

Chapter III Strategies by Business

Electronic Devices and Components Business

Substantial growth opportunities in both core businesses and cash cow businesses

Major products

- Electronics devices (LED backlights for LCDs, sensing devices, etc.)
- HDD spindle motors
- Stepping motors
- DC motors
- Air movers (fan motors)
- Precision motors
- Special components

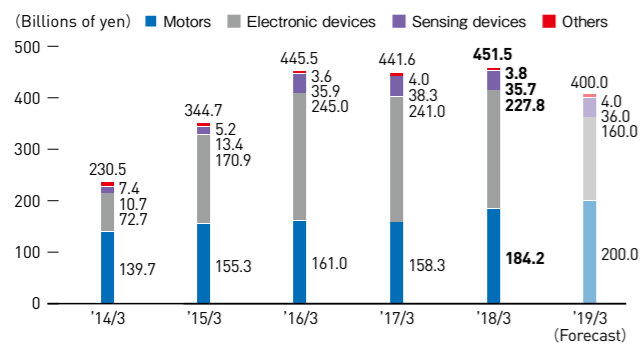


Overview of the fiscal year ended March 2018

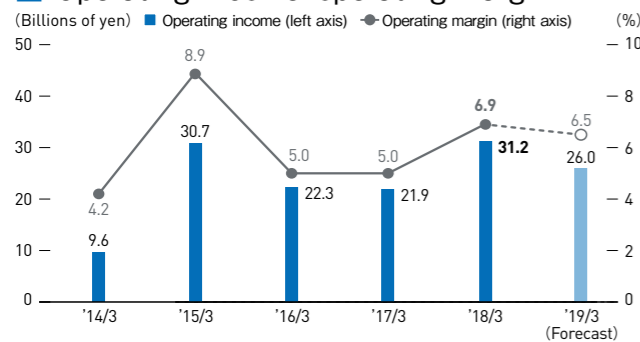
Electronic Devices and Components business highlights

<p>Net sales composition</p> <p>50%</p>	<p>ROIC Approximately</p> <p>17%</p>	<p>No.1</p> <p>share in numerous niche fields</p>	<p>Location strategy</p> <p>Expansion of locations</p> <p>e.g. Slovakia plant</p>
<p>Promoting global</p> <p>R&D</p> <p>at five locations worldwide</p>	<p>Overwhelming</p> <p>industry presence in high-end LCD smartphones</p>	<p>Currently expanding</p> <p>the product portfolio</p>	<p>Technological innovation</p> <p>as a driver of growth, involving shift to electric vehicles, etc.</p>

Net sales



Operating income/operating margin



Overview of the fiscal year

Record highs with respect to both net sales and operating income

The business of LED backlights for LCDs exceeded initial targets despite effects of a decrease in sales volume of end products to our major customers, due to still firm demand for MinebeaMitsumi's ultra-thin LED backlights for LCDs. Moreover, sales of automotive LED backlights for LCDs which require high degrees of quality and durability continued to achieve consistent growth. Results of stepping motors and other motors were favorable, centered on products for automobiles and office automation equipment. The motor business which was transferred from the MITSUMI business segment beginning this fiscal year also stably contributed to profitability. However, sales of sensing devices have stalled due to demand trends involving certain products.

As a result, net sales and operating income for the period finished at record high of 451.5 billion yen and 31.2 billion yen, respectively.

Notes to charts of "Net sales" and "Operating income/operating margin"
 * Figures for periods up through the fiscal year ended March 2018 are based on JGAAP, and forecast for the fiscal year ending March 2019 are based on IFRS.

Outlook for the next fiscal year

Strong contribution to profitability by core business

As for LED backlights for LCDs, we will continue to supply high value-added products such as ultra-thin light guide plates for high-

end smartphones, and advance sales for automotive products where future expansion is expected. We will further improve the quality of motors such as stepping motors and reduce their costs and advance sales expansion of high value-added products for automobiles, servers, etc., to further improve results.

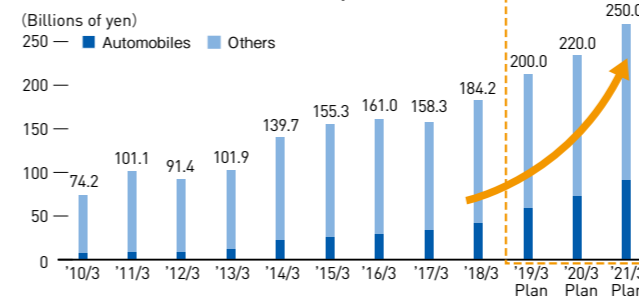
Seven Spears strategy (Electronic Devices and Components business)

Seven Spears strategy (2) Motors

Significant growth through focusing on automotive products

We anticipate growth in net sales of motors amounting to no less than 10% annually over the next three years. Having achieved substantial growth also in terms of profitability, the business has become established as a robust platform which already acts as the second pillar of the Company's operations. With business involving automobiles largely driving growth, the ratio of automotive motor sales to overall motor sales has been increasing with each successive year.

Motor business sales plans



Fueled by robust demand trends, we are actively strengthening development and production frameworks geared to the automobile market. With respect to production, in June 2018 we commenced operations of a plant in Slovakia which mainly handles automotive motors. As for development, in 2018 we plan to open the China Technical Center in the outskirts of Shanghai, specializing in development of automotive products centered on motors.

As such, we expect to keep achieving substantial growth going forward amid our focus on automotive products.

Seven Spears strategy (3) Sensors

Expanding the business centering on strain gauges and MEMS sensors

Of all the Seven Spears product lines, only the sensor products wield strengths of the respective Minebea and MITSUMI businesses. As such, we anticipate positive results from various business opportunities in areas that include wearables and robotics, in addition to mobile, automobile and other existing applications. We will accordingly work toward expanding this business given its important role in IoT technologies, centering on two types of sensors, each with differing approaches, namely, strain gauges boasting outstanding sensitivity, stability and fatigue life; and micro-electro-mechanical systems (MEMS) technologies applying semiconductor manufacturing technologies.

Towards the future

Achieving sustainable growth through dual power of core businesses and cash cow businesses

In the Electronic Devices and Components business, our basic strategy will involve maximizing profit generated from the cash cow business of LED backlights for LCDs, and reinvesting that profit in strengthening the platform of our core businesses of motors and sensors.

In high-end LCD smartphones, we will create business opportunities involving LED backlights for LCDs for which we boast an overwhelming market presence, by achieving further cost reductions and developing state-of-the-art technologies as the top player in the industry.

With the aim of achieving consistent growth in the core businesses of motors and sensors over the long term, we will expand the portfolio and develop new areas of business by taking an INTEGRATION approach with other Seven Spears products.

One example of this is our development of the new high sensitivity strain gauge film MINEGE™. It is a revolutionary

product with substantial improvements in sensitivity, size, durability and other attributes of existing strain gauges, and has been developed through synergies between the Minebea businesses handling the gauge component and the MITSUMI business handling the analog semiconductor component. Going forward, we are hoping to apply the product to an extensive range of applications in areas such as the automobile, mobile and wearable device, and robotics fields, and we think it will dramatically contribute further to the Electronic Devices and Components business.

Main target markets of high sensitivity strain gauge film MINEGE™



Heading toward rapid growth of the sensing devices business