

An aerial view of the New York City skyline, featuring the Empire State Building prominently in the center. The image is overlaid with a network of white dots connected by thin white lines, suggesting a global or digital network. The sun is shining from the upper right, creating a bright glow and lens flare effects across the scene.

MinebeaMitsumi

Passion to Create Value through Difference

MinebeaMitsumi Group Integrated Report 2018
—Fiscal year ended March 2018—

MINEBEA MITSUMI Inc.

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Introducing MinebeaMitsumi

—The Economic Value of MinebeaMitsumi Group

Expanding the realm of possibility to create **innovative** products through **difference** as a one of a kind manufacturer

Bearings are indispensable products in moving machinery, to the extent that they have been referred to as “the staple of the industries.”

MinebeaMitsumi is particularly focused on small sized products and has the largest share of the global market for miniature and small-sized ball bearings at 60%.

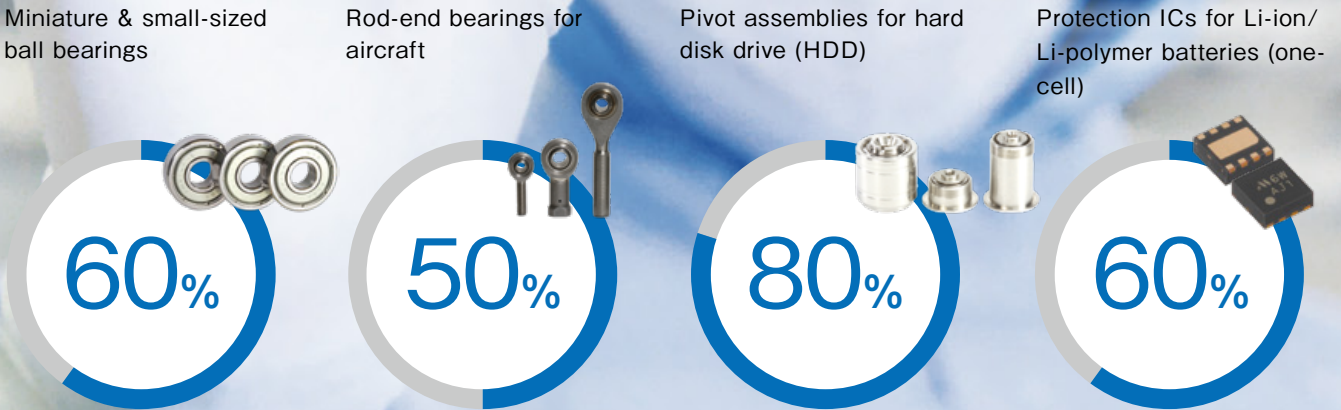
In addition, in the field of miniature and small-sized ball bearings we have cultivated ultra-precision machining technologies and mass production technologies that we apply in various other fields to create ultra-high quality products in the global market as a one of a kind manufacturer.

Bearings made using ultra-precision machining technology reduce friction and resistance, increasing the efficiency and product life of machines and contributing to energy saving.

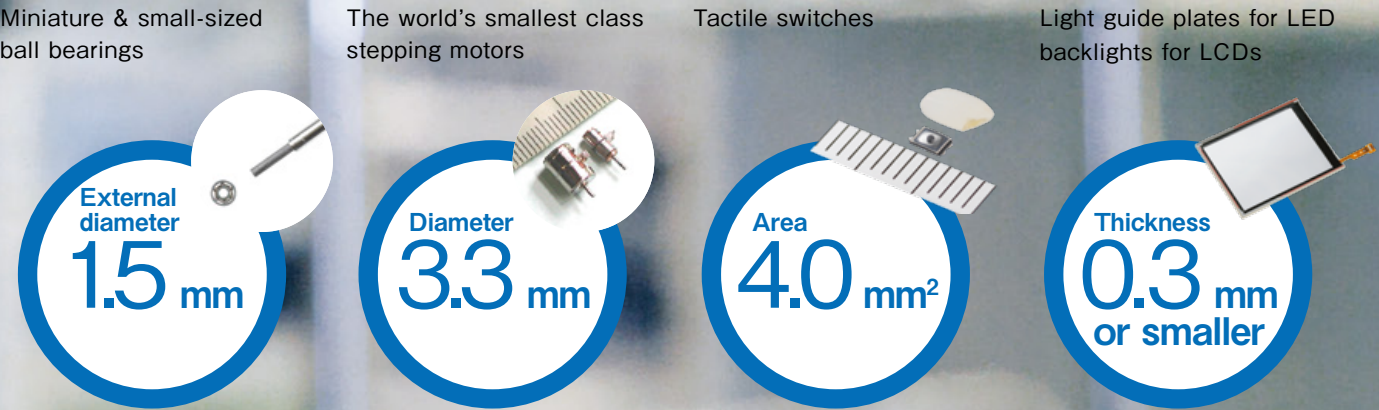
Passion to Create Value through Difference



The World's No.1 share



The World's smallest



Introducing Another Side of MinebeaMitsumi

—Environmental and Social Value through Businesses

Contributing to solutions for **social issues** by combining a host of advanced technologies with IoT

The IoT era connects things with things, and people with people.

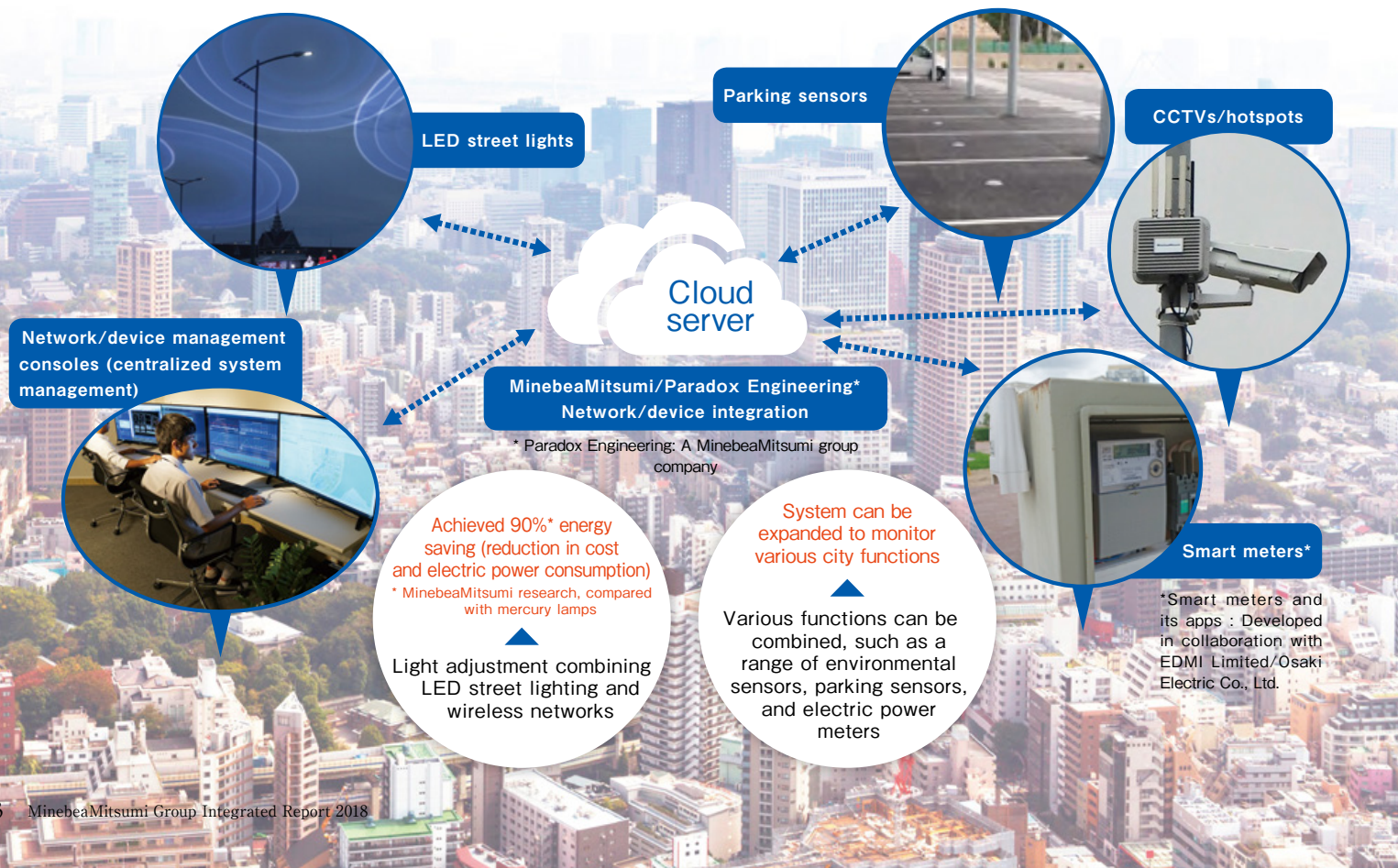
MinebeaMitsumi is recombining its basic technologies inside its business portfolio for their combination and INTEGRATION, bringing together advanced technologies such as ultra-precision technologies, sensors, and connectivity to enter new markets such as smart cities and health care.

We will contribute to solving social issues such as energy saving and reducing the workload in an aging society as an Electro Mechanics Solutions™ Provider that integrates control technology with machine and electronic technology.

Smart city solutions



We are combining highly efficient LED street lights with wireless networks and sensors to provide state-of-the-art smart city solutions. We are working to save energy and develop infrastructure in cities all over the world, such as in Cambodia.



Passion to Create Value through Difference

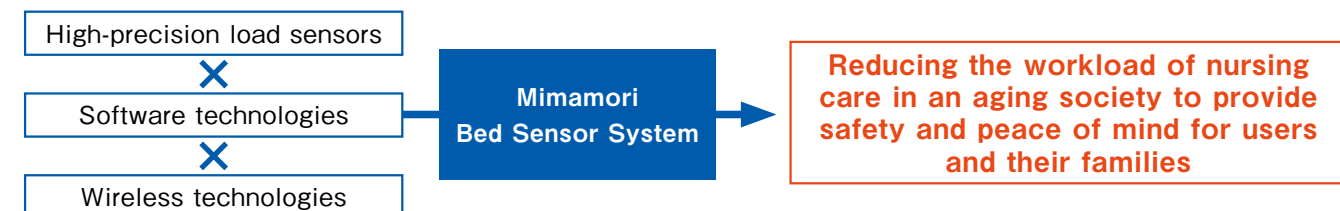
Recombination of basic technologies and products

Evolution with state-of-the-art IoT technology

Creation of environmental and social value



Bed sensor system



Japan faces a shortage of workers due to a declining birthrate and aging population. Mimamori Bed Sensor System combines high precision load sensors, software technologies, and wireless technologies to create a single system that can be mounted under bed legs to obtain vital information about the position, body movements, and reference weights of a person on the bed.

The system realizes user comfort and safety, family peace of mind, and reduced workload for nursing care workers.



We will expand the realm of possibility centered on ultra-precision machining technologies to create new value through difference and achieve sustainable growth.



On January 27, 2017, Minebea Co., Ltd. and MITSUMI ELECTRIC CO., LTD. conducted a business integration of the two companies, with Minebea Co., Ltd. allocating its shares to MITSUMI ELECTRIC CO., LTD. shareholders at a ratio of 1:0.59 and MITSUMI ELECTRIC CO., LTD. becoming its fully-owned subsidiary. We changed our company name to MinebeaMitsumi Inc. and embarked on a new start.

The newly launched MinebeaMitsumi Inc. is a one of a kind manufacturer that creates new value through difference by combining ultra-precision machining technologies such as bearings and motors, sensors, semiconductors and wireless technologies. This allows us to expand the realm of possibility by creating innovative products. We are accelerating the development of solutions that contribute to a fully connected IoT society, as seen in Industry 4.0, smart cities, advanced healthcare, and next generation technologies including automated driving and robotics. As a result, we are now within sight of our Midterm Business Plan targets for net sales of 1 trillion yen and operating income of 100 billion yen.

We have issued this new "Integrated Report 2018" as the Company's accountability regarding its ESG initiatives increased in conjunction with our expanded business scale. In addition to the financial and strategic information we have communicated through our annual reports to date, the integrated report organizes the Group's approach from a more medium- to long-term perspective, including our sources of value creation and approach to sustainable growth, as our "value creation story." It also features associated important non-financial information.

I hope that this report helps our stakeholders, including shareholders and investors, to understand the Group's approach.

Yoshihisa Kainuma
 Representative Director, CEO & COO

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Editorial Policy

This report is designed to create new opportunities for dialogue with our shareholders, investors, and other stakeholders by communicating the Company's efforts to expand its corporate value. Additional financial information and reports on CSR activities not included in this report can be found on the Company's website.
 MinebeaMitsumi website <http://www.minebeamitsumi.com/english/>

Scope of report

MinebeaMitsumi and 94 group companies

Period covered by this report

Fiscal year ended March 2018 (April 1, 2017–March 31, 2018)
 However, this includes some activities before this period and from Fiscal year ending March 2019.

Publishing information

Published August 2018 (next edition planned for August 2019)

Referenced guidelines

The International Integrated Reporting Council (IIRC), "International Integrated Reporting Framework"
 Ministry of Economy, Trade and Industry, "Guidance for Collaborative Value Creation"
 Japanese Standards Association, "ISO 26000:2010 (Guidance on social responsibility)"
 Global Reporting Initiative (GRI), "Sustainability Reporting Standards"
 Ministry of the Environment, "Environmental Reporting Guidelines" (2012 edition)

Supported initiatives

United Nations Global Compact



Chapter I Value Creation Story of MinebeaMitsumi

Source of the Value Creation

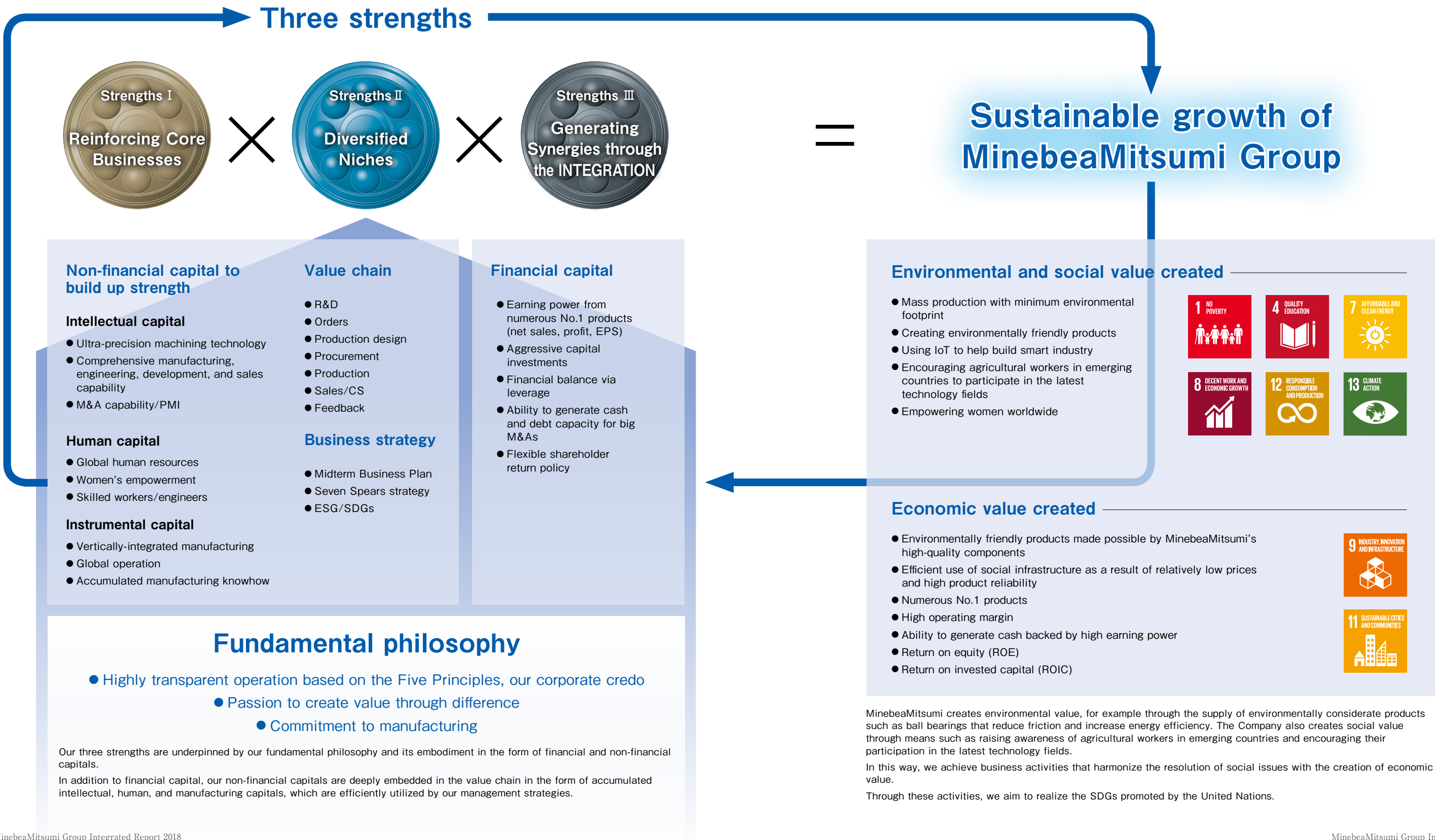
Sustainable growth based on three strengths

MinebeaMitsumi’s three strengths are “Reinforcing Core Businesses,” “Diversified Niches,” and “Generating Synergies through the INTEGRATION.”

By refining these three strengths and generating synergies, we have created environmental and social value at the same time as economic value, thereby accumulating both financial and non-financial capital.

Using all such capital, we will further hone our three strengths to realize sustainable growth.

*INTEGRATION means “combining” rather than “simple gathering” of the Company’s proprietary technologies to evolve the Seven Spears and to create synergies in various fields through the INTEGRATION of our advanced product.



Chapter I Value Creation Story of MinebeaMitsumi



We aim to capture an **overwhelming majority of the market share** with our core products using our original technology and production system



=

**Ultra-high quality,
highly competitive pricing capability, and
swift and unrivalled supply capability**

Based on the ultra-precision machining technology we have developed in ball bearings, we develop the world's smallest and thinnest products.

Vertically integrated manufacturing enables us to achieve both "ultra-precision machining technology" and "mass production."

Overseas production ratio of 90%. Overseas production not only reduces costs, but also reduces logistics costs and disperses risks posed by disasters, conflicts, etc. It also enables us to develop diverse human resources.

High market share in fields requiring high precision and quality

The Company's ultra-high quality products meet customer's rigorous requirements for quality, price, and delivery time.



Server cooling fans for data centers that operate around the clock every day of the year, and other products. Sales are continuing to increase as demand increases due to the rapid progress of SNS and data cloud services.



Ball bearings for drones required to deliver high durability and safety amid a harsh environment affected by changes in temperature, and other products. The market is expected to expand even further as these products are used in a growing variety of ways, including in transportation and logistics.



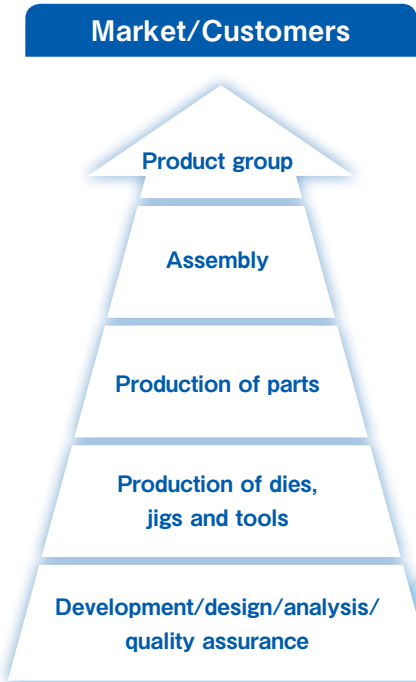
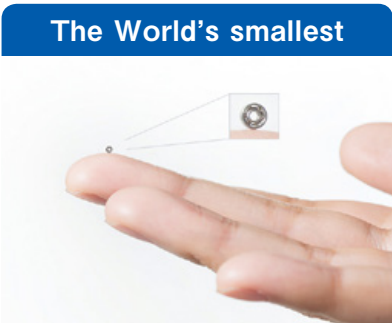
Highly sensitive and precise bed sensors, and other products. In the aging society of the near future, the Company's products, including sensors, will contribute to reducing the burden on health care providers and to improving patient QOL (quality of life). At the same time, business opportunities are expanding.



Various safety parts playing an increasingly important role with the advance of electrification and automated driving in vehicles and response to the environment, and other products. The Company's high-quality products, such as bearings, motors, and connectors, are contributing to addressing the issue of severe temperature change and to meeting demand for products that are durable enough to last for decades.

Swift and unrivalled supply capability

In the case of ball bearings, long-term stable supplies are required, in the order of hundreds of millions per month. LED backlights for LCDs also need to be produced quickly in the tens of millions in step with customers' demand trends. We mass produce products at the same level of high quality at all our factories worldwide.



Global network
26 countries
64 plants
50 sales offices



Chapter I Value Creation Story of MinebeaMitsumi



Diversified management centered on niche fields, underpinned by strong technologies

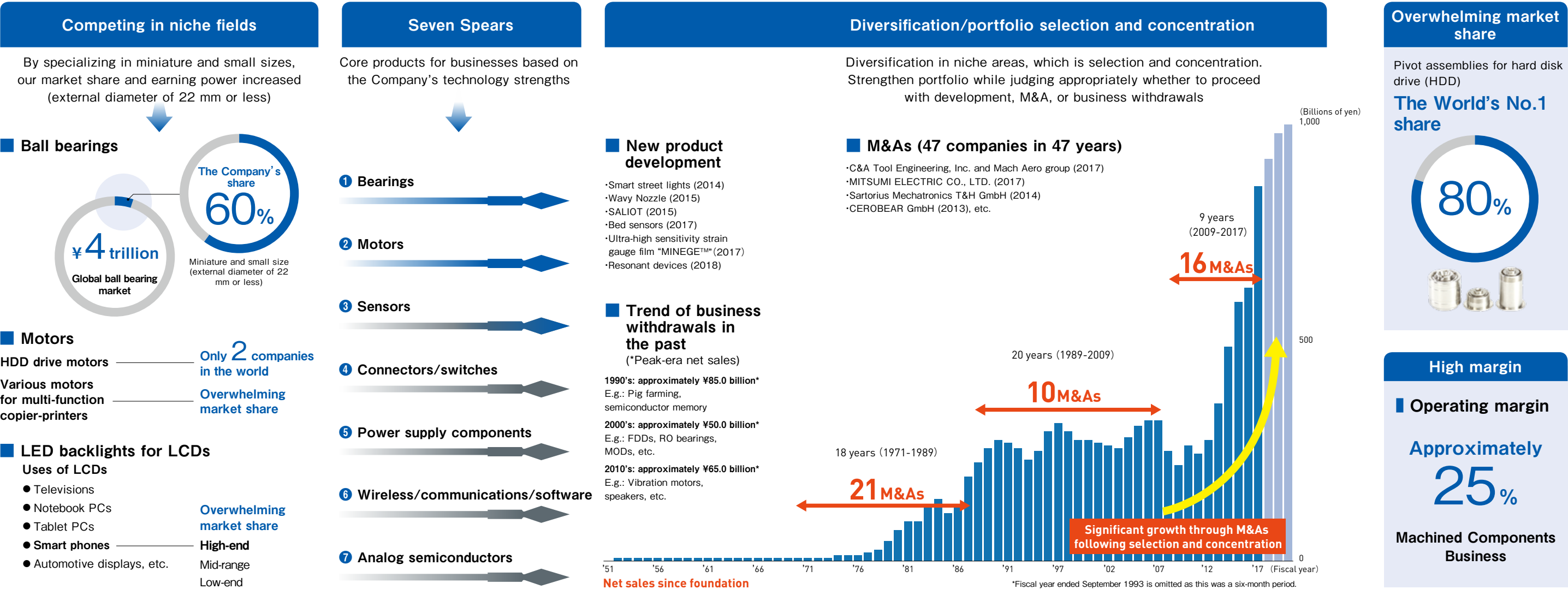


High market share and profitability in niche fields

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.

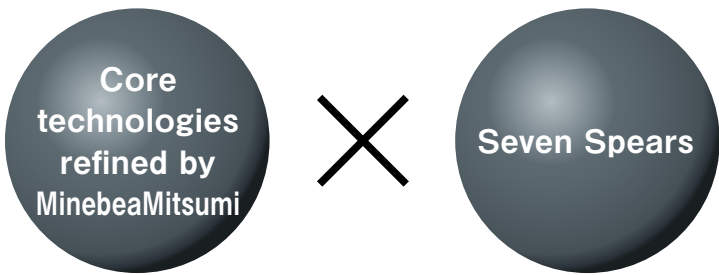
The Company will continue to select and concentrate its business portfolio as it strives to create new value going forward.



Chapter I Value Creation Story of MinebeaMitsumi



Further strengthening business through synergies derived from the **INTEGRATION** of Minebea business × MITSUMI business



We will combine and utilize eight core technologies refined by MinebeaMitsumi, such as ultra-precision machining technology and large-scale production technology, to evolve each of the Seven Spear products and create new business opportunities through the INTEGRATION and recombination of the evolved products.

For example, by modularizing added value, such as sensors and wireless technologies with miniature and small-sized ball bearings, for which we have the largest global market share, we will provide unique products and services that have no equivalent anywhere in the world to play a part in the IoT society, where things are connected.

Evolution through the **INTEGRATION** and recombination
Advanced product groups that will be vital to society

- Ultra-precision machining technology
- Mass production technology
- Sensor technology (load, pressure, etc.)
- Optical technology
- MEMS technology
- High-frequency technology
- Electronic circuits technology
- Semiconductor design technology

We generate synergies through an **INTEGRATION**, combining two of our Seven Spear products with our eight core technologies.

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

Example of generating synergies through the **INTEGRATION**

- Small-sized precision motors using ultra-high-efficiency ball bearings, controlling ICs, and sensors
- Bearing-sensor combination that can detect replacement periods
- High sensitivity strain gauge film MINEGE™ and ADC (analog-to-digital converter) for precision robotics
- Automobile electronics and mobile devices using connectors/switches and power supply components



Chapter I Value Creation Story of MinebeaMitsumi

Approach and Future Shape of MinebeaMitsumi

Aiming to realize **sustainable growth** while contributing to solutions for **social issues**

By combining its accumulated non-financial and financial capitals, the Company has strengthened its core businesses, promoted diversification, and created new value through the INTEGRATION of these businesses.

Looking ahead, we will treat ESG issues and business as opportunities and utilize our three strengths as we continue our efforts to achieve sustainable growth. We will strive to attain our quantitative targets of net sales of 1 trillion yen and operating income of 100 billion yen within the next few years, and to take up new challenges beyond that.



Chapter II Toward Sustainable Growth

President’s Message

Aiming to be an “**INTEGRATION***” manufacturer of precision components as required by the IoT era



Looking back on the fiscal year ended March 2018

Net sales, as well as operating income, ordinary income and net income hit record highs

I find that the fiscal year ended March 2018 was an extremely good year, having been the first fiscal year to demonstrate positive effects of the business integration between Minebea Co., Ltd. (“Minebea”) and MITSUMI ELECTRIC CO., LTD. (“MITSUMI”). Net sales increased by 37.6% year on year to 879.1 billion yen and operating income increased by 61.5% year on year to 79.2 billion yen. Additionally, ordinary income and net income significantly exceeded previous record highs. With respect to MITSUMI business, we made a rapid progress in improving its profitability and achieved a return to positive earnings. Having personally visited MITSUMI locations with Minebea’s manufacturing executives in the early stages, I sense that clear results have been achieved with respect to promoting productivity improvements. Above and beyond simply having added the MITSUMI business, we also achieved our highest ever operating income of the former Minebea businesses, and accordingly managed to generate substantial growth with respect to both the Machined Components as well as Electronic Devices and Components businesses.

Launch of new Midterm Business Plan

Aiming to swiftly achieve 1 trillion yen in net sales and 100 billion yen in operating income

We have redrafted our Midterm Business Plan given that we now anticipate new record-high results across the board with respect to net sales (940.0 billion yen), operating income (85.0 billion yen), and net income (66.0 billion yen), again in the fiscal year ended March 2019. Whereas we previously aimed to achieve net sales of 1 trillion yen and operating income of 100 billion yen by the fiscal year ended March 2021, we now aim to achieve those targets earlier, by the fiscal year ended March 2020. We are also increasing capital efficiency in addition to profitability, thereby targeting operating margin of at least 10% and ROE of at least 15%. (As of August 31, 2018)

Midterm targets raised across all business segments

We have also increased the midterm targets across all business segments. As such, our operating income targets for the fiscal year ended March 2021 amount to 56.0 billion yen, 35.0 billion yen, and 28.5 billion yen, respectively in the Machined Components business, Electronic Devices and Components business, and MITSUMI business. In the Machined Components business, we aim to swiftly achieve production capacity amounting to 315 million units per month with respect to ball bearings which are generating very strong external sales results. In Electronic Devices and Components business, we will further develop the motor business to act as a profit driver, thereby targeting sales growth of 10% in that business which was established as a second pillar of business. In the MITSUMI business we are targeting 30% year-on-year growth in operating income.

*INTEGRATION means “combining” rather than “simple gathering” of the Company’s proprietary technologies to evolve the Seven Spears and to create synergies in various fields through the INTEGRATION of our advanced product.

Roadmap looking toward achieving targets (“combining” rather than “simple gathering”)

Business portfolio recombination toward sustainable growth

MinebeaMitsumi has become a comprehensive manufacturer of precision components wielding an extensive product lineup unparalleled by its worldwide competitors. I believe that in addition to this, we are an INTEGRATION manufacturer of precision components that creates synergies in various fields by combining technologies and products. We have been achieving growth and promoting greater diversity of business while taking on new business challenges and repeatedly orchestrating M&A deals, which also reflect the company’s DNA. However, this diversification of business does not simply involve extending our product line, but instead entails creating new value by recombining products through an INTEGRATION approach in which respective products are closely related with each other. To achieve sustainable growth going forward, we will strengthen our portfolio in a manner that involves appropriately withdrawing from businesses when deemed necessary, while actively taking on challenges of developing new products and arranging M&A opportunities.

Core businesses
Generating synergies through the INTEGRATION of our core technologies with our Seven Spears

Included in the business portfolio are our core businesses, defined as indispensable operations involving core products that are essential to various machines, such as bearings which constitute the original business of the Company and a staple of industry. The core businesses consist of the Seven Spears encompassing (1) bearings, (2) motors, (3) sensors, (4) connectors/switches, (5) power supply components, (6) wireless/communications/software, and (7) analog semiconductors, all niche segments which we have identified as priority fields of business going forward, in which we are able to wield competitive advantages and achieve substantial market share and high profitability. We will develop an advanced product groups that will be vital to society by combining these Seven Spears with core technologies honed by the Company, particularly with respect to ultra-precision machining, mass production, optical, and sensor technologies. We are already leveraging such synergies to hasten new product development in areas that include next-generation sensors centered on MINEGE™ high sensitivity strain gauge film, as well as connectivity products compatible with next-generation communications, ultra-precision actuators, and smart LED lighting. In particular, we have been promoting commercialization of our new product trio consisting of SALIOT smart LED lighting, smart city solutions, and the bed sensor systems, and have accordingly been making progress with initiatives geared to increase added value to the trio by applying system solutions and developing new sources of profitability.

Sub-core businesses
Contributing to further growth of the core businesses functioning as cash cows

The business portfolio also consists of the sub-core businesses, defined as those rapidly changing particularly in terms of technological innovation and lacking in permanence, but which generate intense volume, particularly involving components for smartphones and games. Regarded as cash cow businesses given their high profitability, such operations give rise to virtuous cycles

Chapter II Toward Sustainable Growth



that further strengthen the business portfolio because profits generated by such businesses are invested into the core businesses.

MinebeaMitsumi makes a difference in achieving growth

Balancing ultra-high quality and energy savings on the basis of ultra-precision machining technology

With people increasingly leading lives of greater abundance, they are demanding products that offer high performance and substantial added value, as well as environmentally friendly products. This is resulting in mounting demand for the Company’s specialty precision components such as miniature and small-sized bearings. For instance, we are seeing mounting demand for bearings used in cooling fan motors installed in data centers, accompanying the shift to digital solutions and increasing data capacities in recent years. There has also been explosive growth in demand for bearings and motors used in drones and other robots. In the area of electric vehicles and other next-generation automobiles, although some voice concerns regarding the prospect of waning demand for bearings, MinebeaMitsumi is conversely benefiting from escalating demand for small, thin, and light-weight products associated with fuel efficiency improvements and energy savings, amid a situation where our miniature and small-sized bearings are being used in electric parts.

With respect to servers, drones, automobiles and other such areas of business, customers have been seeking absolute high quality ensuring safety and durability, while also demanding energy savings in the form of dramatically lower electricity and power consumption in recent years. Although Chinese manufacturers have been achieving remarkable growth, the Group maintains overwhelming strengths of its own which differentiate it from other companies in terms of being able to swiftly supply its customers with products that combine ultra-high quality and energy savings, having established ultra-precision machining and mass production technologies.

Also with respect to LED backlights for LCDs, we leverage the Group’s ultra-precision technologies in promoting the development of new products that offer performance that cannot be beaten by organic light emitting displays (OLED) in a market where the emergence of OLED is concerning for LED.

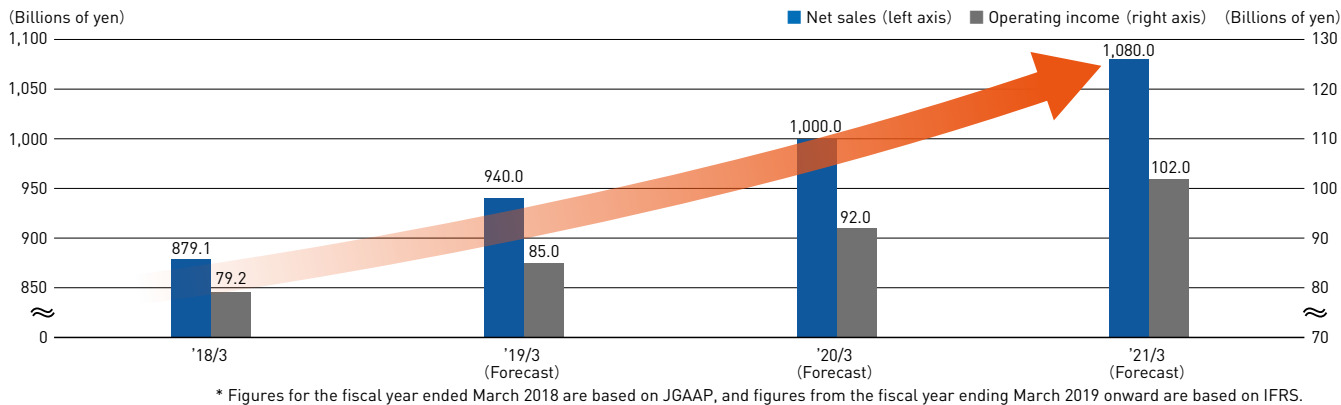
Achieving competitive advantages through global diversity and personnel development, and localization

Having embarked on overseas expansion early on, beginning in the 1960s, the Group now manufactures 90% of its products in Asia. We generate employment in countries we have entered ahead of our competitors of the industry, and have been promoting business activities that are firmly rooted in local communities through employee education. The Group’s workforce currently consists of some 100,000 employees representing various nationalities, with Japanese nationals numbering only about 7,000 members, and two non-Japanese nationals serve as Executive Officers at the head office. With respect to the Group’s executive officer system in particular, we also actively encourage promotion of locally based employees to managerial positions, and the number of female officers is not insignificant.

Whereas it is important that I act with initiative as the leader to achieve our targets of net sales of 1 trillion yen and operating income of 100 billion yen, at the same time, I feel it is necessary to facilitate growth of those who may someday shoulder responsibility as leader for the next generation. To such ends, we promote management training on a global scale, while pursuing initiatives that involve drawing up strategies, sharing our vision, and strengthening communications.

In July 2018, we commenced full-scale local production centering

Quickly achieving net sales of 1 trillion yen and operating income of 100 billion yen



Actively pursuing M&As on top of organic growth

on motors for automotive applications at the Kosice Plant in Slovakia, and will open a technical center in China in the fall. As such, in the automotive industry, a priority target of the Company, we are accordingly establishing operations in fast-growing China and the European region to promote swift supply and development, and to minimize business exposure to foreign exchange risk.

As a result of such initiatives, the Group is developing its strengths and differentiating itself through global diversity management and full localization. Furthermore, we will fulfill our responsibilities as a global company that contributes to our respective communities by sustainably expanding our businesses.

Value creation into the future

Creating environmental and social value through businesses

Adoption of the Sustainable Development Goals (SDGs) set by the United Nations makes it necessary to link the need to resolve social challenges with that of corporate growth. Meanwhile, companies are also being further called on to increase their corporate value upon taking into account environmental, social and governance (ESG) criteria.

At the Group, we have long been promoting the Five Principles, our corporate credo of fulfilling our social responsibilities with respect to our various stakeholders encompassing our employees, customers, shareholders, local communities and global society. I think it is time that we work toward achieving growth, once again taking notice of our corporate credo. From the perspective of the environmental (E) and social (S) criteria in particular, we remain aware that our companies have substantial responsibilities that include carrying out specific measures with respect to clean energy and climate change in today’s world of intensifying global warming. Up to now, we have been proud that the Company’s products have minimal impact on the environment and accordingly contribute to high-quality energy savings. In recent years, we have been creating solutions that help resolve social challenges, particularly in terms of reducing environmental loads, developing infrastructure, and addressing labor shortages through INTEGRATING products and technologies.

For instance, our smart city solutions underway in Cambodia and other countries contribute to infrastructure development in part by saving energy through use of dimming controls that combine highly efficient LED street lights with wireless networks, and also by enabling smart monitoring of urban functions as a result of extending capabilities to temperature, humidity and other environmental sensors, and parking sensors.

We also continually work to balance mass production with efforts to reduce our environmental loads, such as by introducing plant wastewater zero systems at respective sites worldwide. Going forward, we will continue to refine our technological and manufacturing capabilities while helping to bring about a sustainable society by creating further environmental and social value through our business and production activities.

Promoting a high degree of managerial transparency with a commitment to quality

With respect to corporate governance (G), a recent string of scandals involving manufacturers has once again called into question the notion of trust in manufacturing. While doing our best to share our attitude to manufacturing, how we think about manufacturing, and how we pursue best practices for implementing manufacturing across the Group, we are working to bolster our company’s management operations mainly through strengthening our financial position. We also welcome our very first female Outside Director this fiscal year, and will otherwise further promote a high degree of managerial transparency in a comprehensive manner both internally and externally, along with diversity management practices.

Group-wide efforts to work toward our targets as an INTEGRATION manufacturer of precision components

The Group’s entire workforce will work enthusiastically in their respective roles encompassing manufacturing, technology, development and sales with their sights set on achieving net sales of 1 trillion yen and operating income of 100 billion yen, while also further attaining sustainable growth. Moreover, we will marshal such strengths and draw on our INTEGRATION approach of combining business management resources to differentiate ourselves from our competitors, which will act as a wellspring for creating new value.

At MinebeaMitsumi, we are committed to meeting your expectations with respect to achieving further growth.

August 2018
Yoshihisa Kainuma
Representative Director, CEO & COO

Strategies by Business

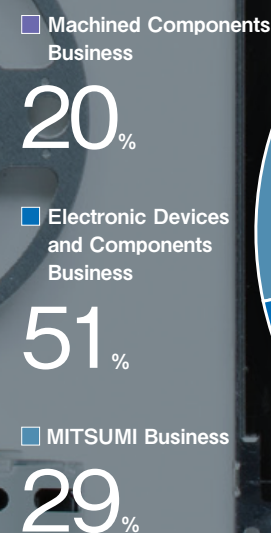
The MinebeaMitsumi Group consists of three business segments, namely the Machined Components business, the Electronic Devices and Components business, and the MITSUMI business segments.

We originally embarked on business as a manufacturer specializing in ball bearings, but later applied our capabilities in ultra-precision technologies developed through machining operations to our Electronic Devices and Components business.

As a result, our Electronic Devices and Components business now outperforms our Machined Components business in terms of percentage of net sales.

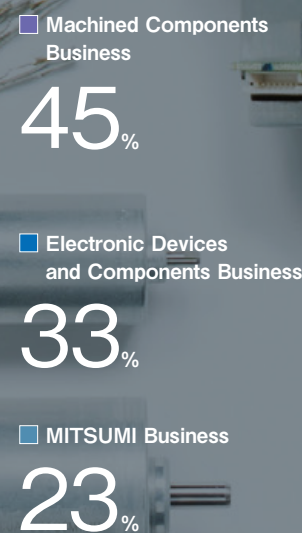
This section of the report provides an overview of our respective business segments.

Net sales composition



Fiscal year ended March 2018
Net sales
 ¥879.1 billion
Operating income
 ¥79.2 billion

Operating income composition



Machined Components Business

Income up

9.1% YoY

We achieved firm and certain sales and income increases particularly due to higher ball bearing volume and improved profitability.

SWOT analysis

Strengths

Ultra-precision machining technology
 High-quality and mass production technologies
 Product supply speed
 High market share in niches

Opportunities

Innovation of products
 More sophisticated and advanced products
 Demand for greater energy efficiency

Weaknesses

Supply shortages due to increased demand
 (Greatly improving in recent years)

Threats

Rising raw materials prices
 Shift to low-priced products

Future growth strategy

- Response to increasing demand
- Boosting the production capacity
- Improvements in productivity
- Enhancement of aerospace area and entry into new area
- Development of new technologies

Electronic Devices and Components Business

Income up

42.4% YoY

Motors performed well, centered on products for automobiles. Sales and income increased as a result of firm demand of ultra-thin LED backlights for LCDs.

SWOT analysis

Strengths

High-quality and mass production technologies
 Product supply speed
 High market share in niches
 Extensive product lineup

Opportunities

Innovation of products
 More sophisticated and advanced products
 Demand for greater energy efficiency

Weaknesses

Low profitability for some products
 Insufficient sales channels for new products

Threats

Substitution with new technology
 Intensifying competitive environments
 Rising raw materials and parts prices

Future growth strategy

- Core business centered on motors and sensing devices
- Expansion of automotive product lineup
- INTEGRATION with former MITSUMI ELECTRIC's technologies
- Development of new technologies
- Maximization of profitability of LED backlights for LCDs

MITSUMI Business

Income up

¥20.0 billion YoY

YoY profitability improved across all businesses. There was a significant improvement in overall productivity in addition to an increase in shipments of new game consoles and camera actuators.

SWOT analysis

Strengths

R&D capability/proposal-based sales capability
 Capability for handling mass production
 Product supply speed
 Connectivity (IoT) related technologies

Opportunities

Demand for greater energy efficiency
 Increased demand for connectivity related products
 Emergence of revolutionary products
 Increasing digitalization of components

Weaknesses

Low profitability for some products
 Susceptibility to demand trends
 Product portfolio

Threats

Substitution with new technology
 Intensifying competitive environments
 Change in trend of major customers

Future growth strategy

- Creation of new products utilizing development capabilities
- Expansion of automotive product lineup
- Further improvements in productivity
- Development of business focused on sales of modules rather than sales of single units.

Chapter III Strategies by Business

Machined Components Business

High profitability generated by overwhelmingly high market share and accumulated core technologies

Major products

- | | |
|--------------------|-----------------------|
| Ball bearings | Bushings |
| Rod-end bearings | Pivot assemblies |
| Spherical bearings | Mechanical assemblies |
| Roller bearings | Aerospace fasteners |
| Fasteners | |

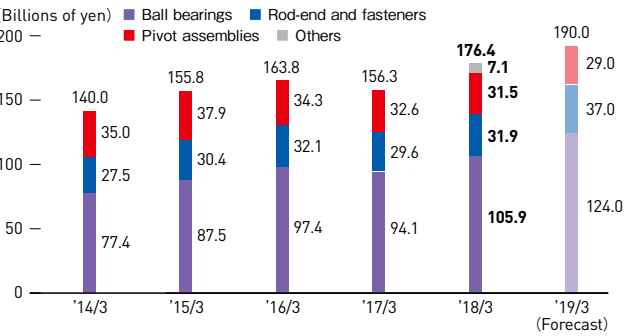


Overview of the fiscal year ended March 2018

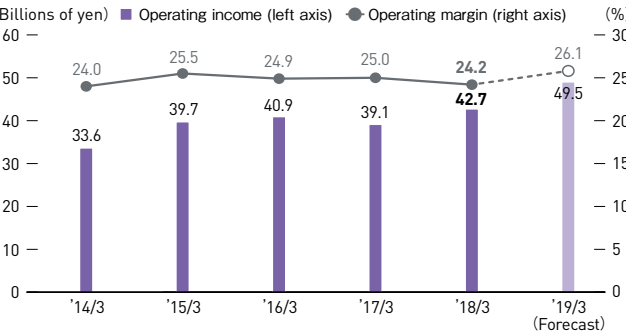
Machined Components business highlights

<p>Operating margin Approximately</p> <p>25 %</p>	<p>ROIC Approximately</p> <p>30 %</p>	<p>External sales volume of ball bearings (1) Year-on-year increase</p> <p>for 22 consecutive quarters (as of the fourth quarter of the fiscal year ended March 2018)</p>	<p>External sales volume of ball bearings (2)</p> <p>200 million units or more/month (+ internal sales 80 million units/month)</p>
<p>Production volume of ball bearings</p> <p>280 million units/month</p>	<p>Many products boast overwhelmingly high market shares</p>	<p>Currently expanding the product portfolio</p>	<p>Technological innovation 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

Demand for ball bearings, MinebeaMitsumi's main products, remained robust particularly with respect to those with applications for automobiles and data center cooling fans. External sales volume of 213 million units was recorded in March, making that the fifth record high achieved on a monthly basis. In addition, production volume increased significantly to 288 million units per month in March 2018, from 250 million units at the beginning of the fiscal year, due to successive initiatives to improve productivity. Rod-end and fastener sales increased due to heightened demand in the small and medium-sized aircraft market. Sales of pivot assemblies contributed to consistent profitability, with the Company having maintained over 80% market share despite effects of a shrinking hard disk drive (HDD) market.

As a result, net sales and operating income for the period finished at record highs of 176.4 billion yen and 42.7 billion yen, respectively.

Since the third quarter, the acquired companies C&A Tool Engineering (C&A) and Mach Aero Group (Mach Aero) entered the scope of consolidation.

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

Major increases in sales and income are accelerating growth

As for ball bearings, our main products, in conjunction with rising worldwide demand we will develop a framework for substantial

production gains which involve improving productivity and undertaking capital expenditure, while also continuing to actively expand sales to the automotive and other industries. Moreover, in the rod-end and fastener realm we will further enhance our competitive strengths by improving productivity, increasing sales centered on small and medium-sized aircraft, and leveraging acquisition synergies.

Seven Spears strategy (Machined Components business)

Seven Spears strategy (1) Bearings

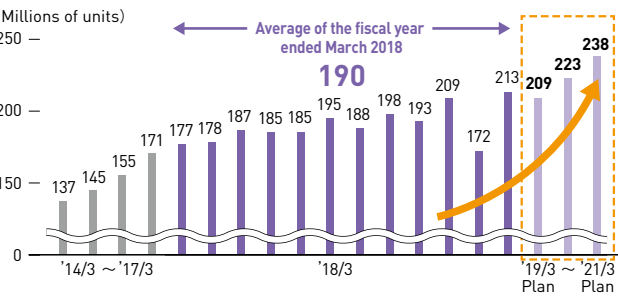
Ball bearings: to the next growth stage

Whereas external sales of ball bearings had been growing at an annual rate of between 5% and 7%, the annual rate of growth has accelerated to 10% from the fiscal year ended March 2017 onward. The Company's ultra-high quality, ultra-precision bearings are being used in the areas of business driving demand, which include automotive, cooling fans for data centers, high-end household electrical appliances, and small robots (drones, etc.), amid a shift to increasingly high performance in terms of energy savings and safety in those business areas. We are also actively moving ahead to expand production capacity given the robust demand. Going forward, we will further strengthen our earnings base, leveraging our overwhelming competitive advantages in the market, particularly in terms of our quality and product supply capabilities.

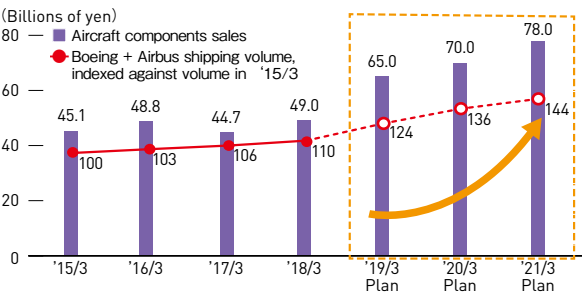
Aircraft components: improved profitability, and synergies from acquisition to drive growth way up

In the worldwide aircraft market, we anticipate consistent growth over the long term given mega-trends that include increasing passenger numbers and improvements in fuel efficiency. With respect to aircraft components, we are developing production frameworks capable of consistently supplying high-quality products in the three geographic markets of Europe, North America and Asia (Japan, Thailand, India) amid demands for safety and substantial durability sufficient to withstand harsh environments in terms of high temperatures, speeds and loads. Going forward, we will continue to forge ahead in strengthening production frameworks on a global basis, while also pursuing robust growth drawing on synergies with acquired entities C&A and Mach Aero.

External sales volume of ball bearings



Aircraft components sales plans



Towards the future

Consistent growth and portfolio expansion to continue substantially driving results

A basic strategy of the Machined Components business, which has been the Company's core business since its founding, is to maintain consistent and permanent growth while maximizing growth areas by expanding the business portfolio. To such ends, we have been increasingly fortifying the business of miniature and small-sized ball bearings which already boasts overwhelming competitive advantages in the market, while taking steps to further strengthen the earnings base by actively arranging M&As with aims that include acquiring new technologies and expanding the business portfolio.

This has included M&A deals involving two overseas companies carried out in the fiscal year ended March 2018. One of the companies, C&A of the U.S., owns 3D printing technologies and

technologies for fabricating special metals, looking toward the medical and aircraft fields. The other company, Mach Aero of France, owns operations involving engines and rotors for the aircraft market. Moreover, both companies are likely to bring substantial top-line synergies with respect to the Company's location strategy.

Going forward, we will further develop the Machined Components business, while aiming to create multifaceted synergies globally.



C&A Tool Engineering, Inc.



Mach Aero Breigny Rectification SAS

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

Net sales composition
50%

ROIC Approximately
17%

No.1
 share in numerous niche fields

Location strategy
Expansion of locations
 e.g. Slovakia plant

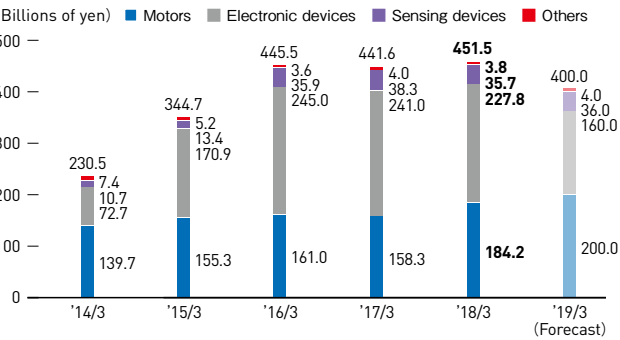
Promoting global
R&D
 at five locations worldwide

Overwhelming
 industry presence in high-end LCD smartphones

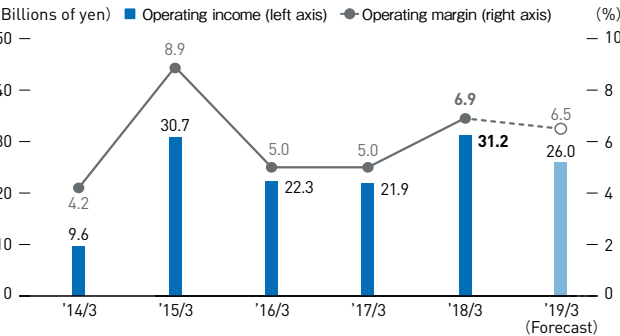
Currently expanding
 the product portfolio

Technological innovation
 as a driver of growth, involving shift to electric vehicles, etc.

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.

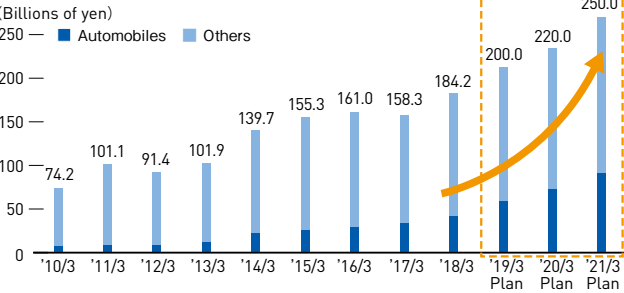
Seven Spears strategy (Electronic Devices and Components business)

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



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

Chapter III Strategies by Business

MITSUMI Business

Outstanding R&D resources and extensive product portfolio for IoT-related devices

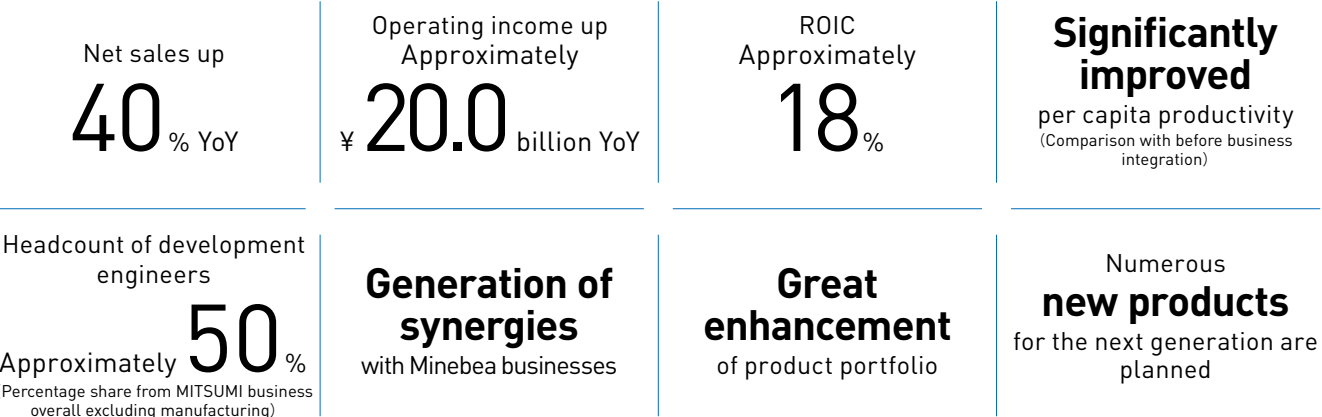
Major products

- | | |
|-------------------------|-----------------------|
| Precision components | Mechanical components |
| Optical devices | Automotive products |
| Power supply components | Semiconductors |

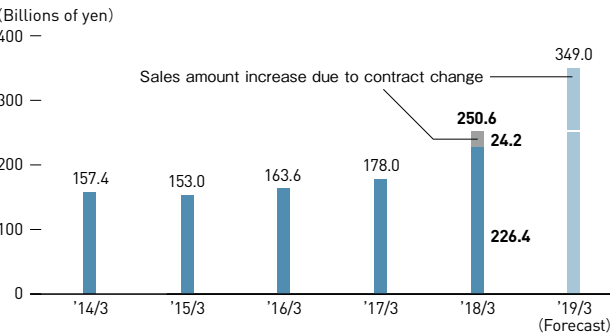


Overview of the fiscal year ended March 2018

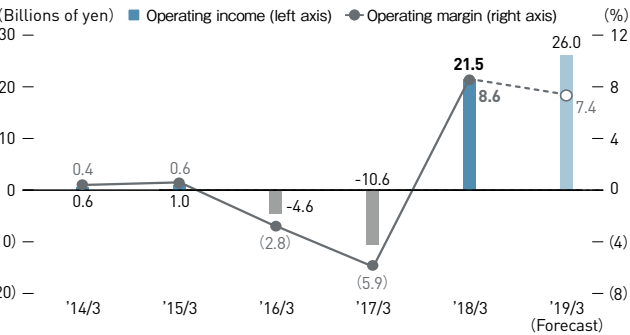
MITSUMI business highlights



Net sales



Operating income/operating margin



Overview of the fiscal year

Positioned as a third pillar of profitability

Strong performance was achieved across all products: precision components including connectors and switches, optical devices including camera actuators, power supply components, mechanical components mainly for OEM business, automotive products including communication modules, and semi-conductor devices. In addition to having made substantial improvements with respect to productivity across the business overall, shipments of products were significantly higher, particularly for new game consoles during the peak demand period, and sales of camera actuators for major customers also increased.

As a result, net sales finished at 250.6 billion yen and operating income finished at 21.5 billion yen, which, even when using the realistic comparison of including the period before the business integration, constitutes large increases in sales and income. (Previous fiscal year results stated for the MITSUMI business are for the period from the date of business integration on January 27, 2017, to March 31, 2017.)

Notes to charts of "Net sales" and "Operating income/operating margin"

*1 Figures for fiscal years 2014/3 to 2016/3 are results of the former MITSUMI ELECTRIC prior to the business integration.

*2 The figure for 2017/3 is a pro forma figure assuming the consolidation with MITSUMI ELECTRIC had been completed at the beginning of the fiscal year.

*3 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

Increases in sales and income are expected as the result of synergies

Creating significant synergies utilizing the overall scale of MinebeaMitsumi, we will work to enhance our competitiveness and further boost performance. As greater functionality is

brought to smartphone-related products such as camera actuators, we will maintain quality while increasing productivity in an effort to further increase sales. As for game console-related products, we will pursue greater productivity and work to boost performance. In our automotive products such as antennas, communication modules and connectors, we will concentrate on further expansion of sales while increasing our lineup through new product development, and by reducing costs, such as material and logistics costs.

Seven Spears strategy (MITSUMI business)

Seven Spears strategy (3) to (7)

- (3) Sensors
- (4) Connectors/switches
- (5) Power supply components
- (6) Wireless/communications/software
- (7) Analog semiconductors

Contributed to stabilizing profitability of MITSUMI business

The Seven Spears products are defined as those that: (1) belong to a large market, (2) belong to a market that has permanence, (3) represent a niche area leveraging MinebeaMitsumi's core technologies, and (4) generate synergies among the Seven Spears. Five of the Seven Spears belong to the MITSUMI business, and are in areas of business that will grow substantially going forward.

For instance, the size of the market is estimated at 2 trillion yen annually for connectors, which are key devices particularly for accelerating communications. In that market, the high-speed transmission products for automobile such as FAKRA are currently generating rapidly increasing demand, and require super precise machining technology that we are strongest in. Moreover, we are able to create multi-function devices offering connectivity by combining connectors with wireless technologies owned by MITSUMI, such as those involving 6LoWPAN and nodes, and by adding sensors and actuators (combination of motors and mechanical components) to such devices we are able to develop solutions-oriented products.

Towards the future

The INTEGRATION of Seven Spears products to generate business opportunities for the entire Group

A major growth driver of the MITSUMI business is currently the area of optical devices centered on camera actuators and mechanical components particularly for game consoles. Going forward, we will continue maximizing profitability by aggressively expanding sales in both of our businesses.

Meanwhile, we are well aware that the key challenge of the MITSUMI business from the perspective of absolute permanence of business is that of facilitating robust growth of the future core businesses encompassing the Seven Spears product groups: sensors; connectors/switches; power sources; wireless/communications/software and; analog semiconductors. As such, the basic strategy of the MITSUMI business involves strengthening the Seven Spears products using cash generated from optical devices and mechanical components as a growth resource. This will be achieved through (1)

In so doing, we will create new business opportunities by enhancing our competitive strengths of the individual Spears and making progress through the INTEGRATION of respective synergies.

Initiatives of each area

- (3) Sensors**
Centering on strain gauge and MEMS sensor technology
- Explore possibilities of temperature/environment sensors
 - Expand business for key IoT components employing strain gauges
- (4) Connectors/switches**
Key words are ultra-precision/water-proof
- Increase market share for water-proof tactile switches
 - Significantly expand portfolio centered around automotive high-speed transmission products
- (5) Power supply components**
Gaining a commanding position in the IoT era with high reliability/high functionality
- New markets: Develop micro converters for the electricity and power storage markets
 - Existing markets: Expand sales by pursuing smaller products and products that support higher frequencies in the areas of lighting, telecommunications, household electrical appliance, and other markets
- (6) Wireless/communications/software**
Expand sales in the market, particularly in automotive products and respond to IoT
- Quickly develop next-generation communication antennas for connected cars and promote sales/receive orders (TCU antennas, etc.)
 - Utilize India/Slovakia plants
- (7) Analog semiconductors**
Analog semiconductors - the gateway to IoT
- Expand sales of high value-added products targeting the industrial/housing equipment market
 - Increase share in the car infotainment market
 - Focus on high value-added products (ADC + IGBT)

organic growth, (2) development of the new products encompassing these businesses, and (3) performing M&A of companies thought to be able to effectively utilize these businesses. With respect to the Seven Spears products, it is crucial that we create new business opportunities by enhancing our competitive strengths in the individual Spears and making progress through the INTEGRATION of respective synergies.

Positive outcomes have already started to emerge in the wake of the business integration. One example of this is the synergies that have emerged with the Electronic Devices and Components business with respect to products such as MINEGE™ high-sensitivity strain gauge film (page 28), and bed sensor systems (pages 4 and 32). In addition, we hope to raise MinebeaMitsumi's profitability amid plans to successively launch many new product groups.

Going forward, we will engage in innovative business initiatives that contribute to the IoT community particularly in terms of smart cities, healthcare and robotics, drawing on research and development resources including the MITSUMI business segment's overriding strengths particularly involving high-frequency technology and wireless communications technology.

Acceleration of New Product Development for IoT Era

MinebeaMitsumi is further strengthening its development capabilities as a result of the business integration.

In new strategic areas, we will launch into the world new products and innovative solutions that incorporate cutting-edge technology.

Major products

Sensors Actuators Connectivity Lighting equipment

New product trio

(SALIOT, bed sensor systems and smart city solutions)

Seven Spears

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

Core technologies

- Ultra-precision machining technology
- Mass production technology
- Sensor technology (load, pressure, etc.)
- Optical technology
- MEMS technology
- High frequency technology
- Electrical circuit technology
- Semiconductor design technology

Sensors

These include the world's smallest strain gauge MINEGE™, as well as products for sensing a variety of data, such as air pressure, temperature, humidity and airflow.

We can provide one-module solutions that include analogue-digital converter ICs developed in parallel for the purpose of outputting the acquired data.

Actuators

We have created a full lineup of small-sized actuators that can implement a variety of sensing modes (such as vibration) in addition to existing small-sized motors.

We are expanding the range of applications into various areas, such as mobile devices, automotive products, wearable devices and other next-generation intelligent terminal devices.

Connectivity

In addition to next-generation connector products such as FAKRA, primarily for high-speed transmission (automotive) applications, we also offer modules to handle all kinds of wireless communications, including Wi-Fi and Bluetooth.

Lighting equipment

We will expand the frontiers of basic technology to support the next generation of lighting, combining elements such as ultra-thin optical lenses and motors, power supply components and wireless modules to create products like smart LED lighting that can be easily operated by a smartphone, or high-efficiency LED street lights that can be adjusted wirelessly.

New product trio

Within new products, we are pushing forward rapidly with the commercialization of the new product trio of SALIOT smart LED lighting, bed sensor systems and smart city solutions, through which we are contributing to smart working, energy saving and other initiatives.

We will work to expand these businesses and target global markets to create a new pillar of profitability.

Lighting equipment SALIOT

We have been selling the smart LED lighting SALIOT (Smart Adjustable Light for the Internet Of Things) since 2015. SALIOT has a beautiful, spectrally even quality of light that has been achieved by arranging several optical elements to carve a fine prism pattern using an ultra-thin lens that was developed using our optical technology for LED backlight products used in smartphones. In addition, because SALIOT incorporates a motor, power supply components and wireless communication, a smartphone or similar device can be used to adjust vertical/horizontal positioning, angle of light distribution, brightness, and even color temperature. Now with an enhanced lineup that includes a model with inbuilt tracking sensor, SALIOT contributes to allowing complete freedom in lighting spaces, and reducing the burden of working in high places, etc.

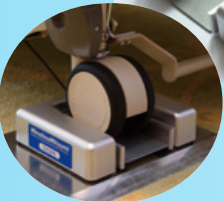
- SALIOT gallery opened in September 2017
- Extensive track record in art museums, galleries, hotels and department stores both in Japan and overseas
- Working on initiatives to expand sales worldwide, such as in Thailand, Cambodia, Europe, the US, and China
- Broadening the lineup with tracking models, etc.

Sensors Bed sensor systems

- Started sales aimed at care facilities, in cooperation with Ricoh Co., Ltd., in July 2018
- Expansion of sales overseas also being considered
- Expect expansion into home care field going forward
- Working on development of new products by combining with MINEGE™

Sensors/lighting equipment Smart city solutions

- Started billing business in Cambodia
- Plan to start external sales in fall 2018
- Strengthening global marketing (Thailand, Cambodia, the Philippines, Slovakia, as well as various cities within Japan, etc.)



Environment and Social Report

In order to contribute to the sustainable growth of society, we at MinebeaMitsumi strive to fulfill our social responsibility, while promoting ESG initiatives.

We will work to incorporate initiatives to resolve environmental and social issues into business activities through dialogue with our stakeholder, so as to leave to the next generation a rich global environment and a sustainable society.



Environmental protection activities in which our Thailand employees participated. Working in cooperation with the company, they performed work such as repairing the sluice gate of the reservoir, mending irrigation facilities, releasing young fish, planting trees in the surrounding area and making efforts to preserve the landscape.

MinebeaMitsumi Group's Stakeholders

MinebeaMitsumi Group stakeholders are defined as employees, customers, shareholders, local communities, and global society, which are affirmed in our company credo, the Five Principles, as well as suppliers and the environment that supports our society.



CSR/Environment website <http://www.minebeamitsumi.com/english/corp/environment/>
 More detailed information regarding our environmental and social initiatives, including MinebeaMitsumi Group's CSR report, is available on the MinebeaMitsumi Group website.

Approach of MinebeaMitsumi		
Environmental and social issues	Business opportunities	Risk management
E Environment <ul style="list-style-type: none"> ● Global warming ● Resource depletion ● Natural disasters 	Creating environmentally friendly products	Prevention of global warming Effective use of resources Reduction of the use of substances having an environmental impact
S Social <ul style="list-style-type: none"> ● Shortage of human resources ● Tightening of laws and regulations in each country ● Coexistence and co-prosperity with local communities 	Personnel development worldwide Workforce diversity Creation of safe and worker-friendly work environments	Responsible procurement Supply of safe and reliable products Dialogue with local communities

SUSTAINABLE DEVELOPMENT GOALS

7 AFFORDABLE AND CLEAN ENERGY

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

1 NO POVERTY

4 QUALITY EDUCATION

8 DECENT WORK AND ECONOMIC GROWTH

Initiatives for the Environment

E Environment	Environmental issues	Approach of MinebeaMitsumi
	Global warming	<ul style="list-style-type: none"> ● Creating environmentally friendly products
	Resource depletion	<ul style="list-style-type: none"> ● Prevention of global warming
	Natural disasters	<ul style="list-style-type: none"> ● Effective use of resources ● Reduction of the use of substances having an environmental impact



Environmental highlight (fiscal year ended March, 2018)

Percentage of major production facilities with ISO 14001 certification 100%	CO ₂ emissions (per basic unit of output) 8% reduction (Year on year)	Recycling rate of generated waste 98% or more	Waste sent to landfills Substantial reduction
Plants with zero plant wastewater 5 plants	Use of service water Substantial reduction (Year on year)	Emergency preparedness Plants implementing training for oil and chemical leaks All plants	Activities to protect biodiversity Mangrove trees planted by CEBU MITSUMI employees 14,000 trees As of July 2017

Business opportunities related to the environment

Creating environmentally friendly products

Basic approach

The MinebeaMitsumi Group’s basic CSR policy is to work toward stable supply of highly reliable products with low energy consumption and make them widely available in order to contribute to the sustainable improvement of the global environment and the sustainable development of humanity.

Items (components) supplied by the Group are used in a variety of end products, which is precisely why it is vital to take into account to the environmental impact throughout the entire life cycle, through such characteristics as energy saving, reduced use of resources, and long product life.

● High-precision and high-quality ball bearings

MinebeaMitsumi’s high-precision and high-quality ball bearings are used in a wide range of products essential to our daily lives, such as household electrical appliances, information and telecommunications equipment and automobiles. By helping to ensure such products have greater precision, better energy saving, higher resource

efficiency and longer product life, our ball bearings contribute to the environment in a variety of ways.

● Power brushless motors

These motors are used in the drive mechanisms of household electrical appliances and of office automation equipment such as multi-function copier-printers and printers.

In office automation equipment applications, custom ICs enable precise control that in turn allows high efficiency and low power consumption. In household electrical appliance applications, we have developed models incorporating microcomputers, which contribute to improved performance of such appliances by enhancing functionality and making them quieter as a result of implementing low-noise algorithms.

Particularly for products, such as fans, that previously used AC motors, converting to our DC motors can result in reductions in power consumption of 50% at high speeds and 90% at low speeds.



Countermeasures for environmental risks

Preventing global warming

Basic approach

The MinebeaMitsumi Group recognizes that the international issue of global warming, along with the related issues of soaring energy prices and abnormal climatic conditions, pose a significant threat to the continuation of its business activities.

In response, each office and plant in the Group is proactively promoting energy saving initiatives in order to prevent global warming.

● Energy saving initiatives of our plants

At MinebeaMitsumi plants both in Japan and overseas, we are actively introducing technologies with superior energy saving performance, such as high-efficiency centrifugal chiller for air conditioning, inverter-type air compressors and LED lighting. In addition, we are implementing initiatives to comprehensively improve energy saving performance at plants, such as by treating the roofs and external walls of plants with thermal-barrier coatings, and using waste heat recovery techniques and CO₂ sensors to control the intake of external air.



Centrifugal chiller installed in the Xicen Plant, China

Effective use of resources

Basic approach

The Group recognizes that there are limits to the availability of resources used in its products, which include metals, plastics, and other raw materials, along with oil, natural gas, and other energy sources. Water is another precious global resource that is vital to life and our production activities.

We believe that the effective use of resources is critical to the continuation of our business activities, and to that end we are taking various measures.

● Effective use of rain and river water (Thailand)

In Thailand, our plants collect rainwater in a reservoir on the plant grounds and purify it at rainwater reuse facilities, and reuse it as industrial water. In addition, one of the Thai plants started to draw water from the nearby Chiang Rak Noi Canal and purify it to use as an alternative to tap water. Through doing this, the plant has reduced both its tap water consumption and its water related costs.

● Recycling of vials and other materials (domestic logistics warehouses)

Since the fiscal year ended March 2009, the Group has been recycling stretch films, polypropylene bands and polyethylene containers (vials) for packaging products delivered to customers, as a valuable resource. In order to make effective use of limited resources, we will continue to promote the recycling of materials going forward.

Reduction of the use of substances having an environmental impact

Basic approach

Wastewater and atmospheric emissions from plants can be a source of water, soil, and air pollution that poses a threat to local communities. At the Group, we believe that harmony with local communities is indispensable to our business activities, and as such, we are striving to reduce the use of substances having an environmental impact.

● Plant wastewater purification

Prior to releasing wastewater into rivers, the Group plants use their own treatment facilities to purify wastewater to within fixed environmental standards. These plants adhere to environmental laws and regulations of the countries and localities in which they operate, and independently monitor the composition of such wastewater discharges regularly.



Fujisawa Plant's wastewater treatment facility

● Implementation of environmental patrols at overseas plants

At the Group, members of the Group Environment Management Department in Japan regularly visit overseas plants to implement environmental patrols together with members of the local environment management departments.



Hazardous material warehouse at the Lop Buri Plant in Thailand, 2017

● Inspection of waste disposal sites (Japan, Thailand, China, etc.)

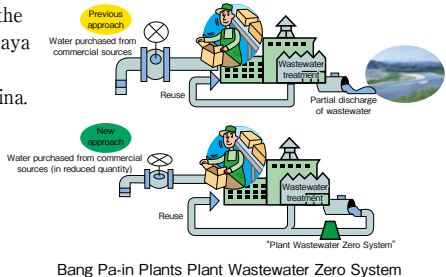
At each plant and office, there are types of waste which are difficult to reuse or recycle on-site. In these cases, the waste is disposed of through third-party waste disposal companies.

The Group selects reliable waste disposal companies, contracts them to dispose of said waste, and conducts regular inspections of their disposal sites to confirm the status of waste disposal and management. We will continue to cooperate with waste disposal companies to ensure that their waste disposal processes do not generate soil, water, air, and other pollution.

● Operation of Plant Wastewater Zero System (Thailand and China)

The Group operates plants which use large amounts of water in the processing of manufactured products and take measures to reduce discharges of wastewater. Our plants purify used water to reduce the level of waste to below standards required by environmental laws and regulations of each country and locality, before releasing the water into the environment. Despite these measures, we cannot guarantee that the released water has zero impact on the surrounding environment. At our plants in Thailand and China, which use large amounts of water, we have adopted the Plant Wastewater Zero System to reduce the wastewater to be released and its impact on the environment to as close to zero as possible.

This system is introduced to the Bang Pa-in, Lop Buri and Ayutthaya Plants in Thailand, as well as the Shanghai and Xicen Plants in China.



Initiatives for the Society

S

Social

Social issues

Shortage of human resources
Tightening of laws and regulations in each country
Coexistence and co-prosperity with local communities

Approach of MinebeaMitsumi

- Personnel development worldwide
- Workforce diversity
- Creation of safe and worker-friendly work environments
- Responsible procurement
- Supply of safe and reliable products
- Dialogue with local communities



Social highlight (fiscal year ended March, 2018)

Percentage of overseas employees 92%	Percentage of female managers 27%	Percentage of employees that return after childcare leave 100%	Promotion of green procurement
Enhancement of the training system Target groups: Employees, local communities and suppliers	Reinforcement of quality control systems	Social contributions that meet the needs of communities	Active participation in dialogue with communities

Business opportunities related to society, and risk response

Personnel development worldwide

Basic approach

In the context of the expansion of its corporate scale and the acceleration of globalization, the MinebeaMitsumi Group is working to nurture human resources that can take up the challenges of the future. The Group strives to instill an ability to think for oneself and work independently with enthusiasm and curiosity, a passion for manufacturing, and a global mindset.

- **Nurturing human resources that can take up challenges**

The Group is actively expanding overseas and providing as many employees as possible with opportunities to work in the global arena, in accordance with the personnel guidelines that stipulate three-to-five-year terms as the standard period for overseas assignments.

In the fiscal year ended March, 2018 we conducted 21 training sessions for employees prior to their overseas appointments or long-term business trips, with the participation of 99 people in total. As part of ongoing support after the employee has commenced his or her posting, we have

also put in place systems to support the study of English and of the language of the country to which the employee was posted, so that he or she can strengthen communications while in that country.

In order to localize the management of overseas sites, our subsidiaries outside Japan provide training to local employees based on their respective training programs. Additionally, overseas employees are invited to Japanese plants and divisions in Headquarters as trainees so that they can study Japanese and gain a better understanding of Japanese culture. We also educate trainees on the Company's core technologies, as well as its manufacturing know-how and management.

- **Consideration of human rights**

The Group prohibits discrimination based on such factors as race, age, gender, nationality, and religion. The Group implements new employee training using the MinebeaMitsumi Group Officer and Employee Compliance Guidelines, and also conducts anti-harassment education as part of our sessions for employees prior to their overseas appointments and as part of our rank-based training programs. Moreover, we are working to prevent human rights abuses by providing an internal reporting system and a consultation center.

Workforce diversity

Basic approach

As an organization that conducts global business activities, the MinebeaMitsumi Group believes it is important to strengthen human resource capabilities through workforce diversity. Also, we strive to create work environments in which a diverse group of employees can maximize their talents, regardless of gender, age, nationality, or disabilities.

- **Empowerment of women**

As one of its important management strategies, the Group promotes workforce diversity and encourages the active involvement of its diverse talent as a way to generate new values and competitiveness with the aim of achieving its sustainable growth.

In particular, in order to promote the empowerment of women, we are promoting various initiatives such as establishing work environments where women can work with peace of mind, and in March 2016, we formulated an action plan to increase the number of female employees who can become management candidates and establish employment environments where female employees are able to serve in management roles. The action plan includes a target of doubling the ratio of female managers by 2021 (actual rate as of March 31, 2018 in MinebeaMitsumi Inc.: 1.45%).

Moreover, in the fiscal year ended March 2018, we continued to hold training on putting leadership basics into practice, with the aim of improving the individual capabilities, centered on leadership skills, necessary for managerial work, as well as hosting networking events for female employees.

Please visit the MinebeaMitsumi Group website for detailed information regarding the action plan.
http://www.minebeamitsumi.com/english/corp/environment/sociality/employees/2017/_icsFiles/afldfile/2018/01/26/minebeamitumi_action_plan_en.pdf

- **Introduction of the 65-year-old retirement system**

The Group has the re-employment system, allowing all employees to work until the age of 65 after the age of retirement and actively enabling senior employees to be involved in the workforce. From April 2019, MINEBEA MITSUMI Inc. and its Japanese subsidiaries will integrate the retirement age to 65 by introducing the 65-year-old retirement system. Going forward, we will continue to work on the creation of an environment that enables greater stability with regard to the involvement of employees in the Group.

- **Initiatives regarding employees with disabilities**

The Company actively hires persons with disabilities. As of June 2017, the rate of employees with disabilities was 1.67%. We plan to bolster our efforts to raise employment of persons with disabilities to the legally mandated rate (2.2%).

Our initiatives also consider improvement in the workplace environment by ensuring that all employees, no matter whether or not they have a disability, are motivated to work by having people with specialized skills acting in leadership roles in some workplaces.

Creation of safe and worker-friendly work environments

Basic approach

Since its founding, the Group has recognized that employees are its most valuable resource, and one of our Five Principles is that the company should become a place where its employees are proud to work. The Group is committed to maintaining and improving workplaces where each of our employees can work safely and in good health, and fully exercise his or her abilities.

- **Support for diversity in work patterns**

We believe that the Group's attention to the work-life balance of its employees is an important management issue that will lead to employees finding their work rewarding and experiencing a sense of fulfillment. To this end, we have a flexible system that enables employees to take time off for childbirth, childrearing, caring for family members, and other important events in their private lives.

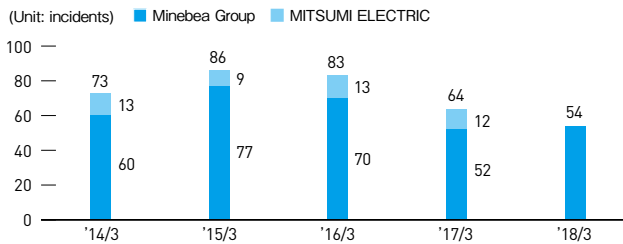
In the fiscal year ended March 2018, we reviewed the system of shorter working hours for those caring for children, and revised it so that the system can be used until children complete their third year of elementary school education. We will continue to work to improve systems so as to offer employees a flexible choice of working styles in the future.

- **Thorough safety and health management**

The Group firmly believes that a safe, healthy workplace is key to improving product and service quality, consistency of manufacturing operations, and employee morale.

Each plant holds regular meetings of their Health and Safety Committee, comprised of working groups involved in health and safety operations and so on. At the meetings, each working group shares its progress toward its targets. In addition, the Group's principal plants in its mass production bases of Thailand, China, Singapore, Philippines, and Malaysia have obtained OHSAS 18001 certification.

Workplace Injuries and Other Accidents in the MinebeaMitsumi Group



*1. The results for fiscal years 2014/3 to 2017/3 are the combined results for the Minebea Group and MITSUMI ELECTRIC from before the business integration.
 *2. MITSUMI ELECTRIC only refers to production sites in Japan

- **Health management**

The Group strives to maintain and improve the health of its employees in accordance with health-related laws in each country and the circumstances of each work site. We provide employees with regular health checkups, offer health consultations, send notices to employees to curb overtime work hours, and have industrial physicians make regular rounds at work sites.

In regard to mental health care, which has drawn social interest in recent years, we have conducted stress checks since the fiscal year ended March, 2017. We also have a consultation structure in place to ensure that employees can discuss issues with industrial physicians, counselors and other specialists at health care offices. The health advisors working at each plant meet regularly to discuss issues.

Chapter IV Environment and Social Report

Initiatives for the Society

Countermeasures for societal risks

Responsible procurement

Basic approach

The MinebeaMitsumi Group's business is supported by relationships with numerous suppliers. The Group has adopted Basic Procurement Policies on which healthy partnerships are built. In order to promote CSR throughout our supply chain, we have distributed the MinebeaMitsumi Group CSR Procurement Guidelines to our suppliers and are striving to facilitate their understanding and cooperation.

Please see our website for detailed information on our Basic Procurement Policy and MinebeaMitsumi Group CSR Procurement Guidelines.
<http://www.minebeamitsumi.com/english/corp/company/procurements/>

CSR procurement

Considering the global scope of the Group's business activities, we believe it is important to promote CSR throughout our supply chain. In March 2012, we took steps to establish a framework for CSR procurement with the formulation of the MinebeaMitsumi Group CSR Procurement Guidelines, which is based on the MinebeaMitsumi Group Code of Conduct.

In conjunction with the business integration by Minebea and MITSUMI ELECTRIC, in the fiscal year ended March 2018 we standardized our CSR Procurement Guidelines.



Training session for employees on the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors

Green procurement

We have established and revised the Group's guidelines and standards on chemical substances in products to ensure compliance with countries' laws and directives on chemical substances, to satisfy our customers, and to reduce the use of substances having an environmental impact. Under these guidelines, we require our suppliers to provide products (raw materials, parts, components, and packaging materials) that are free of hazardous substances, and also to submit safety certifications, reports of analysis results, and other similar documentation.

Response to conflict minerals

In August 2012, the U.S. Securities and Exchange Commission adopted a disclosure rule mandated by U.S. financial reform legislation requiring companies to disclose the use of conflict minerals. We responded by formulating a MinebeaMitsumi Group Policy on Conflict Minerals* in October 2012, in which we summarized the Group's approach regarding conflict minerals from the Democratic Republic of the Congo and its neighboring countries. Moreover, we added a section on Conflict Minerals Policy to our MinebeaMitsumi Group CSR Procurement Guidelines, and have instructed our suppliers to adhere to the revised guidelines.

* Reflecting the business integration of Minebea and MITSUMI ELECTRIC in January 2017, the policy and guidelines have been revised to contain the name "MinebeaMitsumi Group."

Supply of safe and reliable products

Basic approach

The Group aims to be a comprehensive manufacturer of precision components which can make contributions to the development of global society. To this end, we practice the MinebeaMitsumi Group Quality Policy, which is based on the company credo the Five Principles, to ensure the quality of products we develop, manufacture, and sell and thereby earn the trust of customers worldwide. Additionally, we use limited resources efficiently to prevent waste.

In support of our goals, we establish and operate quality management systems, while continually verifying their effectiveness and seeking ways to improve them.

Quality management framework

We have created a Group Quality Management Rules covering the entire Group as part of our measures to ensure the safety of our products and services and prevent accidents. In the fiscal year ended March 2018, given changes in our organizational structure and operations accompanying the business integration, we revised documents that accompany the Group Quality Management Rules, prepared English and Chinese language versions of those documents and made them available across the entire Group. Such documents included Group Product Safety Management Manual, Group Hazardous Substance Management Manual, Significant Quality Issue Handling Manual, Group Conflict Material Management Manual, and a Supplier Quality Assurance Agreement (standard version).

The chief officer of the quality management framework is the President and Chief Executive Officer, who is supported by the Quality Management Committee. Its subordinate organization regularly shares information on specific quality issues, works to ensure that similar problems do not reoccur, and provides quality management support and guidance to each business unit. Furthermore, we ensure compliance with the Electrical Appliance and Material Safety Act (in Japan), share and promote information on safety standards in each area of the world, and work to strengthen the Group's safety response.

In the fiscal year ended March 2018, we established a Product Safety Council in anticipation of a shift from shipments of simple parts to an increasing number of shipments that consist of complex assembled components constituting nearly finished products, as well as finished products. With its members selected from each business unit, the council facilitated information exchange and held workshops.

Going forward, we will continue to strengthen our quality management systems with respect to the Group's overall supply chain, while dealing with new laws, regulations and standards.

Risk assessment

Based on its internal standards, the Group conducts risk assessments on medical, automotive, and aircraft products—three types of end-products in which the Group's parts are commonly used and which could pose a serious impact on society in the event of a problem. These risk assessments are carried out collaboratively between the Group Quality Management Office and the business units. In the event the organizations identify a risk in design or manufacturing, actions are taken to mitigate the risk.

Dialogue with local communities

Basic approach

As an enterprise operating on a global scale, the MinebeaMitsumi Group believes in the importance of building sound partnerships with local communities through good communication. To establish firm roots in those communities, we carry out social contribution activities meeting local needs based upon our Five Principles.

Initiatives in Japan

Support for earthquake recovery

We established the Charitable Trust - MinebeaMitsumi Scholarship Fund for Orphans of the Great East Japan Earthquake as an endowment for children orphaned by the Great East Japan Earthquake. The scholarship fund provides annual grants of 100,000 yen to orphans of elementary school and junior high age, and a 300,000 yen grant when they graduate from junior high. Every March, third-year junior high school children receiving support from the trust are invited to Tokyo to celebrate their graduation alongside employee supporters.

Beautification activities at the Sagami River

MITSUMI ELECTRIC's Atsugi Operation Base helps with environmental beautification activities in its vicinity.

This involves annually taking part in the Central Kanagawa Sagami River Summit, Six Municipality Joint Clean-up Campaign to protect the beautiful environment around the Sagami River. Thirty-one employees participated in the clean-up campaign, carried out in May 2017. The volunteers got off to an early 7:30 a.m. start picking up empty cans, plastic bottles, glass and other trash, after which they helped release 5,000 juvenile sweetfish into the Sagami River.



Support for the authorized NPO Asama Highland Sports Club

As part of its amateur sports promotion, the Karuizawa Plant supports curling through donations to the Asama Highland Sports Club, an incorporated nonprofit organization. The monetary donations assist the club in holding curling competitions and support junior and wheelchair teams.

The Karuizawa Plant also acts as a supporter of the MinebeaMitsumi Cup ASAMA Highland Curling Classic competition, held every year at the venue managed by the Asama Highland Sports Club.



Hosting workplace visits from elementary schools

The Fujisawa Plant conducted a plant tour for nine third-year students from nearby Fujisawa City Shinbayashi Elementary School.

The program involved lending support with respect to the school's School District Exploration coursework, which aims to deepen students' understanding of their community by having them research and actually visit companies and public facilities located in their school district so they can speak directly with people who work at such locations.

The students were excited by the many new things they saw for the first time during their tour and asked many questions typical of elementary school students.



Regular discussions with the community

The Karuizawa and Yonago Plants hold regular discussions with members of their local communities to facilitate continual dialogue.

The Karuizawa Plant holds semiannual discussions with local community members. Held in May and November 2017, the discussions provided opportunities to exchange opinions on a wide range of topics such as disaster prevention planning and disaster response training, local production and local consumption, and hopes for new products.



Overseas initiatives

Donations to local hospice (Europe)

In June 2017, our Lincoln Plant in the UK took part in a charity event held to provide donations.

The plant's team of employees who competed in the obstacle course race as charity runners came in first place. The money raised from the event was contributed to a local hospice.

Supporting community development (China)

Our respective plants in China deliver donated goods and make donations to senior citizens in neighboring care facilities and children from impoverished households. Employee volunteers go out in the community where they deepen friendships with senior citizens, children and other people there.

Also, the plants conduct various other activities to support community development. For instance, the plants ask that employees provide donations which are used for accelerating reconstruction in communities that have been hit by typhoons, floods, earthquakes and other natural disasters, and they also take part in clean-up activities.



Community-based medical support (Philippines)

The CEBU MITSUMI Plant in the Philippines engages in medical support activities on various communities.

In October 2017, the plant's employees helped with efforts for mountainous area residents who are unable to visit urban hospitals, by assisting with free-of-charge dental and eye examinations for such people and providing them with pharmaceuticals.

Support for higher living standards (Thailand)

NMB-Minebea Thai provides its support for higher standards of living among local residents, in conjunction with neighboring community centers. In the fiscal year ended March 2018, the company offered a two-day seminar, attended by many community members, on the production and sale of artificial flowers and other such crafts, presented as a home-based means of raising living standards.



Chapter V

Corporate Governance

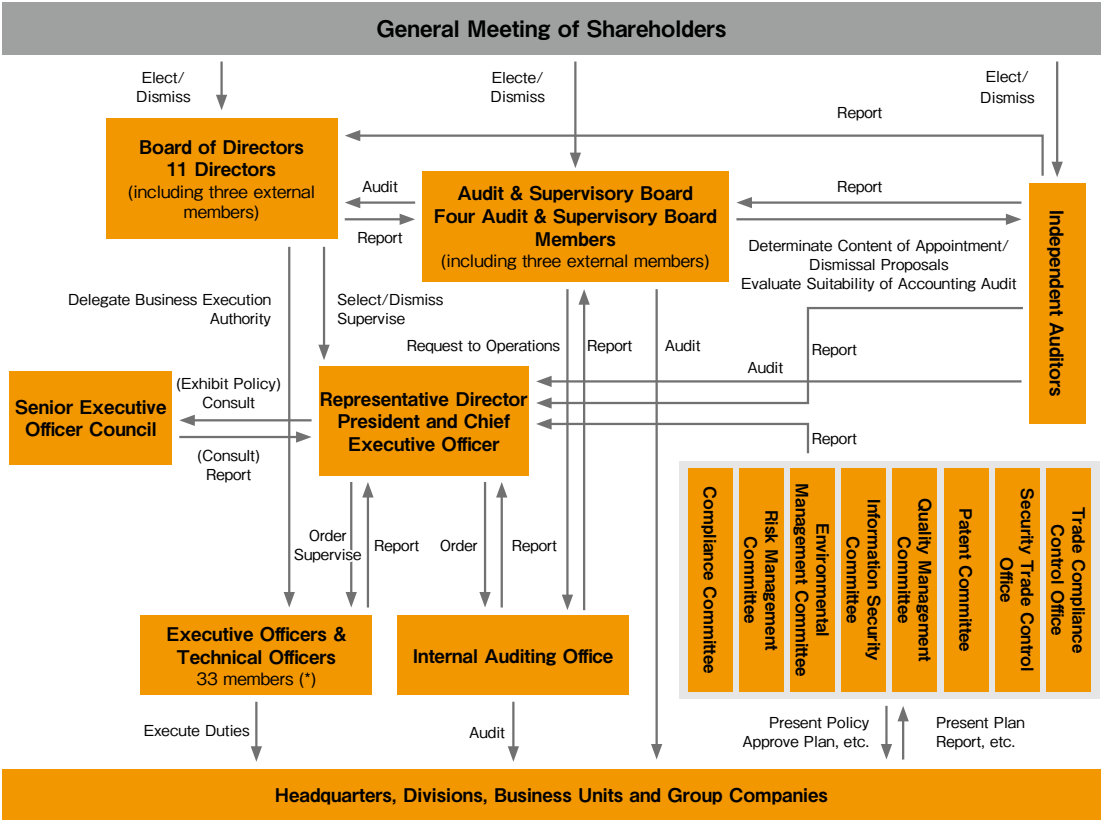
MinebeaMitsumi has adopted ‘The Five Principles’ as our company credo. The Five Principles are; “be a company where our employees are proud to work”; “earn and preserve the trust of our valued customers”; “respond to our shareholders’ expectations”; “work in harmony with the local community”; and “promote and contribute to global society.”

Consistent with this company credo, the Company’s basic management policy is to maximize corporate value by fulfilling its social responsibilities to its various stakeholders, including shareholders, business partners, local communities, international society and employees.

In accordance with this basic management policy, the Company considers the enhancement and reinforcement of corporate governance to be a key management issue. Also, to ensure the sound management of the Company and to strengthen corporate governance, the Company is promoting the establishment, maintenance and expansion of its internal control system.



Corporate Governance System



(*) Excluding seven Executive Officers concurrently hold a post of Director of the Company

Position	Name	Responsibilities	Status of attendance at the Board of Directors meeting for the fiscal year ended March 2018
① Representative Director, Chairman & President (CEO & COO)	Yoshihisa Kainuma	-	100% (13/13)
② Representative Director, Vice Chairman	Shigeru Moribe	-	100% (11/11) ^{*1}
③ Director, Senior Managing Executive Officer	Ryozo Iwaya	Chief of Electronic Device & Component Manufacturing Headquarters; Chief of MITSUMI Business Headquarters	100% (13/13)
④ Director, Senior Managing Executive Officer	Tetsuya Tsuruta	Deputy Chief of Sales Headquarters	100% (13/13)
⑤ Director, Senior Managing Executive Officer	Shigeru None	Chief of Sales Headquarters	100% (13/13)
⑥ Director, Senior Managing Executive Officer	Shuji Uehara	Chief of Tokyo Head Office, Chief of Business Administration and Accounting & Corporate Finance Headquarters; Officer in charge of Business Management Div. at MITSUMI Business Headquarters	100% (11/11) ^{*1}
⑦ Director, Senior Managing Executive Officer	Michiya Kagami	Chief of Engineering Headquarters; Officer in charge of Engineering Development Div. at Electronic Device & Component Manufacturing Headquarters	100% (11/11) ^{*1}
⑧ Director, Managing Executive Officer	Hiroshi Aso	Deputy Chief of Engineering Headquarters Deputy Chief of MITSUMI Business Headquarters Officer in charge of Engineering Development Div. Officer in charge of Semiconductor Business Div. at MITSUMI Business Headquarters	100% (11/11) ^{*1}
⑨ Outside Director	Kohshi Murakami	-	100% (13/13)
⑩ Outside Director	Atsuko Matsumura	-	(assumed the post in June 2018) ^{*2}
⑪ Outside Director	Takashi Matsuoka	-	100% (13/13)
⑫ Standing Audit & Supervisory Board Member	Kazunari Shimizu	-	100% (13/13)
⑬ Standing Outside Audit & Supervisory Board Member	Kazuyoshi Tokimaru	-	100% (13/13)
⑭ Outside Audit & Supervisory Board Member	Hisayoshi Rikuna	-	100% (13/13)
⑮ Outside Audit & Supervisory Board Member	Shinichiro Shibasaki	-	100% (13/13)

^{*1}. Figures stated represent attendance at meetings since assuming respective position in June, 2017.
^{*2}. Not applicable because the individual assumed the position in June 2018.



Conversation between Two Outside Directors

Outside Director
Kohshi Murakami

Outside Director
Atsuko Matsumura

Assumed office as an Outside Director of the Company in June 2008.
Mr. Murakami has a wealth of experience and keen insight as a former Presiding Justice of the Division of the Tokyo High Court and as an attorney-at-law. He works on ensuring the sound management of the Company and promoting its compliance management.

Assumed office as an Outside Director of the Company in June 2018.
Ms. Matsumura has expertise in international economics as a university professor as well as extensive achievements as an educator. She is reflecting her abundant knowledge and experience in the management of the Company.

In June 2018, the Company adopted a system of appointing three Outside Directors. On this occasion, we heard frank opinions from Kohshi Murakami, who has been involved in strengthening the governance of the Company, and from the newly appointed Atsuko Matsumura, on the Company’s corporate culture, the impression it makes, the role required of Outside Directors, and their aspirations.

MinebeaMitsumi’s corporate culture and the impression

Employees share a firmly held sense of purpose and awareness of the direction in which the Company is headed (Matsumura)
The distinguishing features of the Company include technological capabilities, global management, leadership and a sense of speedy decision-making, and M&A (Murakami)

Matsumura : I have only just been appointed, in June 2018, but I am surprised by the speed of decision-making in the Company as a whole. The Company has expanded globally both in terms of its customers and its manufacturing bases, and it responds with genuine rapidity to the issues it has encountered. I also feel the severity of the challenges imposed by the awareness of its heavy responsibility as a manufacturing company. The other impression I have is the strength of the shared sense of purpose among employees, and their keen awareness of the direction in which the Company is headed. Company slogans are presented unambiguously, in easily understood language, and I am genuinely impressed by the way they succeed in motivating employees.

Murakami : I completely agree with the points you have raised. I see the characteristics that make the Company stand out as being summarized in the four key concepts of technological capabilities, global management, leadership and a sense of speedy decision-making, and M&A. The products in which the Company is involved, including the mainstay products of miniature and small-sized ball bearings, are indispensable to the world of industry, but what makes them possible are its advanced technological capabilities. Global management is what enables these products to be manufactured in overseas locations and supplied across the world. What drives this is strong leadership and a sense of speedy decision-making by the management team. I see the shared sense of purpose as being additional evidence of leadership. Specifically, the president himself has done a good job of conveying the course of the Company both internally and externally primarily by sending messages to all employees at regular intervals, and holding dialogues directly with investors.

Matsumura : I think it is very important that the management explain in their own words the purpose and the outcomes of the measures taken. For example, beginning this fiscal year, the

Company will be transitioning to international financial reporting standards (IFRS) and the background leading up to this decision has been conveyed unambiguously to employees. It seems to me that it is this accumulation of communication that plays an important role in the shared awareness that is corporate culture.

Murakami : That is my feeling also. With regard to the transition to IFRS, I feel it is a perfectly natural development for a global company that is involved in significant cross-border M&A. In addition to the skills of the management in conveying and communicating their ideas, they have real passion and what you might call horsepower to get things done.

Matsumura : In terms of the further development of the Company, I believe that increased diversity will also be key. As a global organization, the Company committed to strengthening its human resource capabilities on the assumption of increased diversity, irrespective of race or nationality, and I would like them to continue to treat this as a matter of great importance. In addition, my understanding is that I am the first female director appointed by shareholders, and I hope that this new flow of women’s empowerment will accelerate going forward.

Murakami : Yes, you are quite right. I think you can say that diversity is indeed part of the corporate culture of the Company. The Outside Directors have also seen increased diversity, into three individuals. In addition, there are two persons of foreign nationality registered among the executive officers, and highly competent individuals of various nationalities, including some who are female, are playing active roles as Executive Officers within the MinebeaMitsumi Group and at its subsidiaries. If the Company had not taken the attitude that diversity is a natural consequence of being a global organization, I doubt that it would have achieved the growth that it has done in the past. I also feel that it will remain important for its development going forward.

Corporate governance system

My goal is to offer assessments and advice from a fair, impartial and conscientious perspective (Matsumura)
I would like to see closer cooperation and more information sharing between the three outside directors (Murakami)

Murakami : My view is that the role required of Outside Directors is to monitor whether the organization is permeated by a good attitude to corporate governance. There are also two aspects to governance. One is a kind of defensive governance, involved with compliance with laws and regulations. The other is a more proactive approach to governance, involving functions for checking the management decision-making process, and aimed at enhancing corporate value. I think in the case of the Company, both are functioning correctly. In reality, thorough materials are prepared for meetings of the Board of Directors, and these are organized and explained appropriately. The atmosphere is conducive to speaking frankly, irrespective of the identity of the other person, about doubts you may have or, conversely, to express encouragement for management decisions.

Matsumura : I have also formed an impression of an organization with a robust corporate governance system. I have already attended meetings of the Board of Directors several times since being appointed. Sufficient time was allocated to deliberations, and the meetings were conducted efficiently, making it easy for an Outside Director to understand what was going on.

Murakami : In terms of transparency of management, the individual business units go through a PDCA cycle of drawing up plans, checking progress and revising them as necessary. So, at the end of the fiscal year and midway through the fiscal year, more than 200 managers and people in positions of responsibility from around the world, including Outside Directors, gather to meet under one roof. The venue for these meetings is not limited to Japan, and they are also held in places overseas such as Thailand, the Philippines and

Cambodia. These are truly global events during which, over the course of several days, people of different nationalities engage in concentrated and uninhibited discussion, in response to which the management team clarifies the direction to take, so these meetings are certainly the highlight of the year. I also have a great deal of admiration for the leadership of top management in the way they deliver the final summary of the meeting. I feel that the direction of the Company is formed through this process, based on extensive discussions that include voices representing the operations’ front lines. Moreover, I feel that going through this procedure results in a sharing of perceptions and meaningful discussion at subsequent meetings of the Board of Directors.

Matsumura : It is the duty of Outside Directors to develop a grasp of the company as a whole, and I too would like to create opportunities to exchange opinions with a variety of people within the Company. With regard to the corporate governance system, I believe it is important to offer assessments and advice from a fair, impartial and conscientious standpoint. Management duties are shouldered by the internal directors, so it is my aim to engage with management from the outlook and the standpoint of an ordinary shareholder.

Murakami : It is as you say, and in order to also get a firm grasp on the overall picture of where the Company is headed, I intend to actively seek out relevant information. We do hold regular liaison meetings in cooperation with the Audit & Supervisory Board and the Independent Auditors, but now that there are three Outside Directors, I think it would be desirable to take measures to implement closer collaboration and more information sharing.

Working towards sustainable growth

My goal is to offer advice closely linked to the specifics on the ground at Company locations and production sites and act in accordance with the expectations of shareholders (Matsumura)
As a member of the Board, it is also important to nudge the management and encourage certain amount of risk taking (Murakami)

Matsumura : I feel very strongly that one important issue that must be tackled in preparation for sustainable growth is diligent, everyday R&D that leverages the Company’s technological capabilities so that it can continuously develop indispensable products to be used in the outside world. In addition, from my perspective as an Outside Director, I feel that we need to keep the Company’s various stakeholders in mind. Specifically, we must of course pay attention to environmental concerns such as purifying water and air, and global warming, but in developing countries in particular, another important element is the contribution made to the region. I believe that the Company has already made a good deal of progress on these points, but I will do my best to pursue further improvements .

Murakami : My views coincide with yours. I think you refer here to the importance of so-called ESG management. The foundation of sustainable growth for the Company is to obtain the trust of a variety of stakeholders, and in order to achieve that I believe the focus should be put on management that takes into consideration environmental, social and corporate governance issues. In that sense, you could say that new products recently launched by the Company (such as SALIOT, bed sensor systems and smart city solutions) contribute to reduced energy consumption and a reduced environmental burden, and thus embody the ESG management philosophy. From the perspective of keeping in mind stakeholders also, it seems to me that the development of a steady stream of products demanded by society would link to sustainable growth for the Company. Another important issue is ensuring the inheritance of the Company’s corporate culture and its know-how. Following the

business integration in 2017 with MITSUMI ELECTRIC, the scale of the Group increased further. Due to the Company’s skills in post-merger integration, which were derived from its experience in M&A, it has achieved improvements in business performance in a short period of time, as well as the harmonization and integration of the two companies.

Matsumura : I feel it is important to explain facts such as these to stakeholders.

Murakami : I agree. As well as moving steadily forward with dialogues with stakeholders, I would like the management to be transparent, by which I mean I intend to continue monitoring management so that it remains a company that is easily understood by stakeholders as well. Next, in order to fully utilize the proactive approach to corporate governance, my goal is to pay attention to whether management risks are put on the table for proper discussion. Management decisions are always accompanied by risk, but in order to make rational decisions based on confronting that risk head-on, we Outside Directors must, as members of the Board, give the management a push from behind to encourage them to take risks, and that in my opinion is an important role.

Matsumura : I too would like to contribute opinions from wide range of perspectives, with the aim of further enhancing management in such a way as to leverage the Company’s strengths as a global organization. By viewing with my own eyes a variety of Company locations and production sites, my aim is to link this to analysis, research, evaluation and ultimately opinions, so that I can meet the expectations of stakeholders.

Corporate Governance Initiatives

G

Governance

Needs of society

Ensuring management transparency

Enhancing capital efficiency

Strengthening the functions of the Board of Directors

Approach of MinebeaMitsumi

- Stakeholder engagement based on the Five Principles, our corporate credo
- Appropriate information disclosure, active dialogue with investors
- Formulation of Midterm Business Plan for sustainable growth
- Fair compensation and incentives based on performance
- Strengthening Group governance

Corporate governance highlight

<div>Number of Directors</div> <div>11 persons</div> <div>(including one female Director)</div>	<div>Number of independent Outside Directors</div> <div>3 persons</div> <div>(including one female independent Outside Director)</div>	<div>Number of meetings of Board of Directors held</div> <div>13 times</div> <div>* Results of fiscal year ended March, 2018</div>	<div>Rate of attendance at Board of Directors meetings</div> <div>100 %</div> <div>* Results of fiscal year ended March, 2018 (all members)</div>
<div>Number of Audit & Supervisory Board Members</div> <div>4 persons</div>	<div>Number of independent Outside Audit & Supervisory Board Members</div> <div>3 persons</div>	<div>Number of meetings of the Audit & Supervisory Board held</div> <div>15 times</div> <div>* Results of fiscal year ended March, 2018</div>	<div>Rate of attendance at Audit & Supervisory Board meetings</div> <div>100 %</div> <div>* Results of fiscal year ended March, 2018 (all members)</div>

Basic policy for corporate governance

- 1

Securing the rights and equal treatment of shareholders

The Company shall secure the rights of shareholders and improve a proper environment enabling the shareholders to exercise their rights in order to substantially secure shareholder's right and equality.
- 2

Appropriate cooperation with stakeholders other than shareholders

The Company shall be aware of the presence of its stakeholders and build appropriate cooperation with them, following our company credo.
- 3

Ensuring appropriate information disclosure and transparency

The Company shall disclose information properly based on laws and regulations, and proactively offer any other information including non-financial information.
- 4

Responsibilities of the Board

The Board of Directors shall understand and perform the roles and duties of itself, based on fiduciary duty and accountability to the shareholders.
- 5

Dialogue with shareholders

The Company shall develop policy and structure that enable us to constructively communicate with the shareholders and give plain explanations to them.

Corporate governance system

- Overview of management decision-making, supervision, execution and auditing system

By delegating the business execution authority of Directors to Executive Officers and the Technical Officers, we are aiming to revitalize and accelerate execution of business looking toward achieving our managerial objectives under the firm leadership of our CEO. The Board of Directors makes decisions on important matters of management, obtaining advice on all aspects of management from three independent Outside Directors, and also supervises business execution in a manner geared to achieving our goals.
Moreover, in addition to attending Board of Directors' meetings, Executive Officer Council meetings and other important meetings, the Audit & Supervisory Board Members, including three independent Outside Audit & Supervisory Board Members audit the Directors' execution of their duties, which involves auditing domestic offices and Group companies in conjunction with the Independent Auditors and the Internal Auditing Office.
- Nominating process of Director and Audit & Supervisory Board Member candidates

When nominating a Director candidate, we comprehensively conduct reviews from the perspective of assigning the right person to the right position, which involves considering an individual's capabilities with respect to making appropriate and swift decisions, adequately managing risk, monitoring business execution, and overseeing respective corporate functions and business divisions.
Moreover, when nominating an Audit & Supervisory Board Member candidate, we gain consent of the Audit & Supervisory Board upon electing a candidate after having comprehensively conducted reviews with consideration placed on factors that include an individual's expertise regarding finance and accounting, knowledge regarding the Company's fields of business, and knowhow regarding risk management and corporate management.
Based on these policies, such matters are resolved at a Board of Directors' meeting, after having been deliberated on by the Senior Executive Officer Council, upon review by the President and Chief Executive Officer and the Executive Officer in charge of personnel.

Compensation for Directors and Audit & Supervisory Board Members

- Compensation for Directors and Audit & Supervisory Board Members, and its decision processes

Regarding compensation for Directors and Audit & Supervisory Board Members, limits for Directors and Audit & Supervisory Board Members as a group have been set by the resolution of the General Meeting of Shareholders and compensation is set at a certain amount within these limits.
Directors' compensation packages consist of performance-linked incentive compensation introduced in 2017 and stock options, in addition to basic compensation paid in a fixed amount on a monthly basis, and performance-linked bonuses determined according to performance achieved in respective business years. A suitable amount for each Director's compensation package is determined by a resolution passed by the Board of Directors according to his/her duties, performance, the performance of the Company, and other factors. The performance-linked bonuses are structured to reflect corporate performance as well as job responsibilities and accomplishments, with payment standards determined using a bonus calculation table that is based on the consolidated results and stock price levels for respective fiscal years. Moreover, amounts of performance-linked incentive compensation are determined based on the extent of achievement with respect to the Midterm Business Plan's aim of achieving net sales of 1 trillion yen and operating income of 100 billion yen.
In the case of Outside Directors, certain amounts for compensation packages are determined according to their professional backgrounds and other factors.
The performance-linked incentive compensation and stock options are not offered to Outside Directors.
Based on the above policy, upon consulting with the President and Chief Executive Officer, the head Outside Director, and the head Audit & Supervisory Board Member, the Board of Directors has resolved to set compensation for Directors to within the range of 1.5 billion yen as has been resolved by resolution of the General Meeting of Shareholders.
Audit & Supervisory Board Members' compensation packages consist solely of the basic compensation, which is paid in a fixed amount on a monthly basis. Compensation of the respective Audit & Supervisory Board Members is decided upon consulting with the Audit & Supervisory Board Members, and is to be within the range of 100 million yen as has been resolved by resolution of the General Meeting of Shareholders.
- Compensation of Directors and Audit & Supervisory Board Members for fiscal year ended March, 2018

Categories	Number of payees	Amount of compensation, etc. (thousands of yen)		
		Basic compensation	Bonuses	Total
Directors (Outside Directors)	14 ¹⁾ (2)	309,946 (17,026)	666,851 ²⁾ (-)	959,797 (17,026)
Audit & Supervisory Board Members (Outside Audit & Supervisory Board Members)	4 (3)	51,796 (35,340)	- (-)	51,790 (35,340)
Total	18 ¹⁾	361,742	666,851 ²⁾	1,028,593

*1. Includes 2 Directors who have retired as of June 29, 2017.

*2. Includes performance-linked incentive compensation.

Group governance

- Our aim of achieving the Company's medium-to long-term goals and continually generating sustainable growth requires that we persist with efforts that involve orchestrating M&As and alliances, while at the same time focusing on establishing large-scale overseas mass production facilities as well as global R&D capabilities in light of regional risk assessment findings. As a result, the risks surrounding the Group have diversified. In response to this, we will seek to enhance our risk management and compliance systems, while also redoubling efforts to develop and operate our internal controls including those of our Group companies overseas.
The Company takes steps to ensure that governance practices take hold. To that end, we have established the MinebeaMitsumi Group Code of Conduct, which extends to all Group companies,

and otherwise take steps to instill business ethics across the entire Group. Also, having established the Rules for Management of Group Companies, we make sure that our Group companies, including those overseas, are well aware of rules stipulating matters that must be decided by the Company and those that require preliminary reporting to the Company.
Furthermore, our Audit & Supervisory Board Members and Internal Auditing Office regularly perform audits with respect to all aspects of management encompassing compliance and risk management practices of our Group companies, including those overseas. Meanwhile, we appropriately identify and take remedial action with respect to any issues revealed by such audits.

Consolidated Financial Statements

Consolidated Balance Sheets

As of March 31, 2018 and 2017

(Amount: millions of yen)

ASSETS	2017	2018
Current assets		
Cash and deposits	93,125	104,894
Notes and accounts receivable	171,190	167,115
Marketable securities	1,840	1,499
Finished goods	33,394	39,417
Work in process	32,961	41,434
Raw materials	36,166	51,603
Supplies	7,566	5,834
Goods in transit	10,351	11,834
Deferred tax assets	5,846	7,915
Other	13,783	12,855
Allowance for doubtful receivables	(654)	(696)
Total current assets	405,574	443,709
Fixed assets		
Tangible fixed assets		
Buildings and structures	157,284	162,938
Machinery and transportation equipment	326,758	352,655
Tools, furniture and fixtures	55,670	62,702
Land	34,296	34,933
Leased assets	261	392
Construction in progress	7,314	19,403
Accumulated depreciation	(382,003)	(409,872)
Total tangible fixed assets	199,584	223,152
Intangible assets		
Goodwill	4,714	7,248
Other	8,689	9,877
Total intangible assets	13,403	17,125
Investments and other assets		
Investment securities	8,970	8,648
Long-term loans receivable	300	262
Deferred tax assets	9,249	8,823
Other	6,340	6,251
Allowance for doubtful receivables	(421)	(409)
Total investments and other assets	24,438	23,576
Total fixed assets	237,426	263,854
Deferred asset	311	279
Total assets	643,312	707,844

(Amount: millions of yen)

LIABILITIES	2017	2018
Current liabilities		
Notes and accounts payable	86,570	98,342
Short-term debt	49,660	60,433
Current portion of long-term debt	17,916	20,304
Lease obligations	69	88
Asset retirement obligations	2	—
Accrued income taxes	4,621	6,695
Accrued bonuses	7,879	10,874
Accrued bonuses for directors	180	729
Provision for after-care of products	34	93
Provision for environmental remediation expenses	407	150
Provision for business restructuring losses	80	146
Other	32,706	38,345
Total current liabilities	200,128	236,205
Long-term liabilities		
Bonds	15,000	15,000
Convertible bond-type bonds with subscription rights to shares	20,501	20,406
Long-term debt	60,933	41,271
Lease obligations	84	144
Asset retirement obligations	52	17
Provision for retirement benefits for executive officers	175	189
Provision for environmental remediation expenses	364	413
Net defined benefit liability	15,683	15,583
Other	4,169	5,359
Total long-term liabilities	116,965	98,385
Total liabilities	317,093	334,591
NET ASSETS		
Shareholders' equity		
Common stock	68,258	68,258
Capital surplus	144,218	142,605
Retained earnings	159,910	210,883
Treasury stock	(1,345)	(9,496)
Total shareholders' equity	371,043	412,251
Accumulated other comprehensive income		
Difference on revaluation of available-for-sale securities	1,233	1,363
Deferred gains or losses on hedges	1,031	149
Foreign currency translation adjustments	(50,290)	(46,039)
Remeasurements of defined benefit plans	(1,653)	(1,776)
Total accumulated other comprehensive income	(49,678)	(46,302)
Subscription rights to shares	30	18
Non-controlling interests	4,823	7,286
Total net assets	326,218	373,253
Total liabilities and net assets	643,312	707,844

Consolidated Financial Statements

Consolidated Statements of Income

Fiscal years ended March 31, 2018 and 2017

(Amount: millions of yen)

	2017	2018
Net sales	638,926	879,139
Cost of sales	513,077	701,456
Gross profit	125,849	177,683
Selling, general and administrative expenses	76,833	98,521
Operating income	49,015	79,162
Other income		
Interest income	492	967
Dividends income	172	199
Rent income of fixed assets	294	417
Dividends from insurance	199	219
Other	704	1,038
Total other income	1,864	2,843
Other expenses		
Interest expenses	878	682
Foreign exchange losses	140	1,929
Share of loss of entities accounted for using equity method	50	—
Other	1,416	1,354
Total other expenses	2,486	3,967
Ordinary income	48,393	78,038
Extraordinary gain		
Gain on sales of fixed assets	211	147
Gain on sales of investment securities	—	15
Gain on sales of affiliates	275	—
Gain on bargain purchase	14,619	—
Gain on extinguishment of tie-in shares	—	54
Gain on reversal of subscription rights to shares	42	—
Reversal of provision for environmental remediation expenses	—	26
Total extraordinary gain	15,149	244
Extraordinary loss		
Loss on sales of fixed assets	167	12
Loss on disposal of fixed assets	1,926	1,268
Impairment loss	3,921	5,474
Amortization of goodwill	—	31
Loss on liquidation of affiliates	1,270	—
Loss on sales of affiliates	2	—
Business restructuring losses	9	142
Loss for after-care of products	12	—
Settlement loss	1,096	123
Provision for environmental remediation expenses	467	—
Loss on bonds redemption	6,196	—
Total extraordinary loss	15,069	7,052
Income before income taxes	48,473	71,230
Current income taxes (including enterprise tax)	8,421	13,463
Income taxes for prior periods	1,350	—
Deferred income taxes	(2,798)	(2,032)
Total income taxes	6,972	11,430
Net income	41,500	59,799
Income attributable to non-controlling interests	354	417
Income attributable to owners of the parent	41,146	59,382

Consolidated Statements of Cash Flows

Fiscal years ended March 31, 2018 and 2017

(Amount: millions of yen)

	2017	2018
Cash flows from operating activities:		
Income before income taxes	48,473	71,230
Depreciation and amortization	28,164	31,596
Impairment loss	3,921	5,474
Amortization of goodwill	1,099	1,245
Settlement loss	1,096	123
Loss on bonds redemption	6,196	—
Gain on bargain purchase	(14,619)	—
Interest and dividends income	(665)	(1,167)
Interest expenses	878	682
Loss (gain) on sales of fixed assets	1,881	1,132
Decrease (increase) in notes and accounts receivable	(15,179)	5,806
Decrease (increase) in inventories	25,847	(23,887)
Increase (decrease) in notes and accounts payable	6,478	10,152
Increase (decrease) in net defined benefit liability	(721)	(486)
Other	2,277	6,174
Sub-total	95,131	108,076
Interest and dividends received	699	1,136
Interest paid	(921)	(820)
Income taxes paid	(12,487)	(12,952)
Proceeds from income taxes refund	703	1,165
Net cash provided by operating activities	83,125	96,606
Cash flows from investing activities:		
Increase (decrease) following deposits in time deposits	(3,346)	(1,523)
Increase (decrease) following the purchase of marketable securities	(14,379)	26
Purchase of tangible fixed assets	(29,216)	(50,775)
Proceeds from sales of tangible fixed assets	2,420	1,339
Purchase of intangible assets	(2,063)	(966)
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(1,032)	(7,717)
Proceeds from sales of affiliates	1,249	—
Other	(431)	163
Net cash used in investing activities	(46,800)	(59,453)
Cash flows from financing activities:		
Net increase (decrease) in short-term debt	(39,470)	10,253
Proceeds from long-term debt	39,005	1,000
Repayment of long-term debt	(13,481)	(18,560)
Proceeds from issuance of bonds	14,680	—
Redemption of bonds	(10,000)	—
Purchase of treasury stock	(14)	(8,377)
Proceeds from disposal of treasury stock	937	1,341
Cash dividends paid	(6,368)	(8,410)
Dividends paid to non-controlling interests	(62)	(32)
Purchase of investments in subsidiaries that do not result in change in scope of consolidation	(2,486)	(4,111)
Other	(78)	(128)
Net cash used in financing activities	(17,339)	(27,026)
Effect of exchange rate changes on cash and cash equivalents	(1,765)	(533)
Net increase in cash and cash equivalents	17,218	9,592
Cash and cash equivalents at beginning of year	29,141	78,832
Increase in cash and cash equivalents from newly consolidated subsidiary	32,472	—
Increase in cash and cash equivalents resulting from consolidation of unconsolidated subsidiaries	—	186
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	—	92
Cash and cash equivalents at end of year	78,832	88,704

Corporate Data

Corporate Information (As of August 2018)

Tokyo Headquarters 3-9-6, Mita, Minato-ku, Tokyo 108-8330, Japan Tel : 81-3-6758-6711 Fax : 81-3-6758-6700 URL: http://www.minebeamitsumi.com/english/	Registered Head Office 4106-73, Oaza Miyota, Miyota-machi, Kitasaku-gun, Nagano 389-0293, Japan Tel : 81-267-32-2200 Fax : 81-267-31-1350	Established July 16, 1951 Independent Auditors KPMG AZSA LLC
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Overview of shares (As of March 31, 2018)

Common Stock Authorized: 1,000,000,000 shares Issued: 427,080,606 shares Capital: ¥68,258 million Shares per unit: 100	Common Stock Listings Listed on the first section of the Tokyo and Nagoya Stock Exchanges	American Depositary Receipts Ratio (ADR : ORD): 1 : 2 Exchange: Over-the-Counter (OTC) Symbol: MNBXY CUSIP: 602725301 Depositary: The Bank of New York Mellon 101 Barclay Street, New York, NY 10286, U.S.A. Tel: 1-201-680-6825 U.S. toll-free: 888-269-2377 (888-BNY-ADRS) URL: http://www.adrbnymellon.com/	Agent to Manage Shareholders' Registry Sumitomo Mitsui Trust Bank, Limited Tel : 0120-782-031 (toll-free, available only in Japan) URL: http://www.smtb.jp/personal/agency/index.html
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Major Shareholders

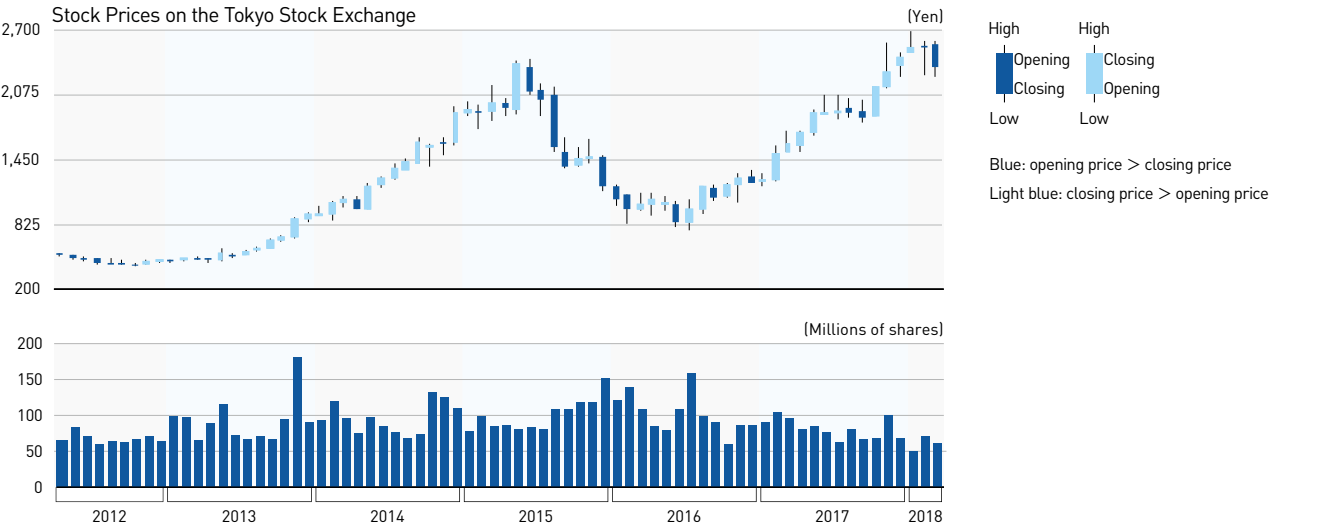
Classification by Ownership of Shares

	Number of shareholders	Percentage of shareholders (%)	Number of shares held (Hundreds of shares)	Percentage of shares outstanding (%)
Japanese financial institutions	141	0.4	1,805,312	42.3
Overseas institutions	675	1.9	1,678,821	39.3
Other Japanese corporations	344	0.9	313,970	7.4
Individuals and others	29,310	81.1	466,299	10.9
Subtotal	30,470	84.3	4,264,402	99.9
Others	5,654	15.7	6,404	0.1
Total	36,124	100.0	4,270,806	100.0


Top Ten Major Shareholders

	Number of shares (Thousands of shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	35,013	8.31
Japan Trustee Services Bank, Ltd. (Trust account)	22,732	5.39
Takahashi Industrial and Economic Research Foundation	15,447	3.67
Sumitomo Mitsui Trust Bank, Limited	15,413	3.66
Japan Trustee Services Bank, Ltd. (Trust account 4)	14,174	3.36
Sumitomo Mitsui Banking Corporation	10,223	2.43
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	10,181	2.42
KEIAISHA Co., Ltd.	10,100	2.40
THE CHASE MANHATTAN BANK 385036	8,682	2.06
Japan Trustee Services Bank, Ltd. (Trust account 5)	7,093	1.68

Notes: 1. Shareholding ratio is calculated exclusive of treasury stock (5,655,295 shares) .
2. On April 1, 2018, The Bank of Tokyo-Mitsubishi UFJ, Ltd. changed its trade name to MUFG Bank, Ltd.



Status of MinebeaMitsumi as a constituent of certain indexes (As of August 2018)

MSCI Japan Empowering Women Index (WIN) This index is built from companies selected for their superior gender diversity within their sector, based on gender diversity scores calculated by MSCI. MinebeaMitsumi has been selected as one of the constituents of the MSCI Japan Empowering Women Index (WIN), which is composed of companies that are promoting the advancement of women.	 2018 Constituent MSCI Japan Empowering Women Index (WIN)
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Summary of information available on the MinebeaMitsumi Group website

On the MinebeaMitsumi Group website we make available on an ongoing basis more detailed information, and reports on the most recent activity, that could not be included in these printed materials. A variety of other corporate information is also available, which we recommend you view at your leisure.

Corporate information website	http://www.minebeamitsumi.com/english/
Information for investors	http://www.minebeamitsumi.com/english/corp/investors/
CSR/Environmental information	http://www.minebeamitsumi.com/english/corp/environment/
Corporate governance information	http://www.minebeamitsumi.com/english/corp/investors/management/governance/

For further information, please contact us listed below.

Product purchasing and catalog requests: Sales Headquarters Tel: 81-3-6758-6746 Fax: 81-3-6758-6760	CSR information: CSR Promotion Office Tel: 81-3-6758-6724 Fax: 81-3-6758-6700	Other inquiries: Corporate Communications Office Tel: 81-3-6758-6703 Fax: 81-3-6758-6718
IR information: Investor Relations Office Tel: 81-3-6758-6720 Fax: 81-3-6758-6710	Employment opportunities: Human Resources Development Dep. Tel: 81-3-6758-6712 Fax: 81-3-6758-6700	

Environmental Consideration in Printing



Printed on paper made with wood from forest thinning. "Morino Chonai-Kai" (Forest Neighborhood Association)—Supporting sound forest management.



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Disclaimer Regarding Future Projections
In this report, all statements that are not historical facts are future projections made based on certain assumptions and our management's judgement drawn from currently available information. Accordingly, when evaluating our performance or value as a going concern, these projections should not be relied on entirely.
Please note that actual performance may vary significantly from any particular projection, owing to various factors, including: (i) changes in economic indicators surrounding us, or in demand trends; (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.
Please note, however, this is not a complete list of the factors affecting actual performance.
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