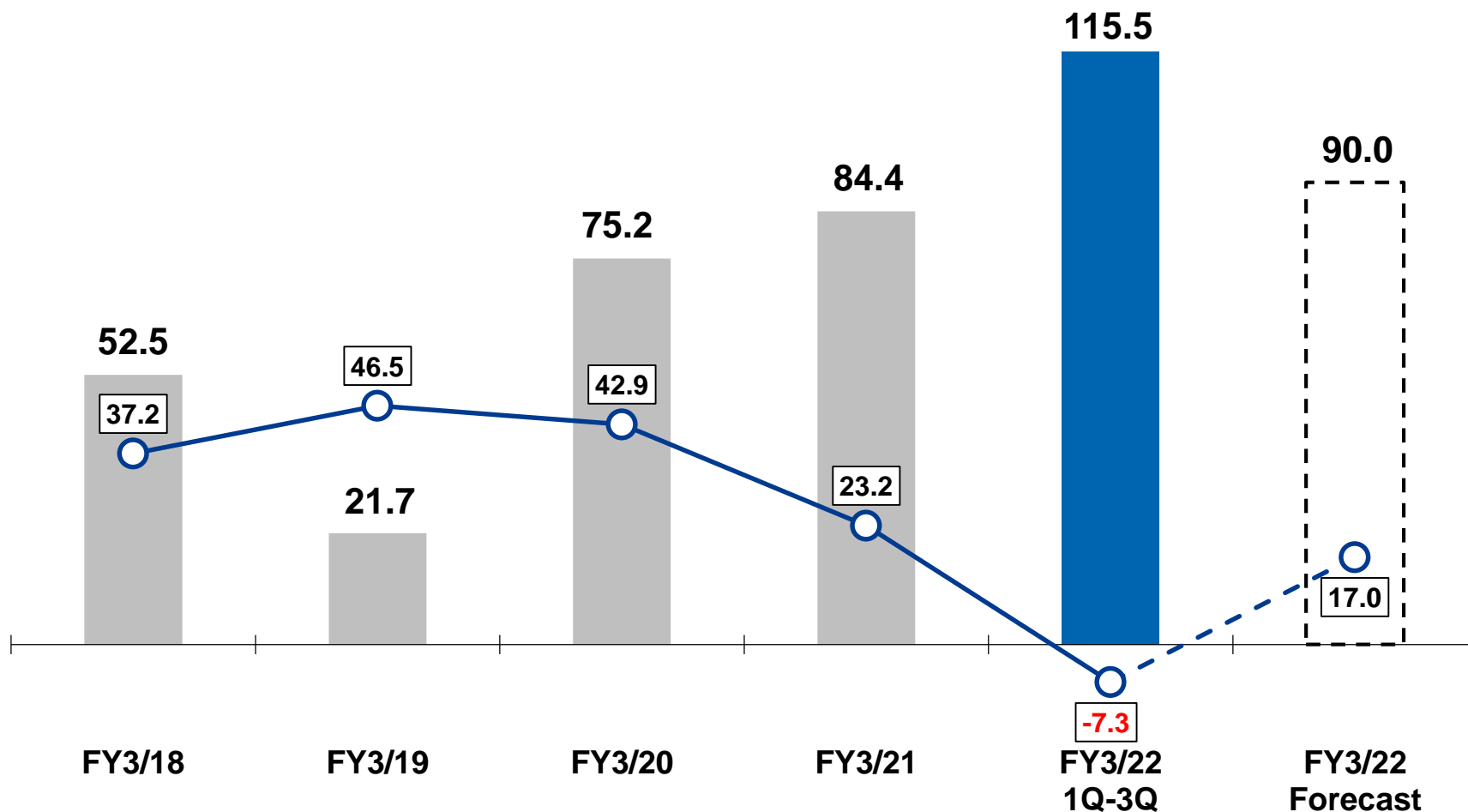


# Net Interest-bearing Debt / Free Cash Flow

\*JGAAP for FY3/18



(Billions of yen)



\*Net interest-bearing debts :“Bonds and borrowings” – (“Cash and cash equivalents” + Time deposit more than 3 months)

← [JGAAP] →

[ IFRS ] →

# Forecast for Fiscal Year Ending March 31, 2022

**Full-year forecast for net sales, operating income, and profit for the period all revised upward to hit record highs**

(Millions of yen)	FY3/21	FY3/22			
	Full Year	1st Half	2nd Half	Full Year	YoY
Net sales	988,424	530,260	569,740	1,100,000	+11.3%
Operating income	51,166	44,633	47,367	92,000	+79.8%
Profit before taxes	49,527	44,319	46,681	91,000	+83.7%
Profit for the period attributable to owners of the parent	38,759	35,052	37,448	72,500	+87.1%
Earnings per share, basic (yen)	94.95	86.45	92.46	178.91	+88.4%

Foreign Exchange Rates	FY3/21 Full Year	FY3/22 4Q Assumptions
US\$	¥105.79	¥114.00
Euro	¥123.22	¥130.00
Thai Baht	¥3.40	¥3.45
Chinese RMB	¥15.52	¥18.00

# Forecast for Business Segment

(Millions of yen)	FY3/21 Full Year (Adjusted)	FY3/22			
		1st Half	2nd Half	Full Year	YoY
<b>Net sales</b>	<b>988,424</b>	<b>530,260</b>	<b>569,740</b>	<b>1,100,000</b>	<b>+11.3%</b>
<b>Machined components</b>	<b>157,411</b>	<b>88,357</b>	<b>88,643</b>	<b>177,000</b>	<b>+12.4%</b>
<b>Electronic devices and components</b>	<b>345,595</b>	<b>184,127</b>	<b>185,873</b>	<b>370,000</b>	<b>+7.1%</b>
<b>Mitsumi business</b>	<b>352,277</b>	<b>187,710</b>	<b>222,290</b>	<b>410,000</b>	<b>+16.4%</b>
<b>U-Shin business</b>	<b>132,112</b>	<b>69,579</b>	<b>72,421</b>	<b>142,000</b>	<b>+7.5%</b>
<b>Other</b>	<b>1,029</b>	<b>487</b>	<b>513</b>	<b>1,000</b>	<b>-2.8%</b>
<b>Operating income</b>	<b>51,166</b>	<b>44,633</b>	<b>47,367</b>	<b>92,000</b>	<b>+79.8%</b>
<b>Machined components</b>	<b>31,223</b>	<b>22,819</b>	<b>23,681</b>	<b>46,500</b>	<b>+48.9%</b>
<b>Electronic devices and components</b>	<b>17,685</b>	<b>13,941</b>	<b>9,559</b>	<b>23,500</b>	<b>+32.9%</b>
<b>Mitsumi business</b>	<b>20,458</b>	<b>16,414</b>	<b>22,586</b>	<b>39,000</b>	<b>+90.6%</b>
<b>U-Shin business</b>	<b>-2,594</b>	<b>-104</b>	<b>104</b>	<b>0</b>	<b>-</b>
<b>Other</b>	<b>-1,908</b>	<b>-910</b>	<b>-1,090</b>	<b>-2,000</b>	<b>+4.8%</b>
<b>Adjustment</b>	<b>-13,698</b>	<b>-7,527</b>	<b>-7,473</b>	<b>-15,000</b>	<b>+9.5%</b>

## Overall

- 3Q results were **higher than projected** despite ongoing impacts from increase in material / logistic expense, supply chain disruption, and semiconductor shortages.
- Aiming for operating income of ¥92B plus this fiscal year as 4Q forecasts trend upward.
- **Higher probability of operating income topping well above ¥100B** next fiscal year.
- **Focus on thoroughly bolstering R&D.** Speed up INTEGRATION of human resources to pave the way to beating the competition over the long run.

## Machined Components

- Maintained high capacity utilization rate for ball bearings. Positive effects of production increase to start showing in 4Q.
- Construction of new factory in Bang Pa-in plant completed. Preparing for start of full production in August 2023.
- Aircraft related business expected to start bouncing back next fiscal year on.

## Electronic Devices & Components / Mitsumi

- Mitsumi's **operating income to hit an all-time high** (including pre-merger). Mitsumi has grown into a profitable segment whose operating income will easily top ¥40B next fiscal year.
- Semiconductor business remained steady. Will accelerate contribution of Shiga plant.
- Decided investment to increase production of optical devices in the next fiscal year.

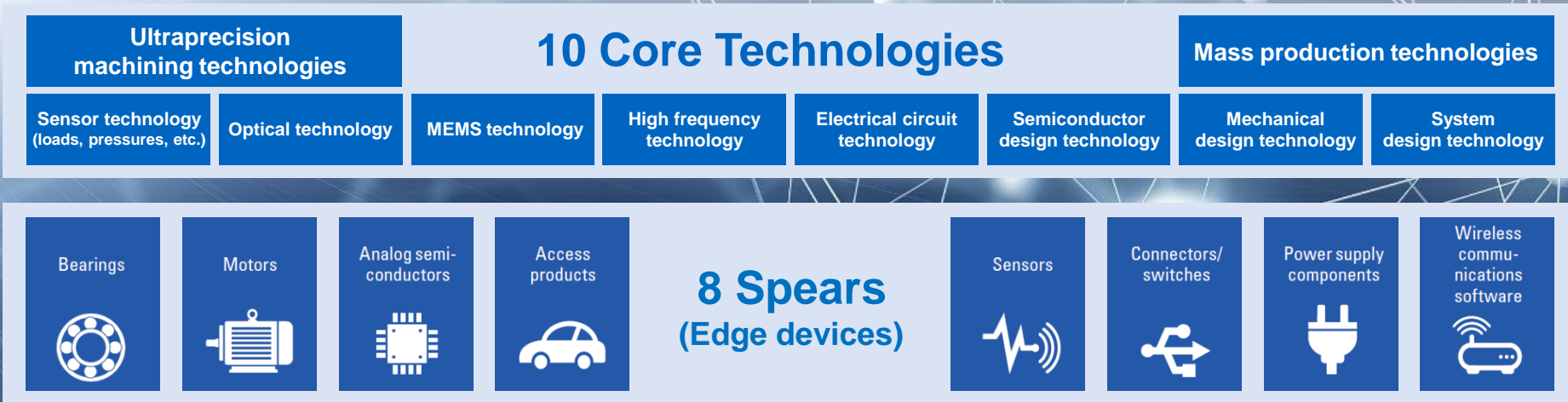
## U-Shin

- Expect stable recovery of automobile market.
- Structural reforms in Europe are progressing smoothly.

**Establish a state-of-the-art R&D base to lay the groundwork for a strategy with an eye to 100th anniversary**

**- Become the top INTEGRATED parts manufacturer in technology as well -**

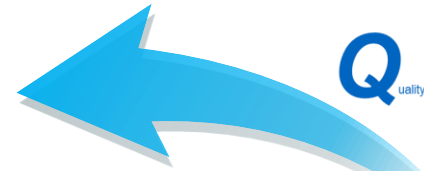
- ▶ **By INTEGRATING accumulated elemental technologies and 8 spears (edge devices), the strongest capability has been established for manufacturing and sales.**  
→ **50% of sales are from the world's No.1 share products!**
- ▶ **Become the No.1 INTEGRATED parts manufacturer in technology and R&D as well, focusing on developing products that contribute to solving social issues in addition to the conventional products.**



## Products that contribute to solving social issues accelerate sales growth in addition to conventional trends

Examples of products that solve social issues, which we actively enter the market

**Q**uality **C**ost **D**elivery **E**fficiency **S**ervice **S**peed



### Energy



**Triple precision bearing**  
Ultimate reduction in electricity consumption!

### Environment



**Smart city solutions**  
Centrally manage the illuminance of road lights through wireless communication

### Low birthrate and longevity



**Bed sensor system™**

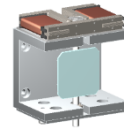
**Grow with solving social issues**

### Disaster countermeasure



**Integrated environmental sensors**  
Visualize weather data in real time

### Autonomous driving



**Actuator for laser scanner**  
Innovate image quality / functionality of LiDAR

## New trend

### Convenience and comfort



**Precision parts for autos**  
Contribute to the safety, comfort and energy saving of autos

### Higher functionality



**Precision parts for mobiles**  
Contribute to higher functionality and thinner smartphones

**Conventional trend**  
(CAGR 11%)

**Grow along with world economy development**

Past → Present → Future



**Establish a firm R&D center to maximize advantage of the location in Tokyo to achieve sales of 2.5 trillion yen and operating income of 250 billion yen**  
**- Thoroughly strengthen areas where there is a need -**

**Leverage geographical advantages to attract top talent**

**Stimulate INTEGRATION of human resources**

- ✓ Encourage the participation of engineers who will make MinebeaMitsumi more resilient.
- ✓ Accelerate partnerships with external organizations such as universities and research institutions.

**Make Eight Spears stronger and create new spear**

**Including future M&As**

**Conventional trend**

- ✓ **Bolster established spears**
- ✓ **Bolster non-established spears**

**New trend**

- ✓ **Create new spears**

**Rigorously pursue technological synergies**

**Completes PMI for Mitsumi**

- ✓ INTEGRATE various technologies gained through M&As to accelerate the creation of synergy.
- ✓ Integrate mechanical, electronic and software engineers.

<b>Acquiring Asset</b>	Land / Building (Former headquarters building of Nippon Express Company, Limited and other)
<b>Location</b>	1-9-3 Higashi Shimbashi, Minato-ku, Tokyo
<b>Site area</b>	5,518.54m <sup>2</sup>
<b>Total floor area</b>	53,078.82m <sup>2</sup>
<b>Acquisition amount</b>	73.2 billion yen
<b>Date of the conclusion the sale and purchase agreement</b>	December 24, 2021
<b>Date of property transfer</b>	April 15, 2022 (planned)
<b>Impact on the Company's Business Performance</b>	<p>No impact on our consolidated financial results for the fiscal year ending March 2022</p> <div style="border: 1px solid black; padding: 10px;"><p><b>Financial impact after acquisition</b></p><ul style="list-style-type: none"><li>- Sale of existing buildings (Mita and Tama) is currently under review.</li><li>- Depreciation costs will remain at the same level after relocation.</li><li>- Other additional costs can be covered by the synergy creation.</li></ul></div>



## Strengthen R&D system and engineers in Osaka, along with Tokyo, to solidify the foundations for medium- to long-term growth

### Key Points

**1** Collaboration with TRDC (Tokyo R&D Center)

**2** Consolidate R&D and sales departments in the Kansai region under one roof

Create maximum synergy effect among R&D and sales departments of MinebeaMitsumi, ABLIC, and U-Shin

**3** Strengthen IoT solutions foundation

**4** Promote industry-academia collaboration in the Kansai region

#### Kansai area

##### R&D Dep.

- MinebeaMitsumi
- U-shin Showa
- U-shin Industrial Equipment

##### Sales Dep.

- MinebeaMitsumi
- ABLIC



Yodogawa Ward,  
Osaka City

#### Main R&D area



Motor driver



Access products



Robotics



Medical



Smart City



Image authentication

## Three spears + 1 will drive operating income up beyond ¥100B

### Improvements in external environment

Semiconductor shortage: All affected markets will recover.

Automobile market: Expected to move toward recovery.

Material costs: The worst is over.

COVID-19: Supply chain disruption will ease.

Aircraft related: Passenger demand will recover.



### Bearings

Capacity increase (+20 million units/month) and recovery of automobile industries.



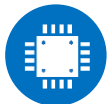
### Aircraft related

Operating income will return to 70% of pre-pandemic level.



### Motors

Launch of new automotive products will accelerate.



### Analog semiconductors

Strong performance will continue into next fiscal year  
Contribution of Shiga plant and expansion of MEMS sales.



### OIS

Sales will increase 1.3-fold YoY (at the least).



### Access products

Improvement of U-Shin profitability.



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.

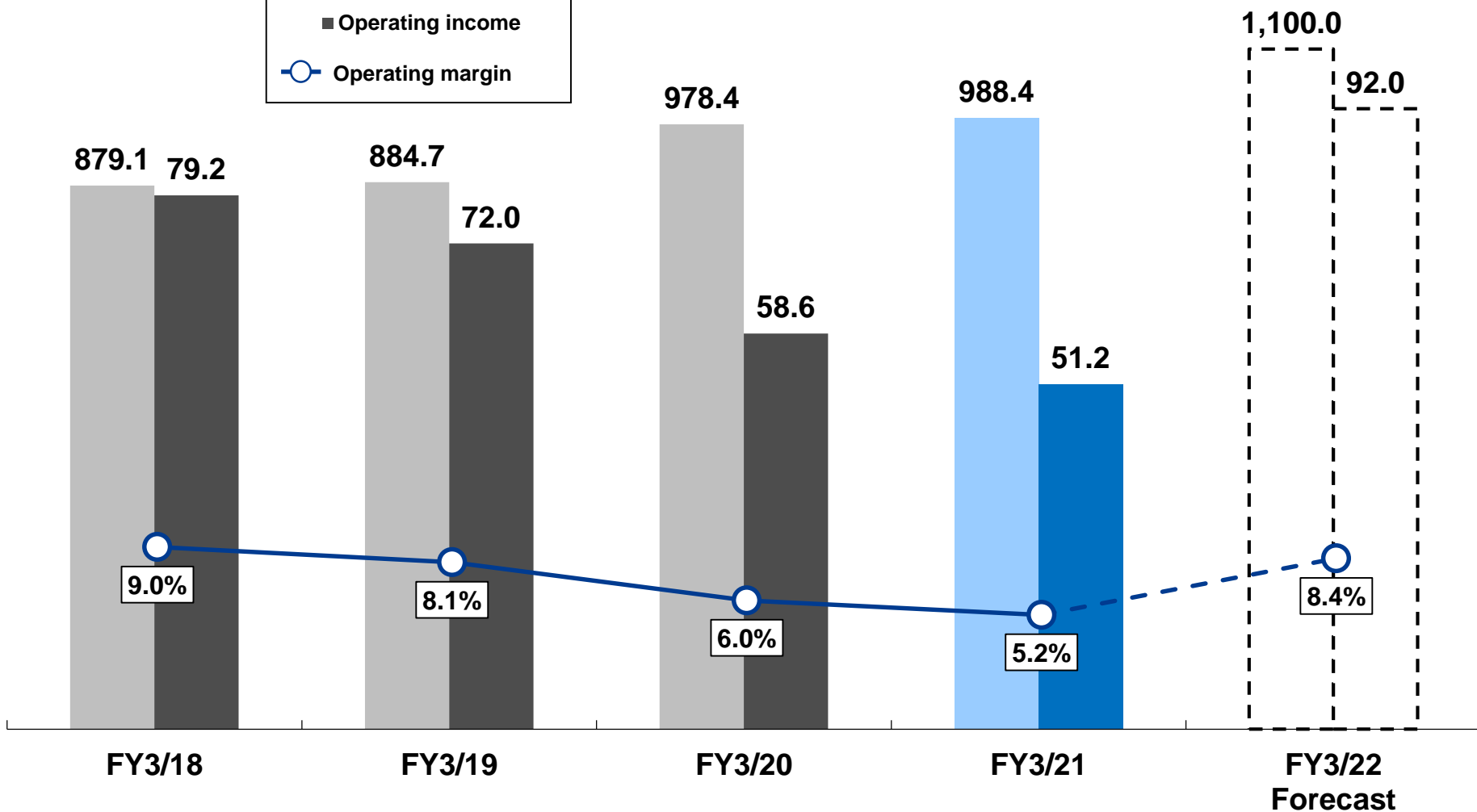
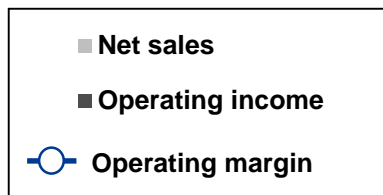
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# Reference

# Net Sales, Operating Income/ Margin

\*JGAAP for FY3/18

(Billions of yen)

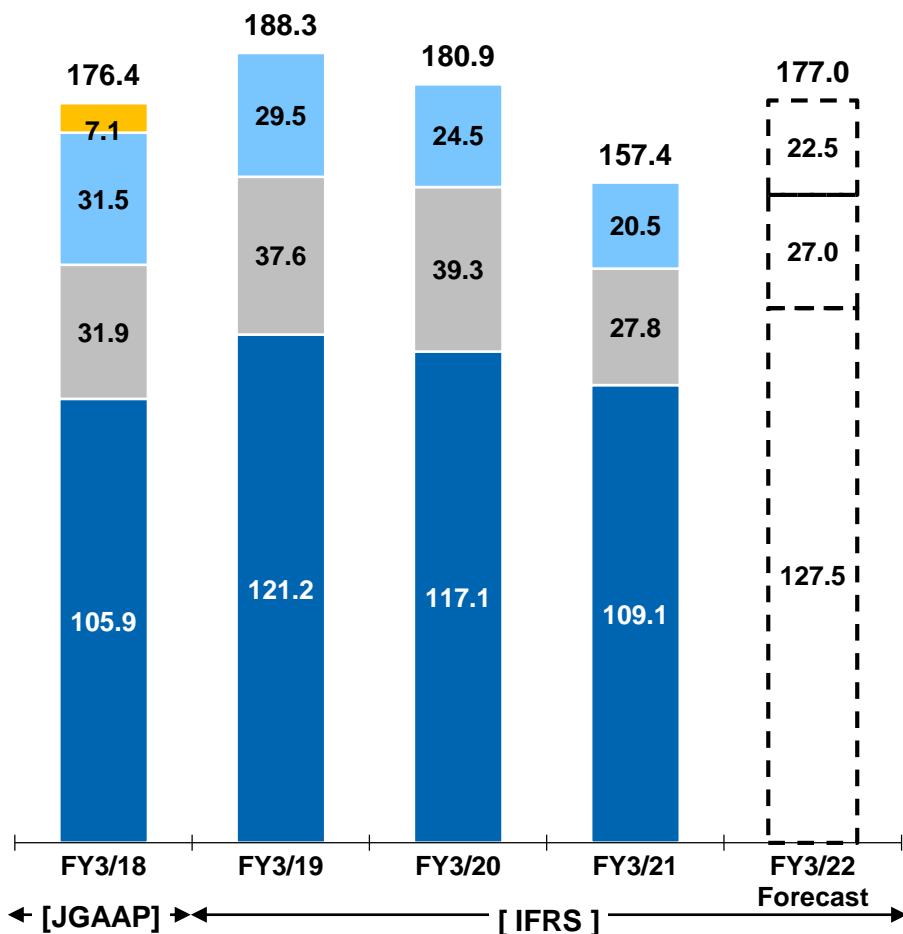


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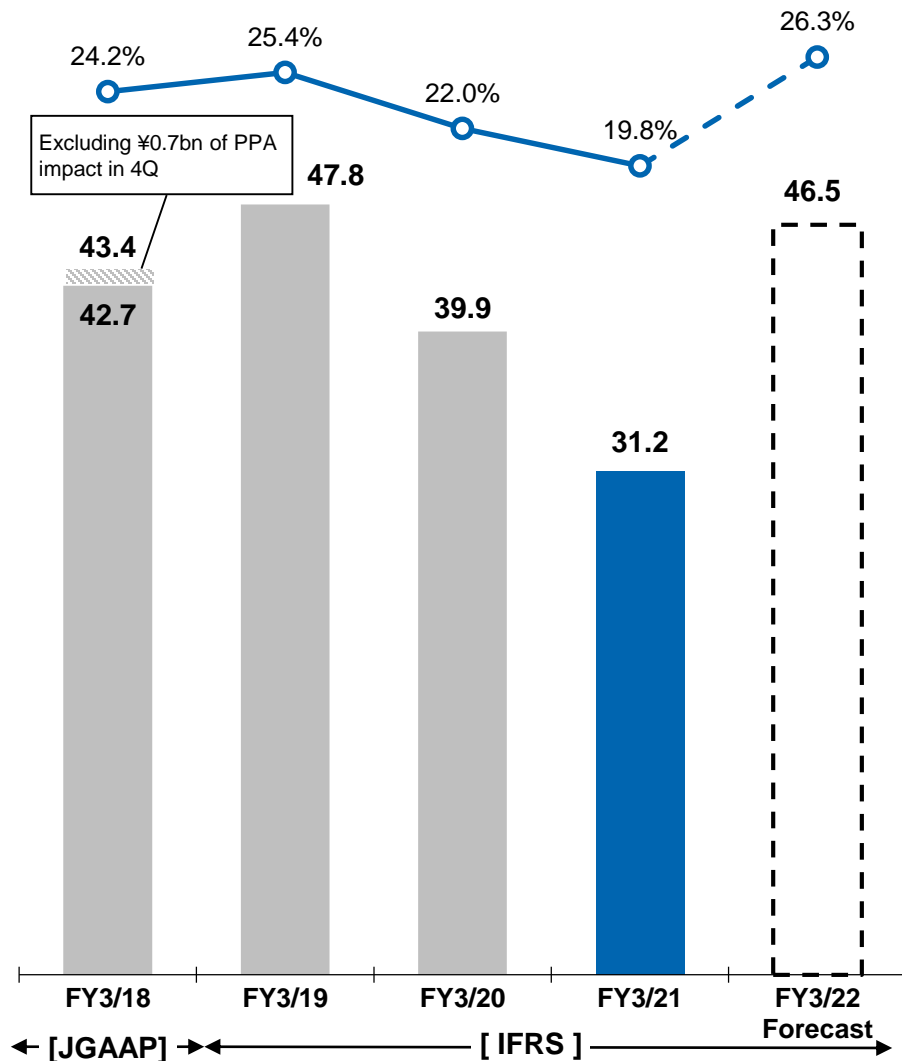
## Net sales (Billions of yen)

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



## Operating income (Billions of yen)

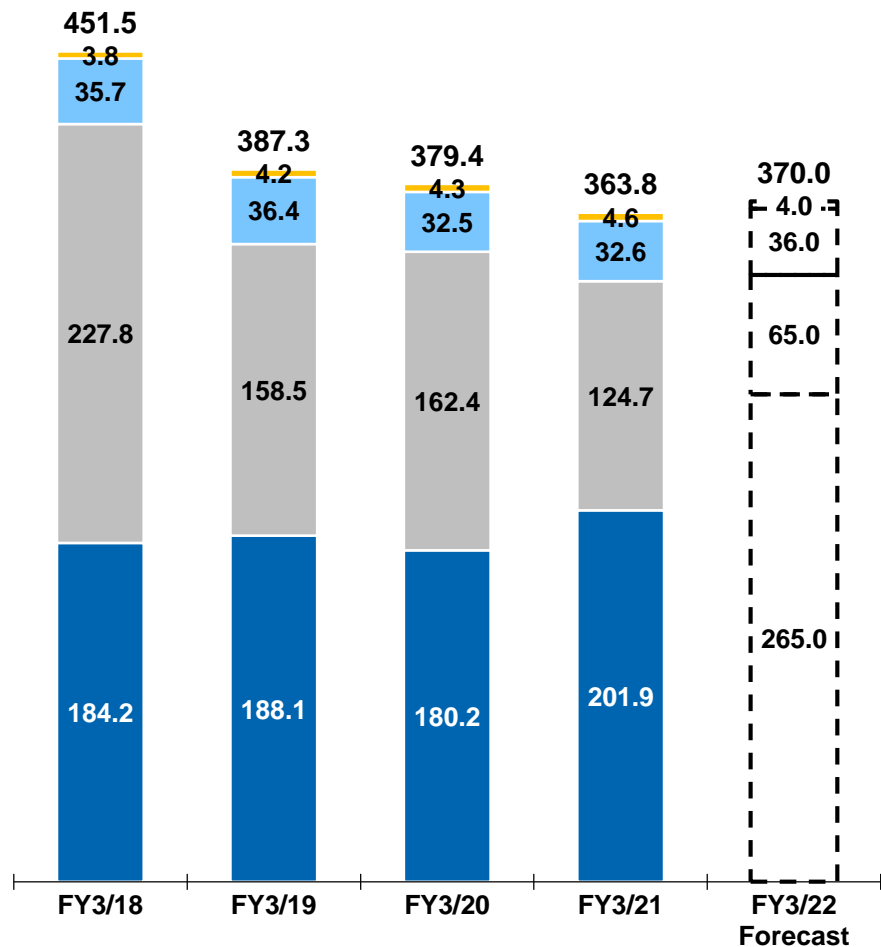
■ Operating income ○ Operating margin





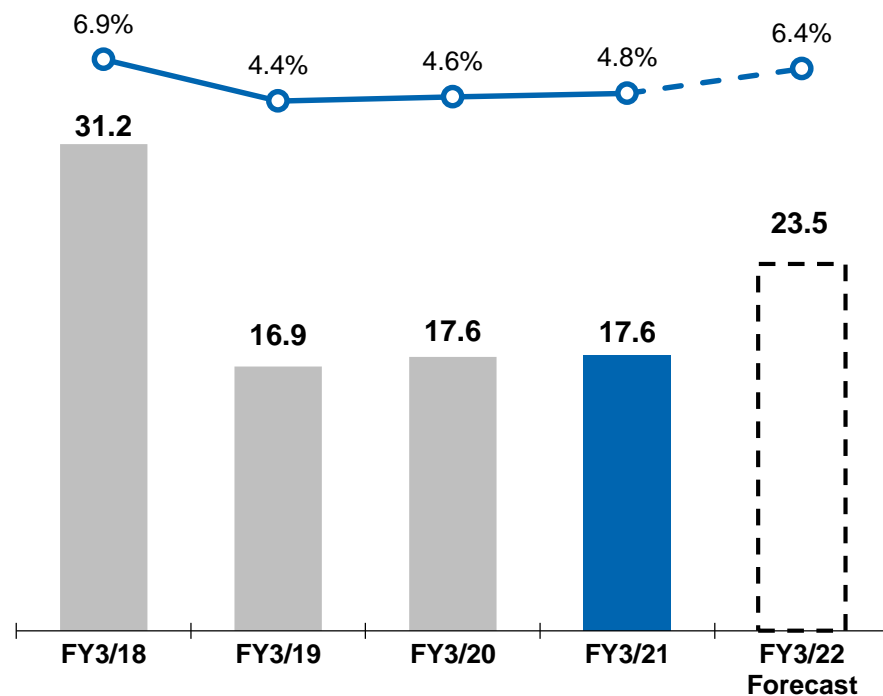
## Net sales (Billions of yen)

■ Motors ■ Electronic devices ■ Sensing devices ■ Other



## Operating income (Billions of yen)

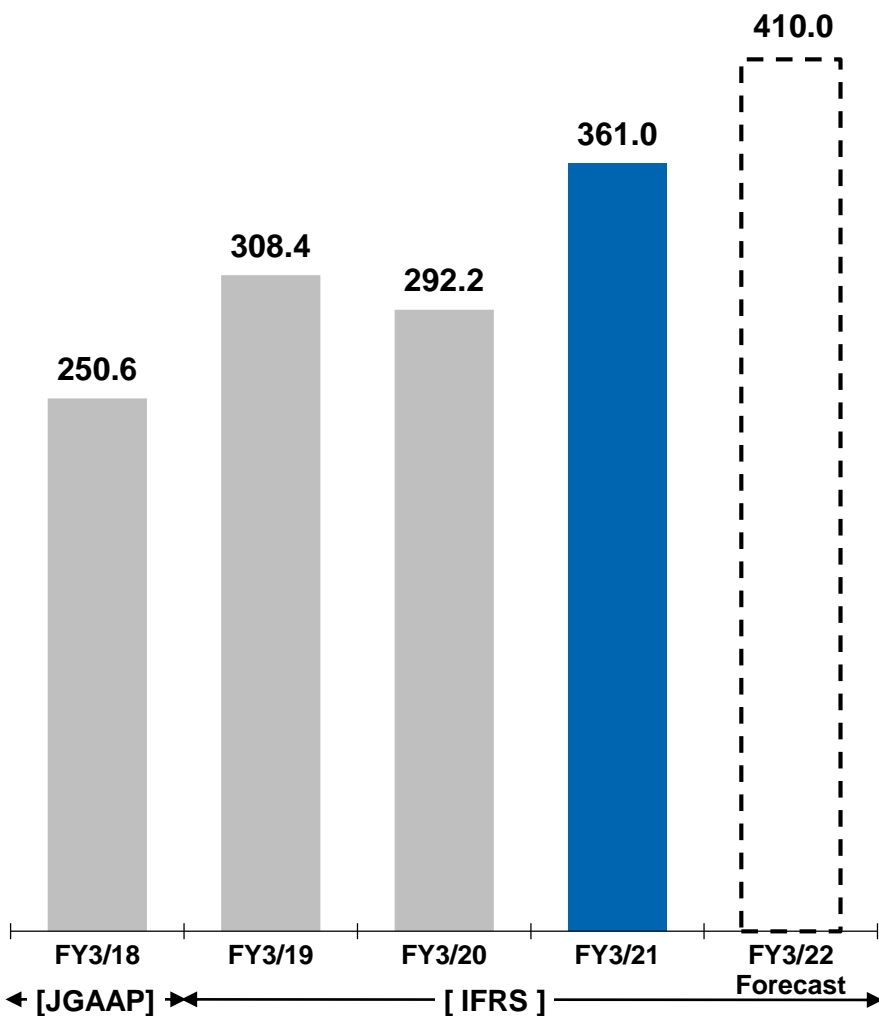
■ Operating income ○ Operating margin



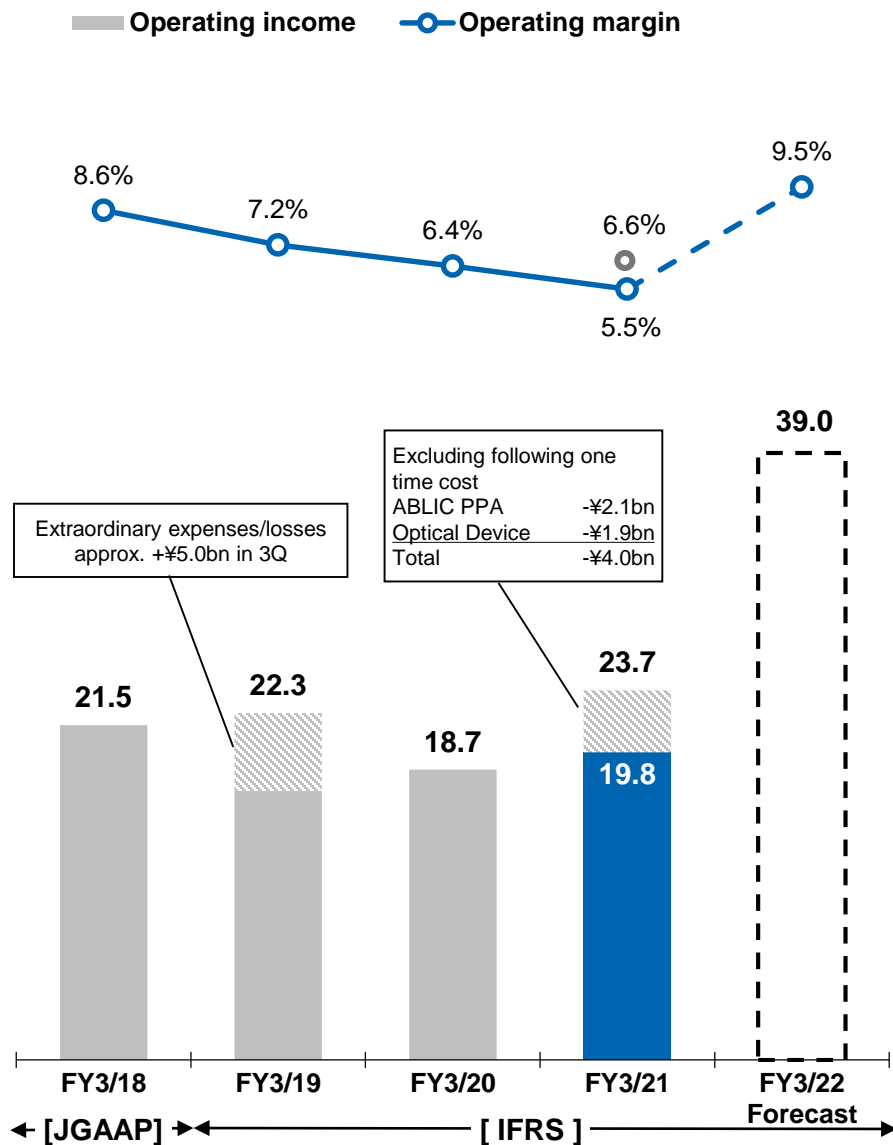
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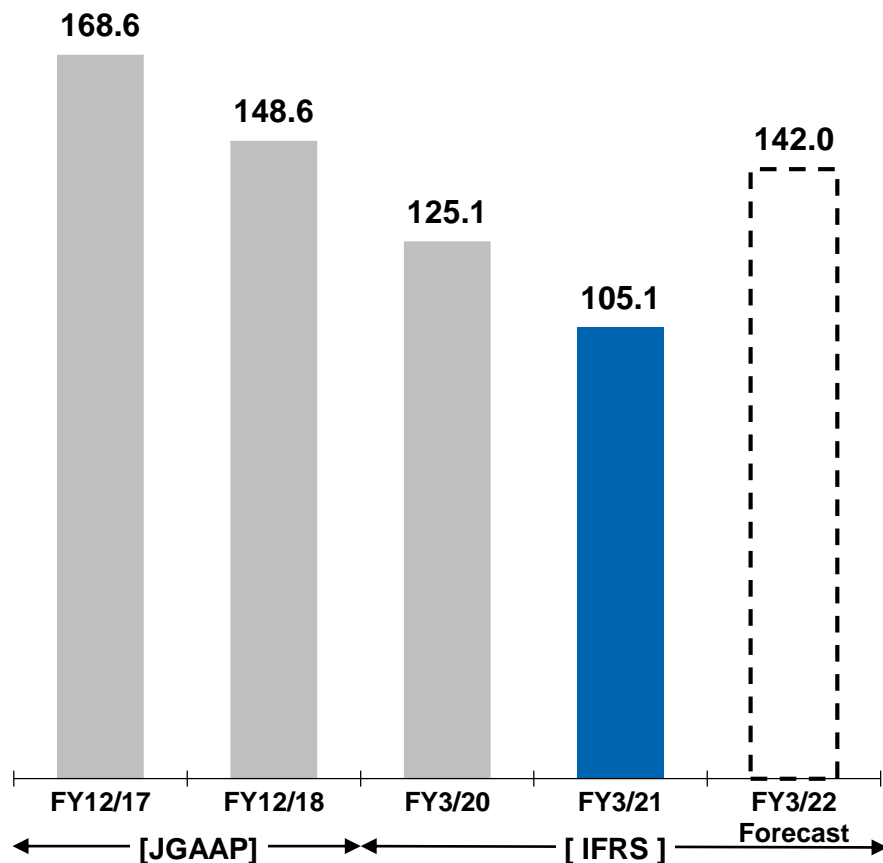
## Net sales (Billions of yen)



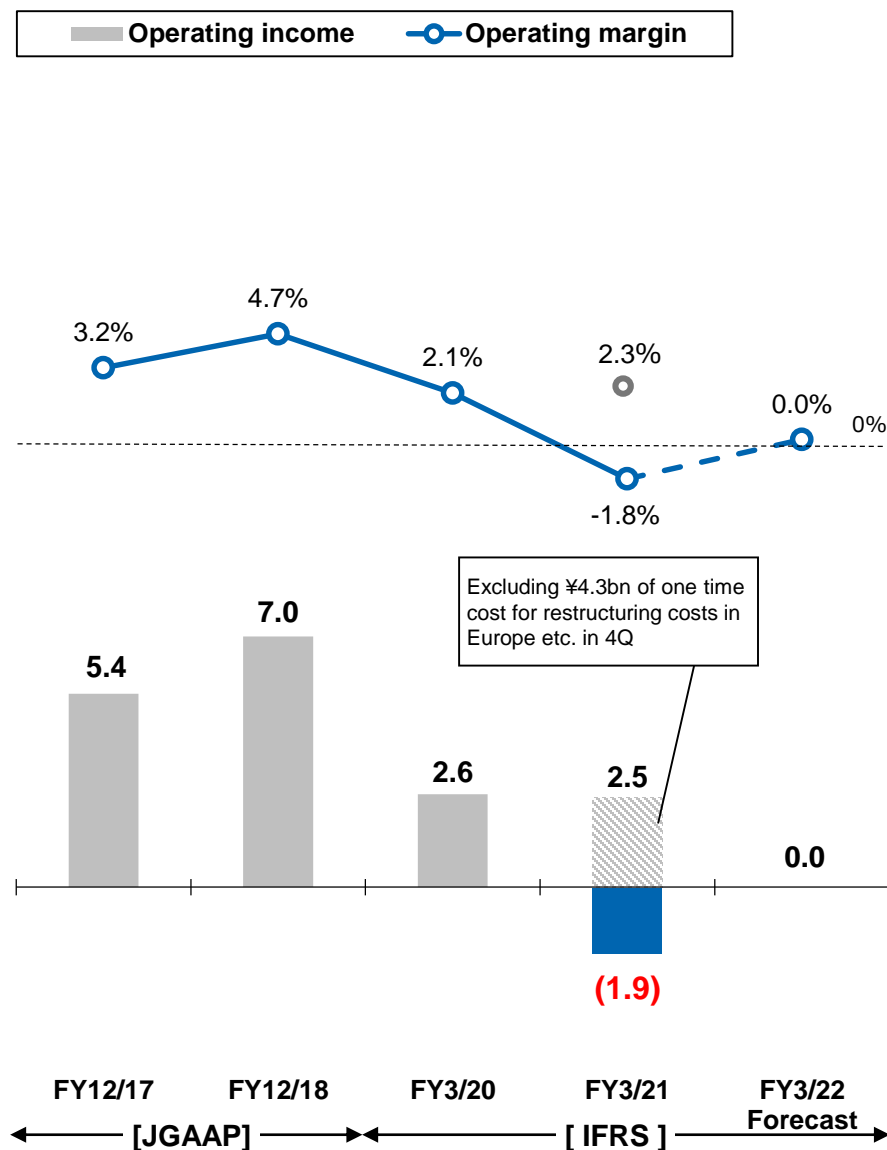
## Operating income (Billions of yen)



## Net sales (Billions of yen)



## Operating income (Billions of yen)

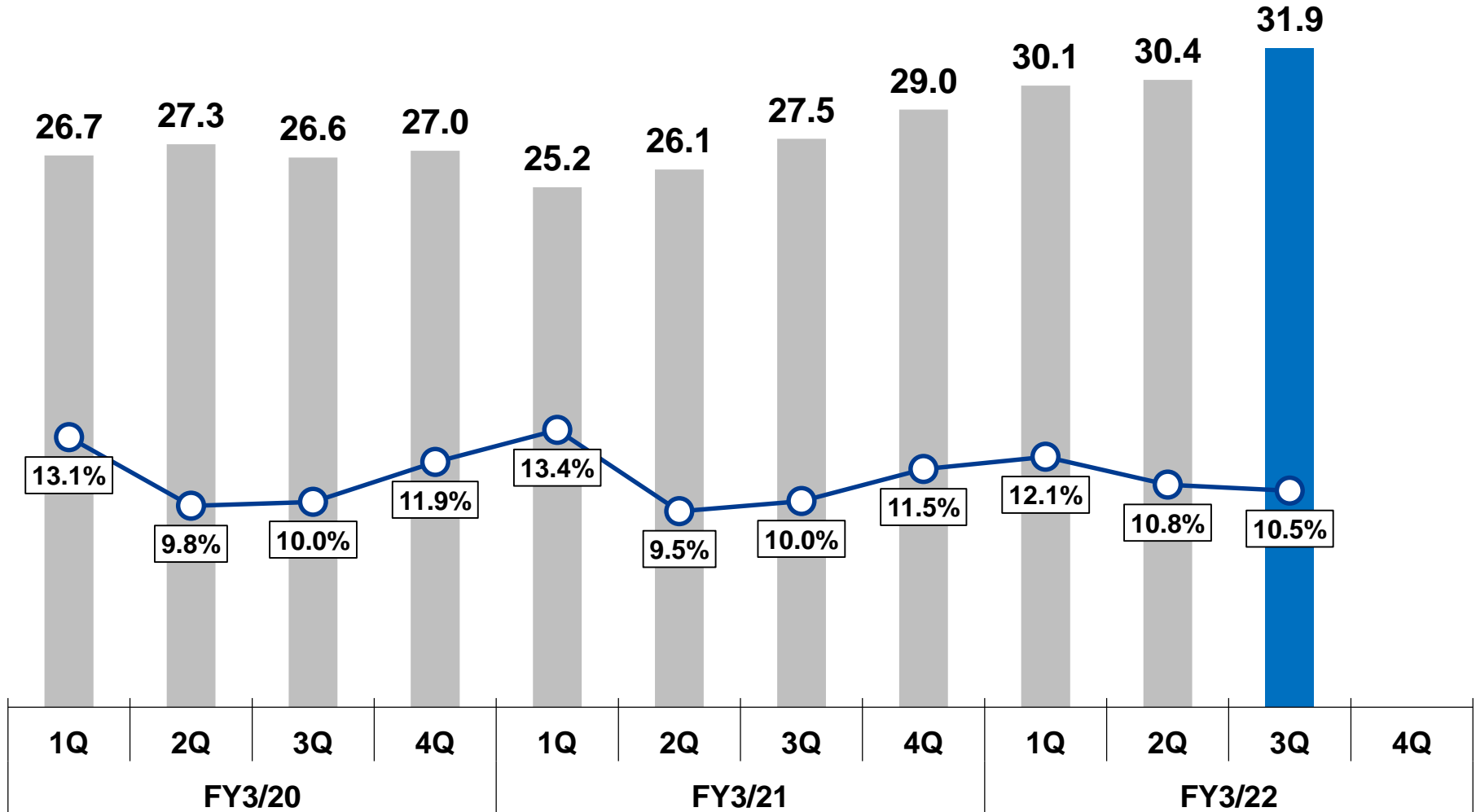


# S.G.&A. Expense / Ratio

(Billions of yen)

■ S.G.&A. expenses

○ S.G.&A. to sales ratio

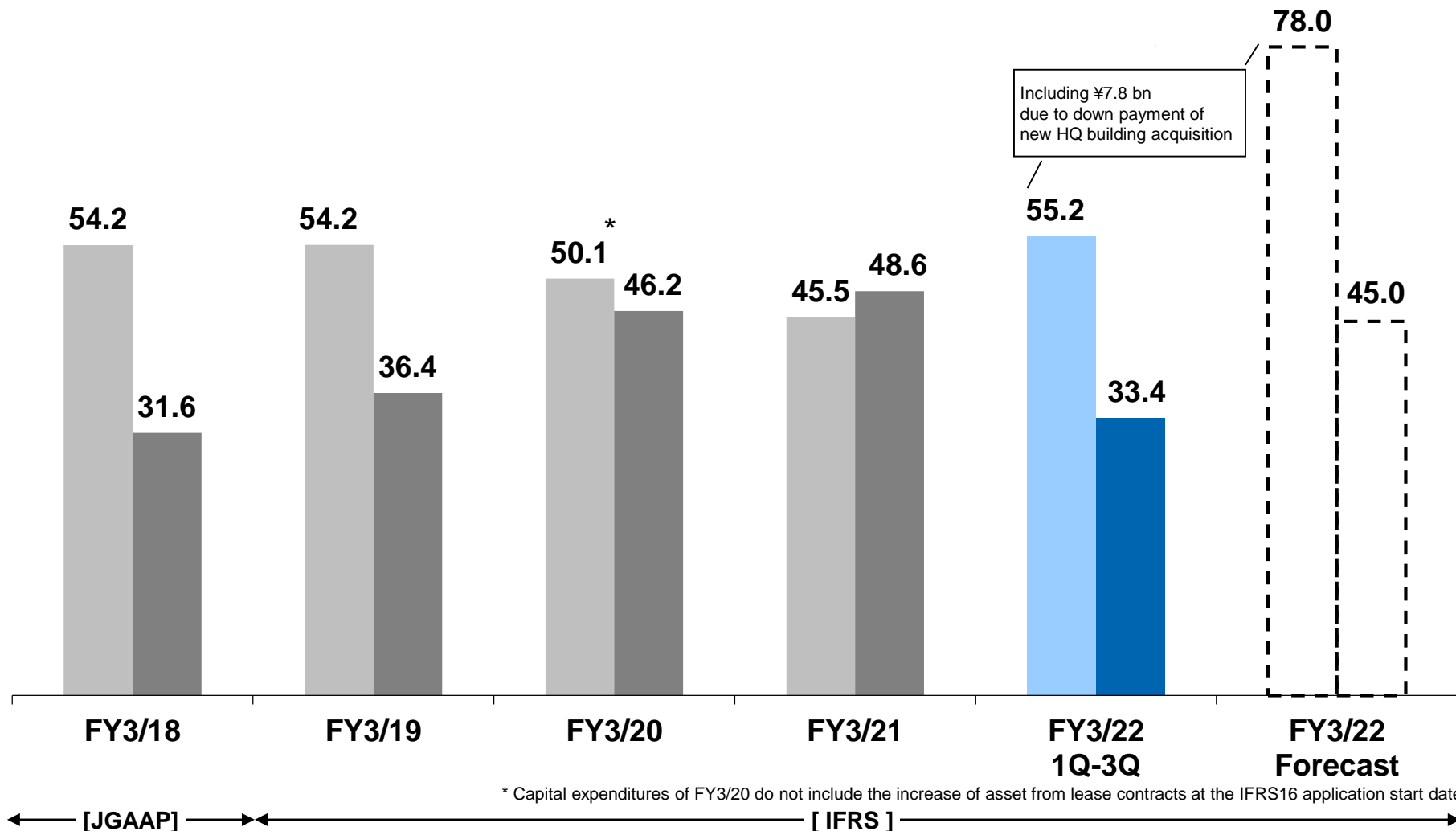


# Capital Expenditure / D&A Expense

\*JGAAP for FY3/18

(Billions of yen)

■ Capital expenditure ■ Depreciation & Amortization expenses



# 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

(%)

