

Business Results

Second Quarter of Fiscal Year
Ending March 31, 2025

MinebeaMitsumi Inc.

November 6, 2024

1. Financial Results

2. Business Update & Management Strategy

Financial Results

Katsuhiko Yoshida

Director, President COO & CFO

Summary of Consolidated Business Results for 2Q

Net sales hit a quarterly record high
Operating income hit a 2Q record high

(Millions of yen)	FY3/24	FY3/25		Change	
	2Q	1Q	2Q	YoY	QoQ
Net sales	379,747	355,454	422,783	+11.3%	+18.9%
Operating income	21,747	20,025	28,146	+29.4%	+40.6%
Profit before taxes	23,027	19,357	18,030	-21.7%	-6.9%
Profit for the period attributable to owners of the parent	16,387	13,936	12,112	-26.1%	-13.1%
Earnings per share, basic (yen)	40.22	34.46	30.00	-25.4%	-12.9%

Foreign Exchange Rates	FY3/24	FY3/25	
	2Q	1Q	2Q
US\$	¥142.47	¥153.14	¥154.16
Euro	¥155.71	¥165.45	¥167.59
Thai Baht	¥4.09	¥4.21	¥4.29
Chinese RMB	¥19.76	¥21.16	¥21.30

Summary of Consolidated Business Results for 1H

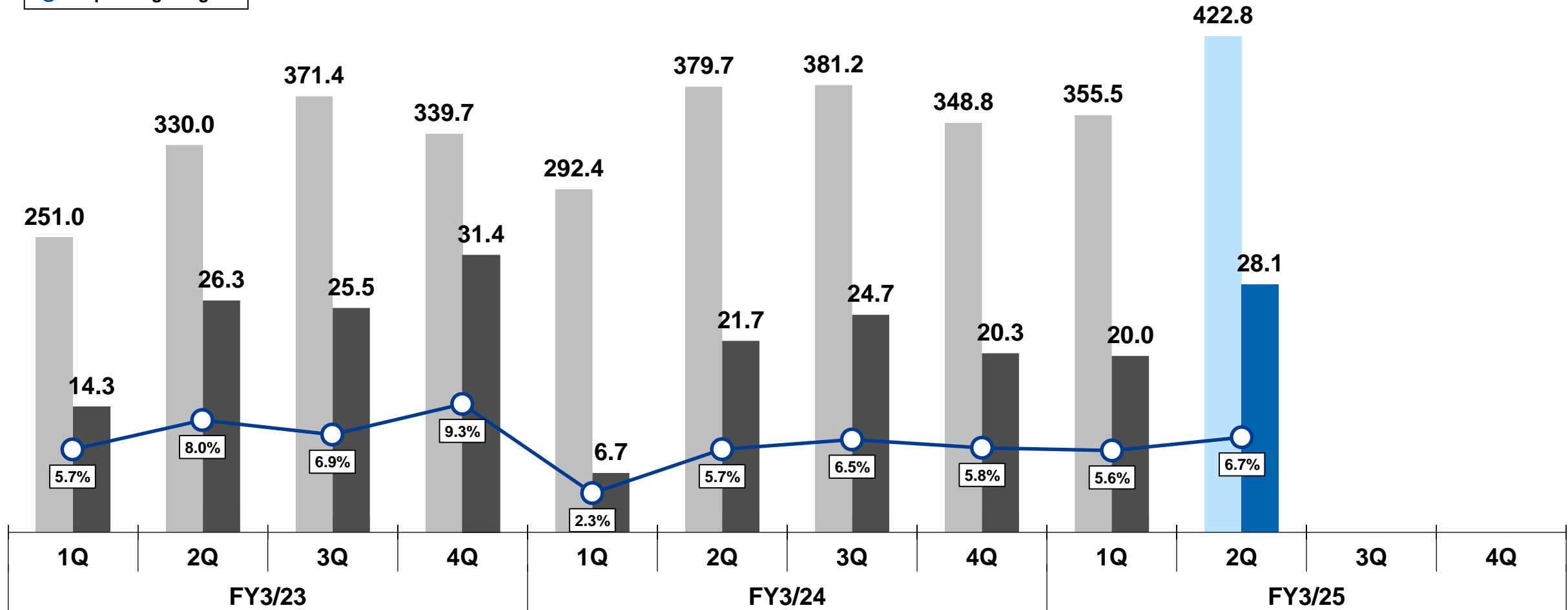
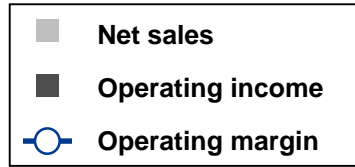
Net sales and operating income hit a 1H record high

(Millions of yen)	FY3/24 1H	FY3/25 1H	Change YoY	FY3/25 1H	
				August Forecast	vs. Forecast
Net sales	672,117	778,237	+15.8%	770,000	+1.1%
Operating income	28,490	48,171	+69.1%	48,000	+0.4%
Profit before taxes	31,529	37,387	+18.6%	46,000	-18.7%
Profit for the period attributable to owners of the parent	20,496	26,048	+27.1%	34,000	-23.4%
Earnings per share, basic (yen)	50.25	64.46	+28.3%	84.08	-23.3%

Foreign Exchange Rates	FY3/24 1H	FY3/25 1H
US\$	¥138.70	¥153.65
Euro	¥150.97	¥166.52
Thai Baht	¥4.01	¥4.25
Chinese RMB	¥19.61	¥21.23

Net Sales, Operating Income / Margin

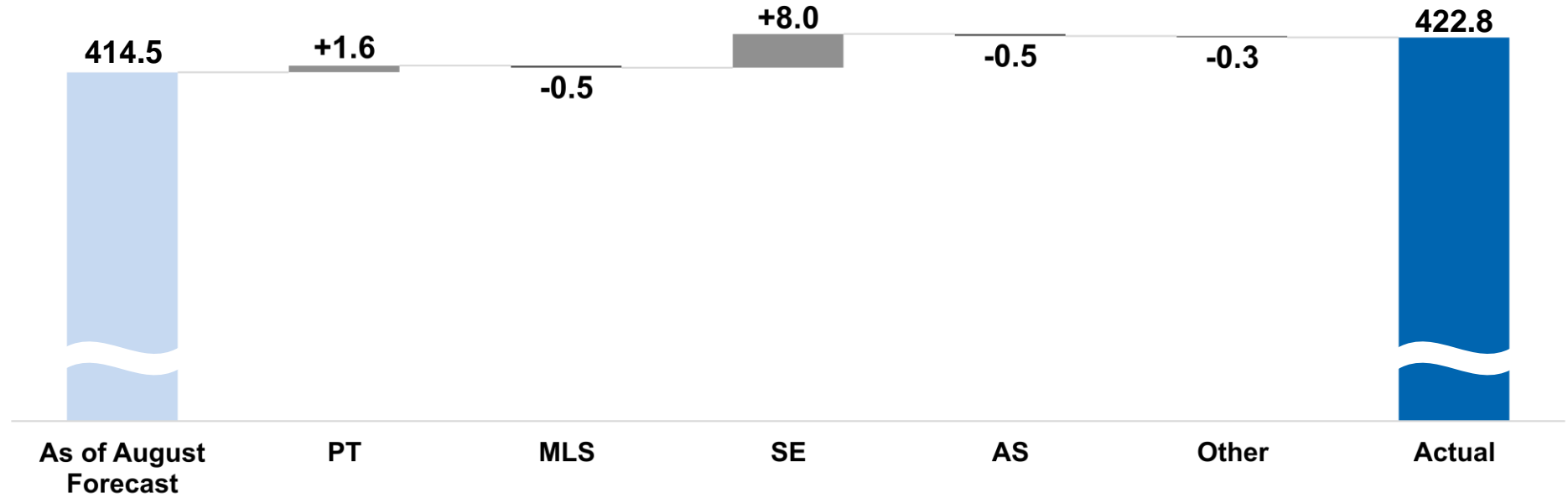
(Billions of yen)



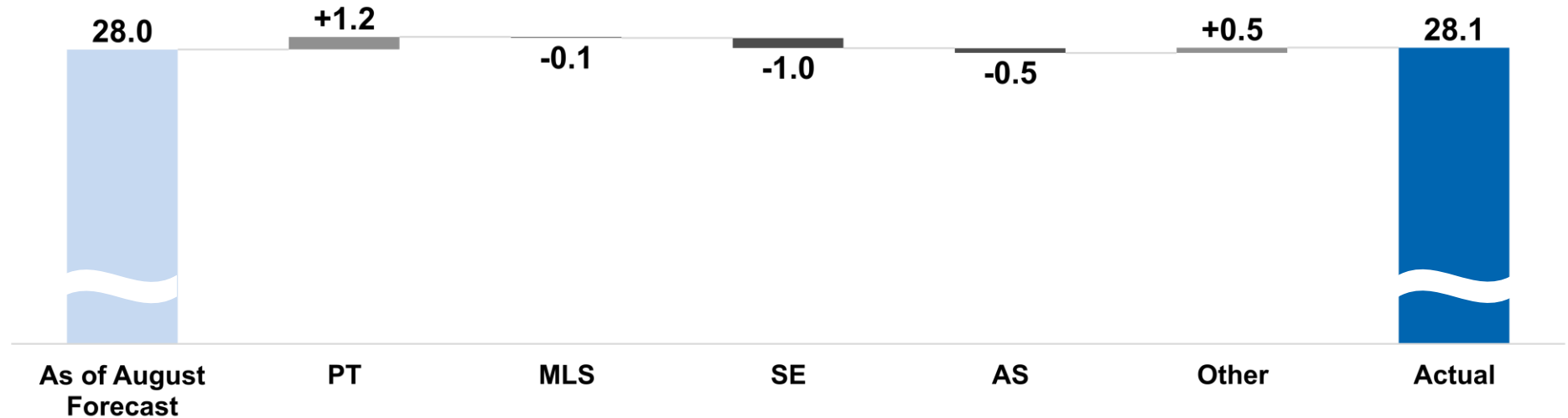
2Q Actual: Differences from the Forecast as of August

(Billions of yen)

Net Sales

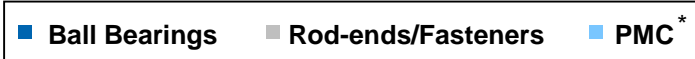


Operating Income

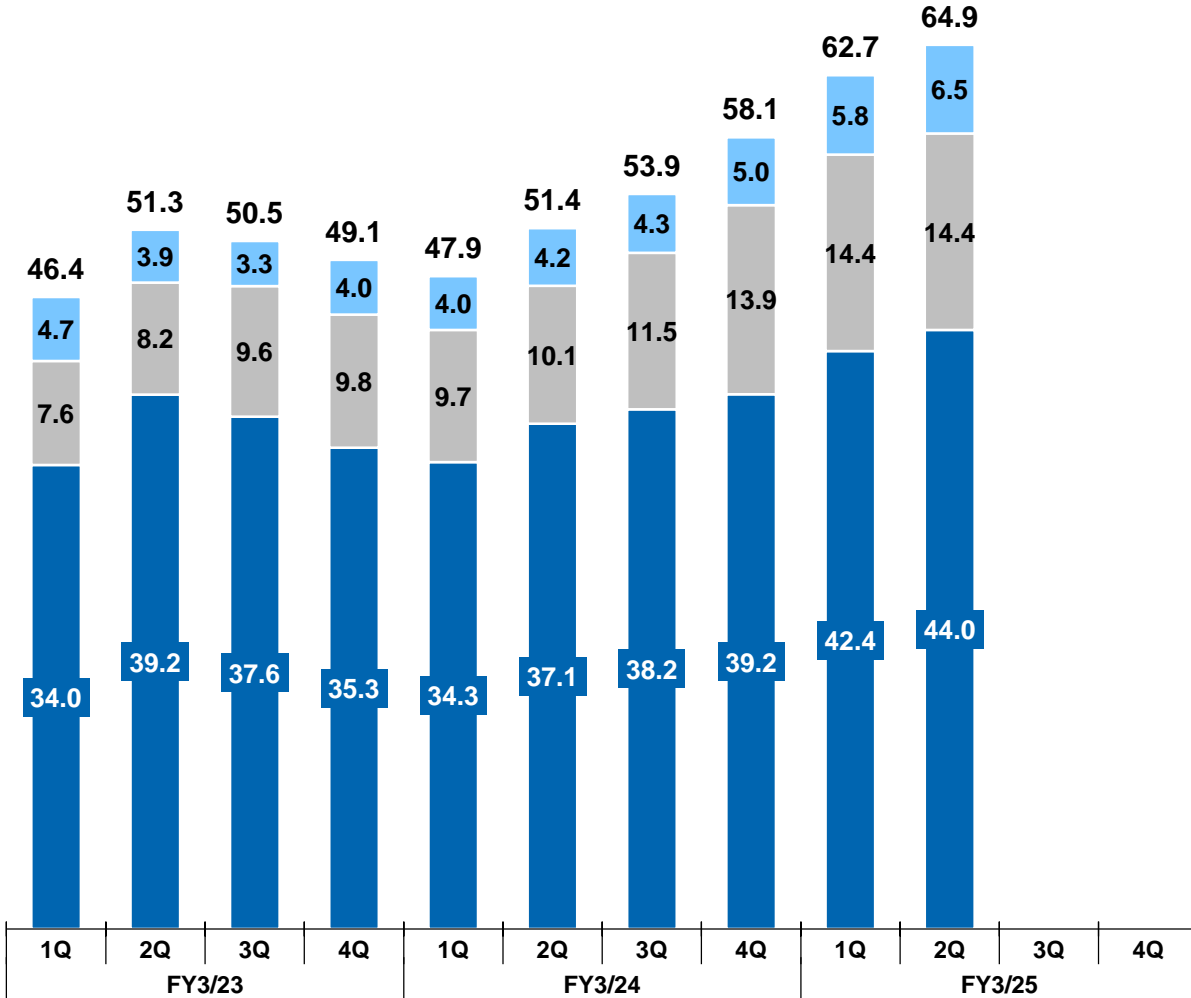


Precision Technologies (PT)

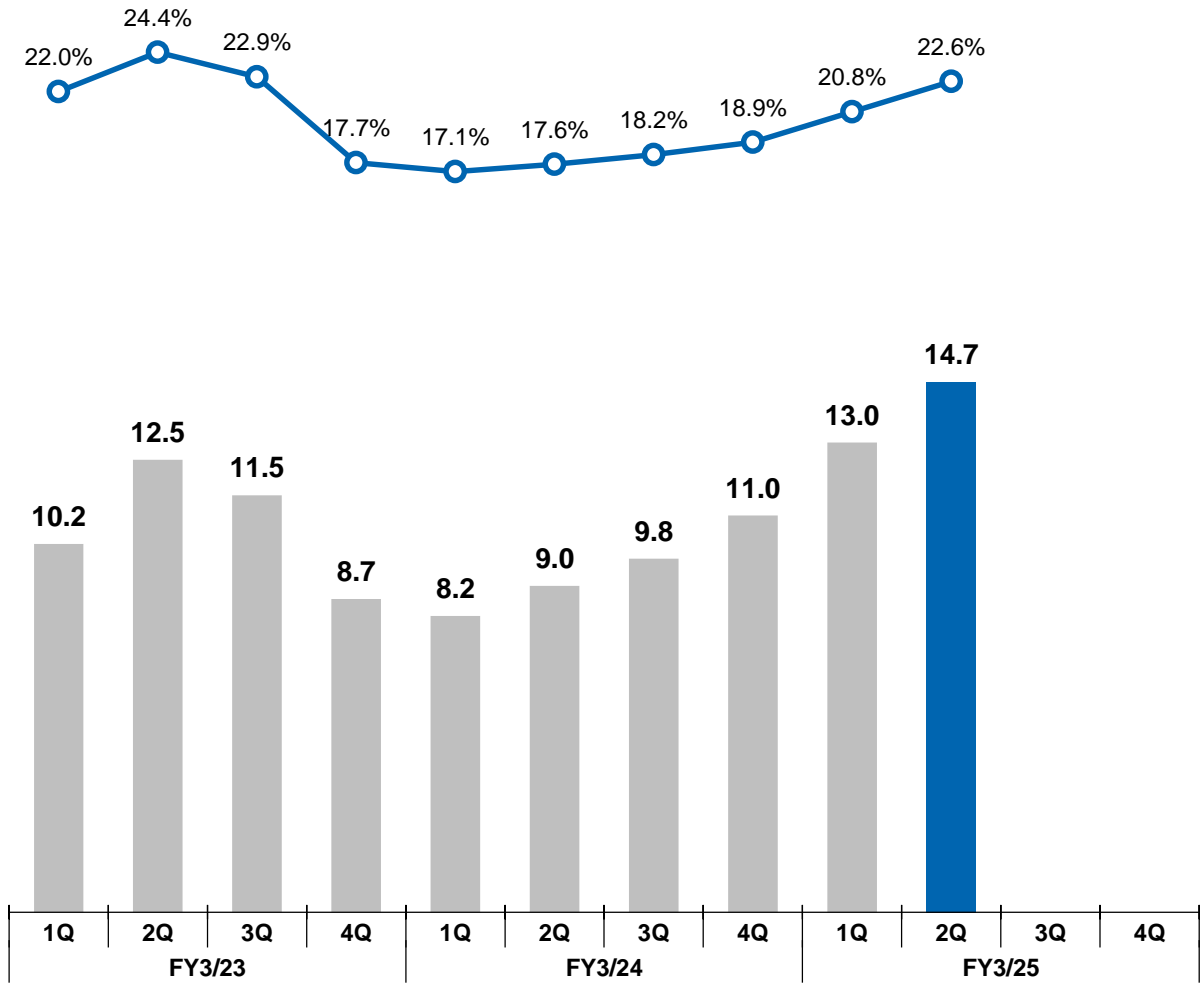
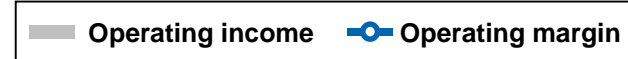
Net sales (Billions of yen)



*The sub-segment name has been changed to PMC (Precision Mechanical Components) from Pivot assemblies from FY3/24 4Q onward.

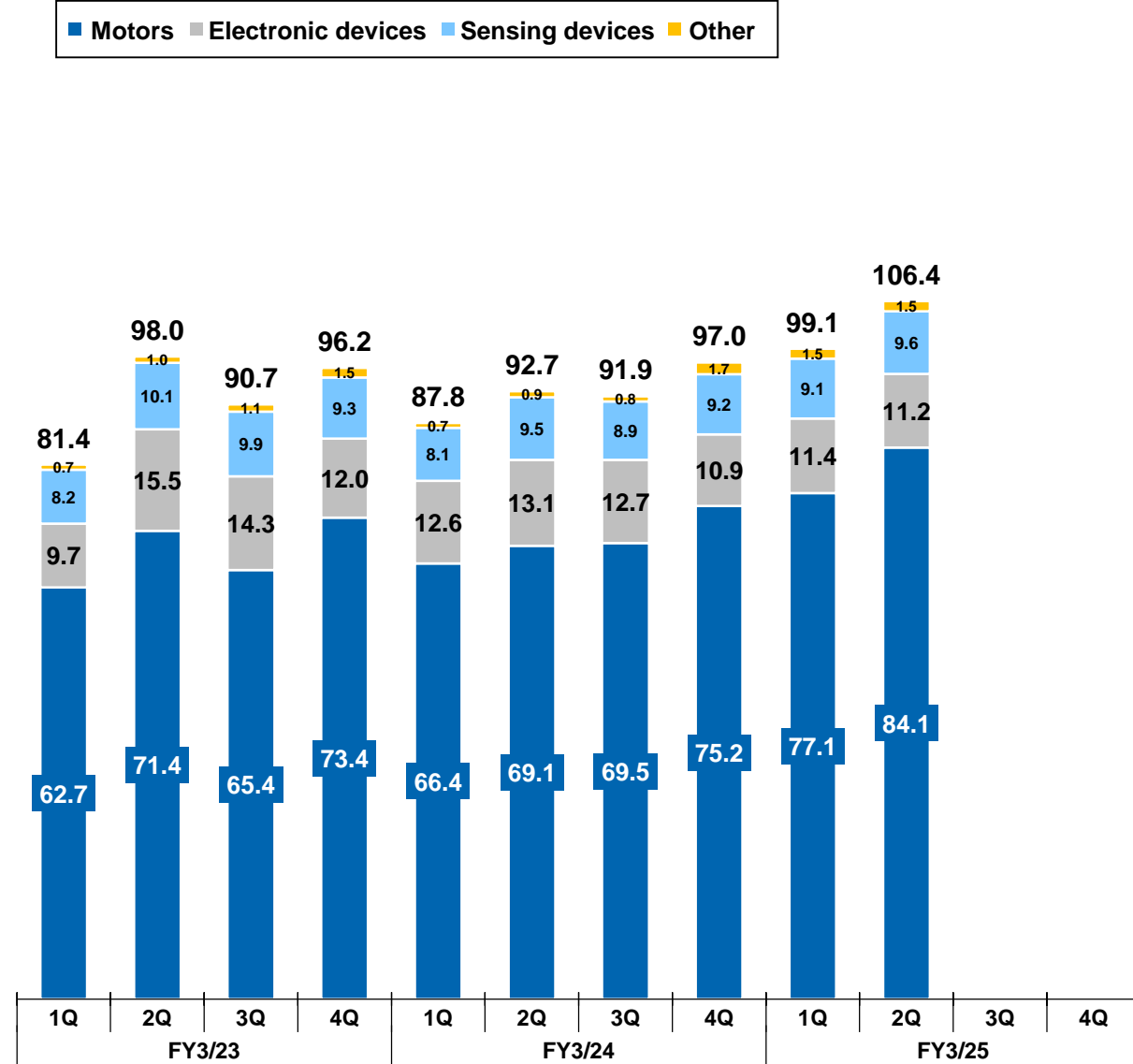


Operating income (Billions of yen)

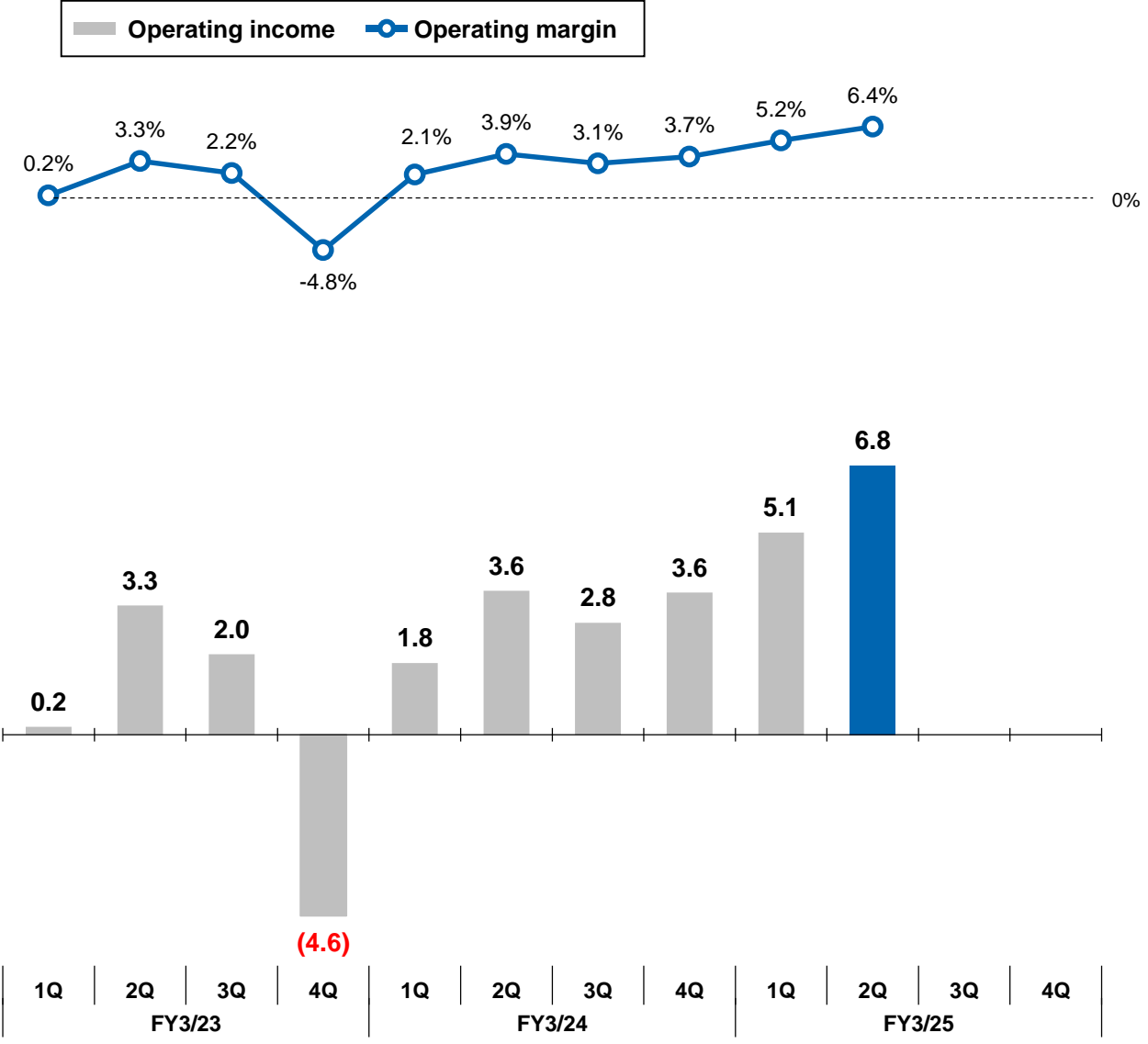


Motor, Lighting & Sensing (MLS)

Net sales (Billions of yen)

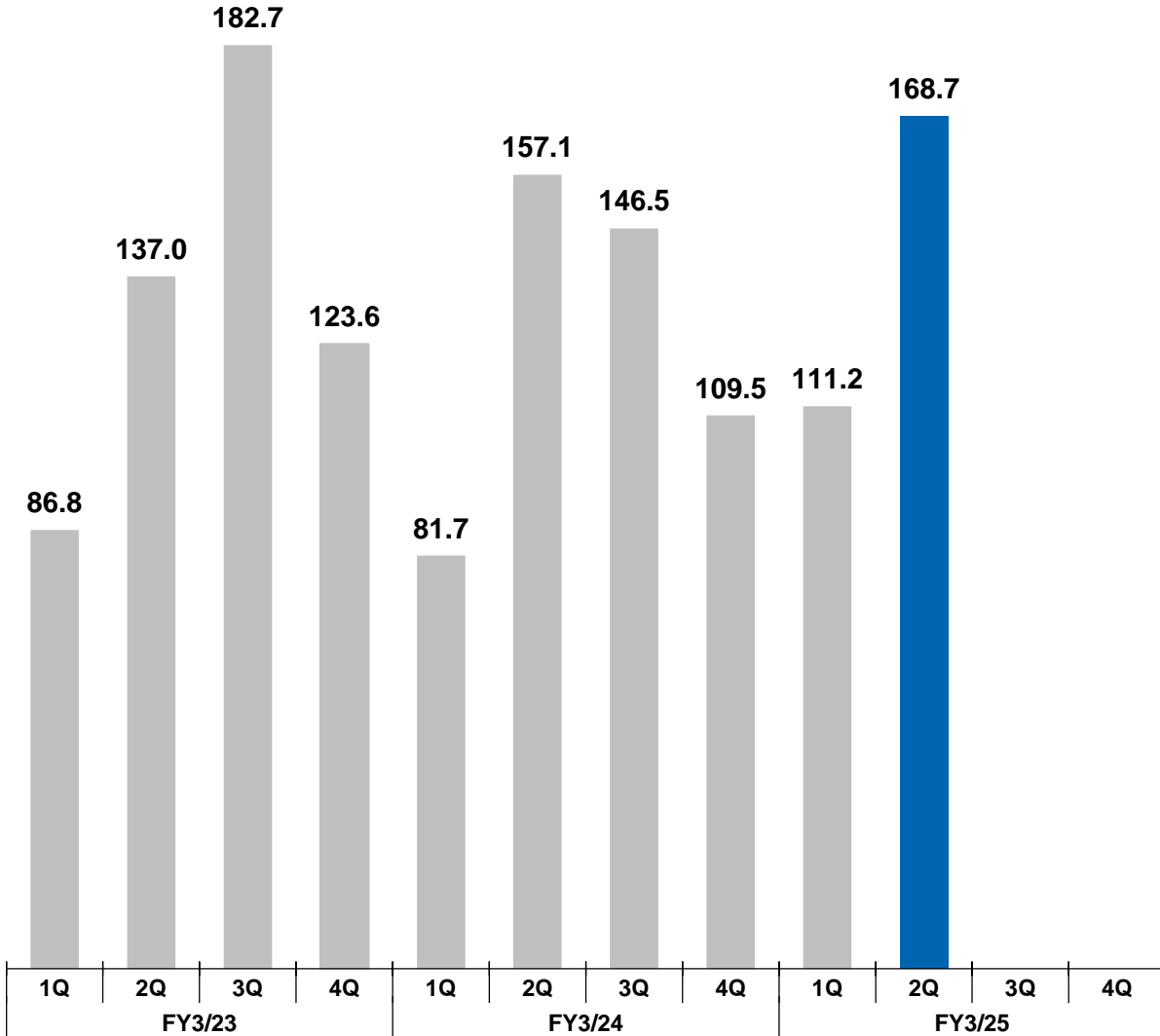


Operating income (Billions of yen)

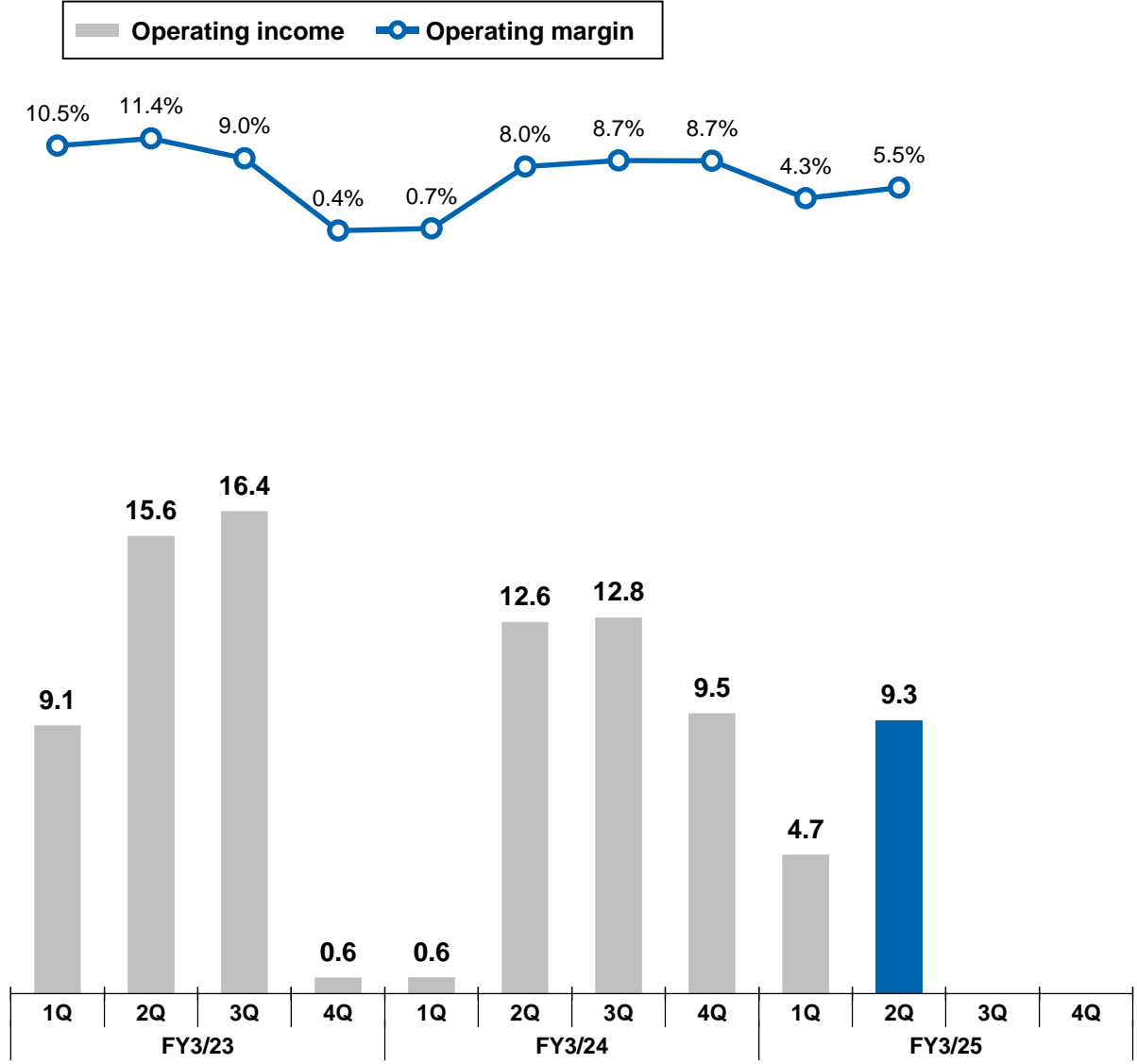


Semiconductors & Electronics (SE)

Net sales (Billions of yen)

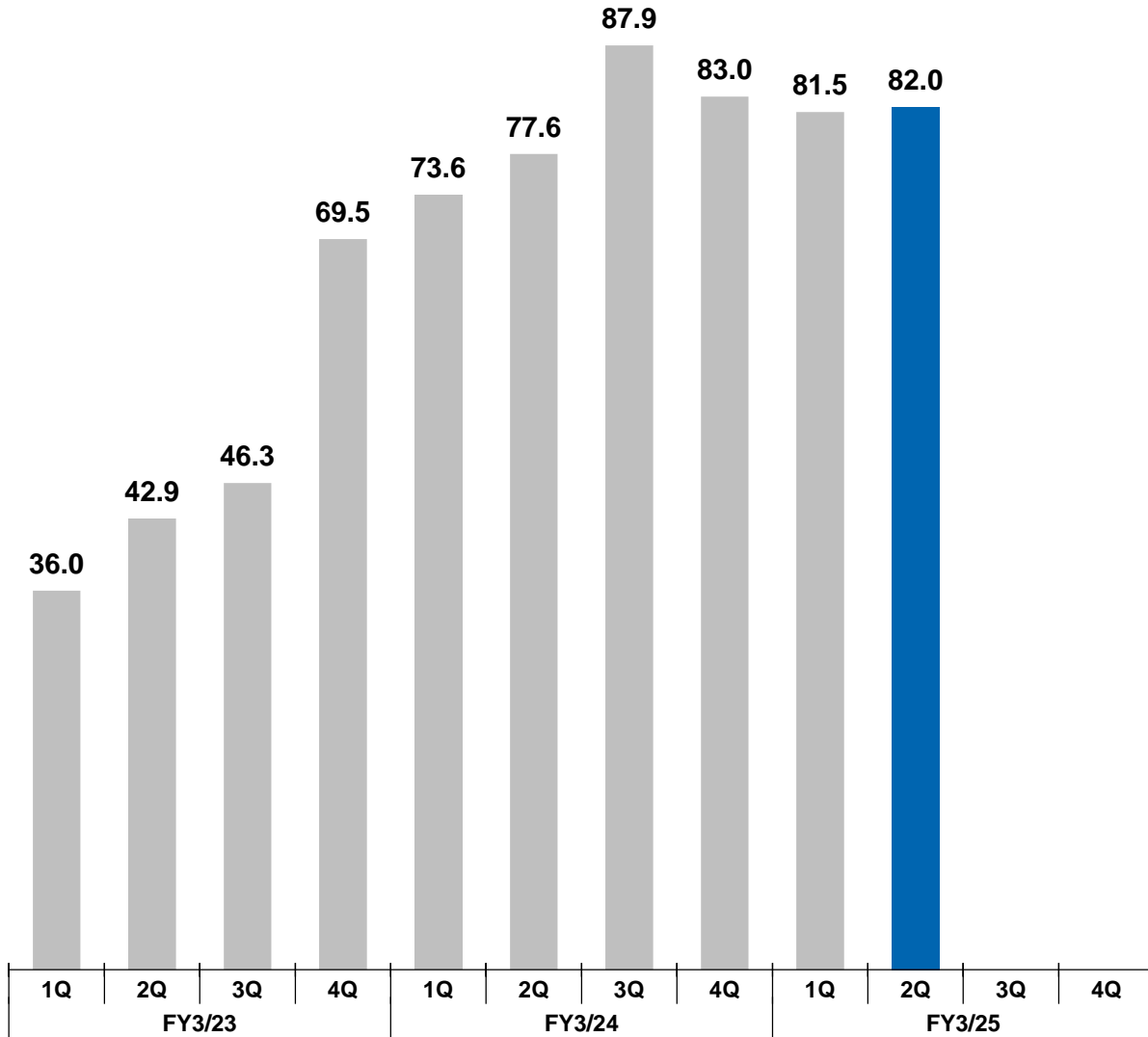


Operating income (Billions of yen)

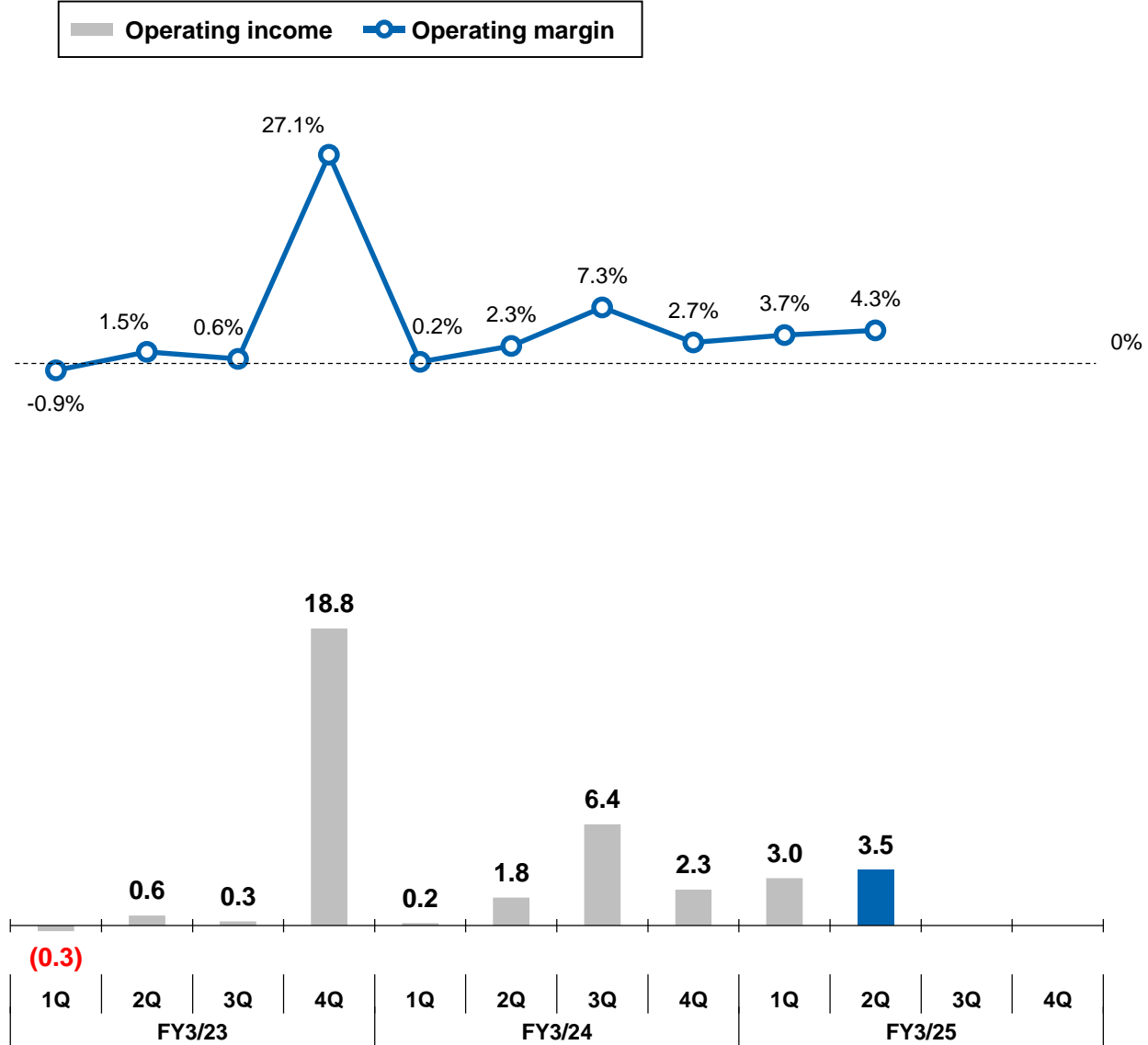


Access Solutions (AS)

Net sales (Billions of yen)



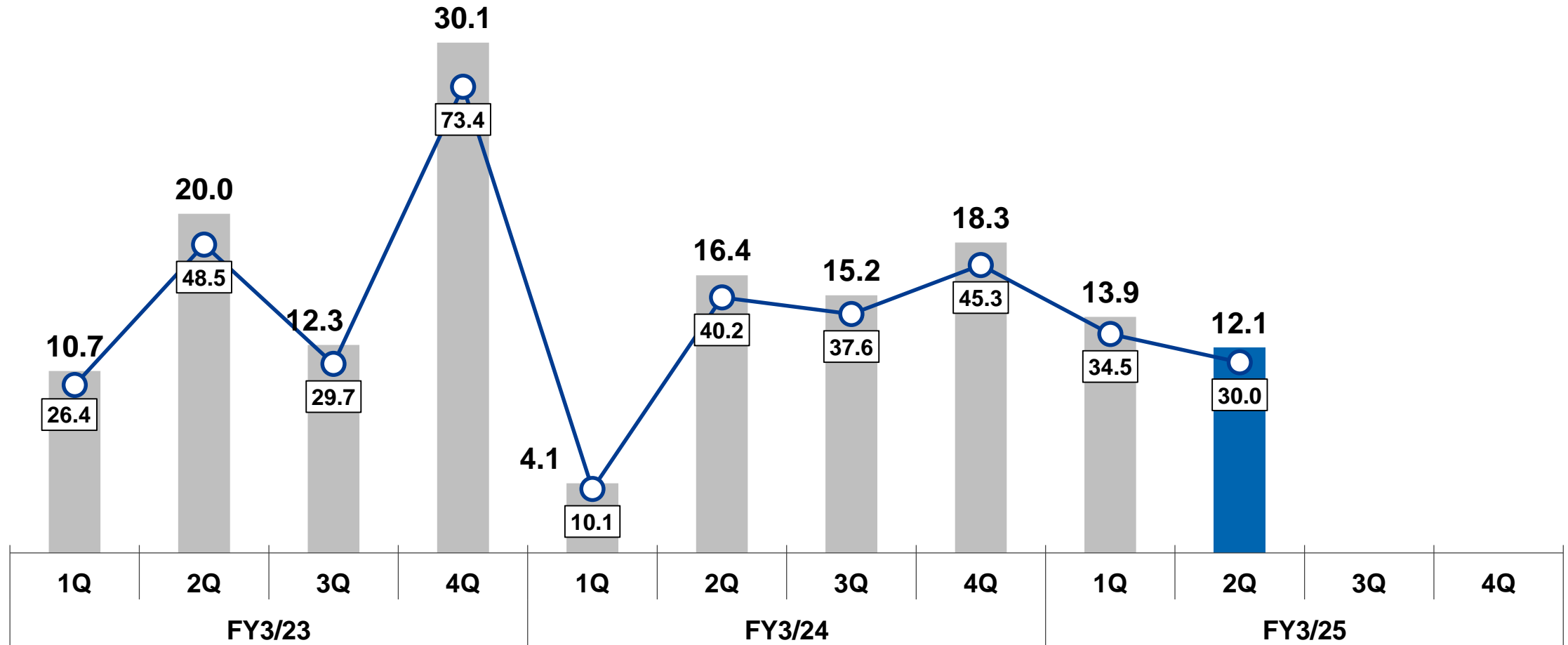
Operating income (Billions of yen)



Profit Attributable to Owners of the Parent / EPS

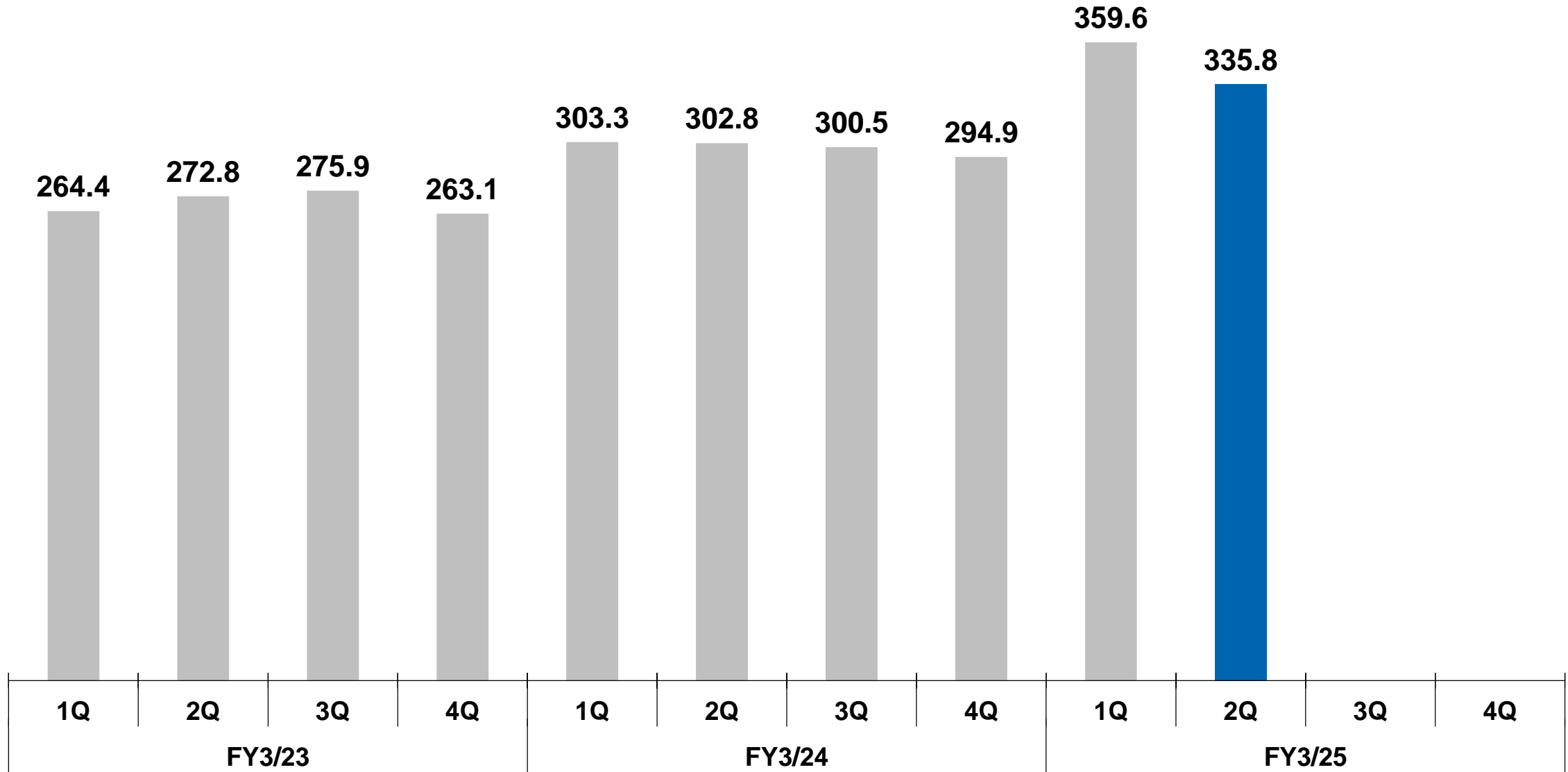
(Billions of yen)

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



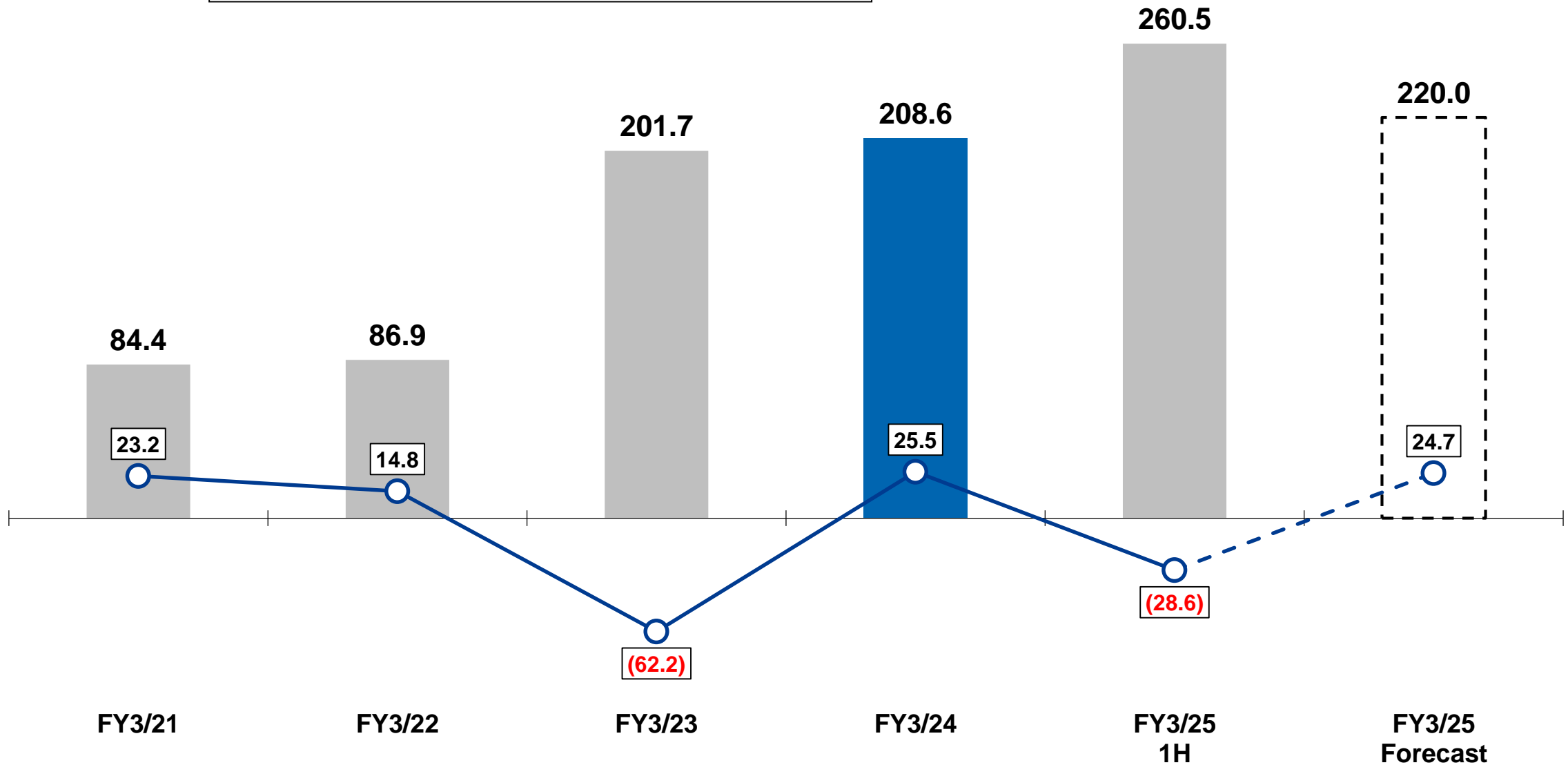
Inventory

(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)

Full-year forecast for net sales and operating income unchanged

(Millions of yen)	FY3/24	FY3/25			
	Full Year	1st Half	2nd Half	Full Year	YoY
Net sales	1,402,127	778,237	781,763	1,560,000	+11.3%
Operating income	73,536	48,171	54,829	103,000	+40.1%
Profit before taxes	75,545	37,387	52,613	90,000	+19.1%
Profit for the period attributable to owners of the parent	54,035	26,048	39,952	66,000	+22.1%
Earnings per share, basic (yen)	133.05	64.46	99.13	163.59	+23.0%

Foreign Exchange Rates	FY3/24 Full Year	FY3/25 2H Assumptions
US\$	¥143.31	¥145.00
Euro	¥155.18	¥157.50
Thai Baht	¥4.08	¥4.30
Chinese RMB	¥20.03	¥20.50

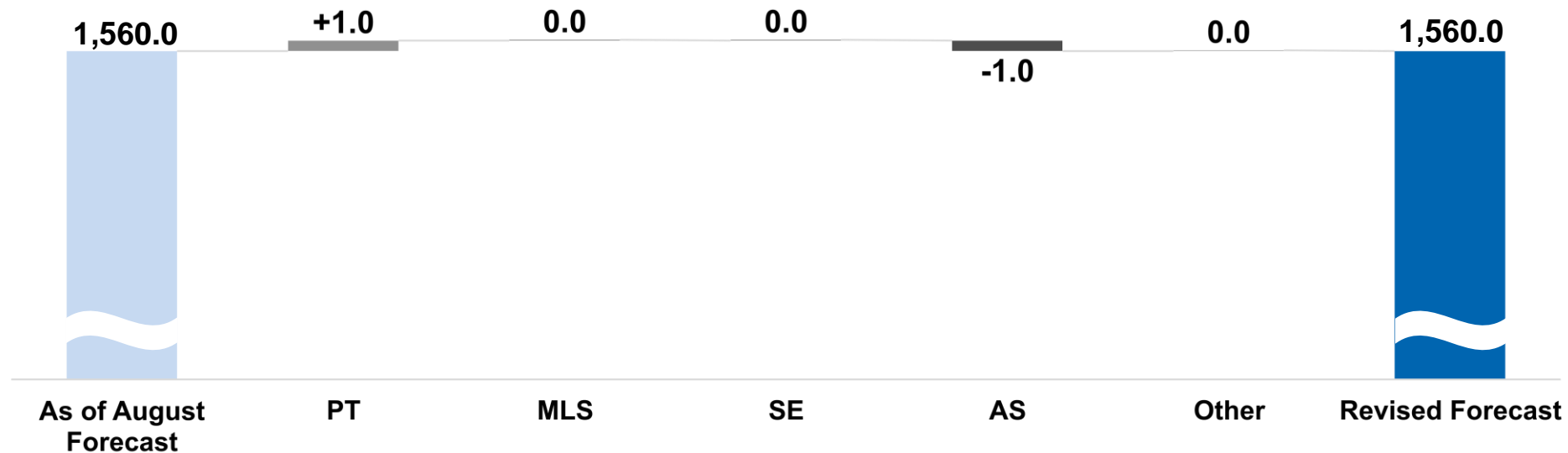
Forecast for Business Segment

(Millions of yen)	FY3/24	FY3/25			
	Full Year	1st Half	2nd Half	Full Year	YoY
Net sales	1,402,127	778,237	781,763	1,560,000	+11.3%
Precision Technologies (PT)	211,406	127,561	128,439	256,000	+21.1%
Motor, Lighting & Sensing (MLS)	369,388	205,497	209,503	415,000	+12.3%
Semiconductors & Electronics (SE)	494,717	279,944	275,056	555,000	+12.2%
Access Solutions (AS)	322,108	163,539	165,461	329,000	+2.1%
Other	4,508	1,696	3,304	5,000	+10.9%
Operating income	73,536	48,171	54,829	103,000	+40.1%
Precision Technologies (PT)	38,035	27,694	28,306	56,000	+47.2%
Motor, Lighting & Sensing (MLS)	11,867	11,900	12,100	24,000	x2.0
Semiconductors & Electronics (SE)	35,522	14,033	17,967	32,000	-9.9%
Access Solutions (AS)	10,625	6,534	10,466	17,000	+60.0%
Other	-728	-545	-455	-1,000	-
Adjustment	-21,785	-11,445	-13,555	-25,000	-

Full-year forecast: Differences from the Forecast as of August

(Billions of yen)

Net Sales



Operating Income



Business Update & Management Strategy

November 6, 2024

Yoshihisa Kainuma

Representative Director, Chairman CEO



Overall

- **1H sales and operating income both reached record highs.**
- Recovery continues in data centers and aircraft applications, while PT and MLS (motors) profitability continues to improve.
- Various measures to offset the impact of the slowdown in the automotive market, particularly in China.
- Although the future of the smartphone market and foreign exchange rate trends are somewhat uncertain, At this point, we maintain our net sales and operating income forecast for this fiscal year unchanged.

Precision Technologies (PT)

- Due to the recovery of the data center market and continued content growth for automotive, steady recovery in operating margin as well as bearing sales volume, expecting record high profit.
- Recovery in aircraft business also continues.
- Held opening ceremony for the second plant in Cambodia (Pursat), expanding into a main base for PT business including PMC.

Motor Lighting & Sensing (MLS)

- HDD market recovery and product mix improvement, strong sales of global niche top products for automotive applications. Operating income of motors will be 27.0 billion yen in this fiscal year, steadily improving profitability to achieve 10% operating margin in FY2027.
- Backlight is a drag on earnings due to the delay in launching products for tablets.

Semiconductors & Electronics (SE)

- Profitability improvement in analog semiconductors is behind the schedule due to a delayed start-up caused by a change in the product mix at the Shiga Plant. Medium- to long-term growth strategy centered on competitive side-gate IGBT technology remains unchanged.
- Sub core businesses (optical devices and mechanical components) were below expectations. Core businesses (connectors, switches and coils) and smart products are performing well.

Access Solutions (AS)

- Profitable operations at plants in the U.S. and Mexico offset slowdown in China. Full year plan is expected to be in line with forecast.
- Inquiries increase due to our strong financial position while competitors are struggling.

The situation in 2H is somewhat unclear, despite the record high 1H, the full-year net sales and operating income forecast unchanged at this point

(Millions of yen)	FY3/24		FY3/25				
	1H	Full Year	1H	YoY	2H	Full Year	YoY
Net sales	672,117	1,402,127	778,237	+15.8%	781,763	1,560,000	+11.3%
Operating Income	28,490	73,536	48,171	+69.1%	54,829	103,000	+40.1%
Profit for the period <small>attributable to owners of the parent</small>	20,496	54,035	26,048	+27.1%	39,952	66,000	+22.1%
Earnings per share, basic (yen)	50.25	133.05	64.46	+28.3%	99.13	163.59	+23.0%

In addition to the growth of the data center market and automotive content, the expansion of PMC's applications and product lineup has put OP to exceed 60 billion yen from next fiscal year onward

Key Points

1 Accelerated demand for data center fan motors

- As the uses of AI expand from language to images to video, the amount of data increases.
- In addition to AI servers, demand for traditional data storage servers will continue to grow.

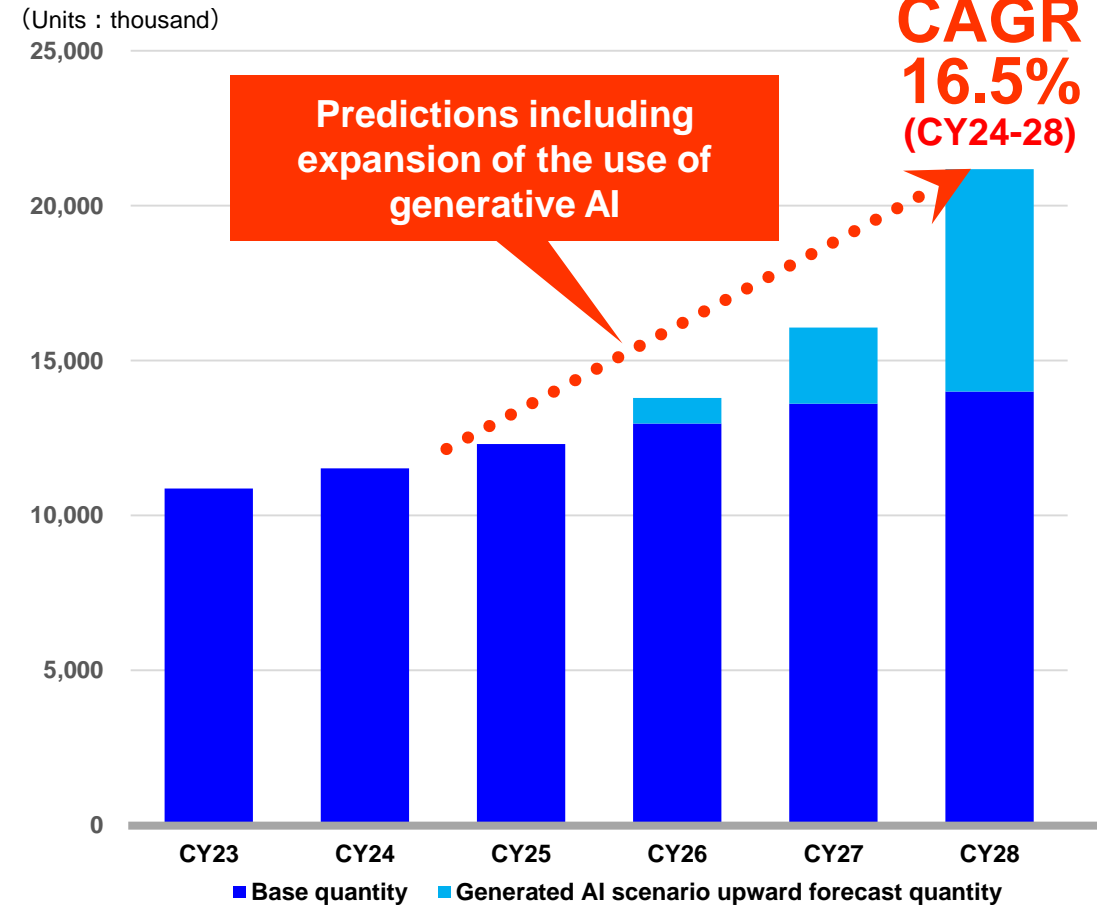
2 Content Growth for Automotive

- The number of our components has increased due to changes in engine types (ICE → HEV/EV)
- The number of bearings has also increased due to the growing demand for small motors that are electrified to ensure safety, comfort and energy saving.

3 Improving the profitability of PMC business

- In addition to the HDD market, we will enter new markets such as automotive and medical equipment.
- Expand as a growth driver for PT as a whole to exceed 60 billion yen and aim for 70-80 billion yen in OP.

Server volume forecast with emergence of new generation on services and others



Source : Based on OMDIA/TSR data, created by MinebeaMitsumi

Expected to be a core base for PT business growth and the carbon neutrality

Aim of Establishment / Outline

- **Progress:**

Groundbreaking ceremony held on September 20. Partial construction and recruiting/training of personnel to begin in FY3/25. Partial operation to begin in FY3/26

- **Site area:**

Approx. 50 ha (approx. 500,000 m²)
(equivalent to **2.5 times the size of the first plant** in Phnom Penh Special Economic Zone (PPSEZ))

- **Aim:**

Expand production of PMC products (machined parts) and other products with potential for further market expansion. Leverage **vertically-integrated manufacturing system** and **automated manufacturing**, and bring together the best practices of the Company. We have high expectations that it will become a key growth driver of the PT business to generate **operating income exceeding 60 billion yen and potentially reaching 70-80 billion yen.**

Solar power generation business

- **Launched our own solar power generation business**(total generating capacity upon completion: approx. 50MW). Power used at existing and future plant expansions in Cambodia will be sourced from 100% renewable energy. **We will achieve complete carbon neutrality.**



Conceptual drawing



Turbo shaft for turbocharger



Fuel injector



Solar power system already installed by SchneiTec

Due to content growth for automotive and increases in global niche top products, we expect OP 27 billion yen for FY3/25. OPM for FY3/27 will be 10%

Key Points

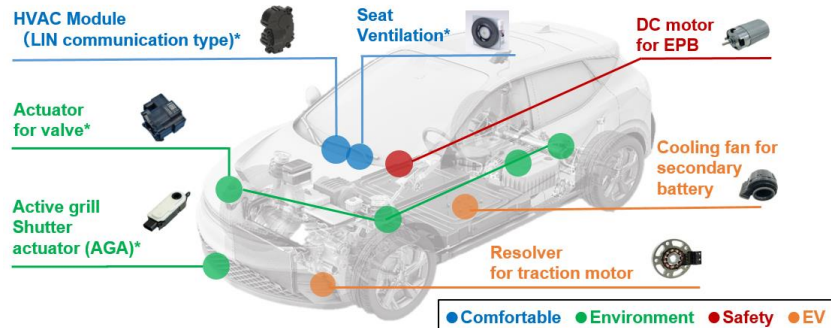
1 Content growth for automotive

- Content growth will continue to expand in the future due to electrification and the use of electrical components that address safety, comfort and the environment.

2 Increase in global niche top products

- Increased profitability due to an increase in global niche top products that can demonstrate competitiveness.

An example of a major motor for automotive applications

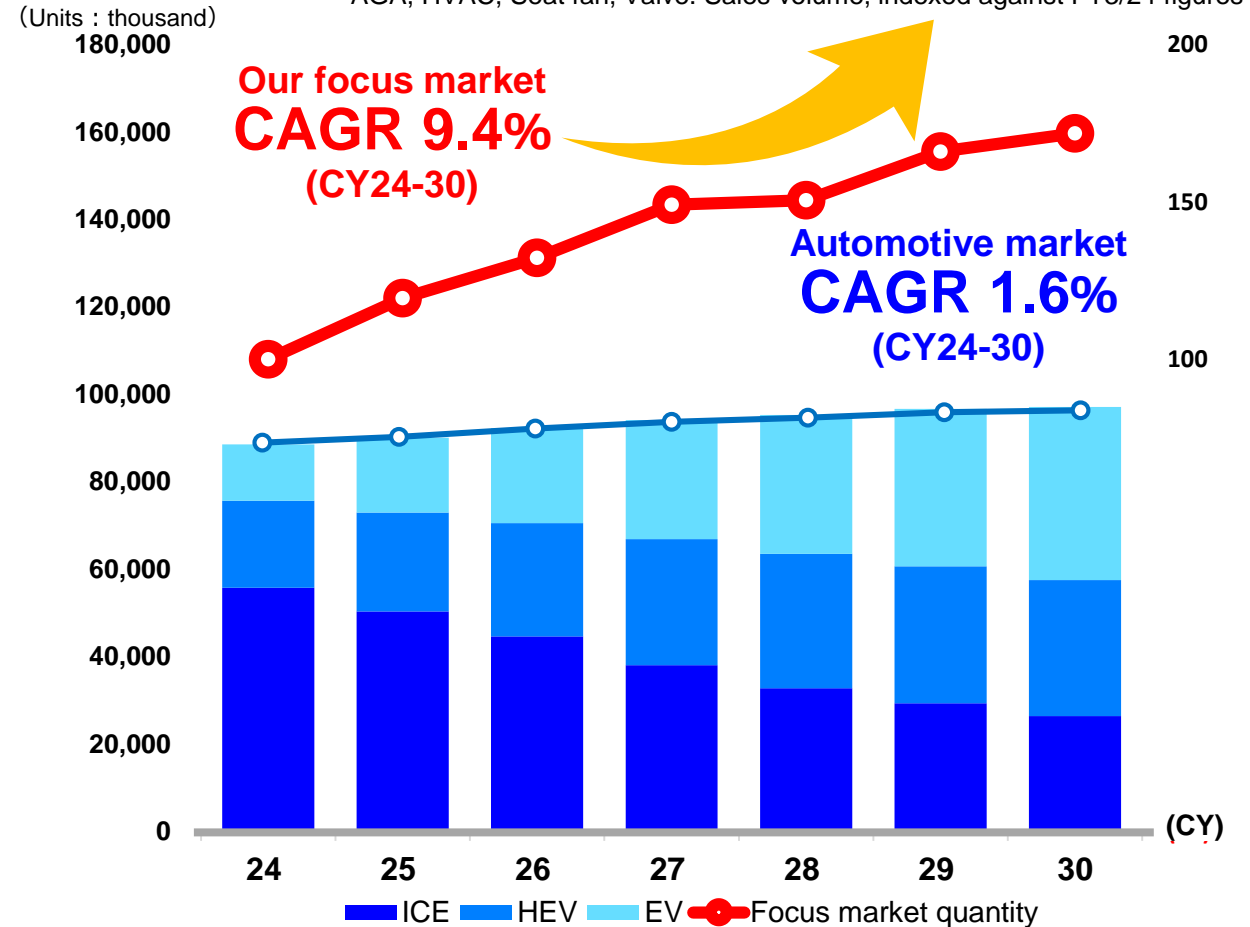


3 Back light : delay in launching products for tablets

- The off-season for product composition. At the moment, it is dragging down profits.

Global automotive production volume and growth potential of our focus markets*

*AGA, HVAC, Seat fan, Valve. Sales volume, indexed against FY3/24 figures



Realize the future of sleep using a near-future Bed Sensor System

Evolution of Bed Sensor System™ functionality

In addition to monitoring vital information, the system provides the user with the optimal “the future of sleep” according to the measured body condition and changes.

Exhibiting concept bed at the PASONA NATUREVRSE Pavilion of the Pasona Group at the Expo 2025 Osaka, Kansai, Japan.

- Utilizing strain gages, a technological element that forms the core of our sensor business.
- This Bed Sensor System is able to measure and display vital information, including body weight*, body movement, respiratory rate, and heart rate in real time by simply integrating into a bed, without the need to attach any measuring equipment to the user's body.

* Reference weight

All the efforts of industry-academia-government collaboration so far came to fruition

2021 Joined “the program on open innovation platform for industry-academia co-creation” of JST (Japan Science and Technology Agency).

Conducting joint research with Keio University using a bed sensor system.

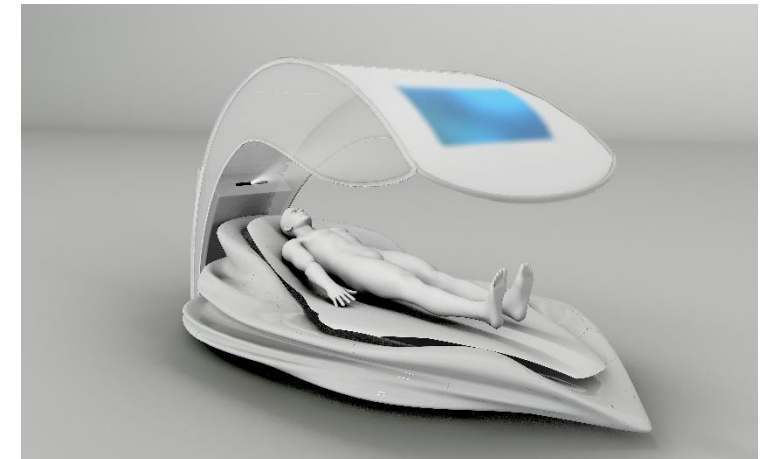
2022 Joint promotion of advanced initiatives with Keio University regarding “Implementation of Innovative AI Hospital System” of Cabinet Office’s SIP (Cross-ministerial Strategic Innovation Promotion Program).

2025 Exhibition at the Expo 2025 Osaka, Kansai, Japan, under the guidance of Professor Emeritus Sawa of Osaka University Graduate School.

The contents of exhibition has been supervised by Professor Emeritus Mimura of Keio University Center For Preventive Medicine.



PASONA NATUREVERSE “Sleep of the Future” exhibition image



Concept bed image using the MinebeaMitsumi's Bed Sensor System

Accelerated growth in both analog and power semiconductor markets from 2025 onward Aiming to become a "Global Niche Top" in our field of expertise!

Key Points

1 Promote global niche top strategy that drives competitive edge for analog semiconductors

- Focus on niche and custom areas. Aim to build a solid position by providing products that meet customer needs leveraging harmony of craftsmanship (a market that is difficult for Chinese companies to enter).

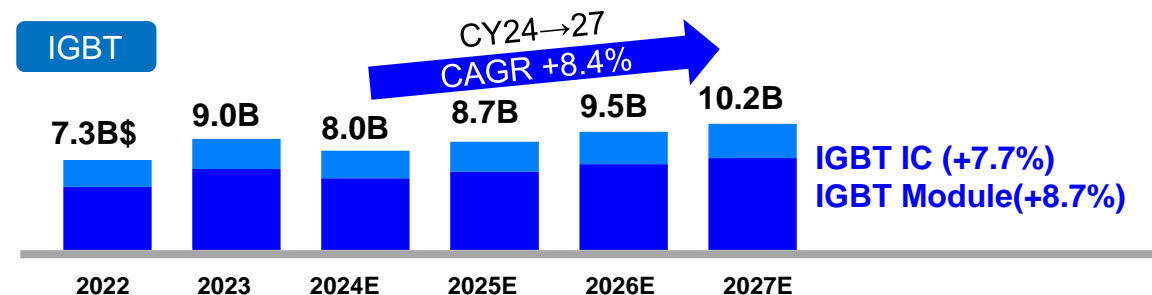
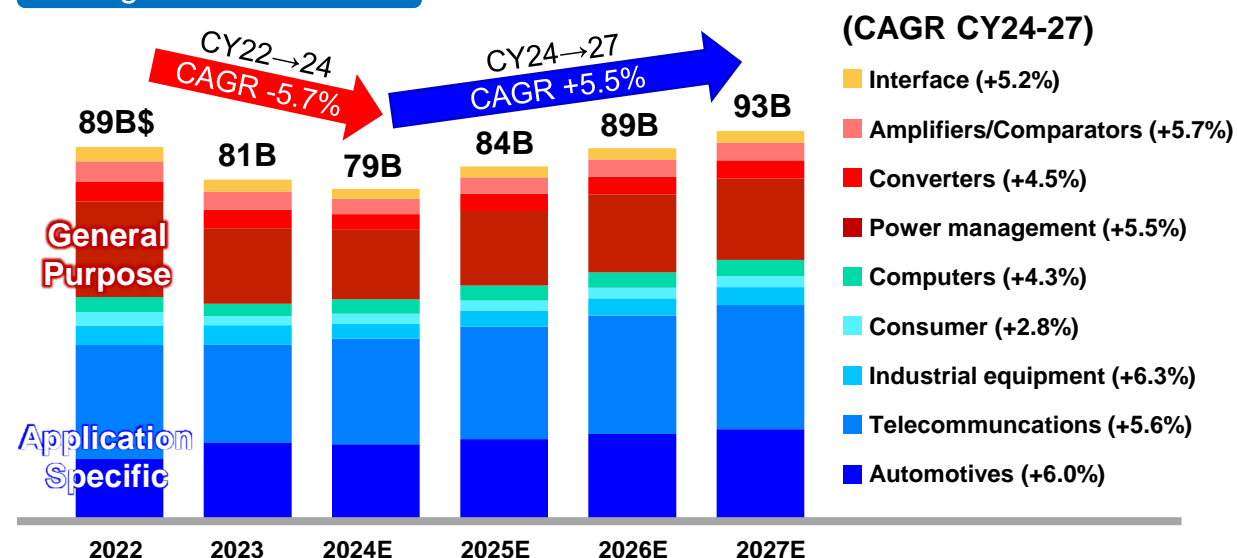
2 Expanding lineup of high-voltage, high-performance products centered on our proprietary side-gate IGBT technology

- Our strength lies in offering both high-efficiency IGBTs and SiC, targeting markets that recognize our technology as value-added, including the EV sector.
- Concentrate on high-voltage, high-performance products for railroads and power grids to drive growth on a distinct competitive field from Chinese companies.
- Profitability will further improve as capacity utilization at the Shiga Plant increases in line with the above-mentioned market expansion.

3 Sub core businesses (optical devices and mechanical components) were below expectations

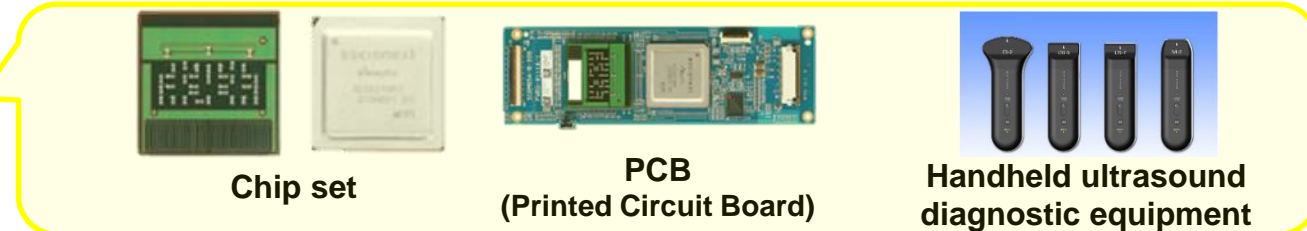
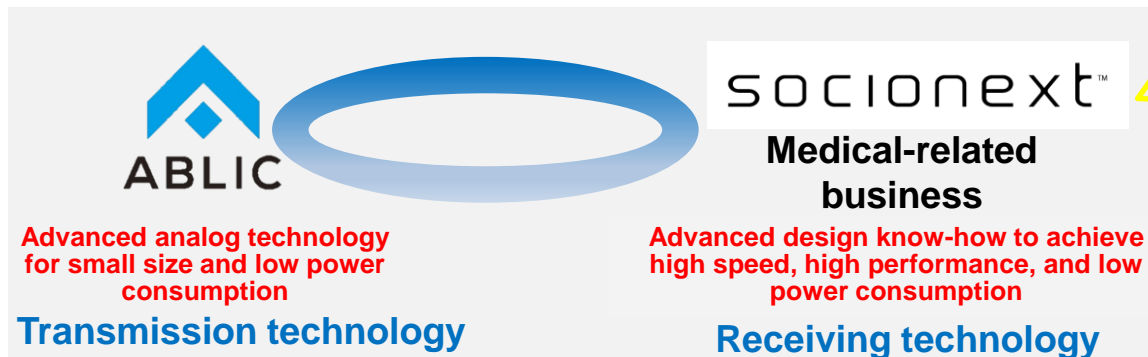
Global market forecast

Analog semiconductors



Source: WSTS

ABLIC acquires medical-related business from Socionext Leveraging handheld ultrasound diagnostic system to support the penetration of diagnostic imaging



Outline of transaction

1 Description of the business
Assets, intellectual property, employees, etc. of medical-related business
(Mainly **handheld ultrasound diagnostic systems and LSI** (Large Scale Integrated circuits) development, manufacturing, and sales business)
- Operates fabless business and do not possess production facilities

2 Source of competitive edge
In-depth knowledge of systems including firmware as well as LSI, and receiving technology including high-definition image generation

Target

- 1 High technological synergy**
- ABLIC's **transmission technology** and Socionext's high-end **receiving technology** do not overlap and are complementary.
 - In addition to the low-end products for handheld ultrasound diagnostic equipment that ABLIC previously owned, ABLIC has acquired **mid- and high-end products**. Going forward, we will leverage the acquired high-end receiving technology to expand the **product lineup for** ultrasound diagnostic equipment.
-
- 2 Expanding business opportunities through higher resolution**
- Full-scale product rollout of high-value-added 64-channel products from the second half of 2024, which **enable higher pixel counts and deeper imaging**.
 - Realize quality in handheld equipment to approach that of cart-based products. **Accelerate penetration of diagnostic imaging (echocardiographic diagnosis) in the medical field. Making it possible for anyone to quickly capture internal body images.**

Capturing great opportunity of automotive electrification Growth faster than the market through the launch of high value-added products resulting from INTEGRATION

Key Points

1 Electro Mechanics Solutions™ arrives in the AS field

- Electrification of Access products including flash handles, has been expanding at a faster-than-expected rate.
- Flush handles are becoming the mainstream.

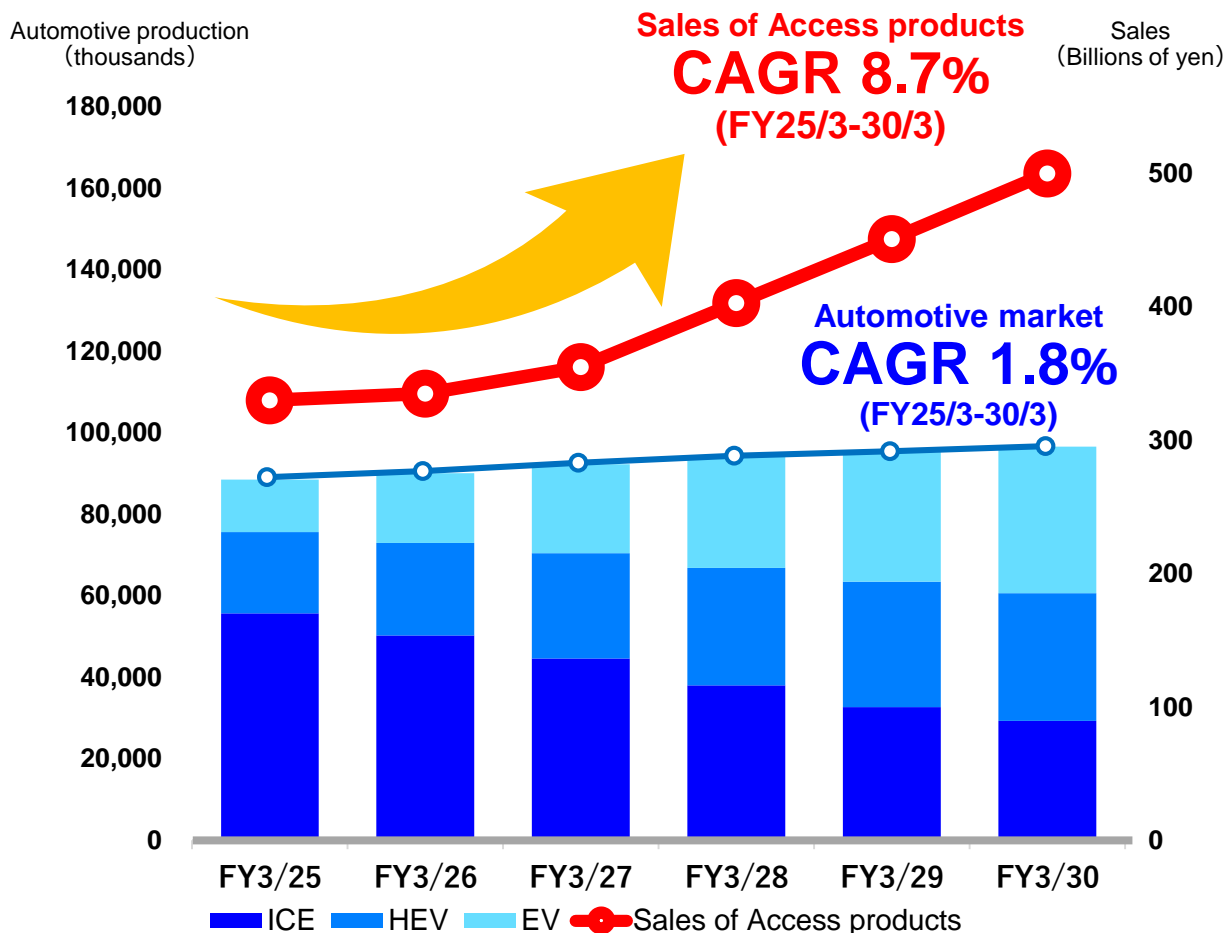
2 The latch has been turning to e-Latch; the game change to occur

- Increase in orders is expected.

3 Deterioration in financial conditions of European competitors

- Increasing number of inquiries to MinebeaMitsumi, backed by solid financial base.

Global automotive production and growth potential of our Access products

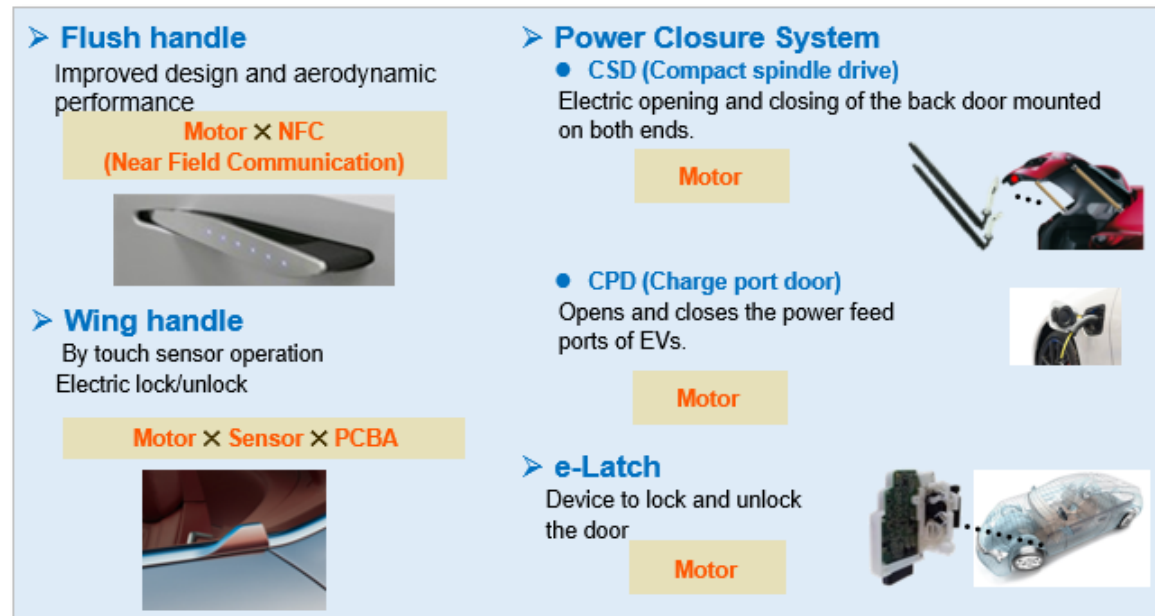


No competitor can combine a variety of technologies to create new products!

Access solutions product

High value-added products through INTEGRATION will be launched in the next few years

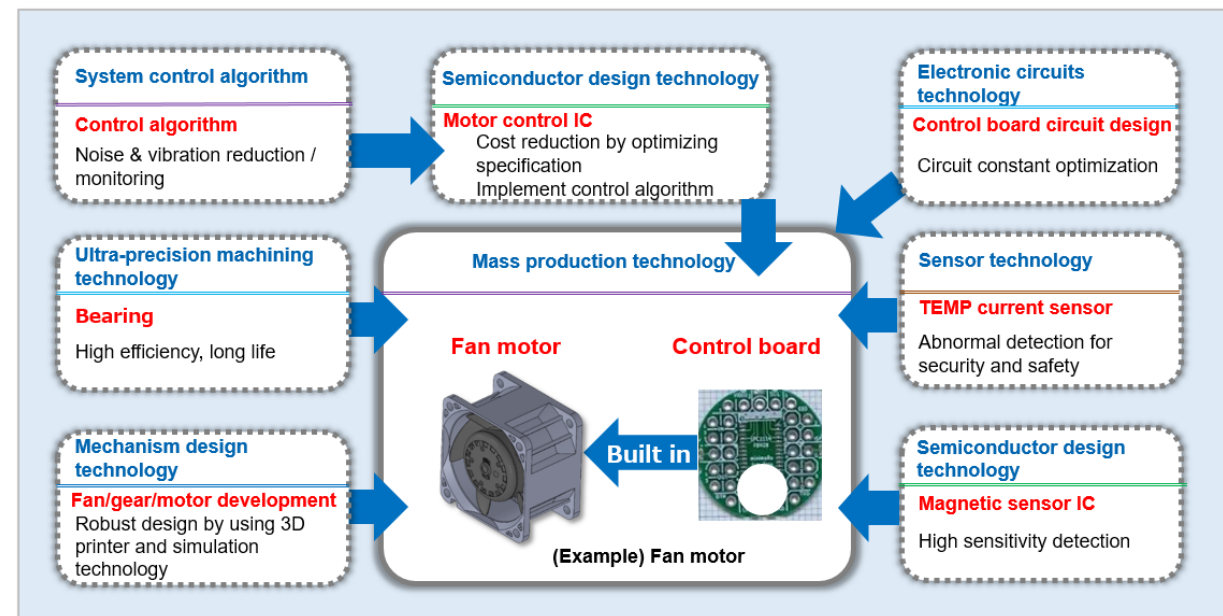
- Develop approximately 150 INTEGRATED products in 1.5 years from FY3/24 onward.
- The lifetime value is approx. 30 billion yen for the ordered products. (on a “INTEGRATED components unit” basis).
- Access products are also being considered for future applications in home appliances and housing equipment.



Motor driver IC

One-stop solution for motor-related products using our own technology. INTEGRATED products that pursue ease of use and high added value

- Mass production of high-precision fan motors for monitoring host-side conditions in data centers by combining motors, in-house semiconductors with microcontrollers, software, sensing, and other components.
- Expanding our lineup of high-margin products through the INTEGRATION of our technologies.



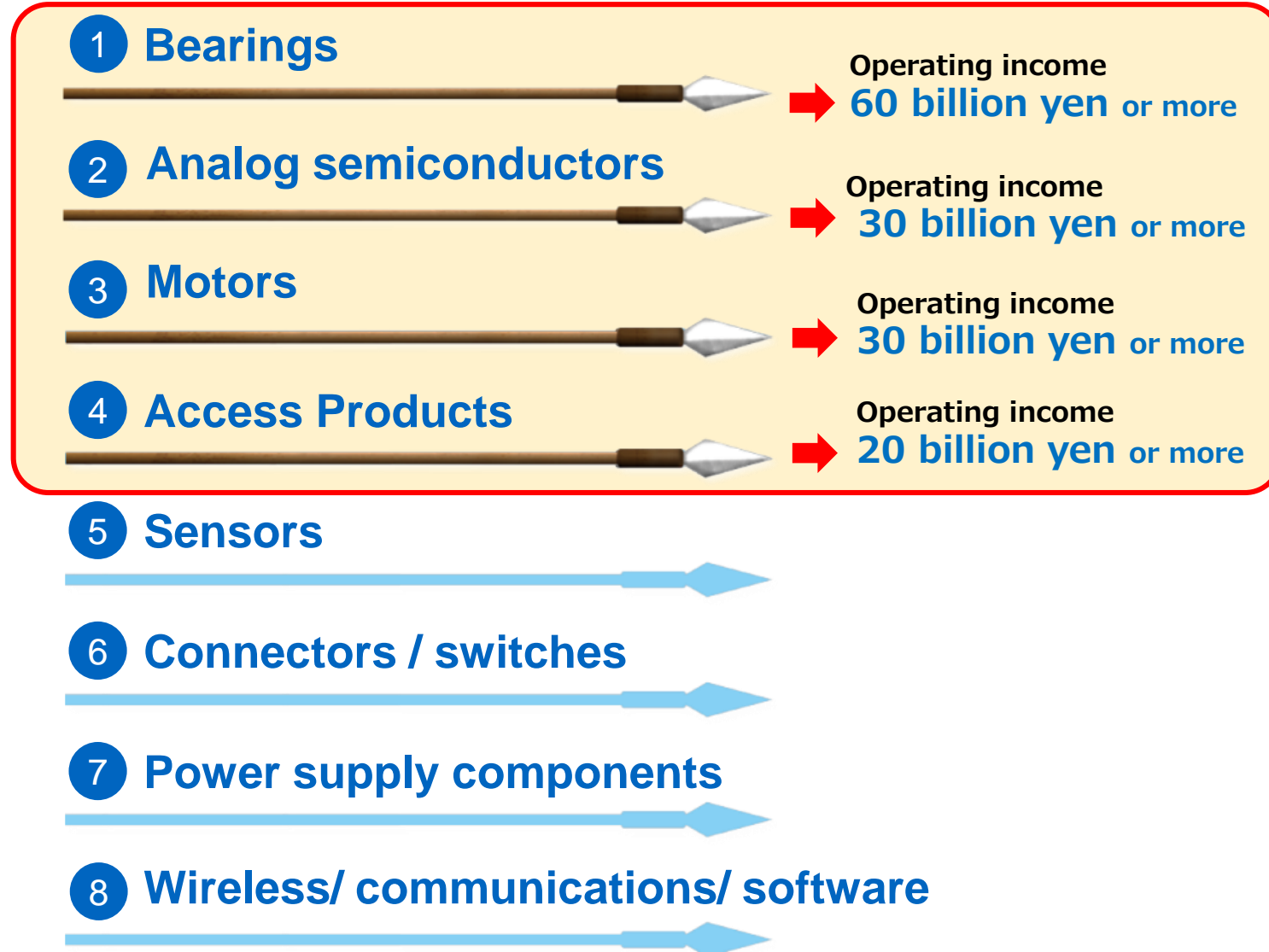
Our “Room for Growth” - 8 Spear Strategy

Defined a business with over 20 billion yen in OP as a “spear”, and confirmed 4 “spears”.
With just the confirmed spears, we expect to see over 140 billion yen in OP in the near future!



Definition of a “Spear”

1. Serve niche fields in massive markets
2. Not readily displaced even as a result of technological innovation
3. Capable of drawing on the strengths of the Company
4. Have synergies between Spears



Interim dividend maintained at previous year's level

Dividends

Dividends for FY3/25

Interim dividend	TBD	→	20 yen/share
Year-end dividend (Forecast)	TBD	→	TBD

Regarding the year-end dividends for the fiscal year ending March 31, 2025, we will finalize in light of our performance for this fiscal year.

However, if the year-end dividend is set at 20 yen, Dividend payout ratio will be 24.5%, total return ratio. No change in medium-to-long-term cash allocation policy.

(Reference) Dividends for FY3/24 Annual 40 yen/share (20 yen for interim, 20 yen for year-end)

Share buyback

The status of the acquisition of treasury stock, which was announced on August 2, 2024, from August 21 to October 31 (execution date basis) is as follows.

Number of shares: 2,578,000 shares (Up to a maximum of 2.8 million shares)
Amount: 7,171.6 million yen (Up to a maximum of 10,000 million yen)

Integrated Report 2024 published

With a focus on strengthening human capital and improving profitability, we introduce strategies and measures aimed at enhancing our corporate value.

See on
our website →



Acquired SBT certification

We have received certification from SBTi, an international initiative, for our greenhouse gas emission reduction targets for FY3/31.

Scope 1 and 2: 42% reduction by FY3/31 (compared to FY3/23)

Scope 3 Category 11*: 25% reduction by FY3/31 (compared to FY3/23)

*Category 11: Use of products sold





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.

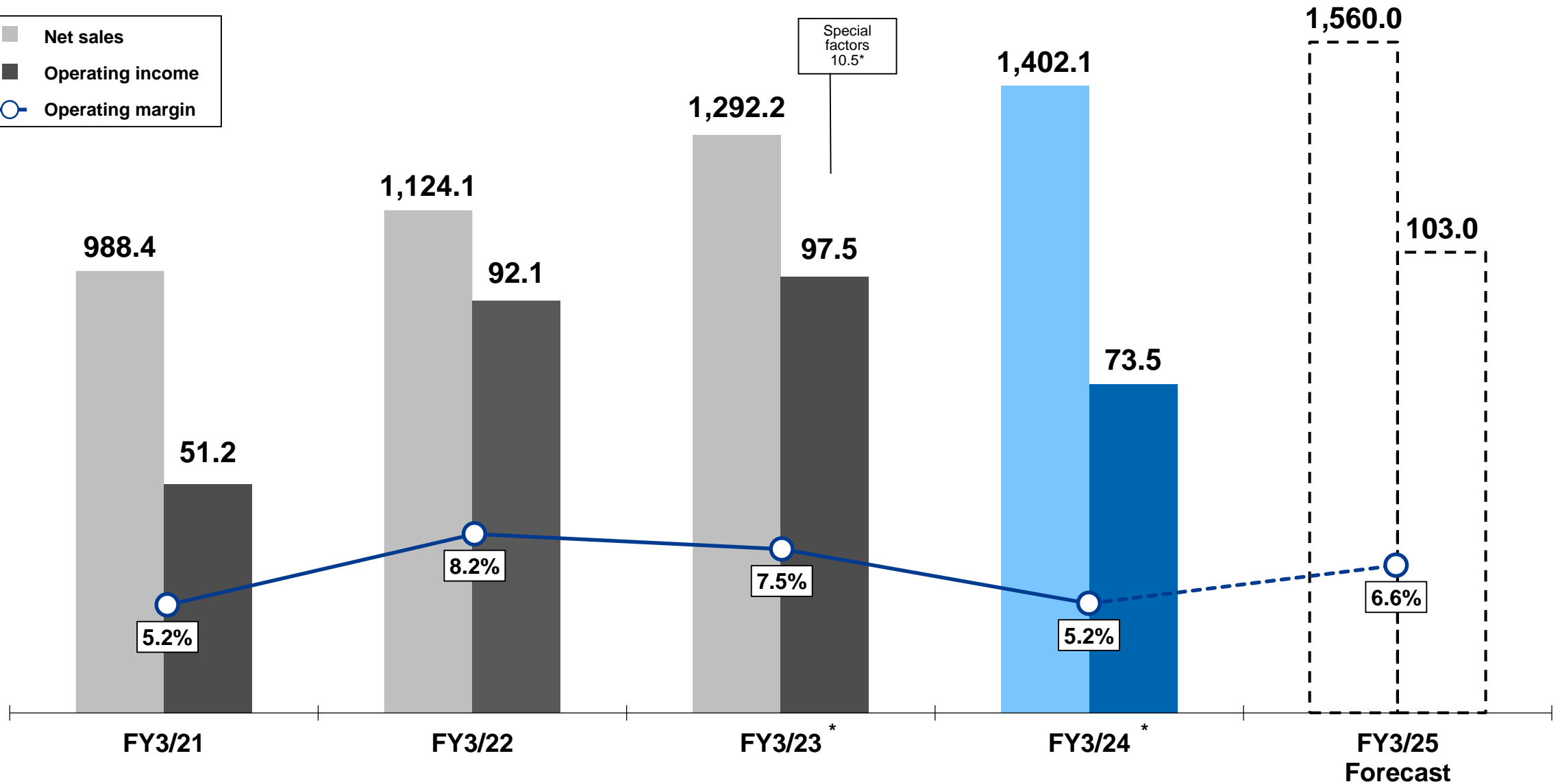
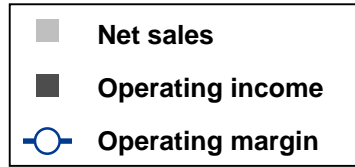
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Reference

Net Sales, Operating Income / Margin

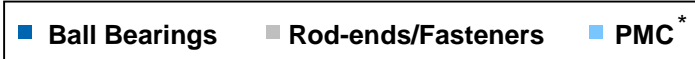
*Operating income prior to 3Q FY3/24 has been revised in accordance with finalization of PPA for HONDA TSUSHIN KOGYO CO., LTD., Minebea Connect Inc., and Minebea AccessSolutions Inc.

(Billions of yen)

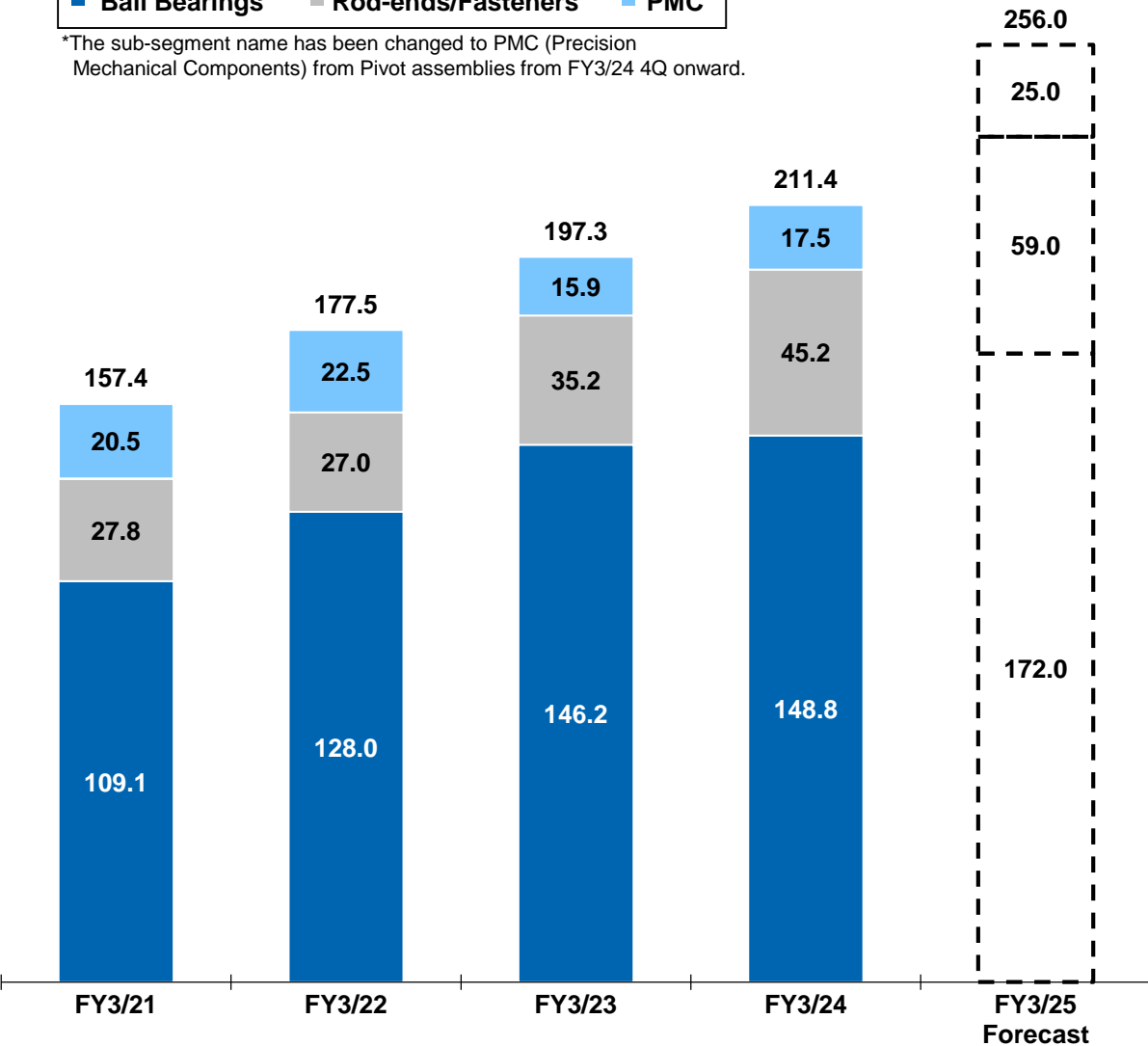


Precision Technologies (PT)

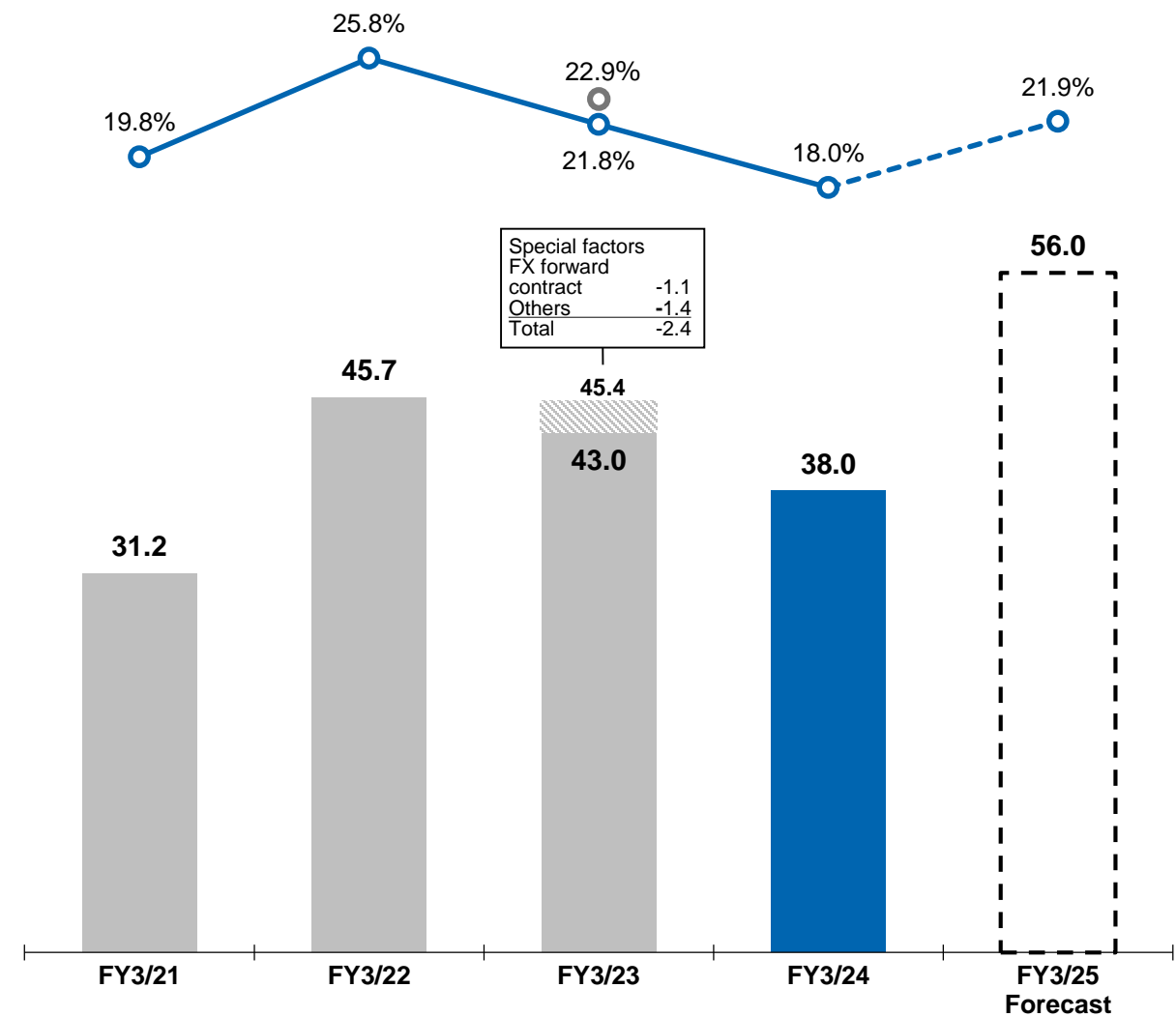
Net sales (Billions of yen)



*The sub-segment name has been changed to PMC (Precision Mechanical Components) from Pivot assemblies from FY3/24 4Q onward.

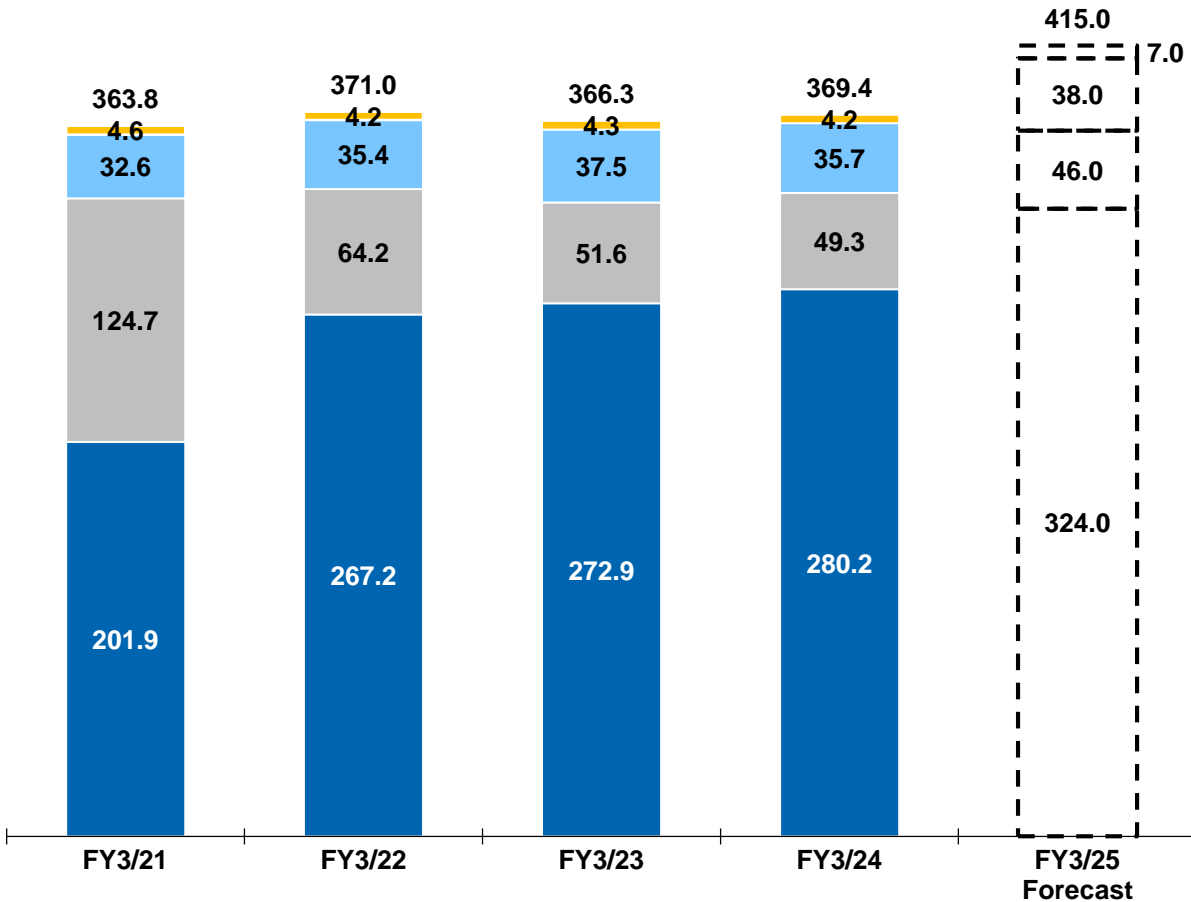


Operating income (Billions of yen)

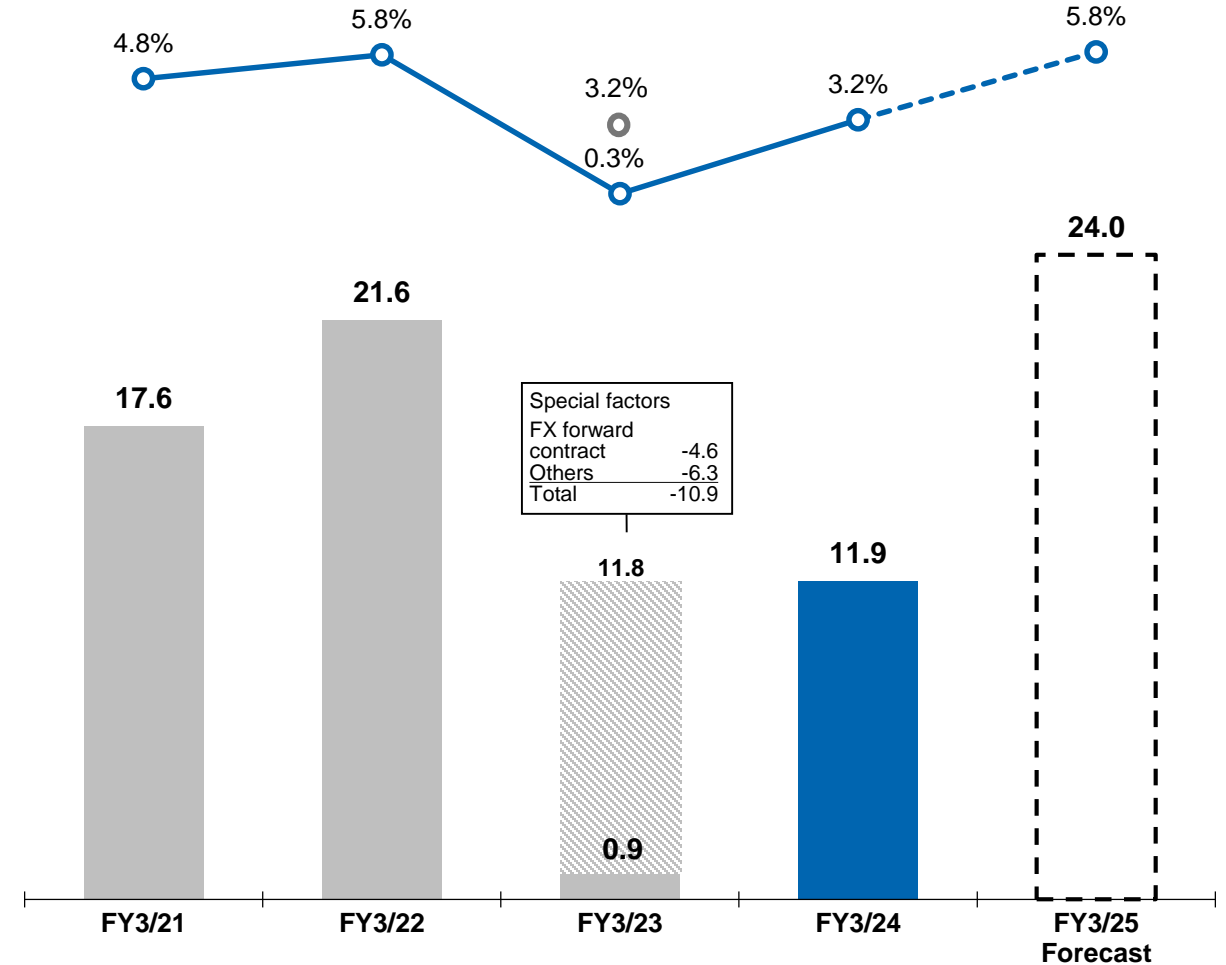


Motor, Lighting & Sensing (MLS)

Net sales (Billions of yen)

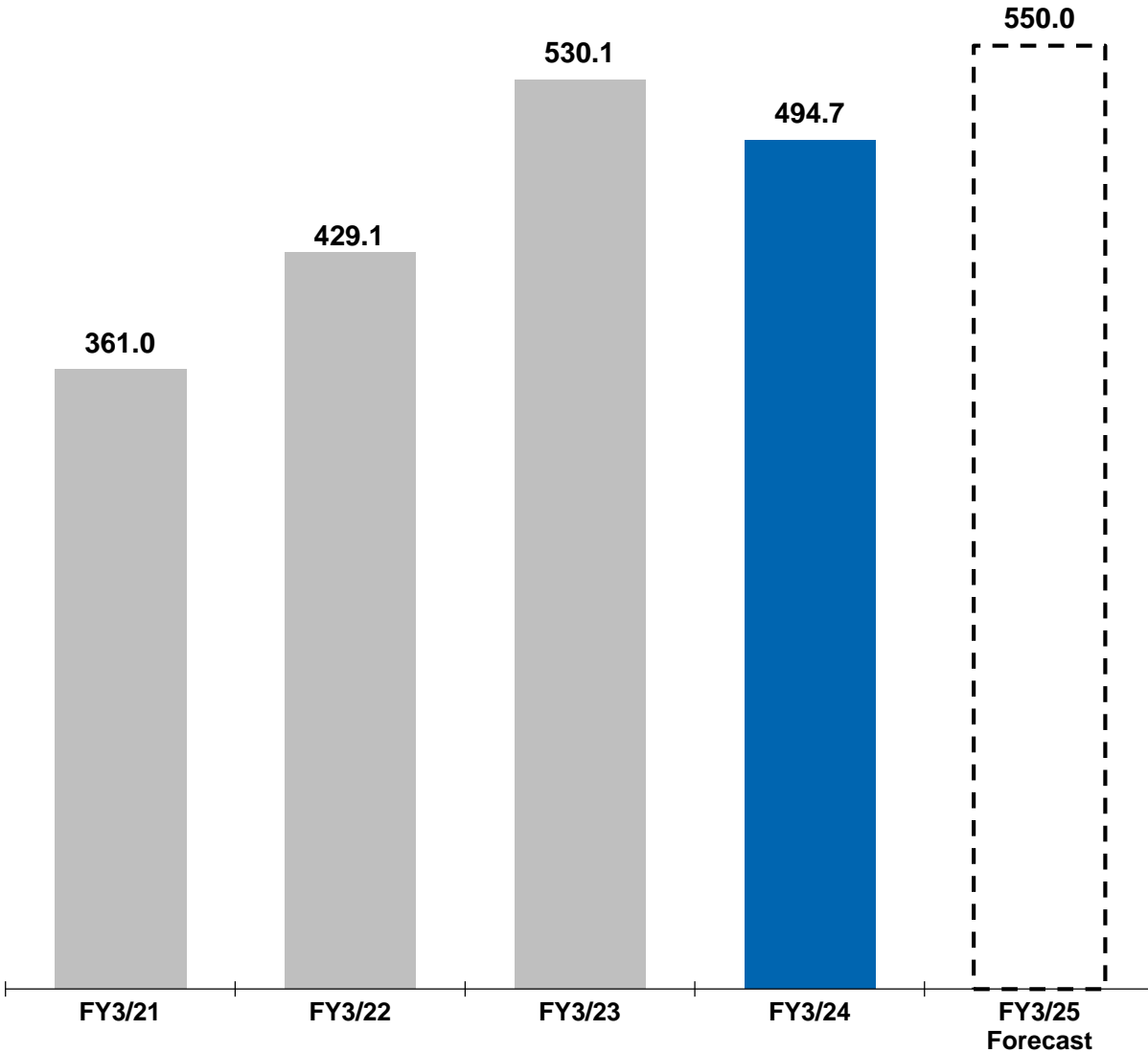


Operating income (Billions of yen)

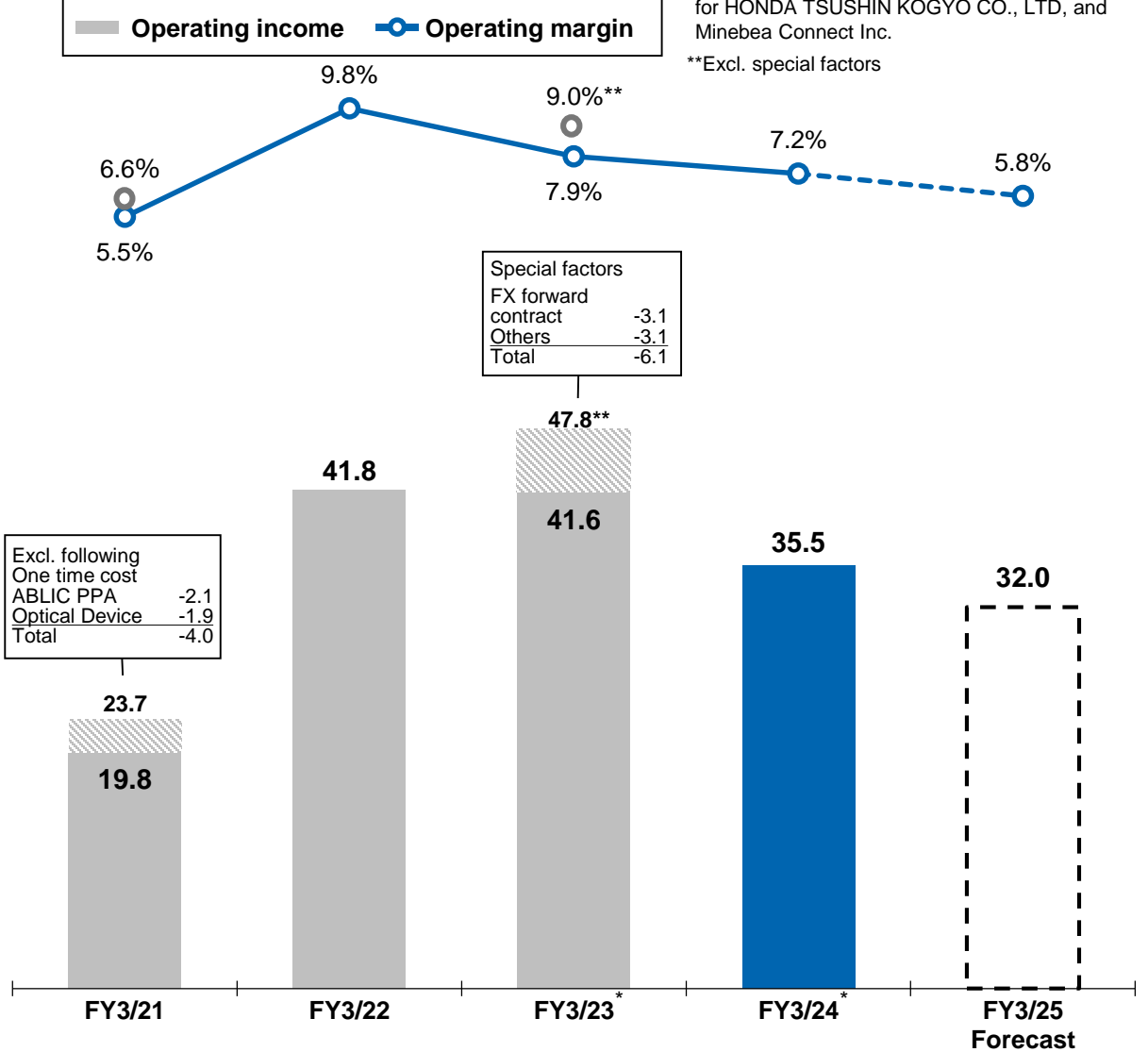


Semiconductors & Electronics (SE)

Net sales (Billions of yen)



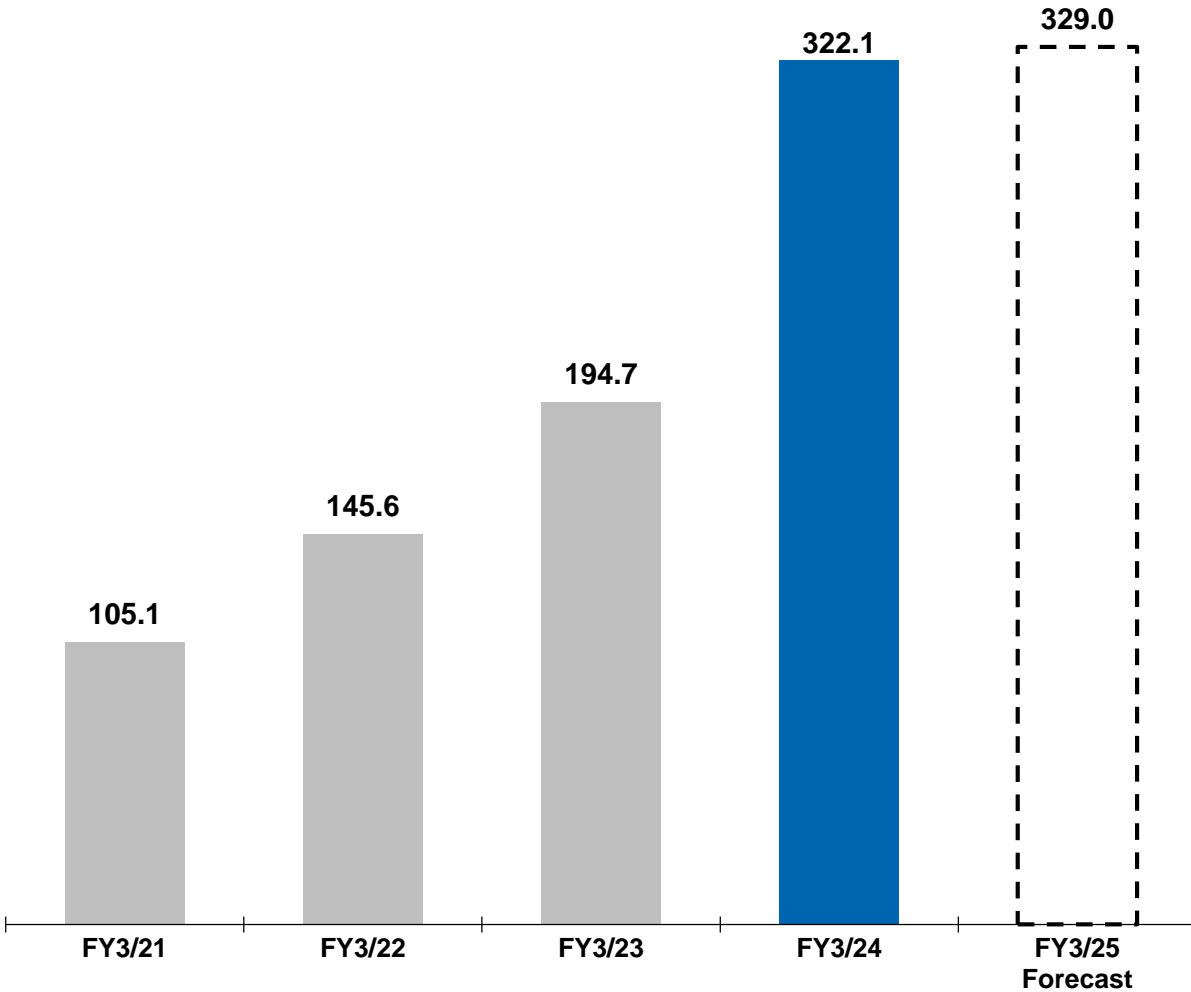
Operating income (Billions of yen)



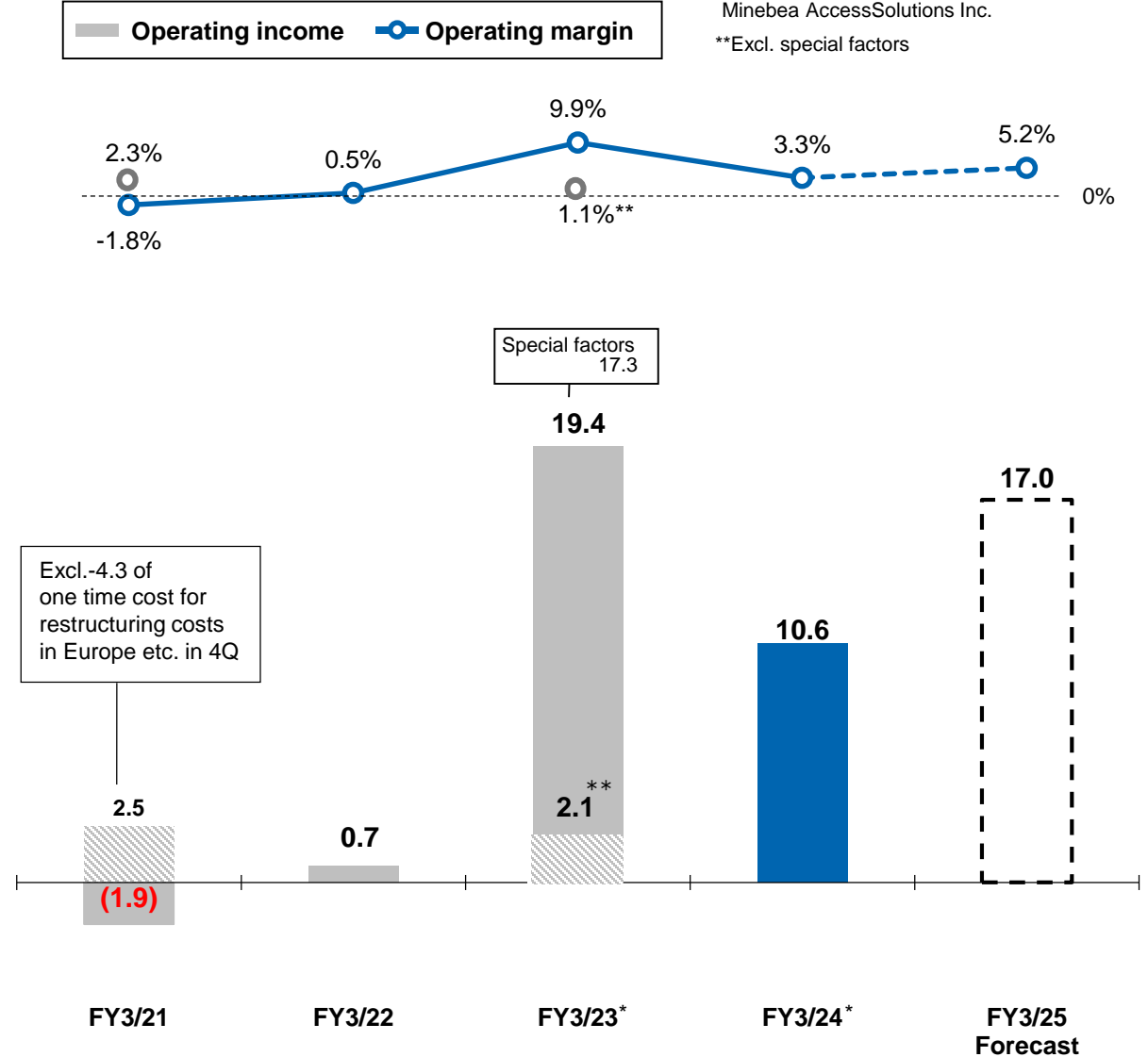
*Operating income prior to 2Q FY3/24 has been revised in accordance with finalization of PPA for HONDA TSUSHIN KOGYO CO., LTD, and Minebea Connect Inc.
 **Excl. special factors

Access Solutions (AS)

Net sales (Billions of yen)



Operating income (Billions of yen)



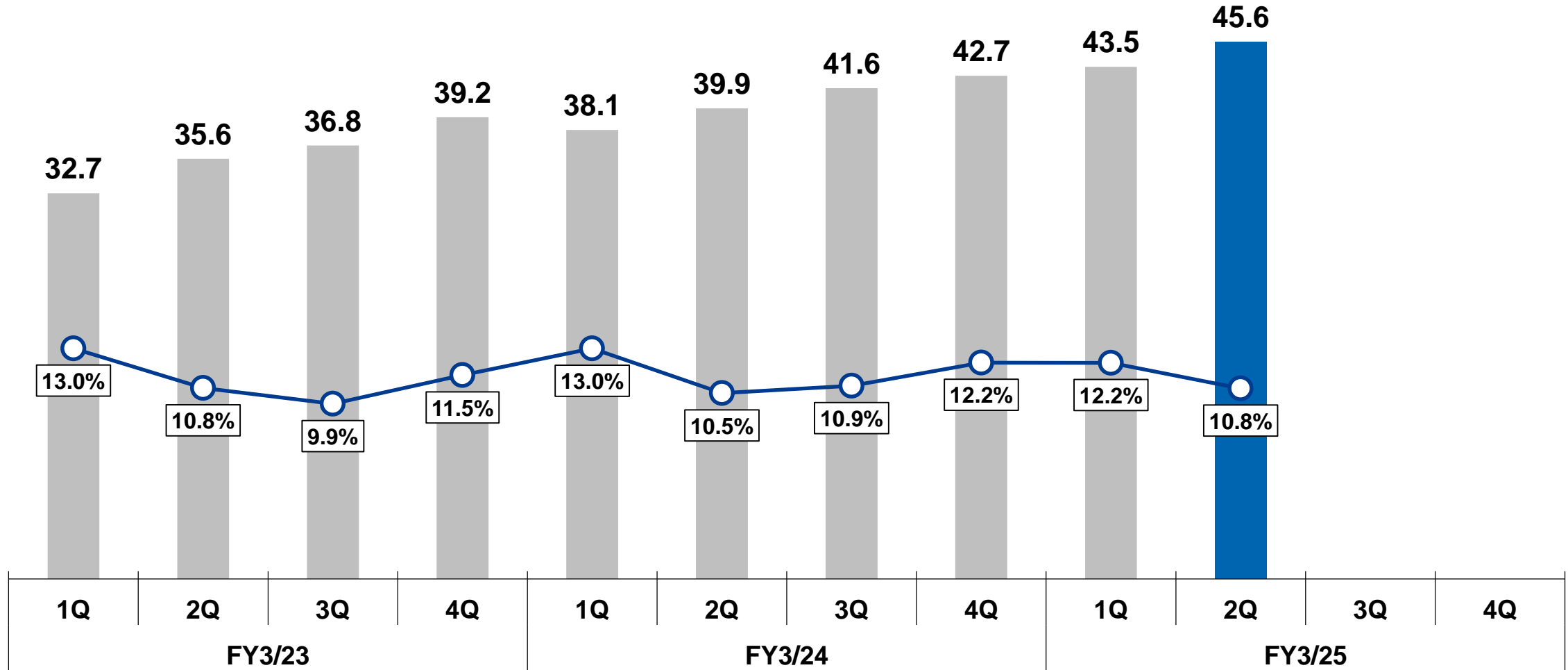
*Operating income prior to 3Q FY3/24 has been revised in accordance with finalization of PPA for Minebea AccessSolutions Inc.

**Excl. special factors

S.G.&A. Expense / Ratio

(Billions of yen)

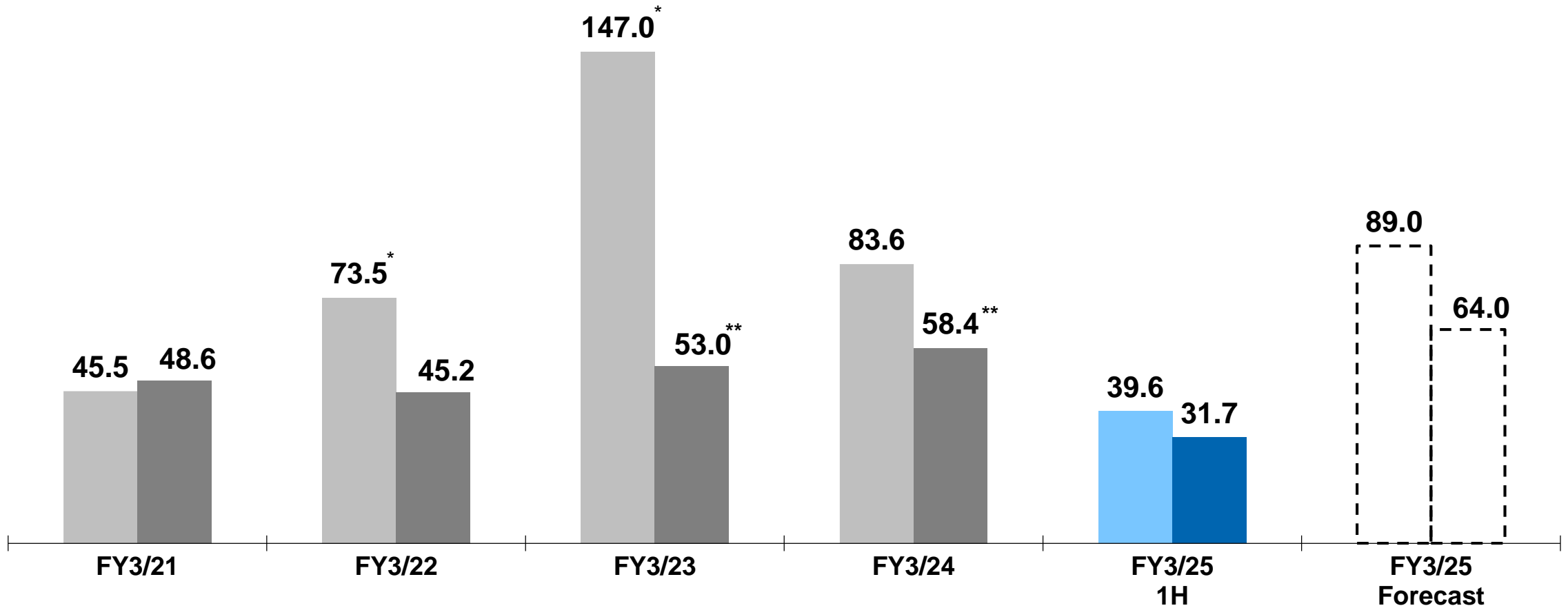
■ S.G.&A. expenses ○ S.G.&A. to sales ratio



Capital Expenditure / D&A Expense

(Billions of yen)

Capital expenditure Depreciation & Amortization expenses



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

** D&A expense prior to 3Q FY3/24 has been revised in accordance with finalization of PPA for HONDA TSUSHIN KOGYO CO., LTD., Minebea Connect Inc., and Minebea AccessSolutions Inc.

ROIC (Return On Invested Capital)

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

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

