

Chapter I Value Creation Story of MinebeaMitsumi



Diversified management centered on niche fields, underpinned by strong technologies



MinebeaMitsumi's strength lies in its business model of capturing a high market share and profitability in niche segments. This strategy started with a focus on miniature sizes in the ball bearing business, which has been a core business since our foundation.

Furthermore, the ultra-precision machining technologies refined in the bearing field formed a basis for diversification based on the principles of "businesses with enduring, large markets" and "not only making the most of its strength, but also demonstrating synergies with its existing products and technologies," which has led to business scale expansion.

The Company will continue to select and concentrate its business portfolio as it strives to create new value going forward.

High market share and profitability in niche fields

Competing in niche fields

By specializing in miniature and small sizes, our market share and earning power increased (external diameter of 22 mm or less)

- Ball bearings**
 - Global ball bearing market: ¥4 trillion
 - The Company's share: 60%
 - Miniature and small size (external diameter of 22 mm or less)
- Motors**
 - HDD drive motors: Only 2 companies in the world
 - Various motors for multi-function copier-printers: Overwhelming market share
- LED backlights for LCDs**
 - Uses of LCDs: Televisions, Notebook PCs, Tablet PCs, Smart phones, Automotive displays, etc.
 - Market share: Overwhelming market share
 - Product types: High-end, Mid-range, Low-end

Seven Spears

Core products for businesses based on the Company's technology strengths

- Bearings
- Motors
- Sensors
- Connectors/switches
- Power supply components
- Wireless/communications/software
- Analog semiconductors

Diversification/portfolio selection and concentration

Diversification in niche areas, which is selection and concentration. Strengthen portfolio while judging appropriately whether to proceed with development, M&A, or business withdrawals

- New product development**
 - Smart street lights (2014)
 - Wavy Nozzle (2015)
 - SALIOT (2015)
 - Bed sensors (2017)
 - Ultra-high sensitivity strain gauge film "MINEGE™" (2017)
 - Resonant devices (2018)
- Trend of business withdrawals in the past** (*Peak-era net sales)
 - 1990's: approximately ¥85.0 billion* (E.g.: Pig farming, semiconductor memory)
 - 2000's: approximately ¥50.0 billion* (E.g.: FDDs, RO bearings, MODs, etc.)
 - 2010's: approximately ¥65.0 billion* (E.g.: Vibration motors, speakers, etc.)
- M&As (47 companies in 47 years)**
 - C&A Tool Engineering, Inc. and Mach Aero group (2017)
 - MITSUMI ELECTRIC CO., LTD. (2017)
 - Sartorius Mechatronics T&H GmbH (2014)
 - CEROBEAR GmbH (2013), etc.

Overwhelming market share

Pivot assemblies for hard disk drive (HDD)

The World's No.1 share

80%

High margin

Operating margin

Approximately 25%

Machined Components Business

Net sales since foundation

Significant growth through M&As following selection and concentration

*Fiscal year ended September 1993 is omitted as this was a six-month period.