

Business Results

Fiscal Year Ended March 31, 2022

MinebeaMitsumi Inc.

May 11, 2022

1. Financial Results

2. Management Policy & Business Strategy

Financial Results

Katsuhiko Yoshida

Director, Senior Managing Executive Officer

Summary of Consolidated Business Results

Net sales, OP, etc. all hit record highs

(Millions of yen)	FY3/21	FY3/22	Change YoY	FY3/22 Forecast (February 2022 Forecast)	
	Full Year	Full Year		Full Year	VS. Forecast
Net sales	988,424	1,124,140	+13.7%	1,100,000	102.2%
Operating income	51,166	92,136	+80.1%	92,000	100.1%
Profit before taxes	49,527	90,788	+83.3%	91,000	99.8%
Profit for the period attributable to owners of the parent	38,759	68,935	+77.9%	72,500	95.1%
Earnings per share, basic (yen)	94.95	170.08	+79.1%	178.91	95.1%

Foreign Exchange Rates	FY3/21 Full Year	FY3/22 Full Year
US\$	¥105.79	¥111.55
Euro	¥123.22	¥130.47
Thai Baht	¥3.40	¥3.44
Chinese RMB	¥15.52	¥17.35

Summary of Consolidated Business Results for 4Q

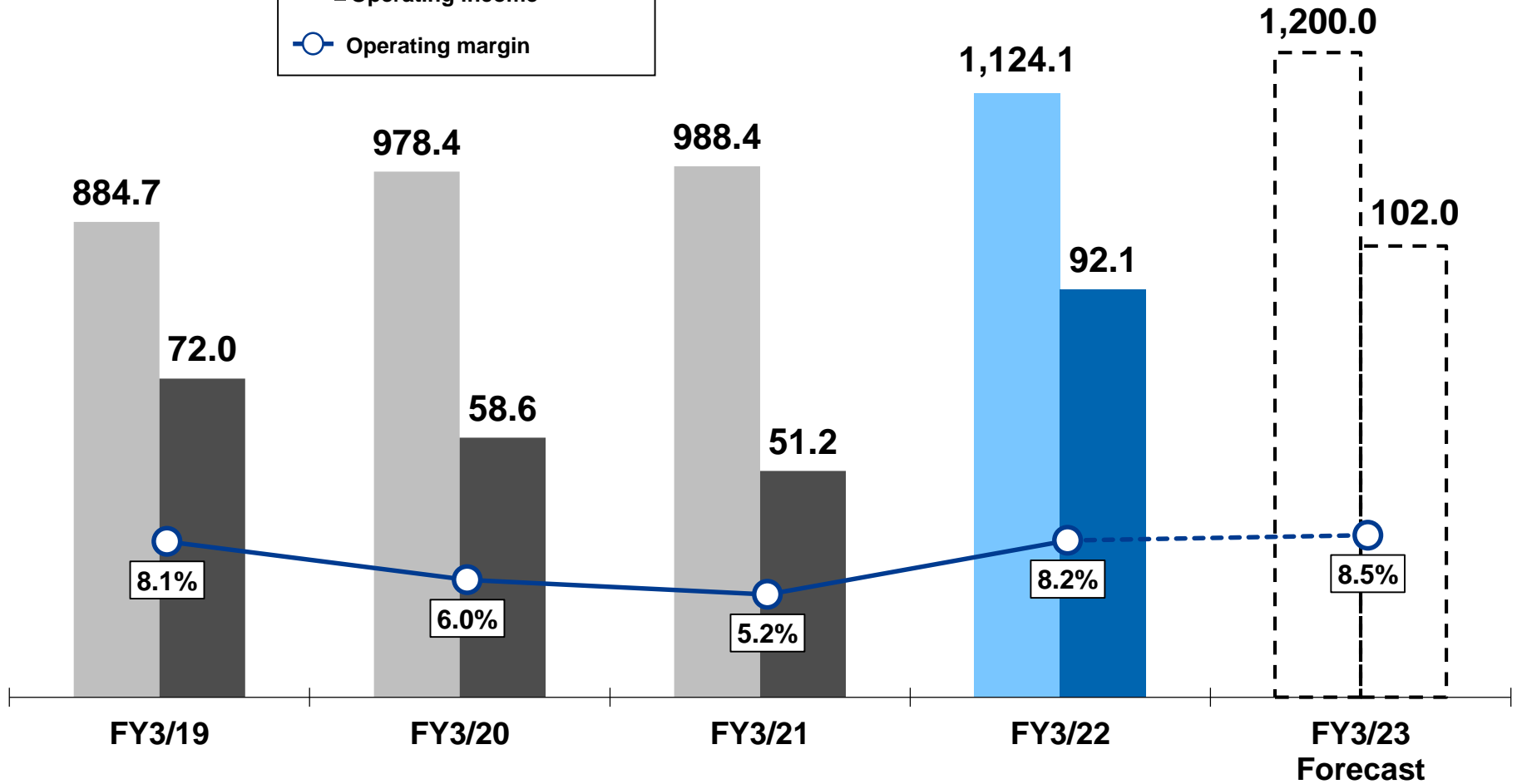
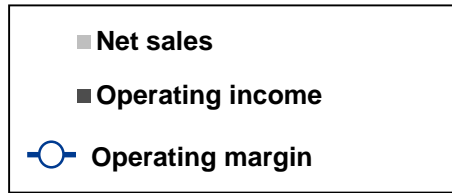
Net sales, OP, etc. all hit 4Q record highs

(Millions of yen)	FY3/21	FY3/22		Change	
	4Q	3Q	4Q	YoY	QoQ
Net sales	250,985	304,348	289,532	+15.4%	-4.9%
Operating income	10,692	25,832	21,671	x2.0	-16.1%
Profit before taxes	9,928	25,122	21,347	x2.2	-15.0%
Profit for the period attributable to owners of the parent	7,192	18,395	15,488	x2.2	-15.8%
Earnings per share, basic (yen)	17.64	45.42	38.20	x2.2	-15.9%

Foreign Exchange Rates	FY3/21 4Q	FY3/22 3Q	FY3/22 4Q
US\$	¥104.74	¥112.47	¥114.65
Euro	¥127.53	¥130.44	¥129.77
Thai Baht	¥3.47	¥3.39	¥3.46
Chinese RMB	¥16.17	¥17.52	¥18.03

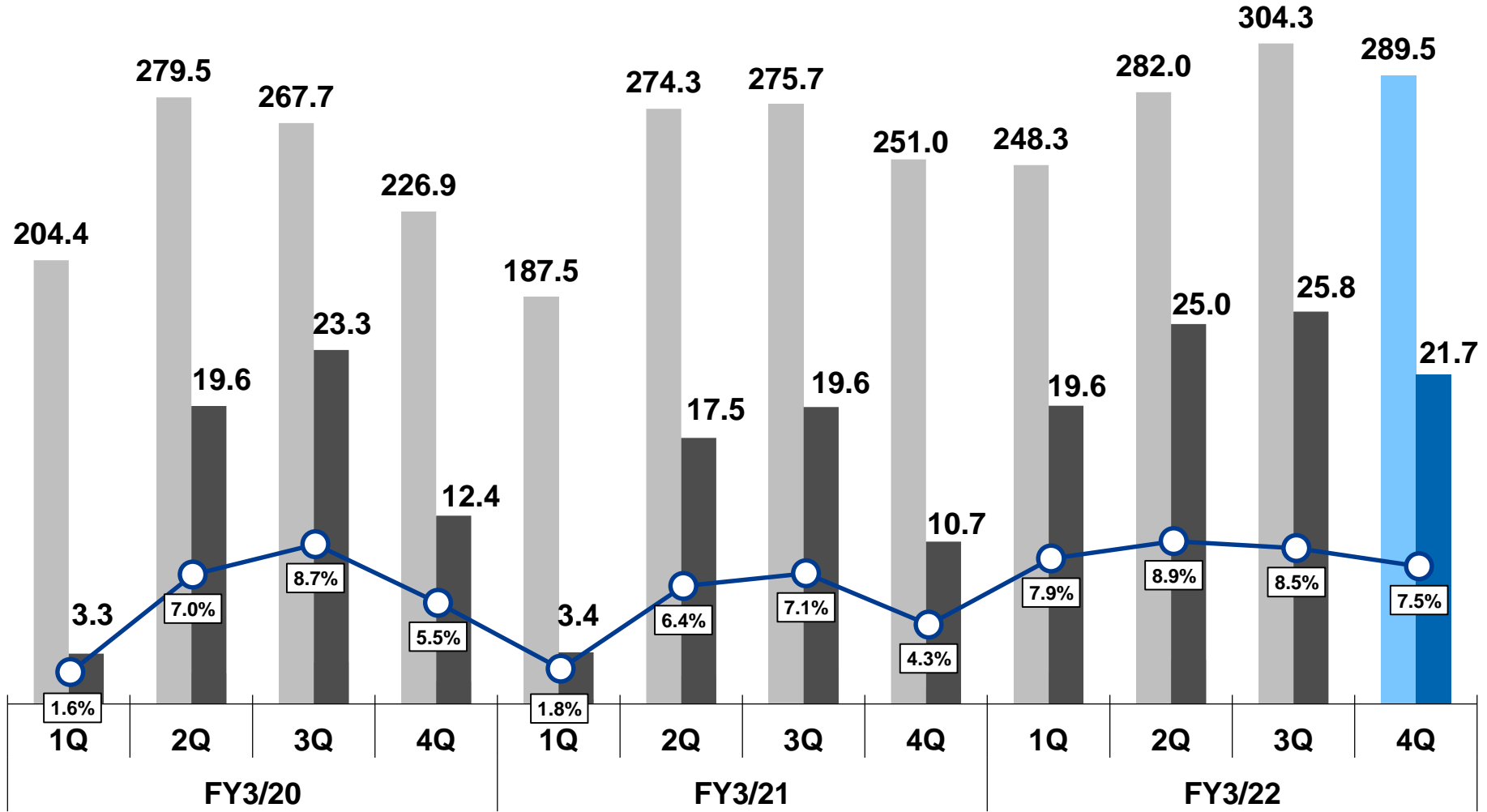
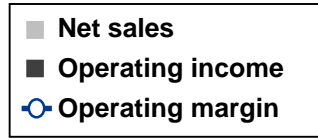
Net Sales, Operating Income/ Margin

(Billions of yen)



Net Sales, Operating Income/ Margin

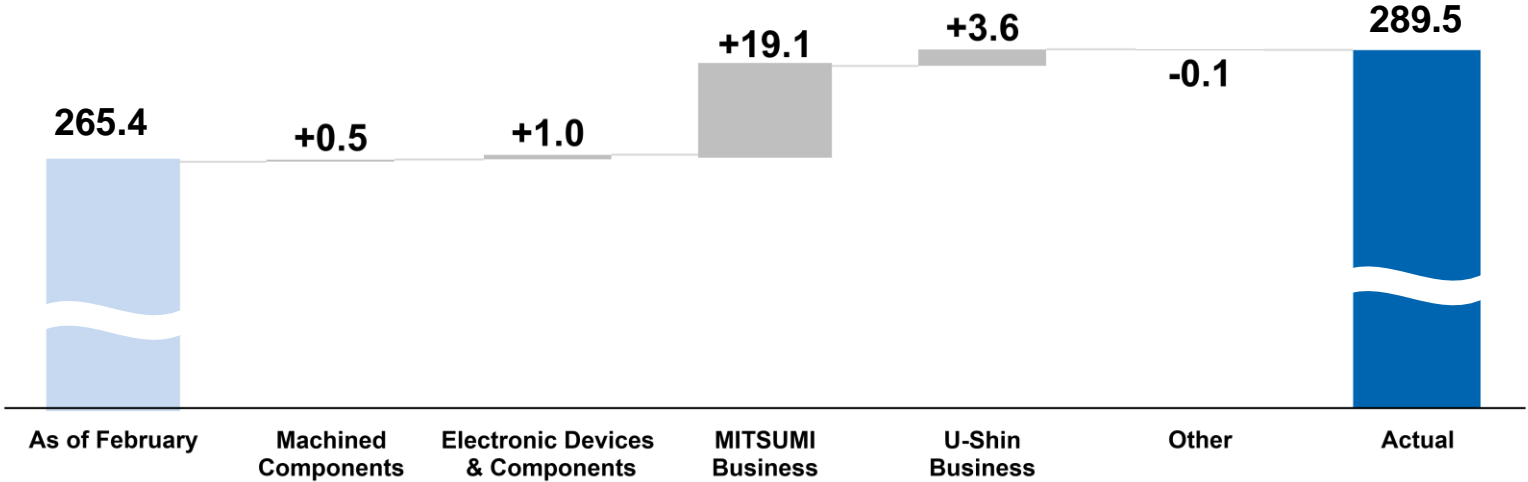
(Billions of yen)



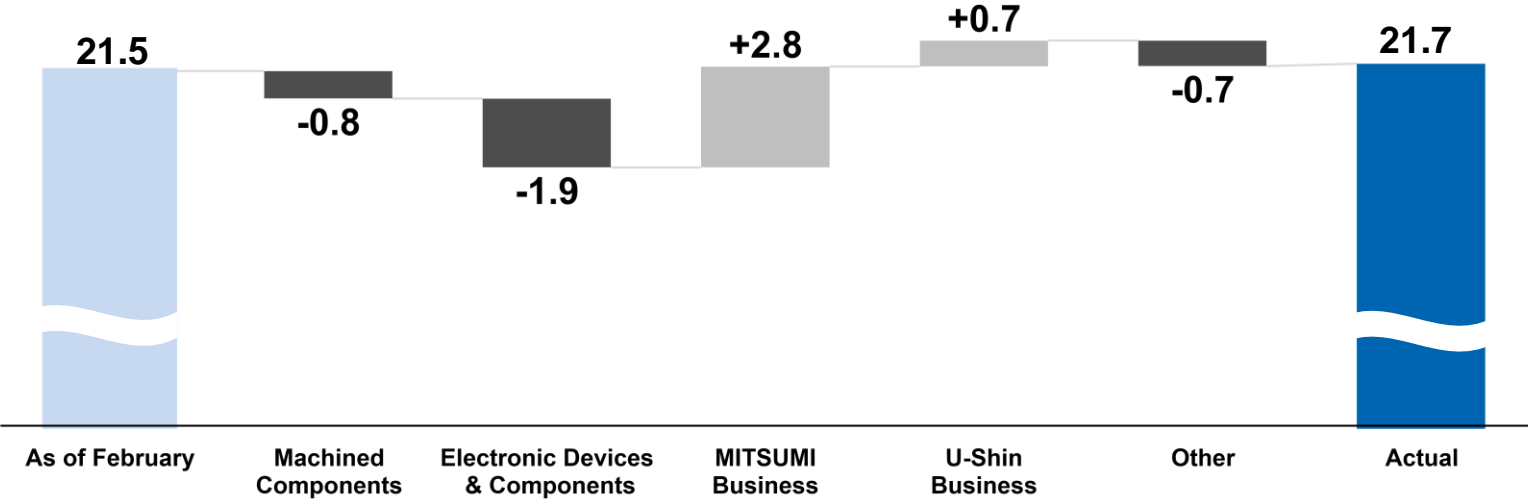
4Q Actual: Differences from the Forecast as of February

(Billions of yen)

Net Sales



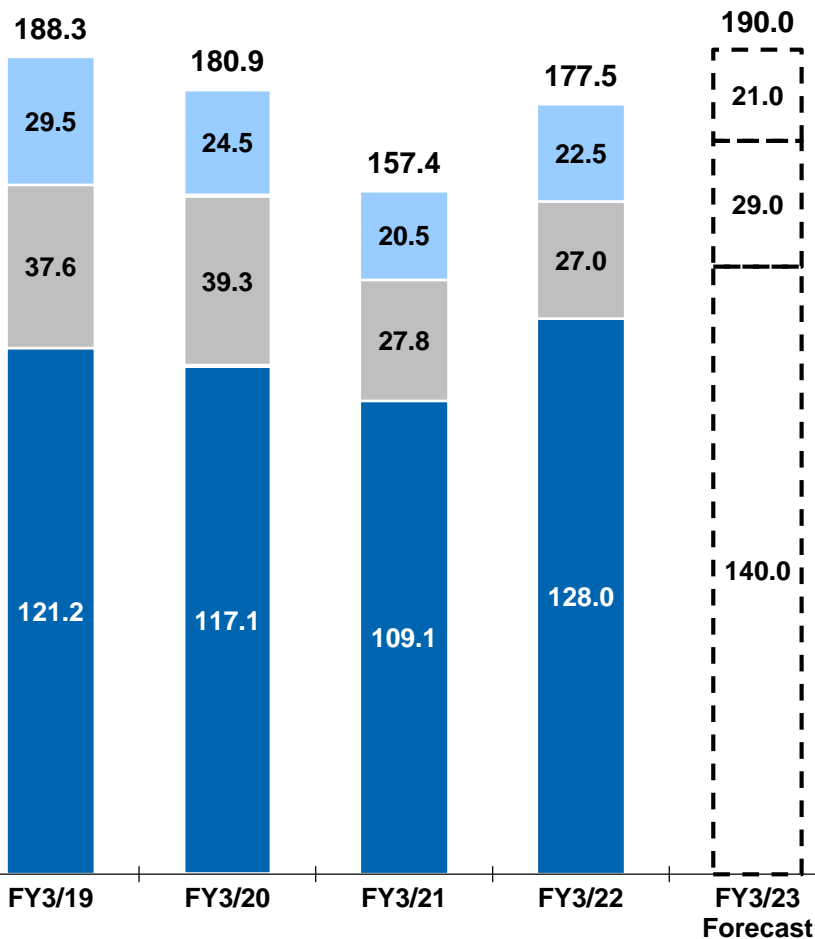
Operating Income



Machined Components

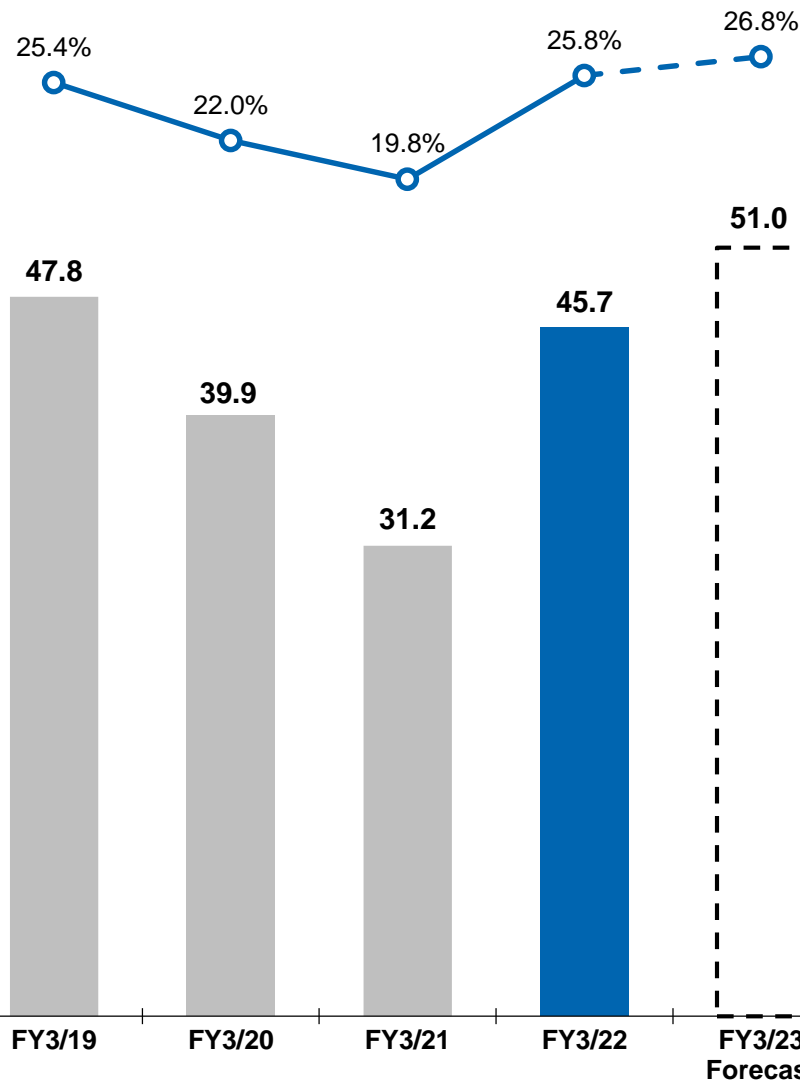
Net sales (Billions of yen)

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



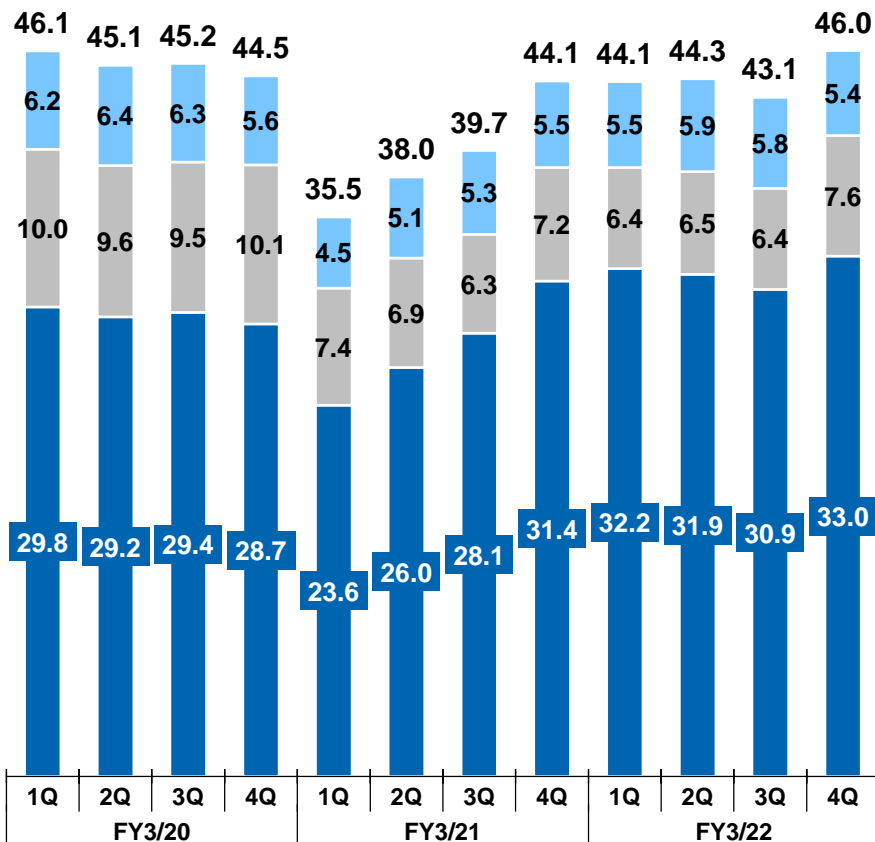
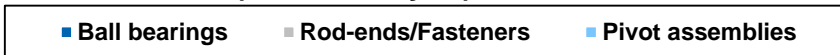
Operating income (Billions of yen)

■ Operating income ● Operating margin

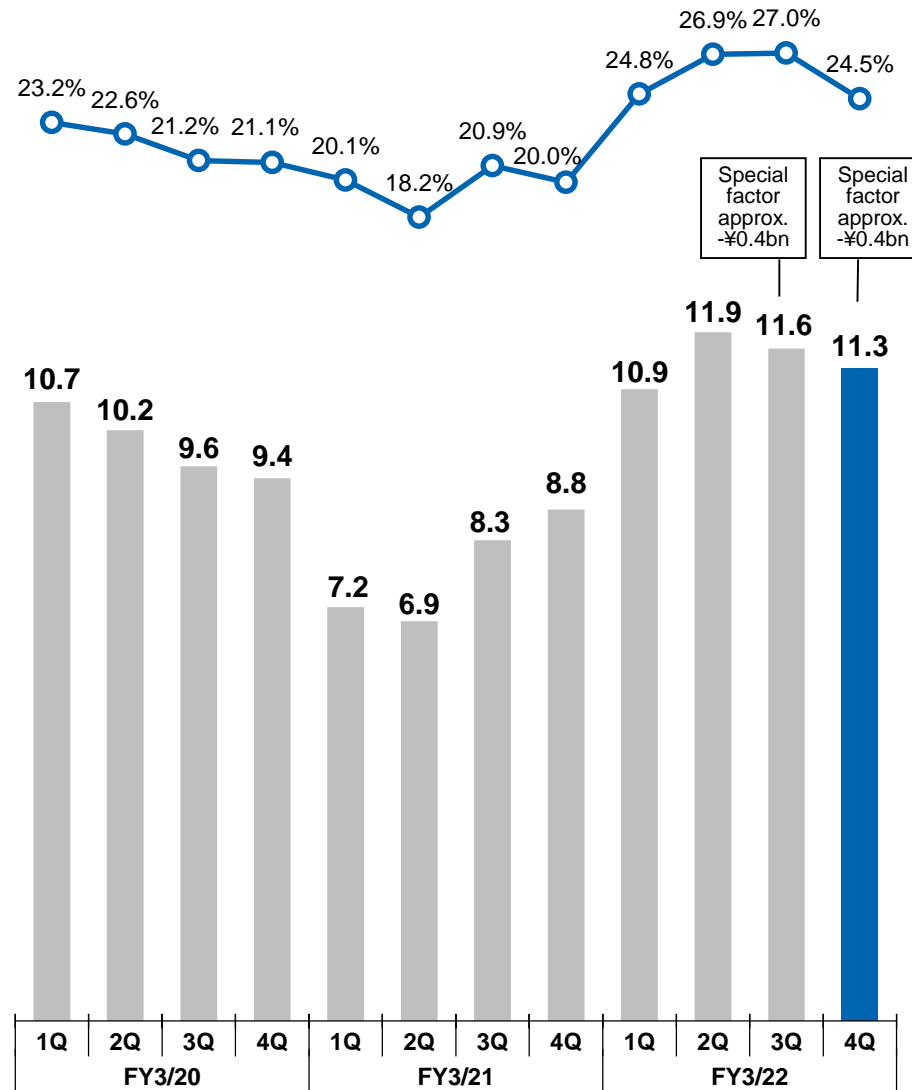
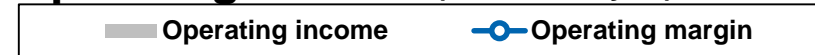


Machined Components

Net sales (Billions of yen)

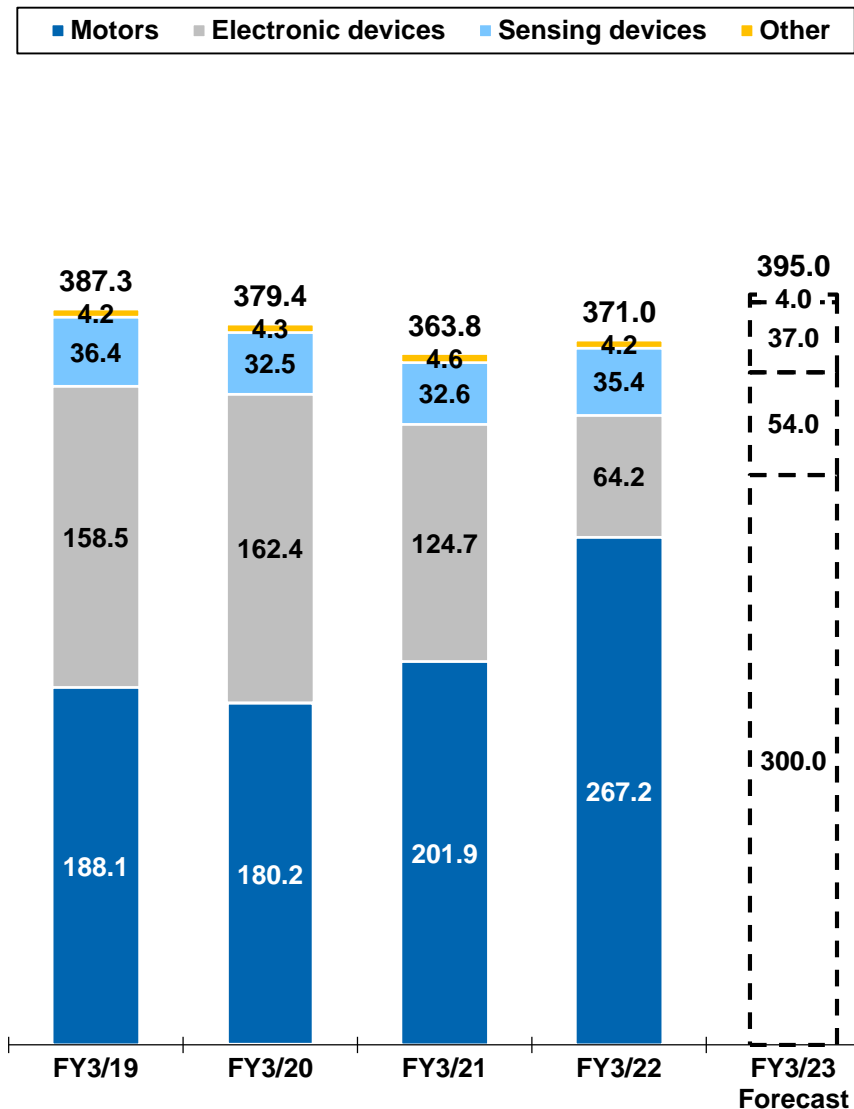


Operating income (Billions of yen)

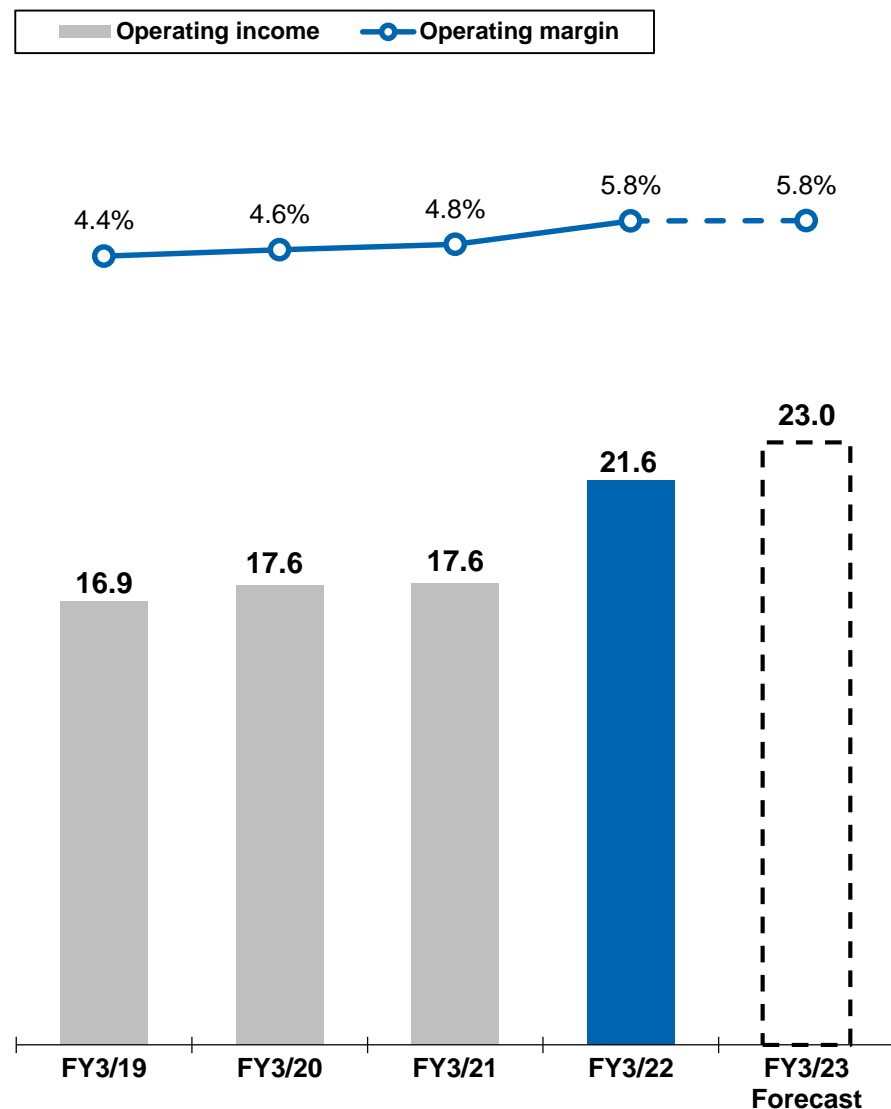


Electronic Devices & Components

Net sales (Billions of yen)

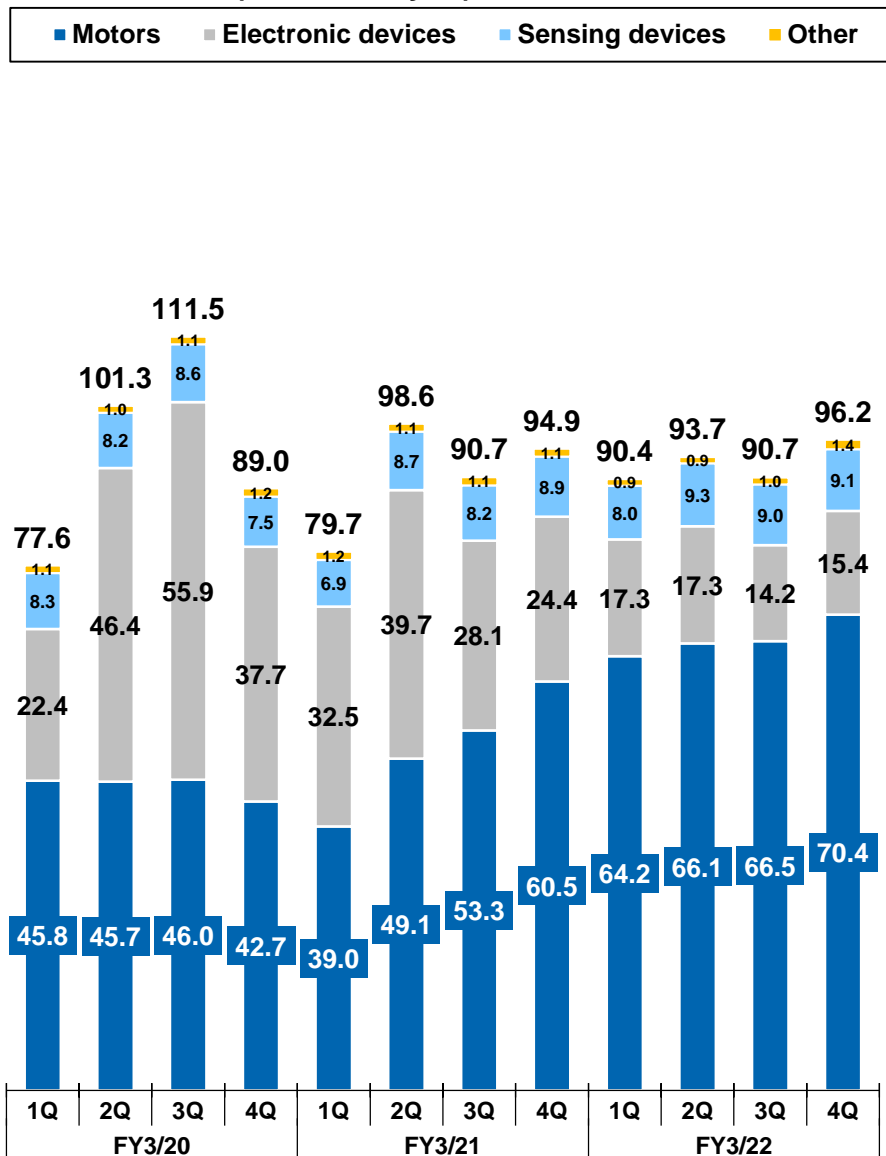


Operating income (Billions of yen)

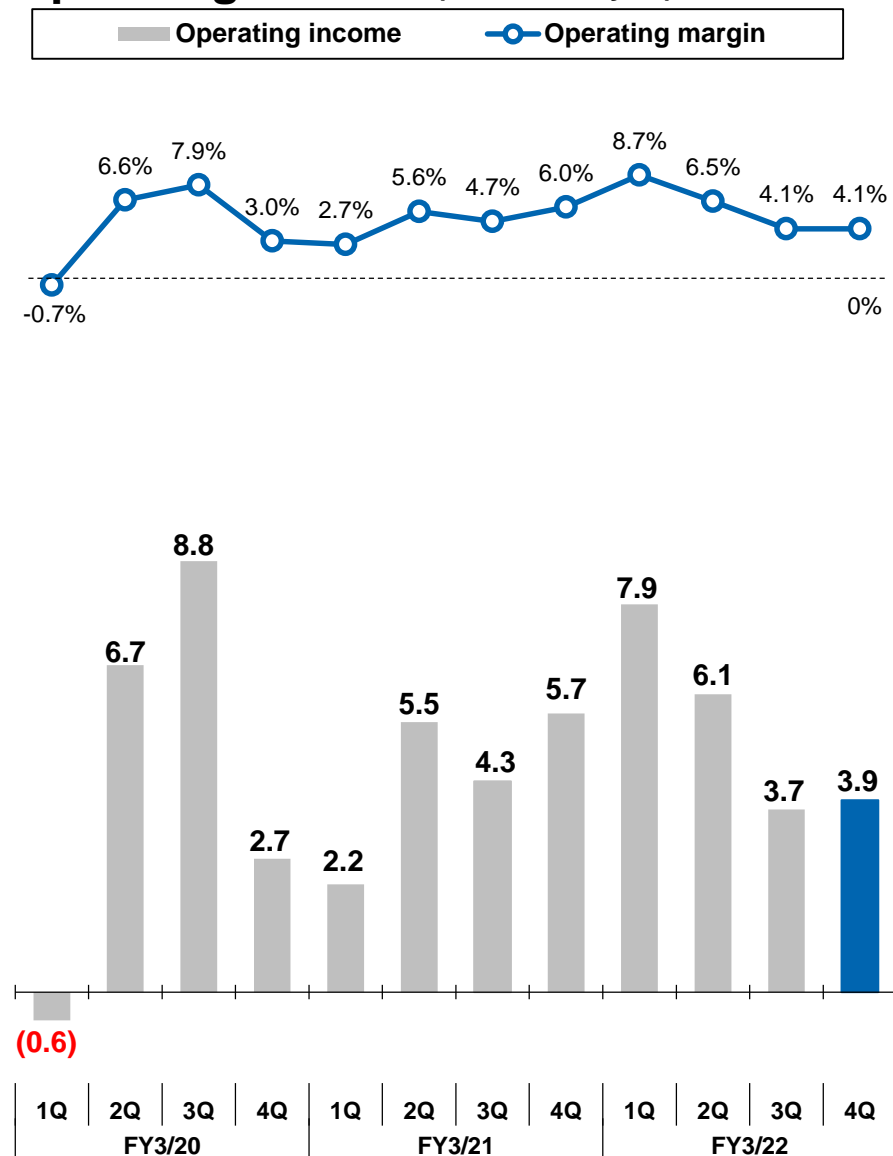


Electronic Devices & Components

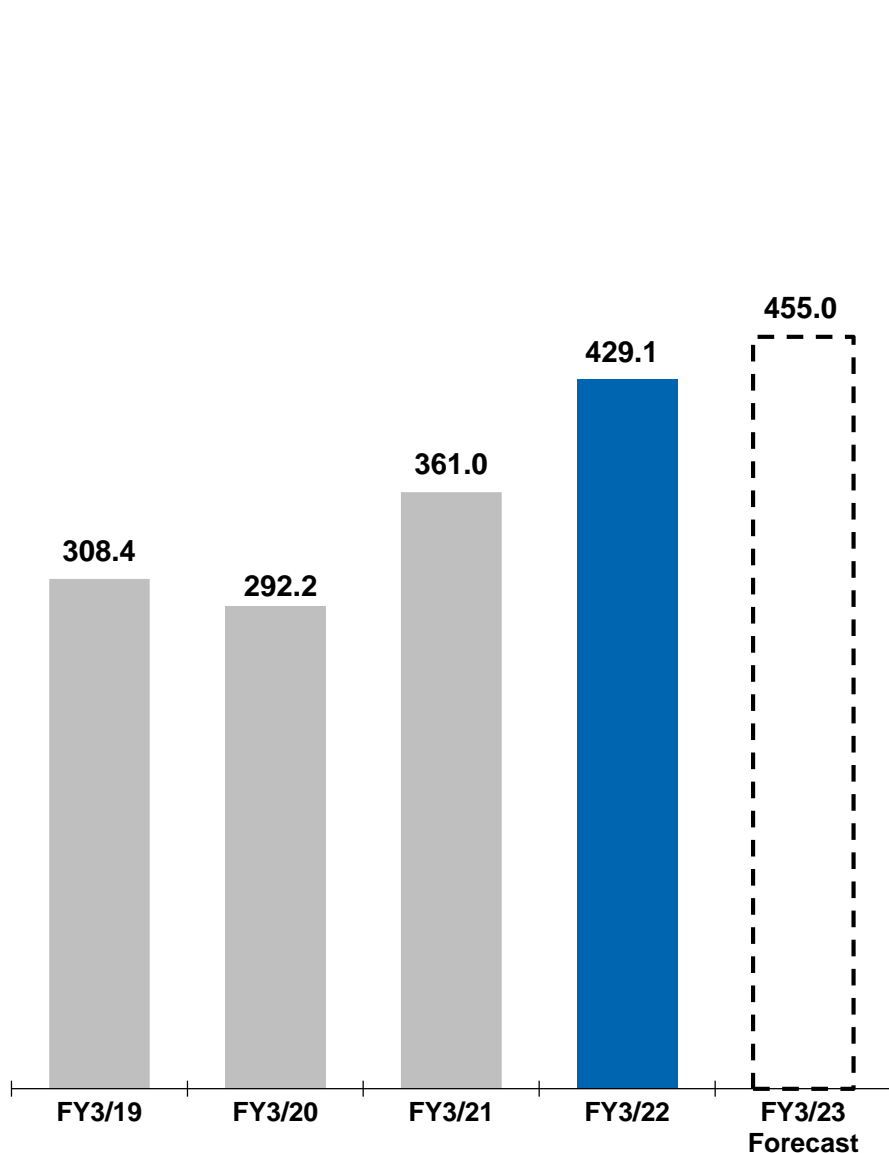
Net sales (Billions of yen)



Operating income (Billions of yen)

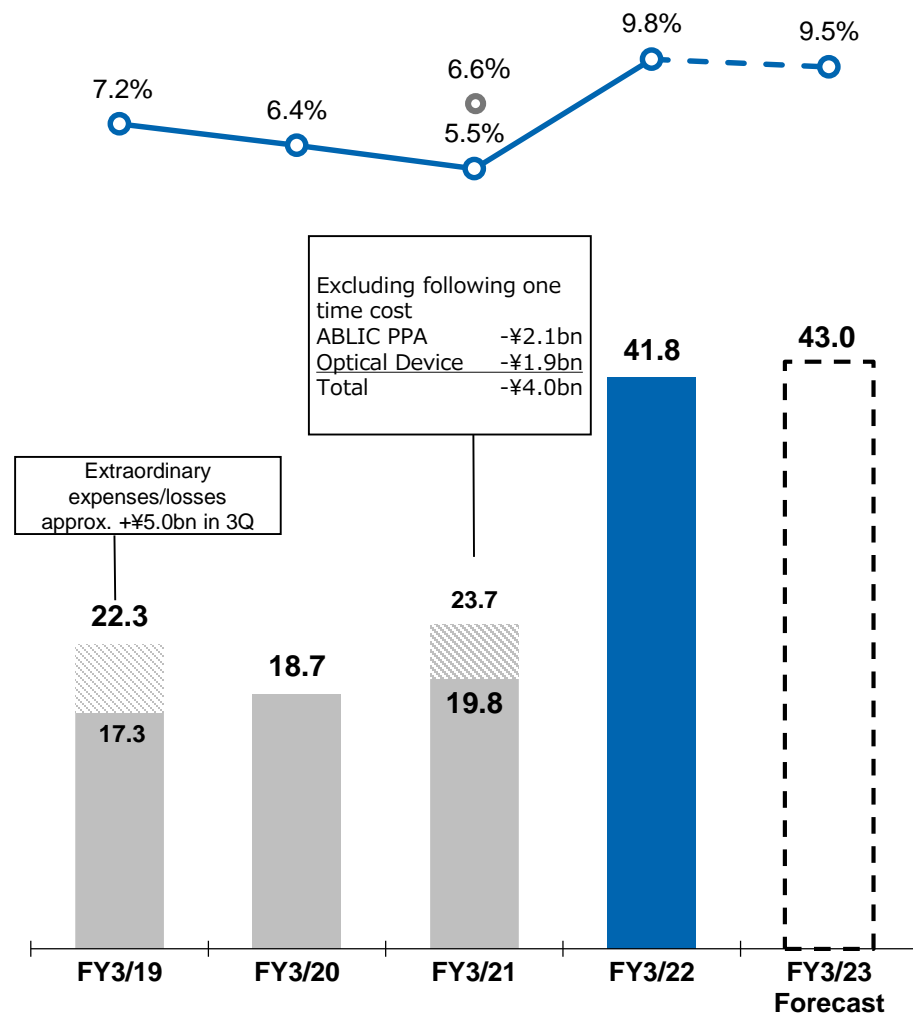


Net sales (Billions of yen)

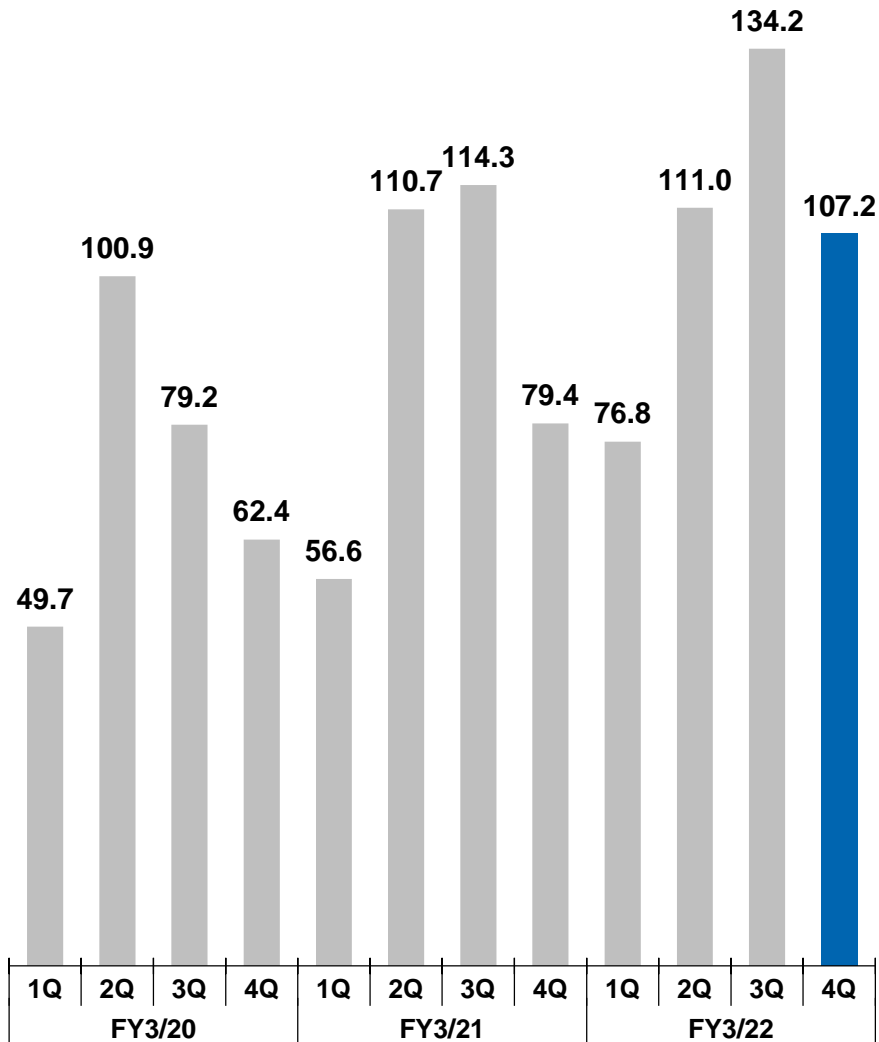


Operating income (Billions of yen)

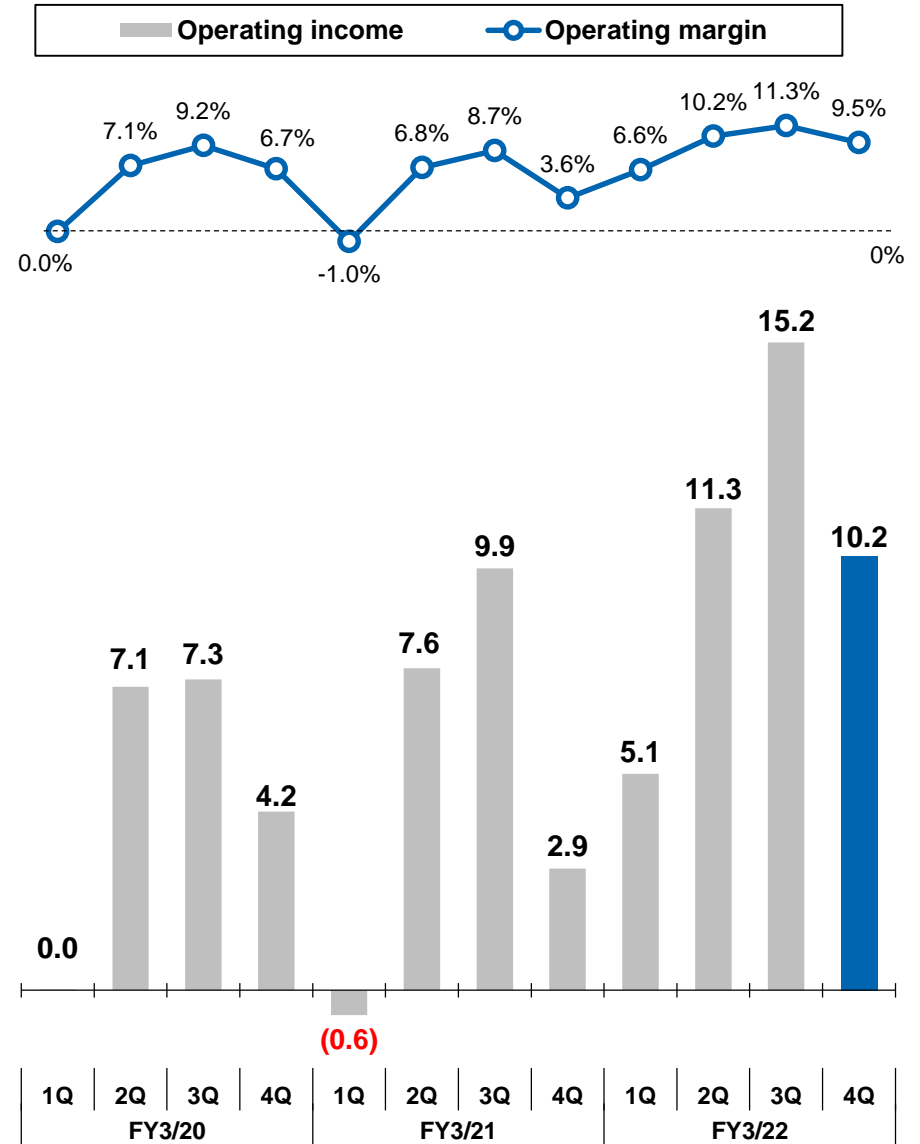
Operating income (Grey bar) Operating margin (Blue line with circles)



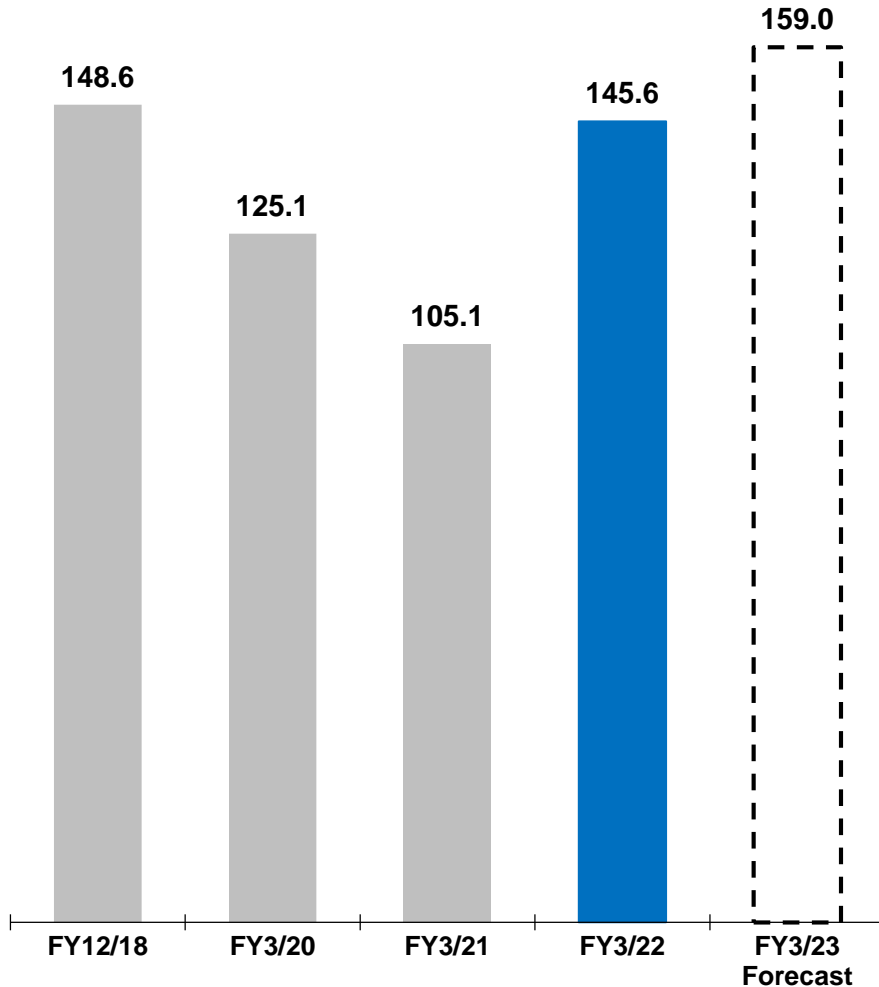
Net sales (Billions of yen)



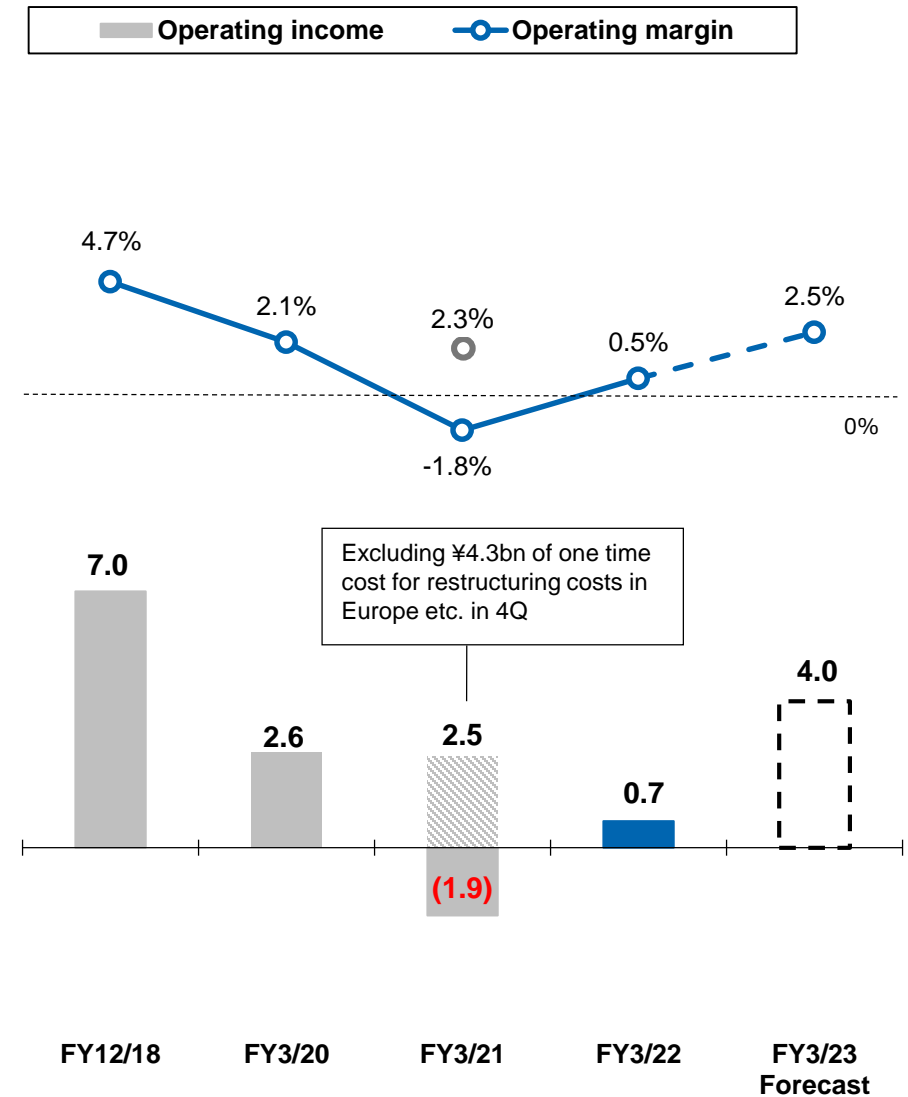
Operating income (Billions of yen)



Net sales (Billions of yen)



Operating income (Billions of yen)

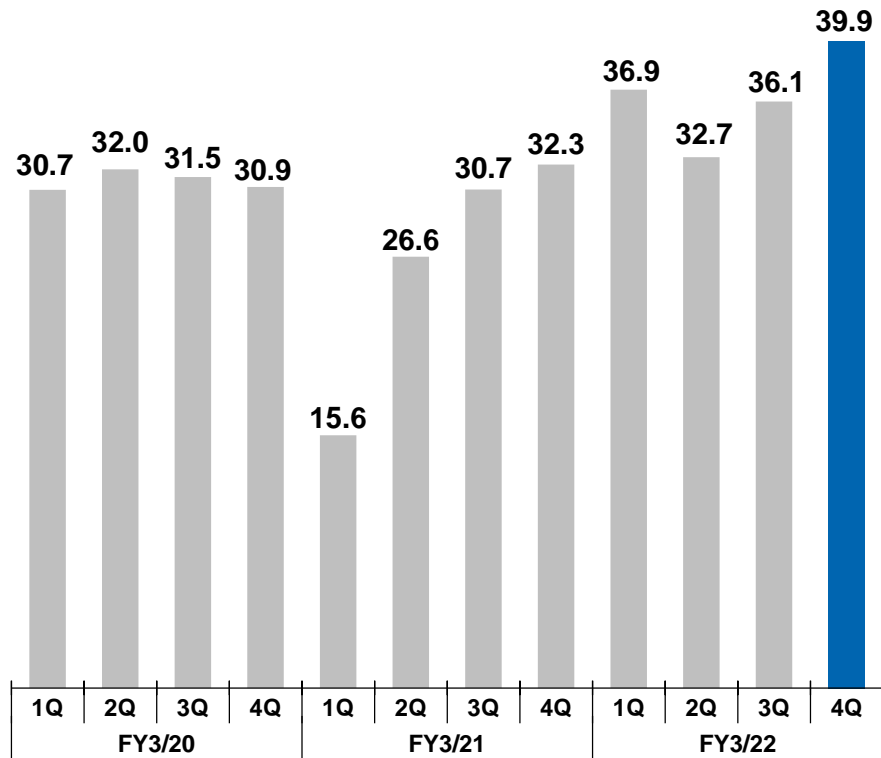


◀ [JGAAP] ▶ [IFRS]

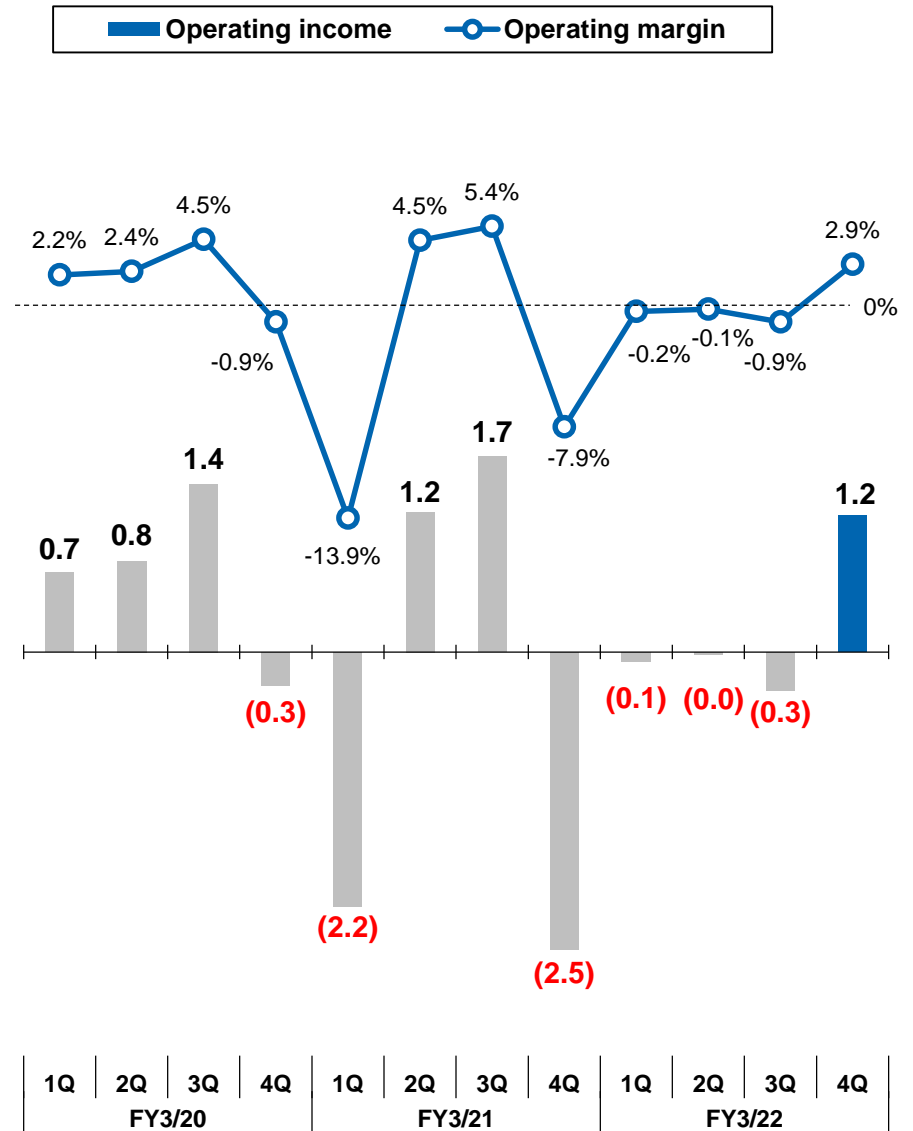
◀ [JGAAP] ▶ [IFRS]

U-Shin Business

Net sales (Billions of yen)



Operating income (Billions of yen)

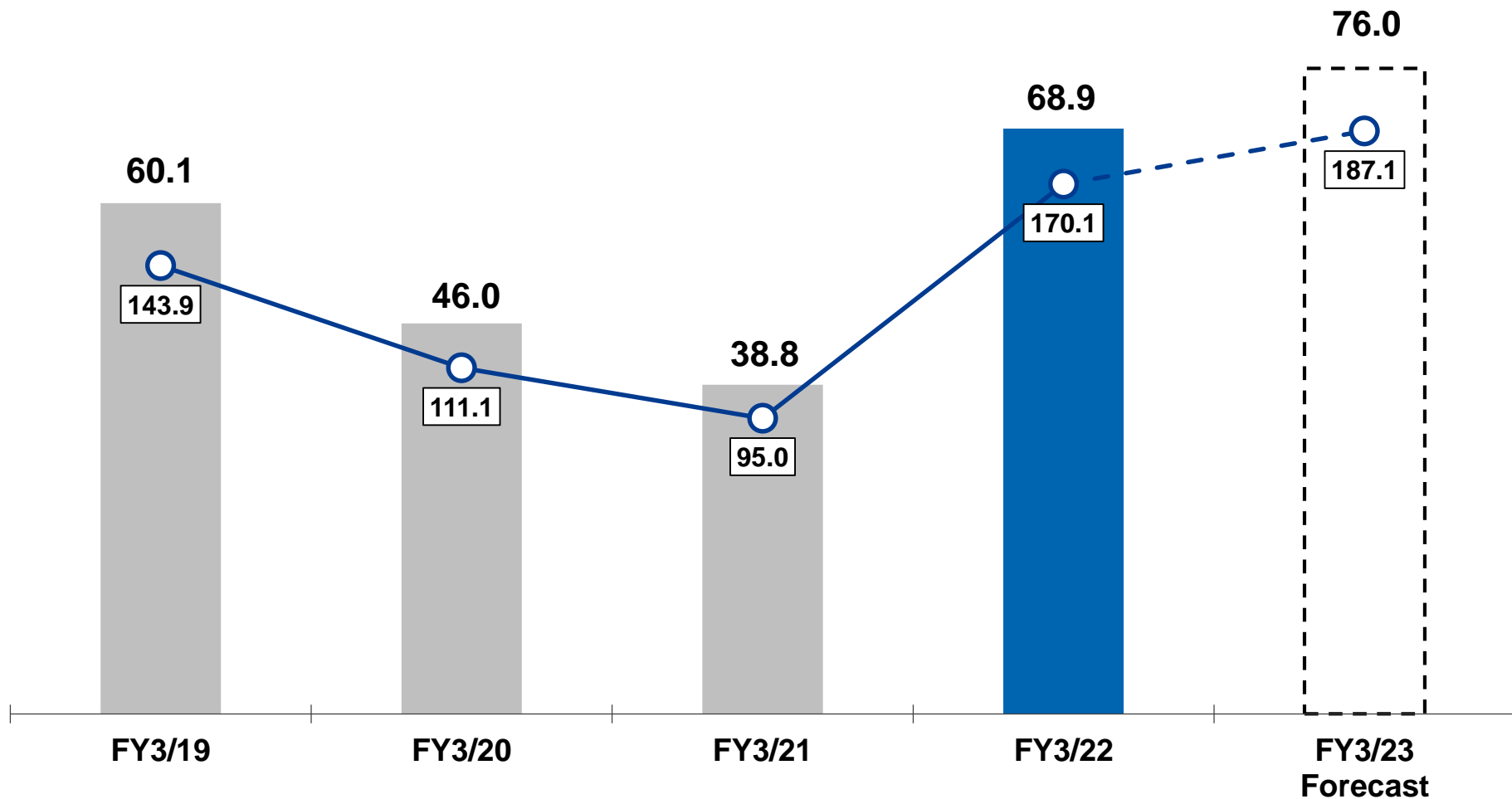


Profit Attributable to Owners of the Parent / EPS

(Billions of yen)

■ Profit for the period attributable to owners of the parent

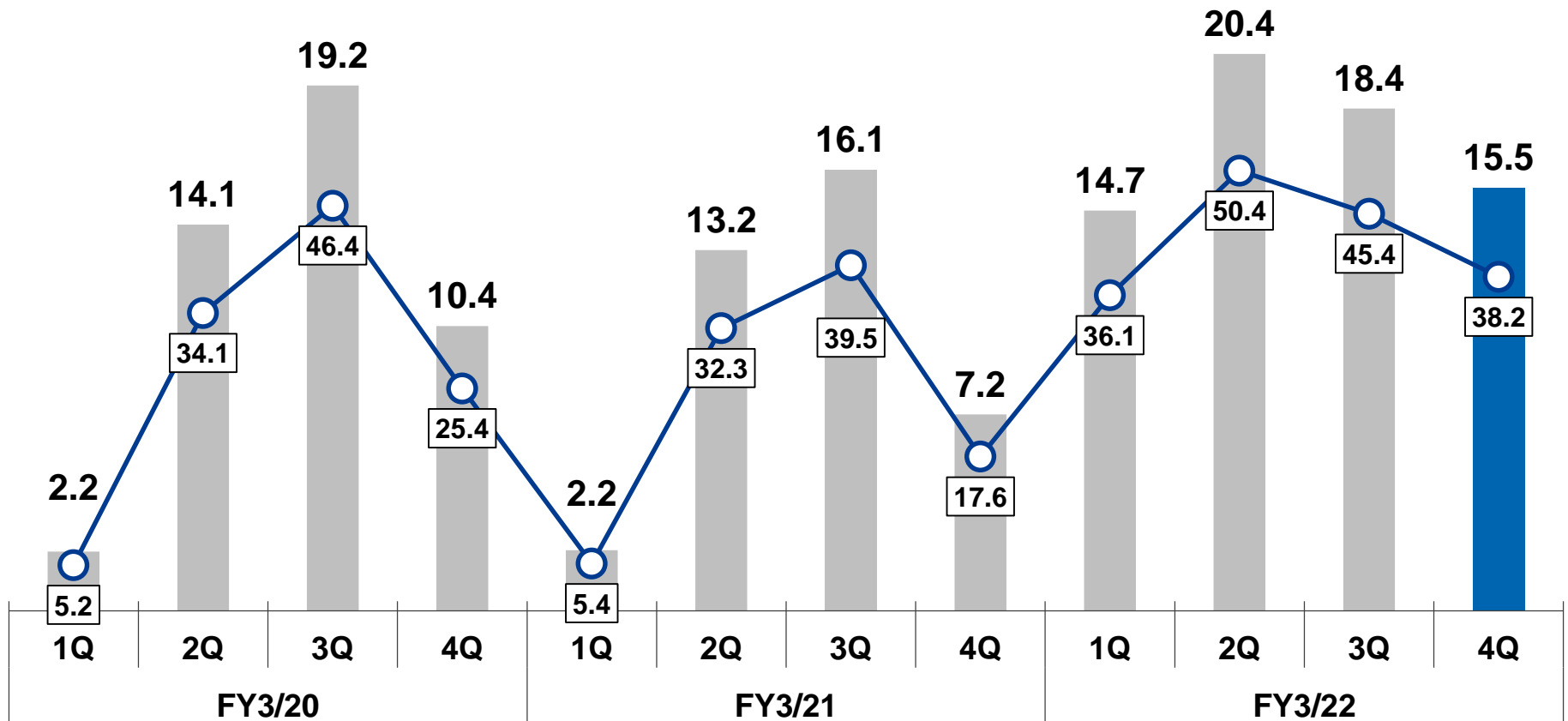
○ Earnings per share, basic (yen)



Profit Attributable to Owners of the Parent / EPS

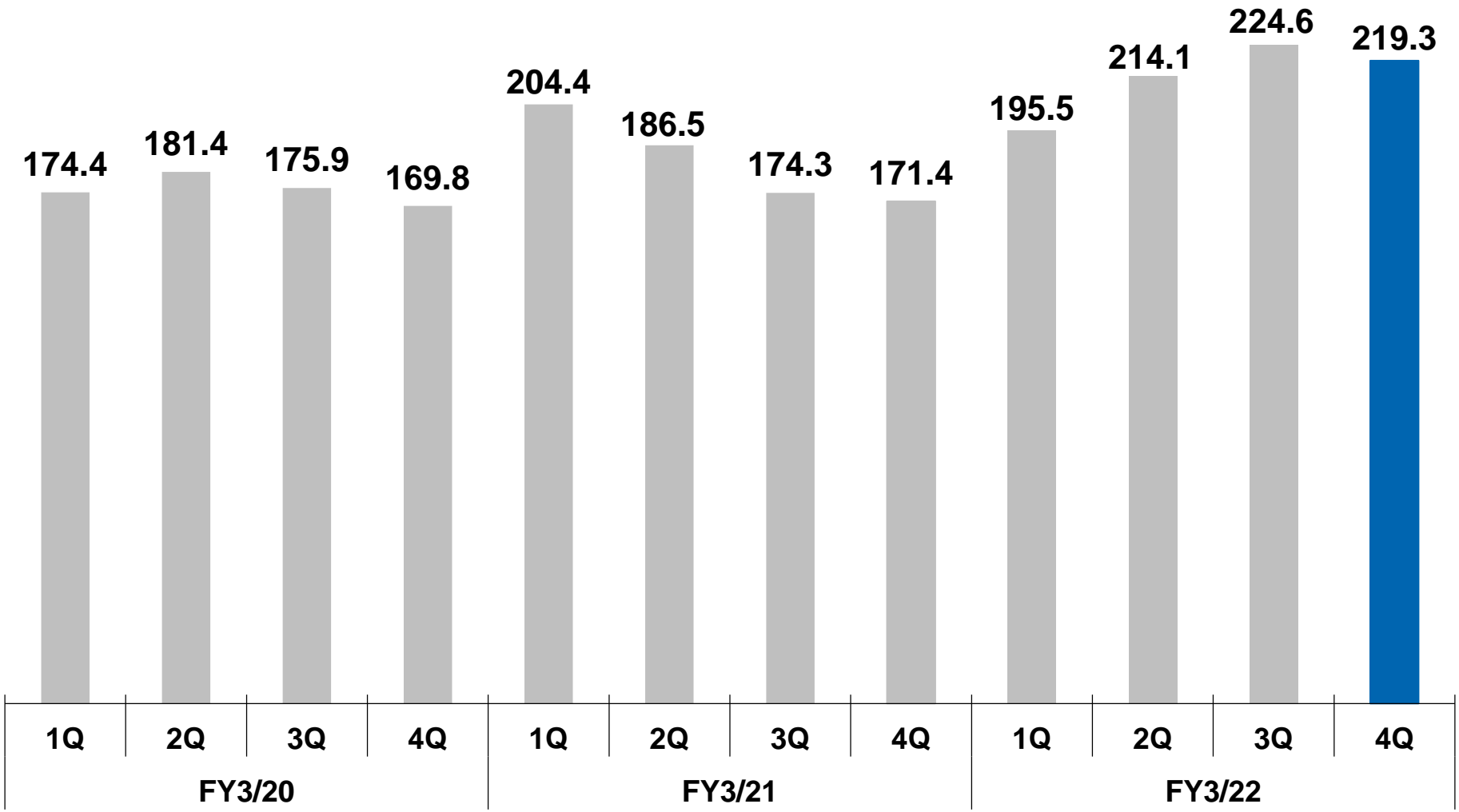
(Billions of yen)

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



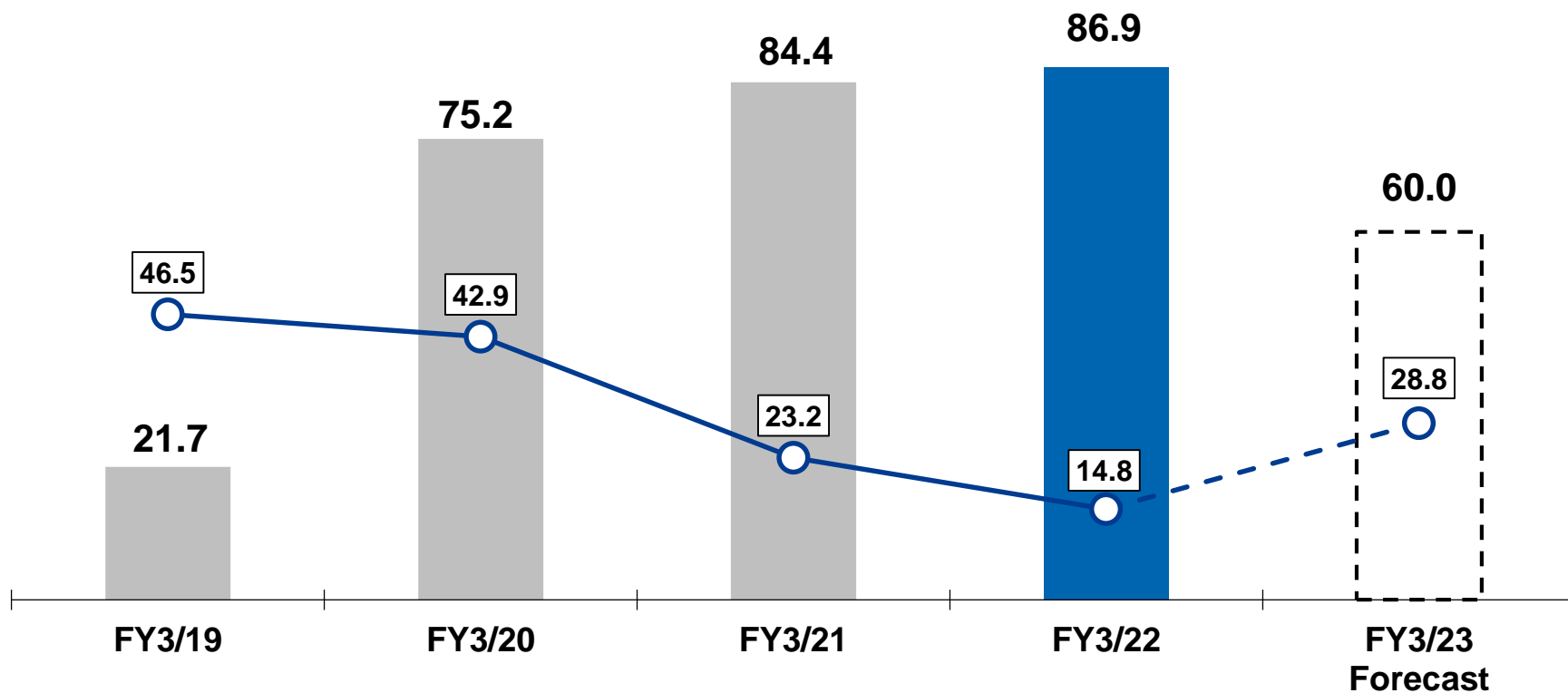
Inventory

(Billions of yen)



Net Interest-bearing Debt / Free Cash Flow

(Billions of yen)



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

Forecast for Fiscal Year Ending March 31, 2023

Full-year forecasts for net sales, OP, etc. all to hit record highs

(Millions of yen)	FY3/22	FY3/23			
	Full Year	1st Half	2nd Half	Full Year	YoY
Net sales	1,124,140	568,000	632,000	1,200,000	+6.7%
Operating income	92,136	41,000	61,000	102,000	+10.7%
Profit before taxes	90,788	40,500	60,500	101,000	+11.2%
Profit for the period attributable to owners of the parent	68,935	30,000	46,000	76,000	+10.2%
Earnings per share, basic (yen)	170.08	73.86	113.26	187.12	+10.0%

Foreign Exchange Rates	FY3/22 Full Year	FY3/23 Assumptions
US\$	¥111.55	¥115.00
Euro	¥130.47	¥125.00
Thai Baht	¥3.44	¥3.48
Chinese RMB	¥17.35	¥18.50

Forecast for Business Segment

(Millions of yen)	FY3/22 Full Year	FY3/23			
		1st Half	2nd Half	Full Year	YoY
Net sales	1,124,140	568,000	632,000	1,200,000	+6.7%
Machined components	177,470	91,000	99,000	190,000	+7.1%
Electronic devices and components	371,023	184,500	210,500	395,000	+6.5%
MITSUMI business	429,116	215,000	240,000	455,000	+6.0%
U-Shin business	145,577	77,000	82,000	159,000	+9.2%
Other	954	500	500	1,000	+4.8%
Operating income	92,136	41,000	61,000	102,000	+10.7%
Machined components	45,717	23,500	27,500	51,000	+11.6%
Electronic devices and components	21,561	7,500	15,500	23,000	+6.7%
MITSUMI business	41,846	18,000	25,000	43,000	+2.8%
U-Shin business	732	1,000	3,000	4,000	x5.5
Other	-1,429	-400	-600	-1,000	-
Adjustment	-16,291	-8,600	-9,400	-18,000	-

Management Policy & Business Strategy

May 11, 2022

Yoshihisa Kainuma

Representative Director, CEO & COO



Overall

- **Net sales, operating income, and net profit all hit record highs.**
- **Our diversified business portfolio, centered on three spears +1, enhanced profits** in spite of the headwinds from semiconductor shortages, soaring raw material prices, and COVID-19.
- The more profitable the business, the more it exceeded initial forecasts, while overall product mix improved.
→ Ball bearings, analog semiconductors, optical devices, etc.

Machined components

- Ball bearing production continued at full capacity. **Made steady progress with production capacity increases aimed at large-scale capacity increases this fiscal year.**
- Promoted pull system in aircraft-related business. Recovery expected in the second half of this fiscal year.

Electronic devices and components/ MITSUMI

- **MITSUMI business achieved record high profits.**
- Motors were affected from soaring material costs and semiconductor shortages.
- Optical devices far surpassed the initial plan. Solidified the foothold to become the No.1 in the industry.
- Began building production framework for next-generation technologies.

U-Shin

- **Returned to profitability in the fourth quarter.**
- Structural reforms in Europe completed as planned.

Set the guidance conservatively, considering current risks

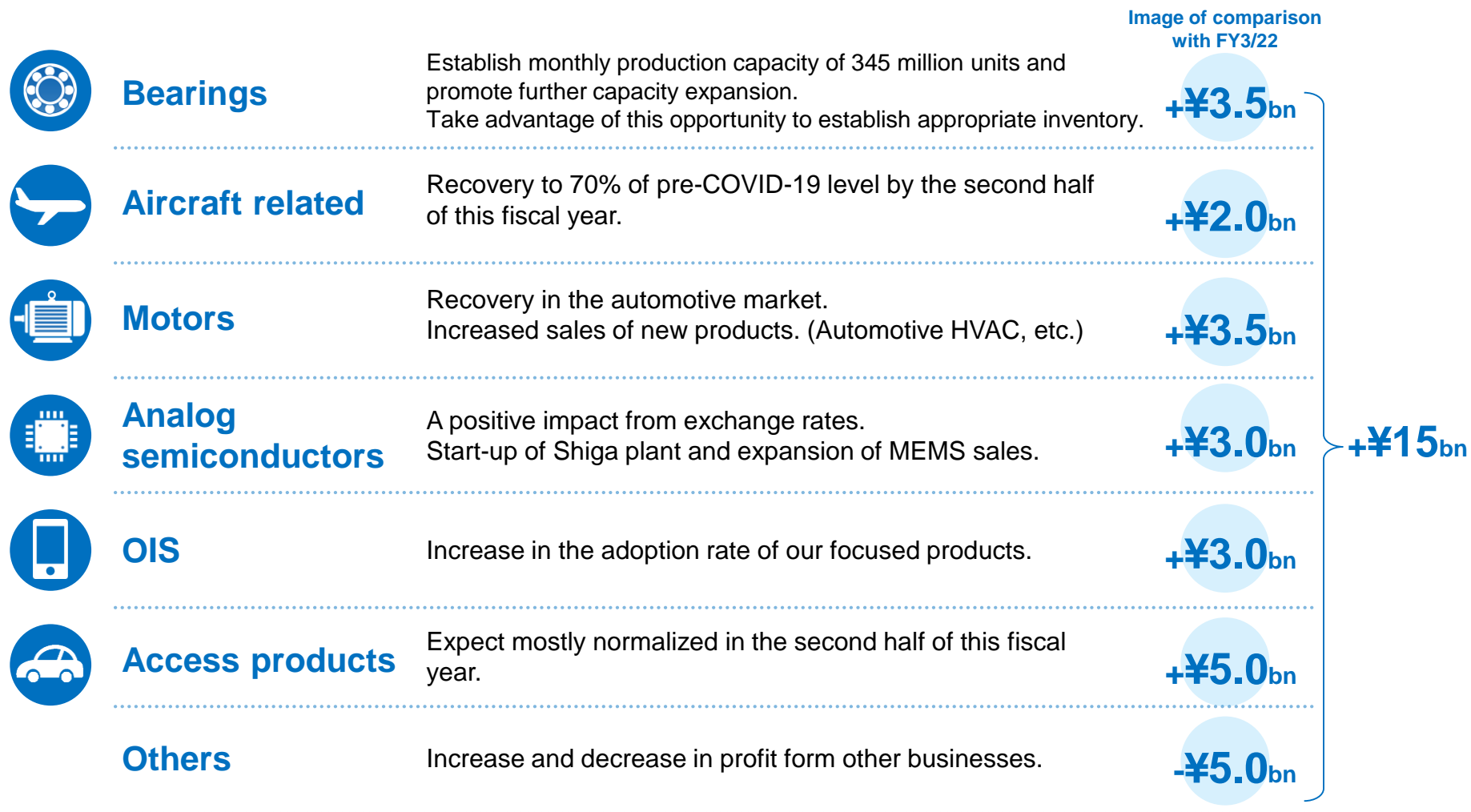
Key Points

- Engage in thorough efforts to pass on increased business costs (raw material and logistics costs) to customers in all businesses.
- Machined components: Complete increasing monthly ball bearing production capacity by 20 million units in August this year.
- Electronic devices and components: Enhance motor business as the key element of eight spears strategy.
- MITSUMI: Maintain growth in analog semiconductors and OIS.
- U-Shin: Achieve turnaround through structural reforms and market recovery.
- The external environment remains uncertain.

(Millions of yen)

	FY3/22 Full Year	FY3/23			
		1st Half	2nd Half	Full Year	YoY
Net sales	1,124,140	568,000	632,000	1,200,000	+6.7%
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5 billion yen stress added against bottom-up

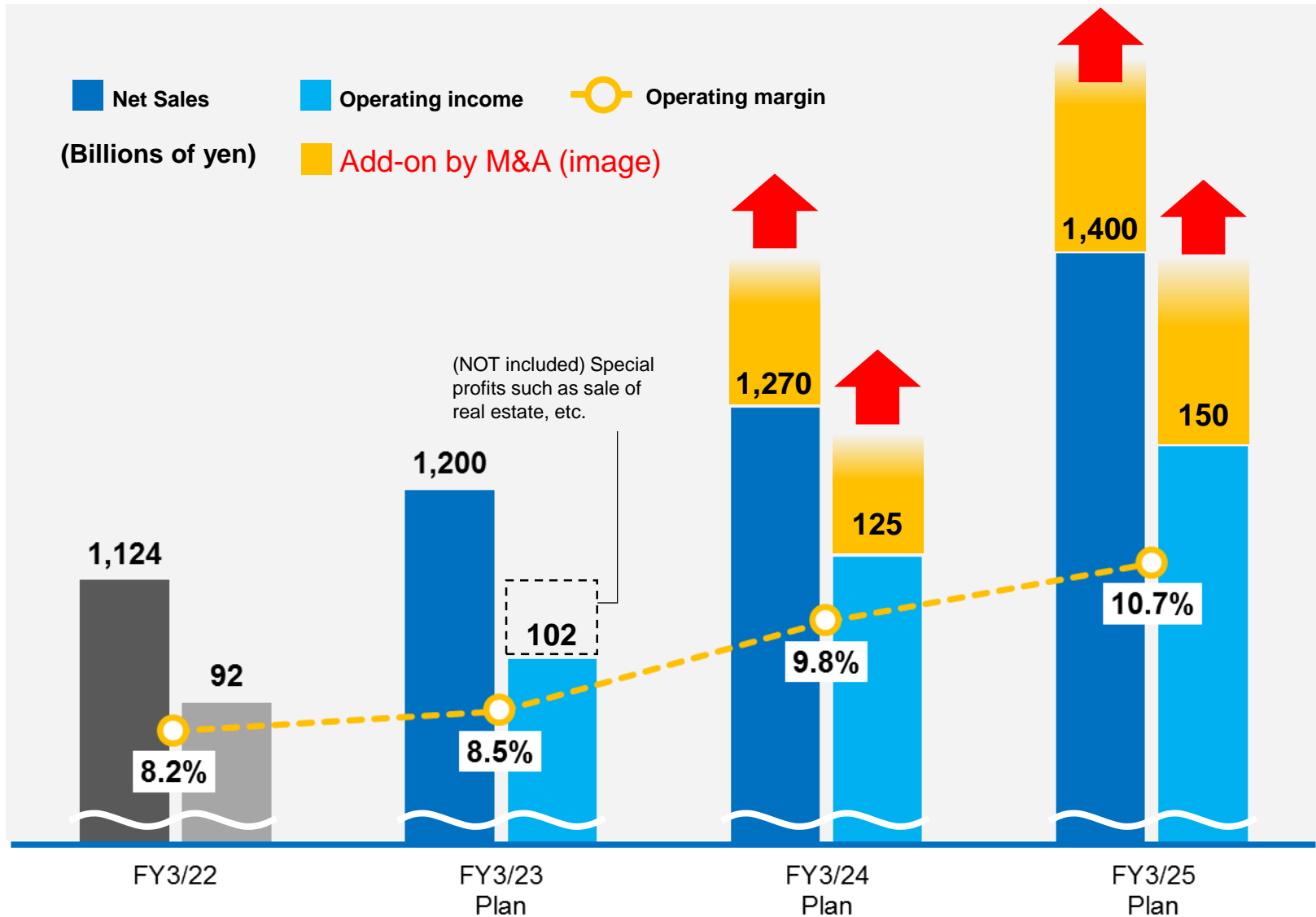


Stress considering current risks



-¥5.0bn

Movements to “with Corona” make M&A more active



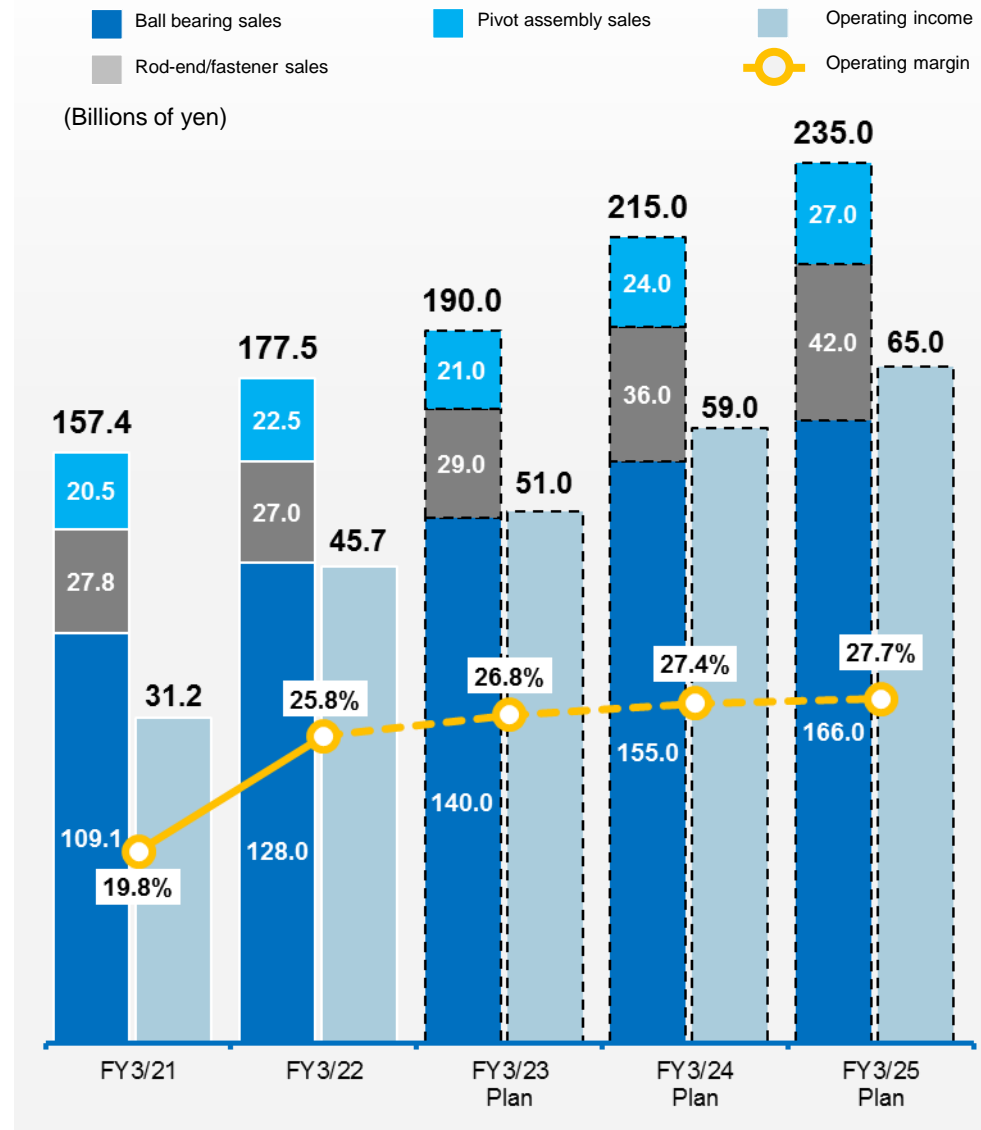
Growth in ball bearing business plus recovery in aerospace

Key Points

1 Ball bearing sales
Continued medium- to long-term growth led by automobile applications and data centers

2 Ball bearing production
Establish monthly production capacity of 365 million plus

3 Rod-ends & fasteners
Reinforce structure by shifting from a push to a pull system



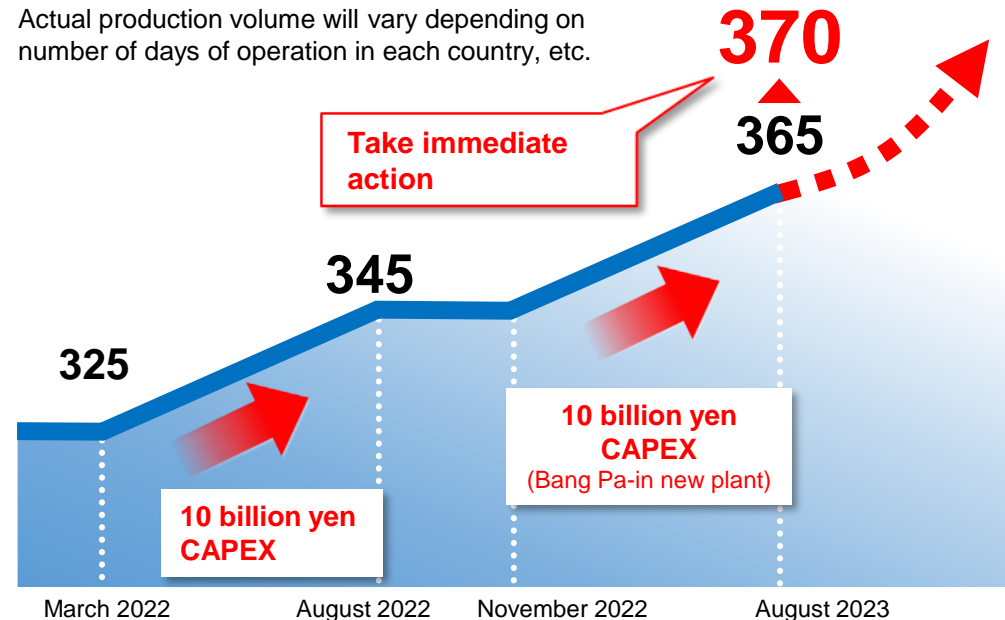
Continued growth from structural demand increases for ultra-high-quality products
Quickly build a framework capable of producing 365 million units plus per month

Keywords

- 1 **Automobiles**
Number of bearings used per automobile increases due to higher functionality and conversion to EVs
- 2 **Datacenters**
Cloud storage/base stations
- 3 **High end home electronics**
Low-noise and energy-saving performance
- 4 **Development of super bearings (innovative precision-improved bearings) is proceeding on track**

Miniature/small-sized ball bearing production capacity (million units/month)

Actual production volume will vary depending on number of days of operation in each country, etc.



Ceramic bearings



High corrosion resistant miniature bearings



Miniature/small-sized ball bearings

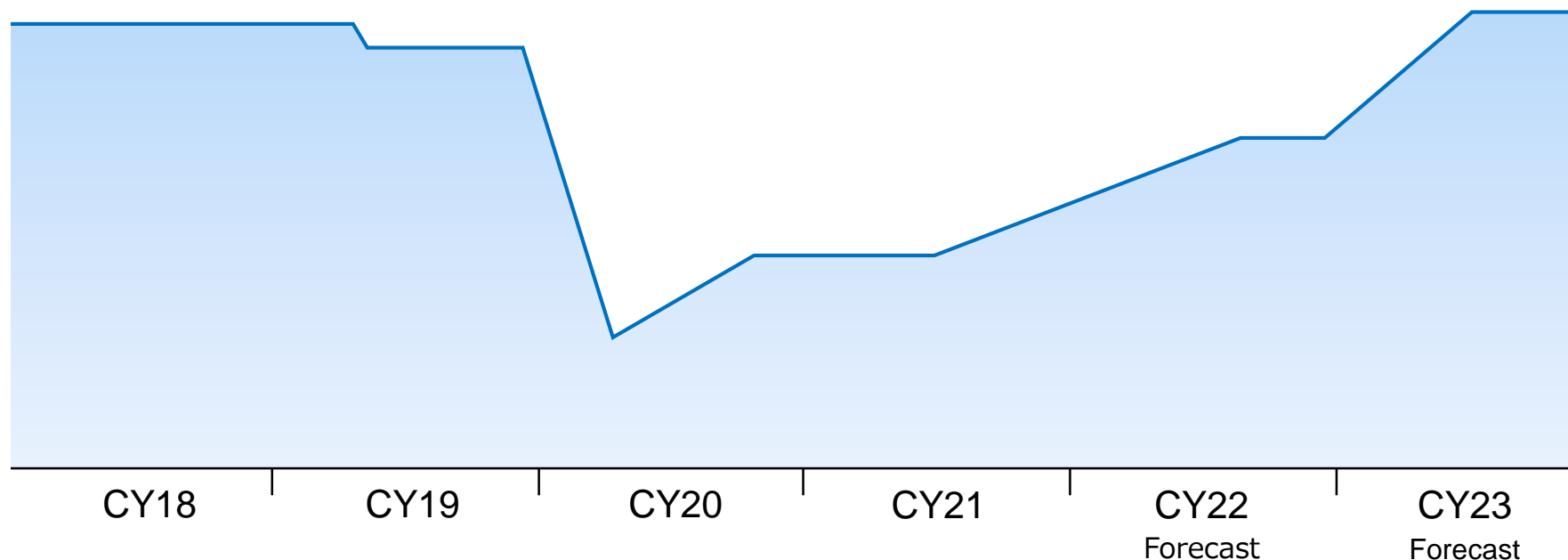
Trend of commercial aircraft production rate

(Source: MinebeaMitsumi)

External environment

- Recovery of passenger demand
- Initiatives to reduce CO₂ in airlines
- Increasing demand for new production of energy-saving aircrafts

Assume recovery from latter part of FY3/23



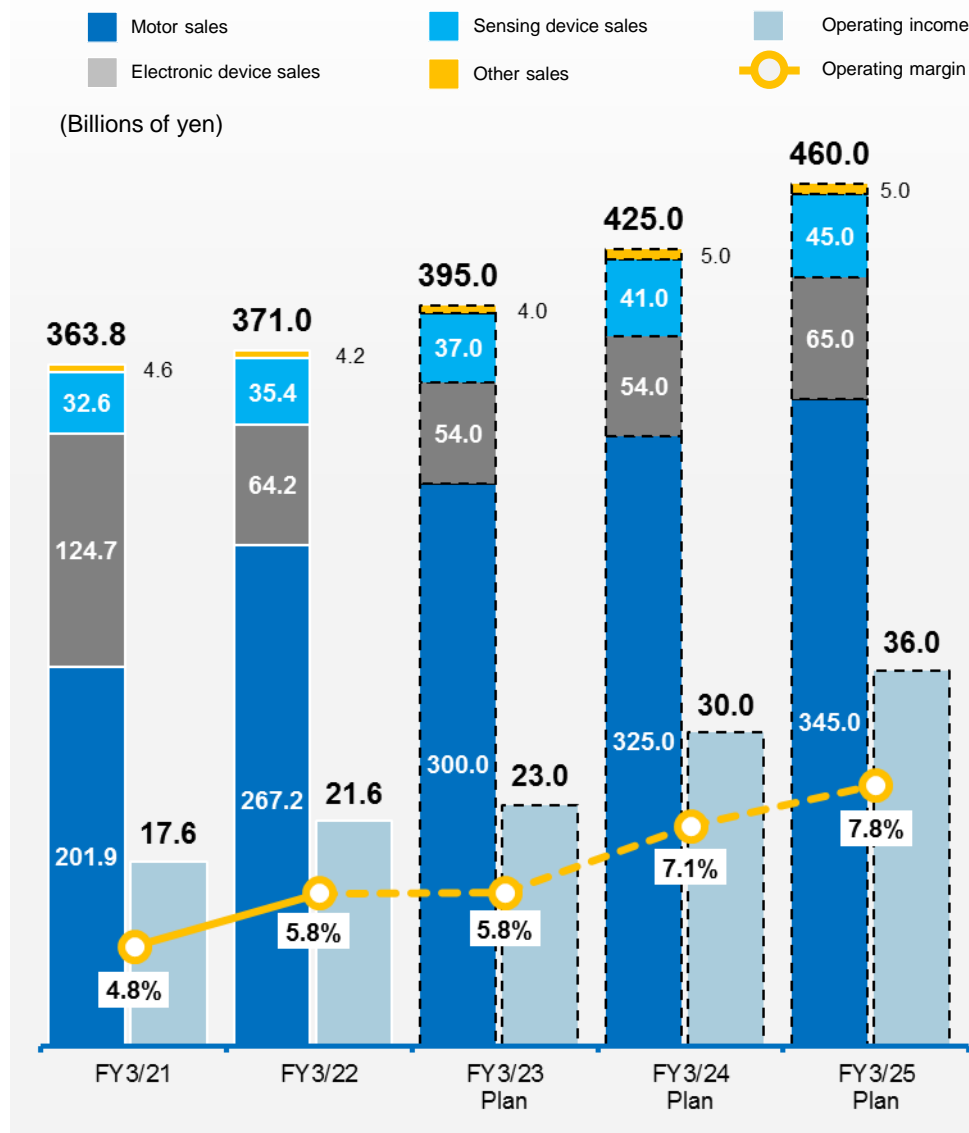
Growth to accelerate with motors as profit driver

Key Points

- 1 **Motors**
Top-line growth in automotive motors to further increase profitability

- 2 **Electronic devices**
Resonant devices to contribute to profits

- 3 **Sensing devices**
Expand sales for automotive and industrial (molding machines, etc.) applications



Automobile applications accelerate growth in the future

Keywords

1 Thorough price pass-on measures

Engage in thorough efforts to pass on increased business costs (raw material and logistics costs) to customers

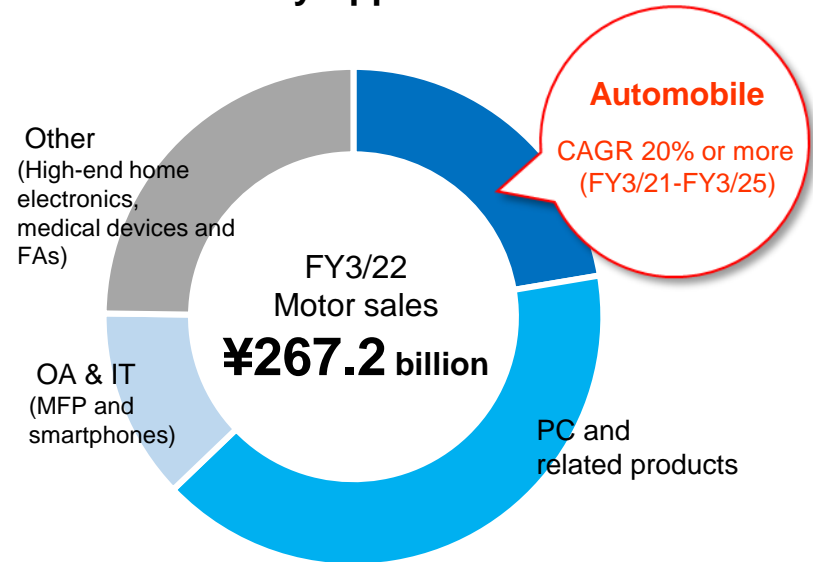
2 Automobile motors

Currently expanding automobile applications. New mass-produced products continue to be launched.









3 Synergy creation

Reinforce competitive advantage of products by producing driver ICs in-house, etc.

Motor Sales by Application



Examples of major motor products for autos/EVs

EV unique function	Environment	Safety	Comfortability
 Resolver for traction motor  Cooling fan for EV rechargeable battery	 Active grill actuator  Actuator for valves	 DC motor for EPB  LIN Bus Type Headlamp actuator	 Stepping motor for HVAC  Seat ventilation

Semiconductors and actuators to drive growth

Key Points

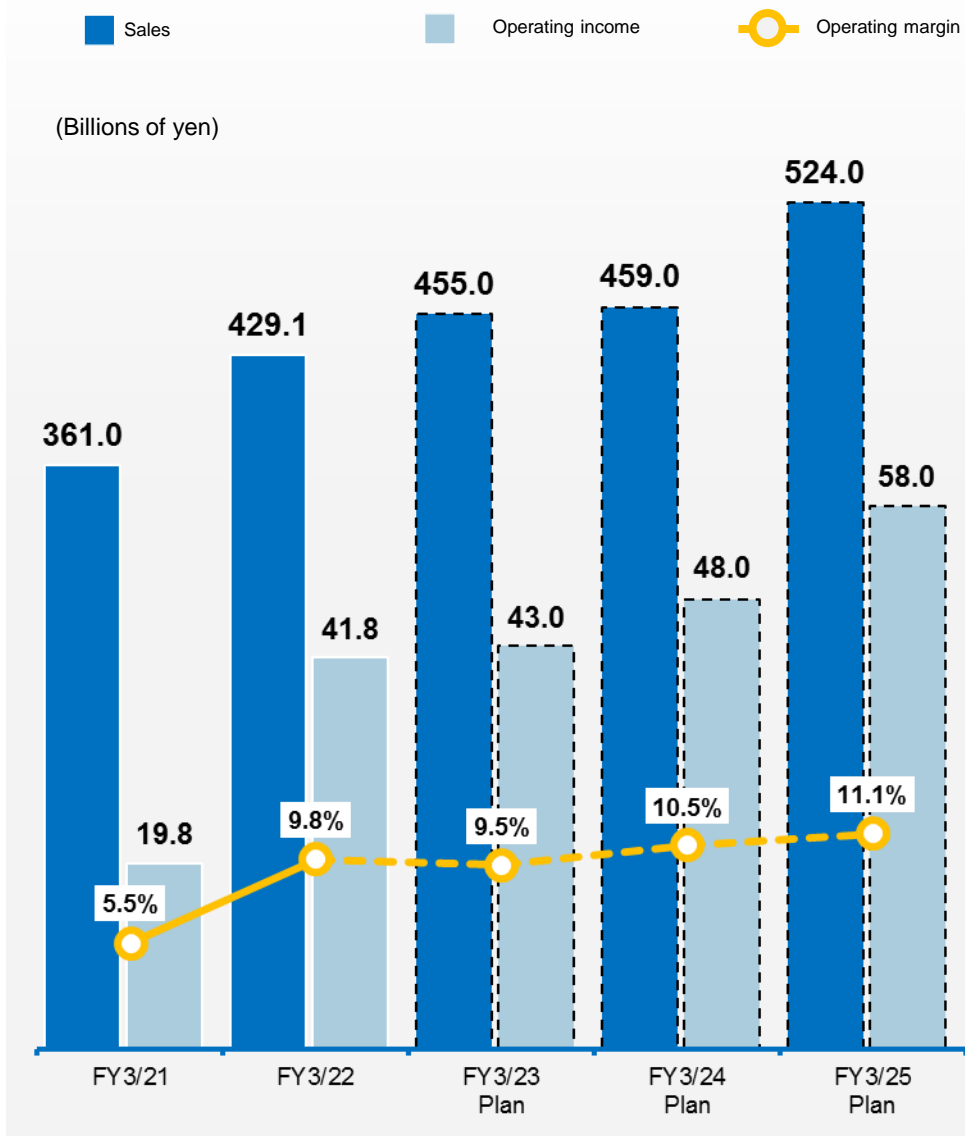
- 1 **Optical devices**
Increase in the adoption rate of our focus products and shift to next-generation technologies

- 2 **Analog semiconductors**
Start-up of Shiga plant and expansion of MEMS sales
Achieve stable growth through synergy and organic growth

- 3 **Mechanical components**
Leverage INTEGRATION* capabilities to develop new OEM businesses

- 4 **Connectors/switches/power supply components**
Create next-generation semiconductors through in-house synergy

*INTEGRATION means "combining" rather than "simple gathering" of the Company's proprietary technologies to evolve the "Eight Spears" and to create new products in various fields through the INTEGRATION of our advanced technology



Target sales of 100 billion yen to be achieved ahead of schedule

Keywords

1 Maximize investment efficiency

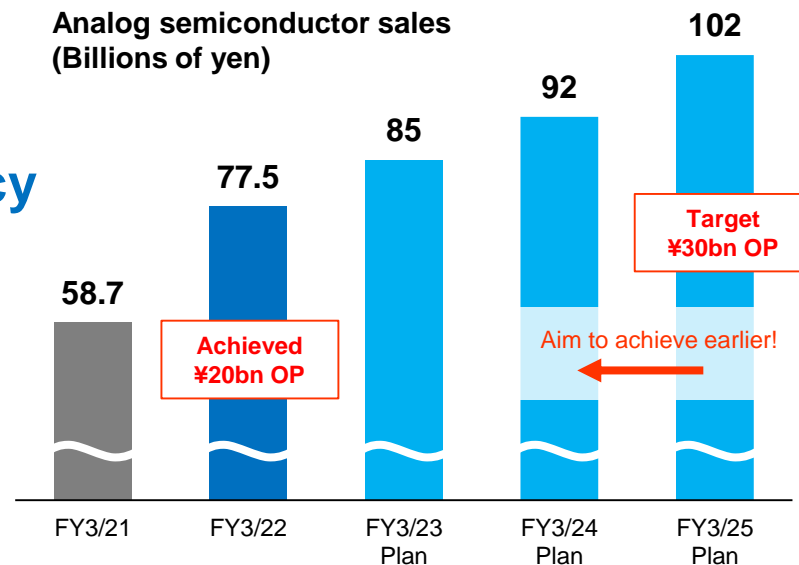
Utilize subsidies, acquire engineers, utilize M&As, etc.

2 Acquire new technologies

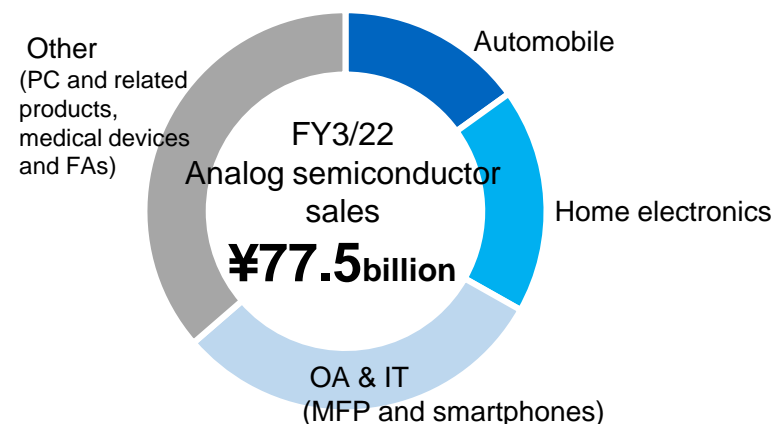
- Motor solutions
- Mixed-signal ICs

3 Early start-up of Shiga plant

Generate synergy through launch of MEMS, IGBT, and motor drivers.



Analog semiconductor Sales by Application



Consolidate the industry leader position through aggressive strategies

Keywords

1

Significantly boost market presence

- Expand business opportunity through increase in the adoption rate of our focus products
- Prepare for future development of OIS at the new plant in Cebu

2

Reorganize operations for the Chinese market

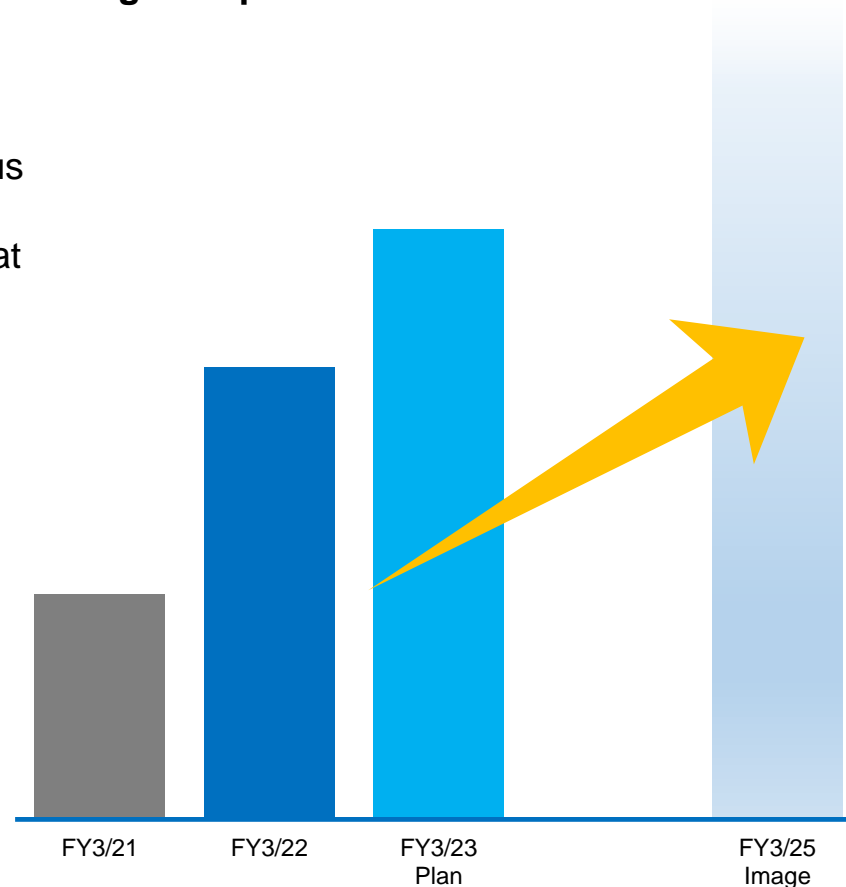
Aim to increase non-smartphone applications, such as drones

3

Prepare for new technologies

Appropriately deploy development resources

Image of optical devices sales



Strengthen profitability from market recovery and shift to high value-added products

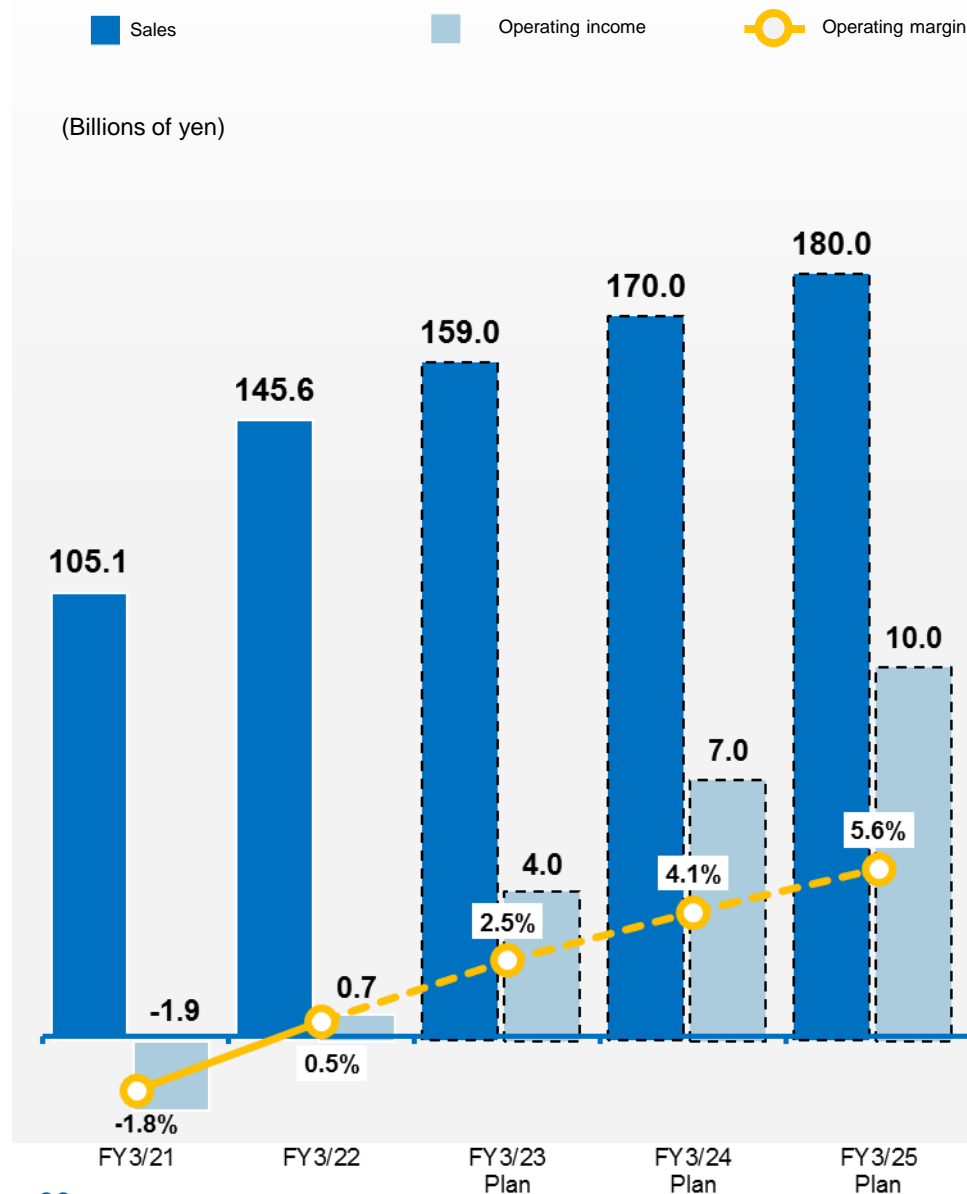
Key Points

1 Accelerate shift to high value-added products

1. CSD
2. Flush handle
3. E-Latch

2 Results of structural reforms Aim for a turnaround in the European business this fiscal year

3 Realize outcome from growth strategies, such as INTEGRATED handles



Reviewing measure to reduce GHG emission through procurement of decarbonized electricity

Reduction of GHG emissions from electric power is considered essential since approximately 90%* of our GHG emissions are from electricity.

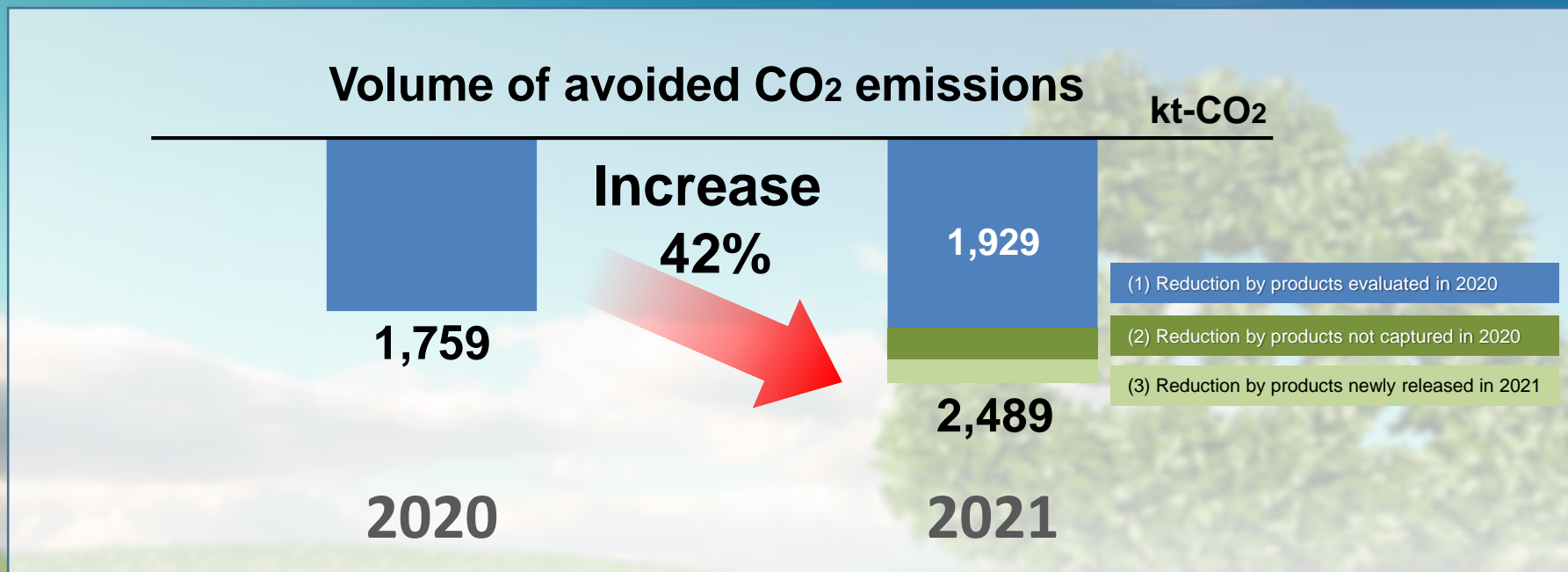


1. Establishment of renewable energy in-house power generation → **Installation of solar panels, etc.**
2. Corporate PPA** or self consignment power generation
→ **Consideration of solar power, wind power, etc., depending on location**
3. Select renewable energy from electricity retailer's contract menu
4. Purchase of renewable energy certificates, etc.

At the same time, continue and strengthen energy conservation efforts through daily initiatives and capital investment

Efforts to reduce global CO₂ emissions

In addition to our own efforts to reduce CO₂ emissions, we are also reducing CO₂ emissions of our customers who use our parts.



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.

Calculation formula

$$C_d = \frac{\Delta W_r \times L}{H_{op}} \times Coef_e \times S$$

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

Management Strategy to Solidify the Foundation for the Company's 100th Anniversary (2051)



Contribute to global CO₂ emission reductions through two pillars

(1) Challenge to carbon neutrality

(2) Expand “MMI Beyond Zero”

Establishment of Green Bond Framework to raise funds to further promote initiatives to realize a sustainable global environment

Outline of the Green Bond Framework

Eligible projects to be funded

Production and Research and Development of ball-bearings

- Power-saving high quality bearings
- Ultra-high performance bearings
- Bearings for main motors of EVs

Procurement of decarbonized power sources

Rating

Green 1 (F)

Conformity assessment agency

Japan Credit Rating Agency, Ltd.

FY3/22

Year-end **18** yen/share Annual **36** yen/share

Increased 4 yen from the previous fiscal year's result of 14 yen, excluding commemorative dividend of 8 yen

**FY3/23
Plan**

We determine the annual dividend with a target consolidated payout ratio of around 20% in principle. Also, we will maintain a sustainable and stable dividend in total consideration of business environment.



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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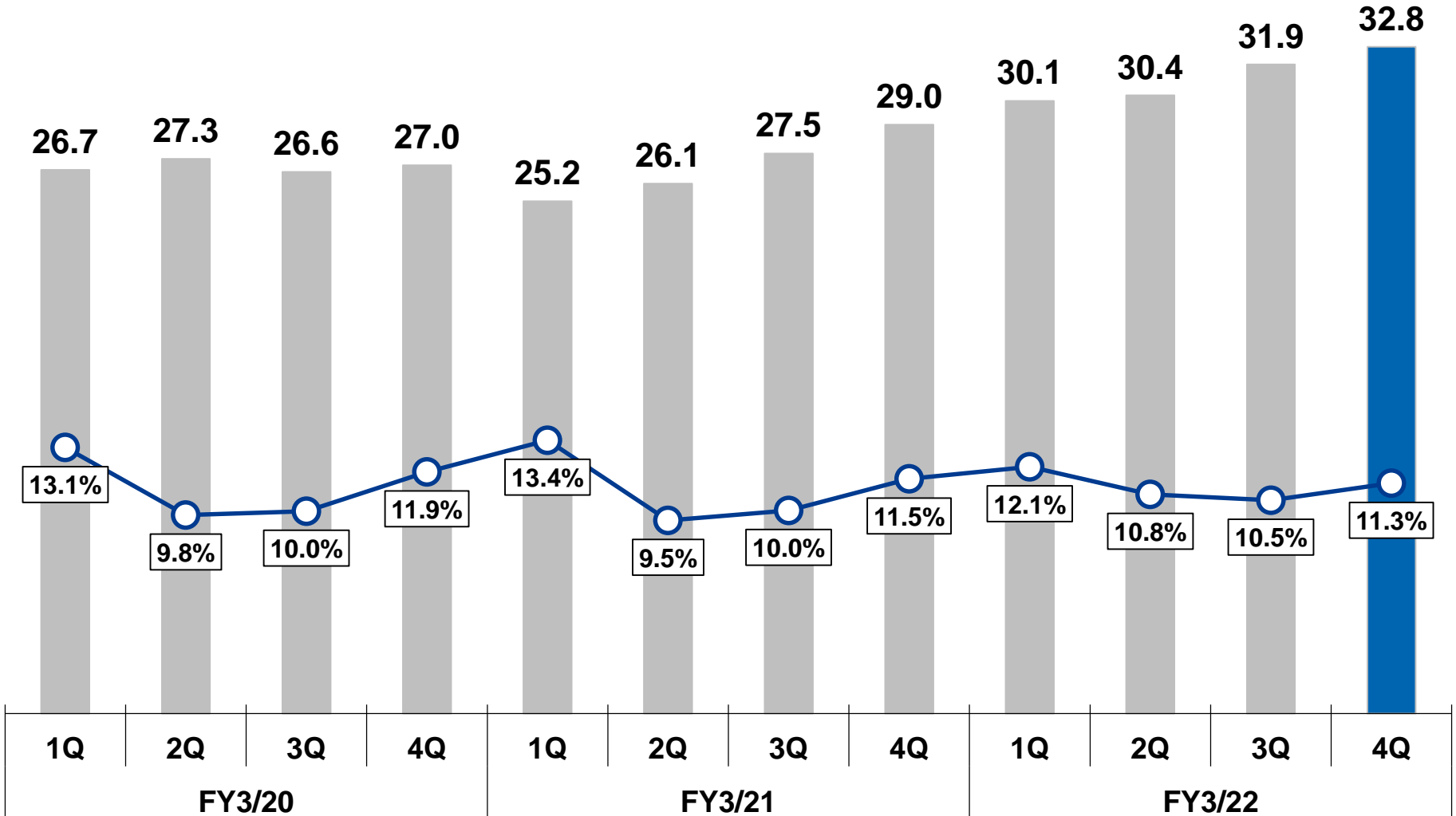
Reference

S.G.&A. Expense / Ratio

(Billions of yen)

■ S.G.&A. expenses

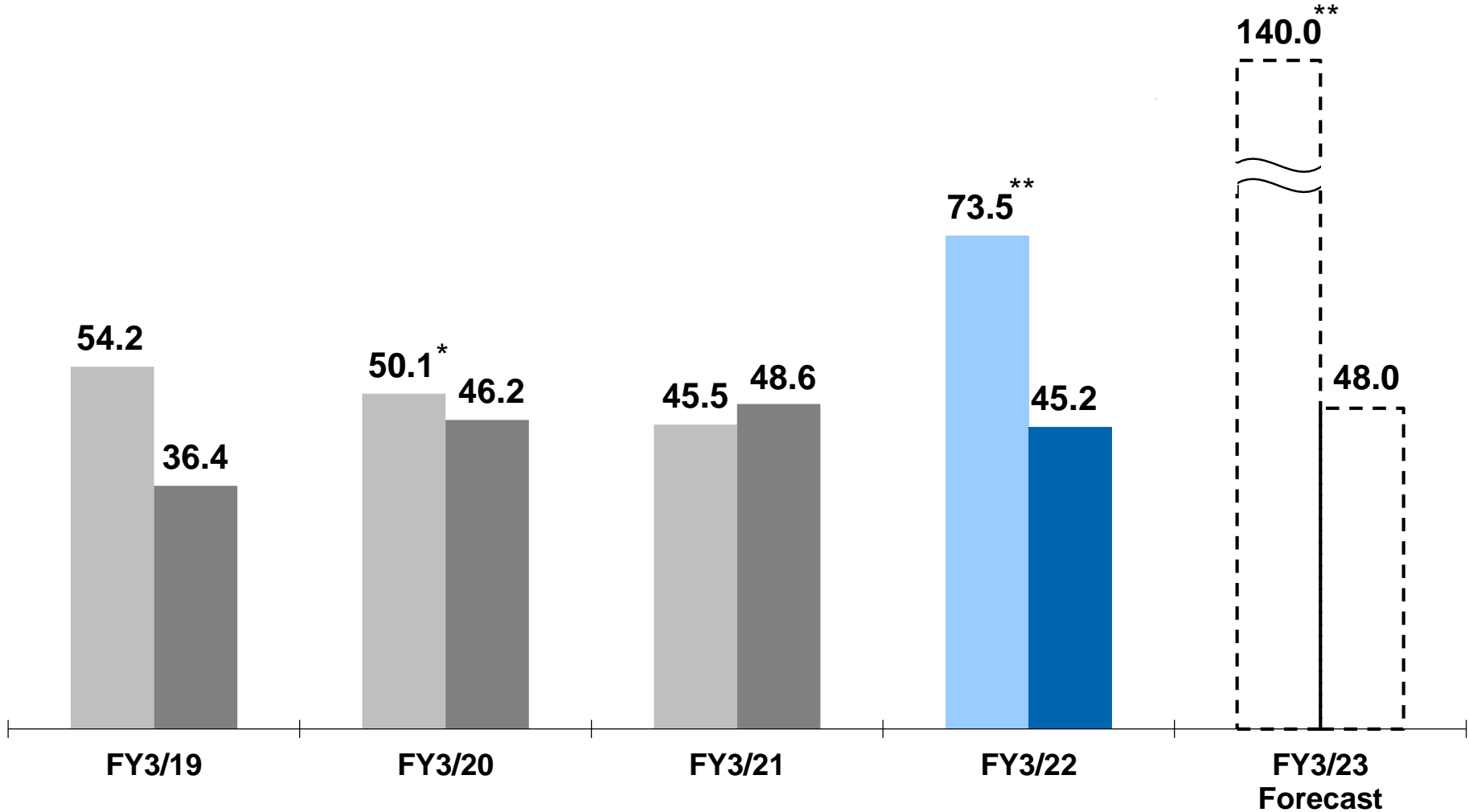
○ S.G.&A. to sales ratio



Capital Expenditure / D&A Expense

(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

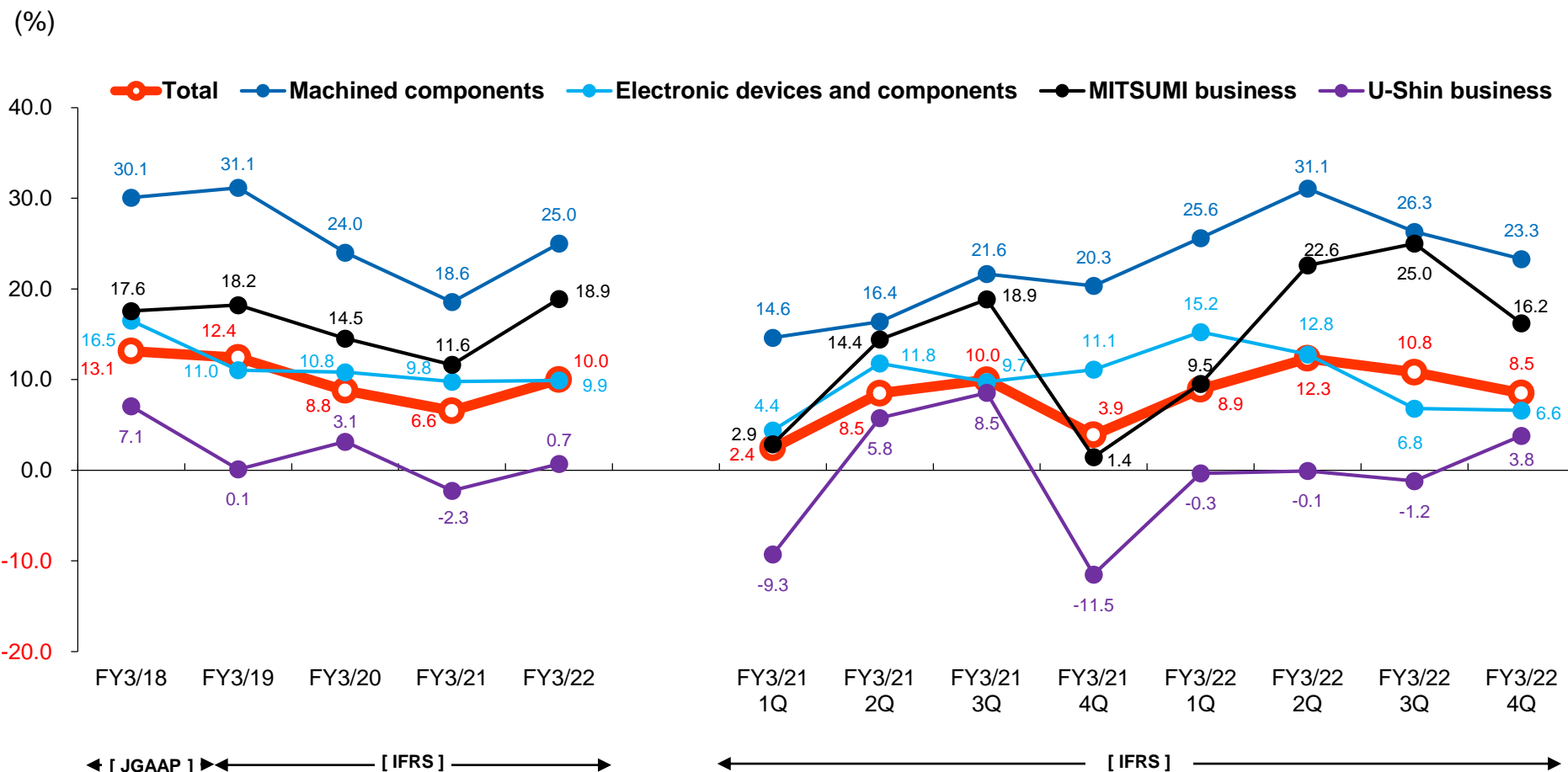
** Capital expenditures of FY3/22 & FY3/23 include new HQ building acquisition expenses

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

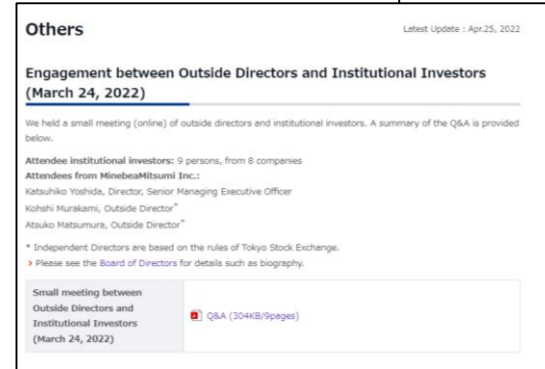
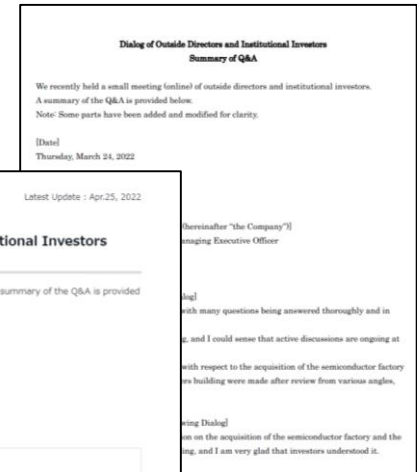
$$\text{MinebeaMitsumi ROIC} = \frac{\text{NOPAT (Operating income + extraordinary profit/loss) x (1-tax rate)}}{\text{Invested capital (Notes receivable/accounts receivable + inventories + non-current assets - notes payable/accounts payable)}}$$

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



Engagement between outside directors and institutional investors

We held a dialog between outside directors and institutional investors. A summary of the Q&A is available on our website.



MinebeaMitsumi Group ESG Initiatives

We have posted the MinebeaMitsumi Group ESG Initiatives on our website to provide a summary of our ESG activities.

