

Chapter I Value Creation Story of MinebeaMitsumi

History of MinebeaMitsumi

Global development ahead of other companies Speedy diversification through M&As

1963
Plant is relocated from Kawaguchi, Saitama, and operations begin at **the Karuizawa Plant, to become the mother plant of all the MinebeaMitsumi Group's plants worldwide**, in Miyota-machi, Nagano



1972
Our first own overseas plant is constructed in Singapore



1980
Ayutthaya Plant is established. The Company advances for the first time into Thailand, **the Group's largest facility**



1984
Bang Pa-in Plant is established as **the second facility in Thailand**



1980's
~
1990's

1980
The Company commences the production of small-sized ball bearings

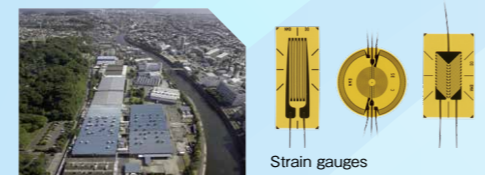


1971
Production overseas is commenced for the first time in the U.S.



Reed Instrument Corp. of SKF, Inc. (the present Chatsworth Plant of New Hampshire Ball Bearings, Inc.)

1974
The Company embarks on the electronic devices and components area (measuring components: the present Sensing Device BU)



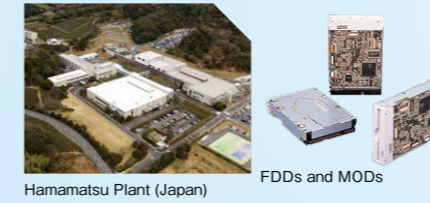
Shinko Communication Industry Co., Ltd. (the present Sensing Device BU of MinebeaMitsumi Inc.)

M&As

Founded in July 1951

Nippon Miniature Bearing Co., Ltd., Japan's first specialized manufacturer of miniature ball bearings, is incorporated in Azusawa, Itabashi-ku, Tokyo.

1986
Hamamatsu Plant is established. **Development in the electronic devices and components area is expanded**



1988
Lop Buri Plant is established in Thailand. **Production in the electronic devices and components area is expanded**



1994
Minebea Electronics & Hi-Tech Components (Shanghai) Ltd. (our first plant in China) was established, which produces bearings and fan motors from parts in a vertically-integrated manner



Since 2000's

2010
Suzhou Plant is established to **expand production of LED backlights**



2010
Our plant is established in Cambodia, and commences production the next year. **For risk diversification, expansion of production and reduction of costs**



2018
Kosice Plant in Slovakia commences production. **Supply to Europe market is expanded**



2015
Major manufacturer of measuring components in Germany is acquired. **Production and supply in Europe and India are expanded**



2009
Production of micro actuator is commenced. **Number of production facilities of motors is increased**



1985
The U.S. ball bearing manufacturer is acquired. **Supply to the U.S. market is expanded**



2010
Production of brushless motors is commenced. **Product lineup of motors is expanded**



2017
The Company conducts a business integration with MITSUMI ELECTRIC CO., LTD. through share exchange. Accelerated growth of each business as an **"Electro Mechanics Solutions™" Provider that integrates control technology with machine and electronic technology**



1988
The U.K. rod-end bearing manufacturer is acquired. **Supply to Europe market is expanded**



2019
The Company conducts a business integration with U-Shin Ltd. through tender offer. **Generated synergy in the automotive, housing equipment and industrial equipment areas** through the strength of new INTEGRATION



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MinebeaMitsumi Current

With **the world's No. 1** product groups, demonstrating strengths that cannot be found in other companies

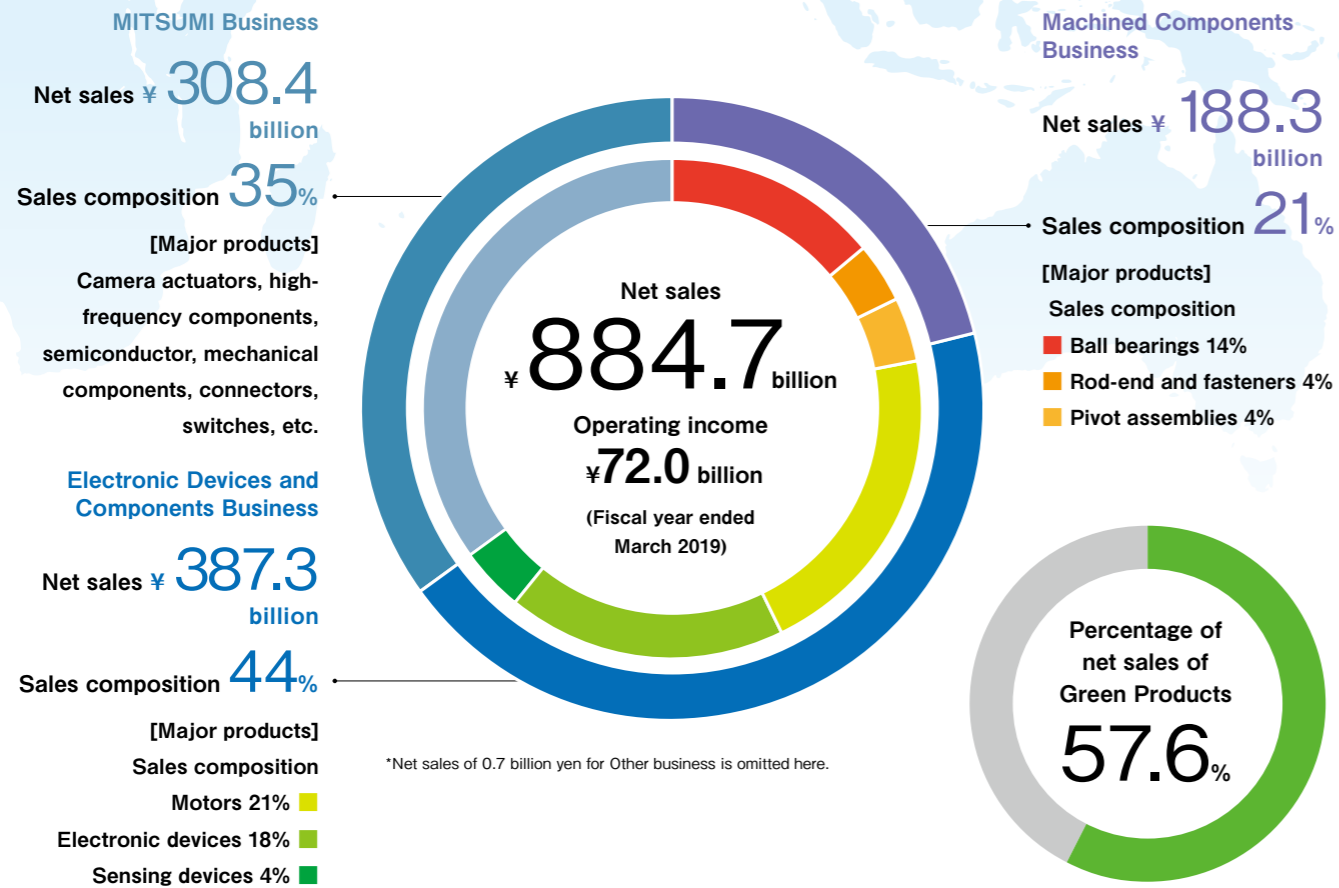
MinebeaMitsumi has the largest share of the global market for miniature and small-sized ball bearings with an external diameter of 22 mm or smaller at 60%.

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 all kinds of "moving parts" and contributing to energy saving.

Ultra-high quality product group

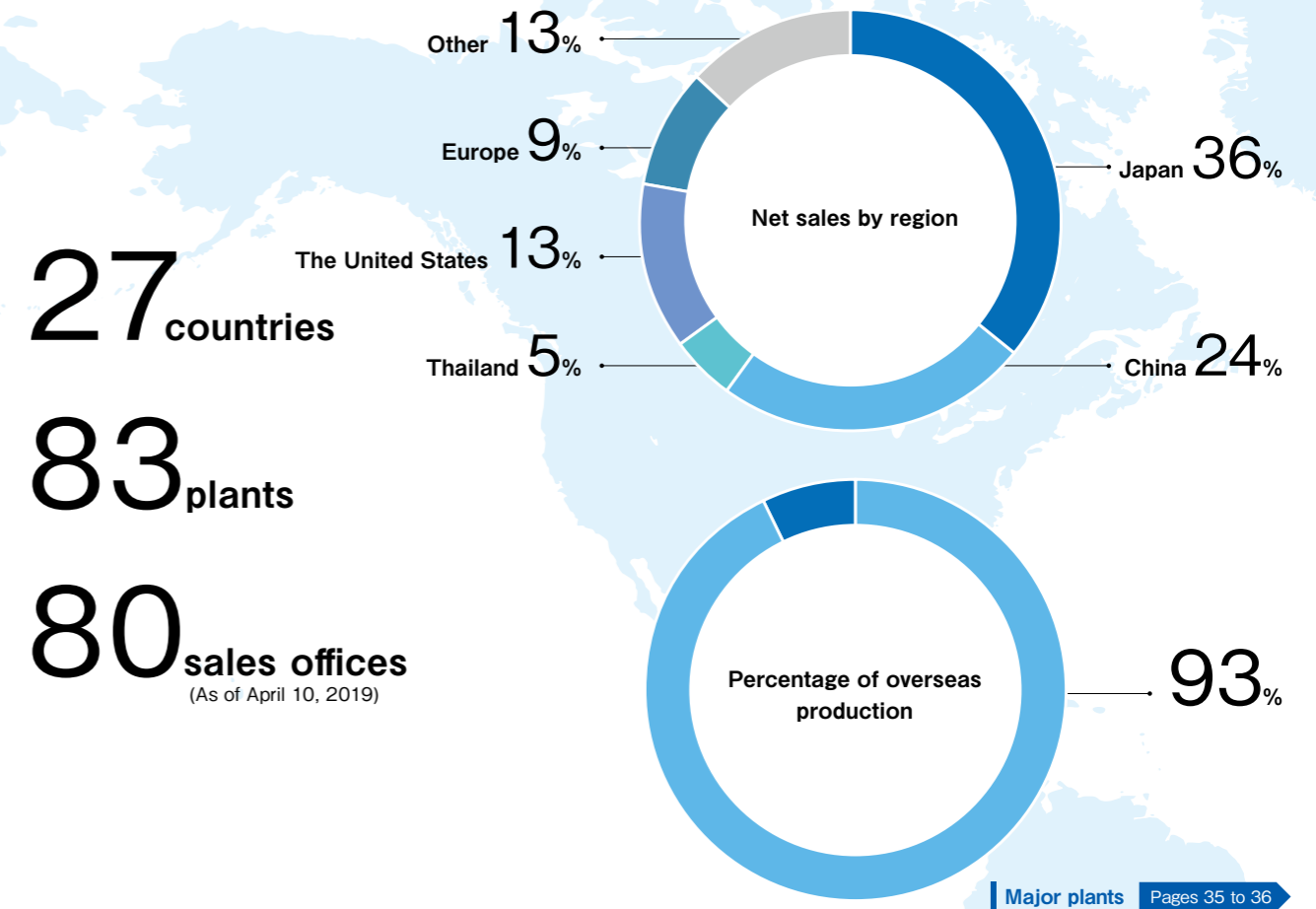
Conglomerate premium succeeded, and net sales, operating income and profit for the year all reached record highs in the fiscal year ended March 2019.



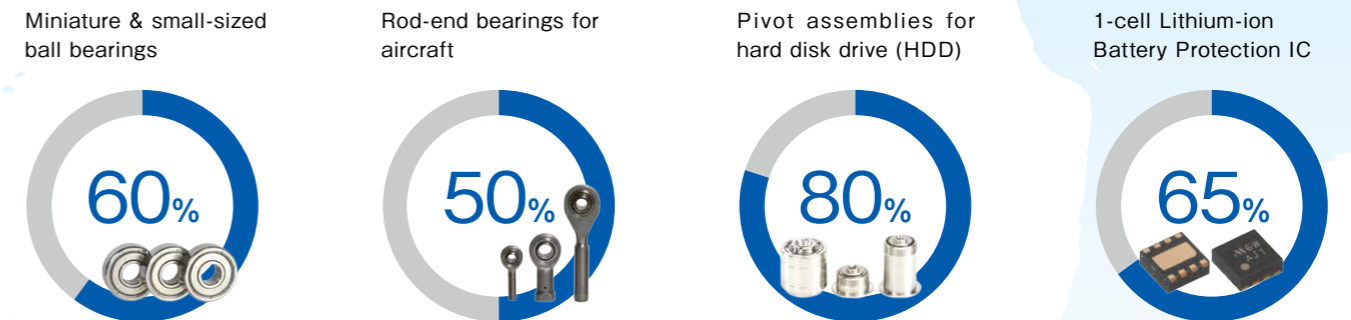
Green products Page 41

Creating high-quality products in the global market

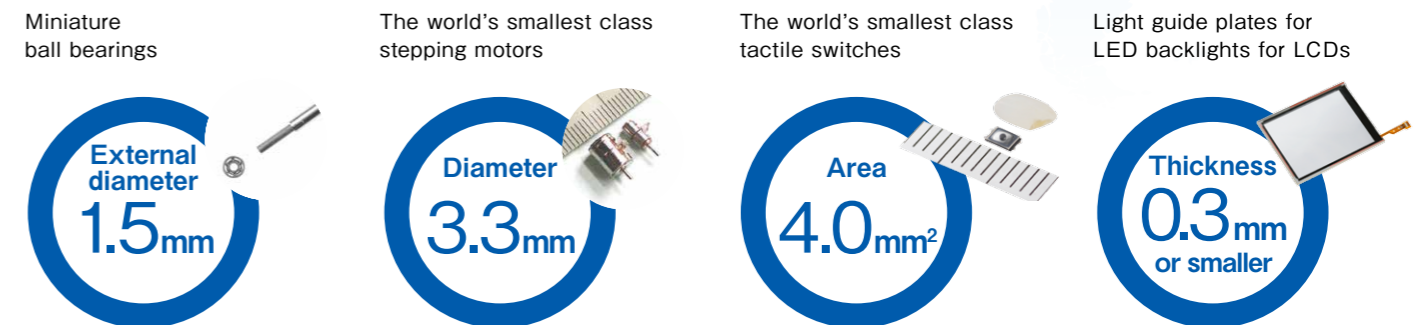
We created a global system for production and sales, responded to local production and local consumption, and reduced exchange, disaster and geopolitical risks.



The World's No. 1 share



The World's smallest



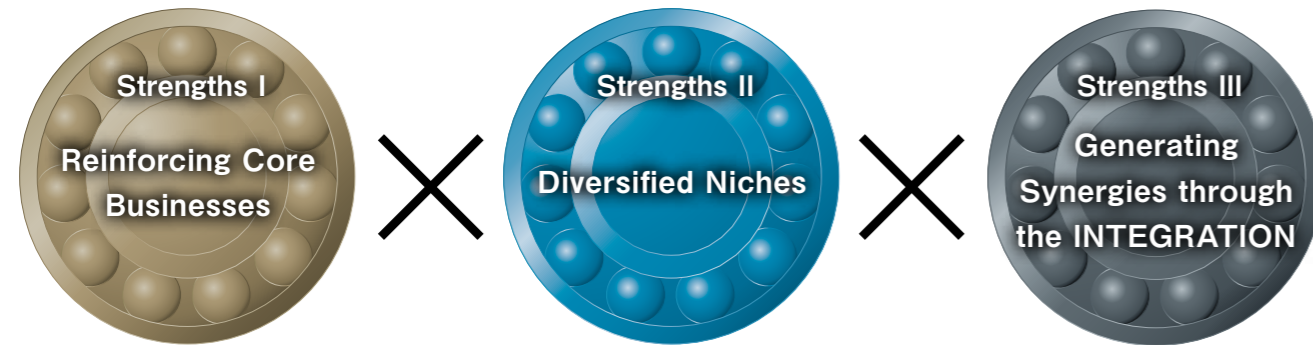
The World's thinnest



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Value Creation Model of MinebeaMitsumi

Sustainable growth based on three strengths

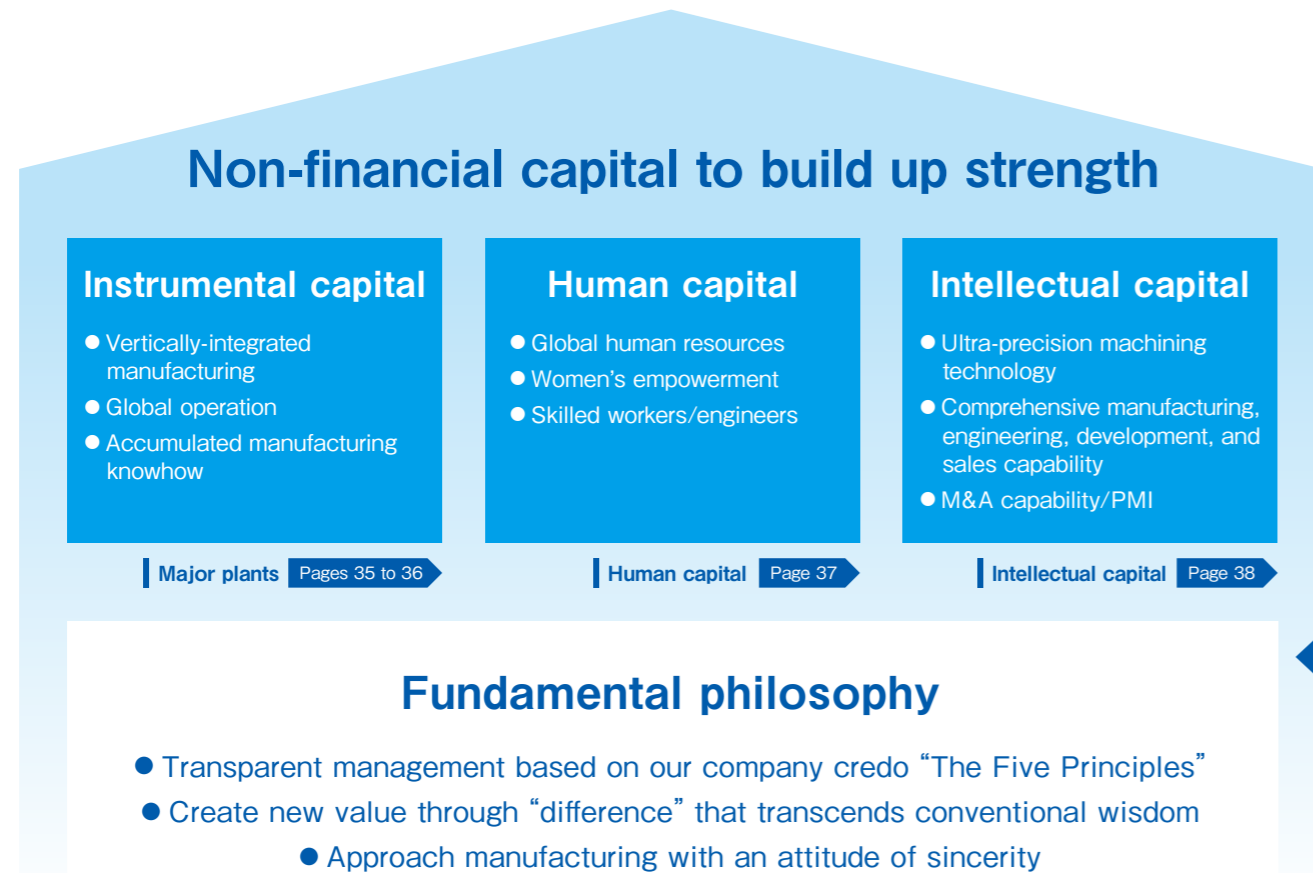


MinebeaMitsumi's three strengths are "Reinforcing Core Businesses," "Diversified Niches," and "Generating Synergies through the INTEGRATION*."

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 Eight Spears and to create new products in various fields through the INTEGRATION of our advanced product.



Sustainable growth of MinebeaMitsumi Group

Economic value created

- Environmentally friendly products made possible by MinebeaMitsumi's high-quality components
- Efficient use of social infrastructure as a result of relatively low prices and high product reliability
- Numerous No.1 products
- High operating margin
- Ability to generate cash backed by high earning power
- Return on equity (ROE)
- Return on invested capital (ROIC)



Environmental and social value created

- Mass production with minimum environmental footprint
- Creating environmentally friendly products
- Using IoT to help build smart industry
- Encouraging agricultural workers in emerging countries to participate in the latest technology fields
- Empowering women worldwide



We create environmental value, for example through the supply of environmentally considerate products such as ball bearings that reduce friction and increase energy efficiency. We also create social value through means such as raising awareness of agricultural workers in emerging countries and encouraging their participation in the latest technology fields.

In this way, we achieve business activities that harmonize the resolution of social issues with the creation of economic value.

Through these activities, we aim to realize the SDGs promoted by the United Nations.

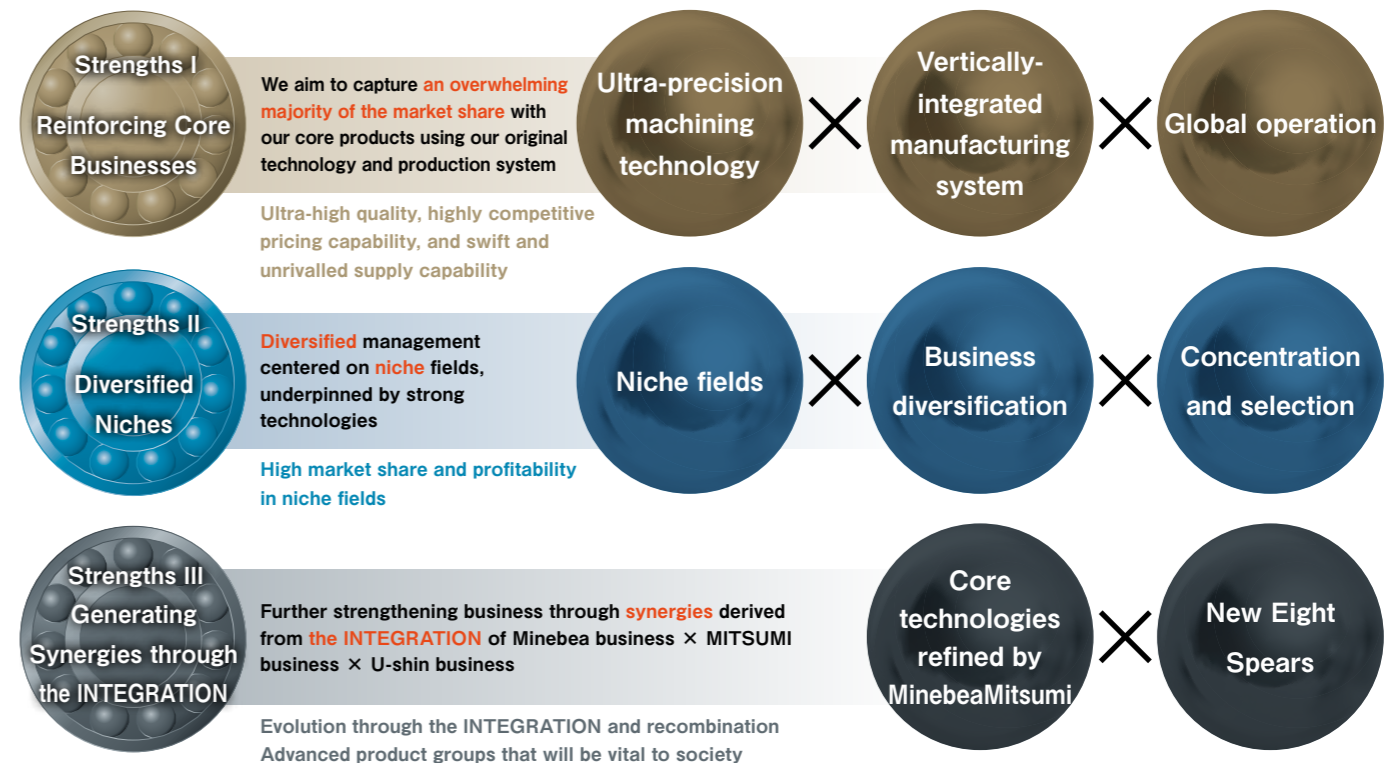
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MinebeaMitsumi's Strengths

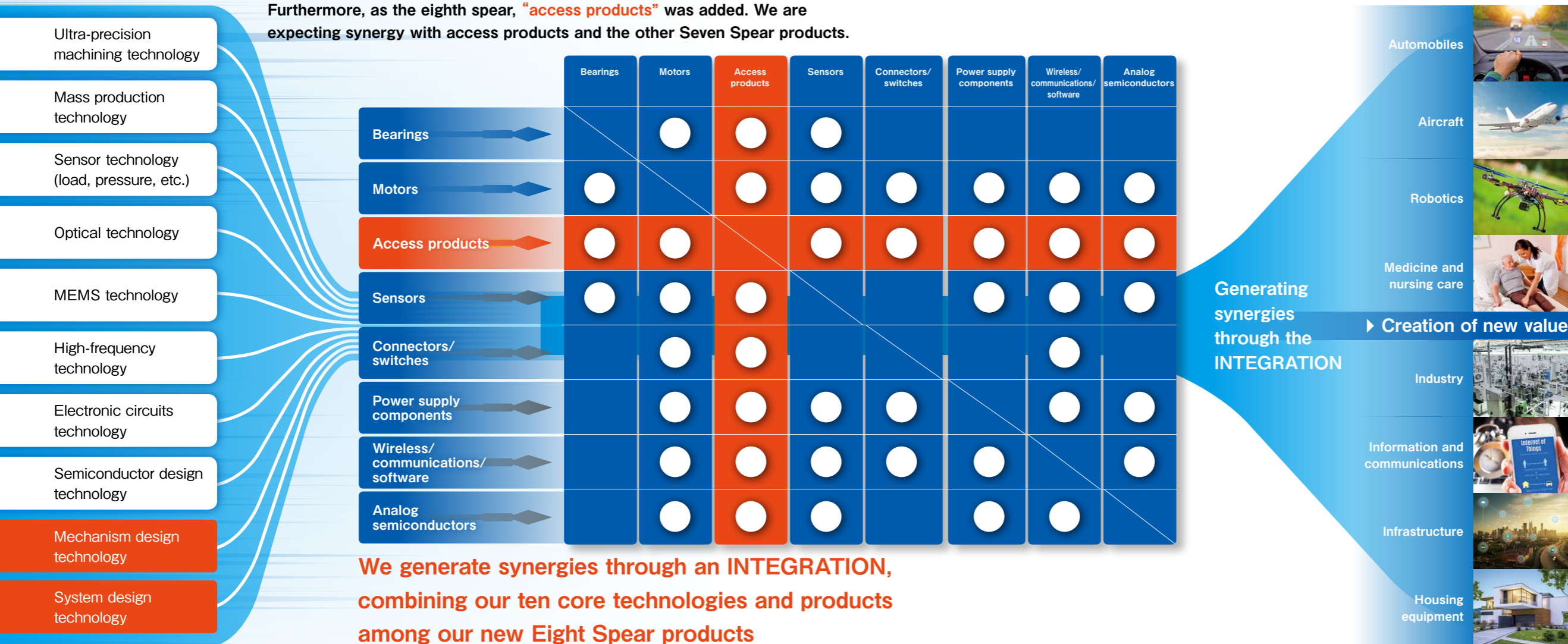
Three strengths expanding the realm of possibility to create difference

We will combine and utilize ten **core technologies** refined by MinebeaMitsumi, such as ultra-precision machining technology and large-scale production technology, to evolve each of the **Eight 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.



In the business integration with **U-Shin Ltd.**, we acquired two new core technologies, **“mechanism design technology”** and **“system design technology.”** Furthermore, as the eighth spear, **“access products”** was added. We are expecting synergy with access products and the other Seven Spear products.



We generate synergies through an INTEGRATION, combining our ten core technologies and products among our new Eight Spear products

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

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Toward Sustainable Growth

INTEGRATING core business and various technologies to realize sustainable growth while contributing to solutions for social issues

MinebeaMitsumi has been reinforcing core business through the combination of accumulated non-financial capital and financial capital, proceeding with diversification, and creating new value through the INTEGRATION.

Going forward, we will continue initiatives for sustainable growth by recognizing ESG issues based on their opportunities and risks, focusing on the level of the specified **materialities**, and utilizing our unique strengths. We will also set a long-term quantitative target of 2.5 trillion yen in net sales and 250 billion yen in operating income and aim to provide useful value to our customers around the world by contributing to **SDGs**.

Mega trends
Environmental and social issues
(Business opportunities)

E: Environment

- Global warming
- Biodiversity
- Energy crisis
- Resource depletion
- Natural disasters

S: Social

- Enhancement of information security
- Development of AI and IoT society
- Growth of the global population
- Food crisis
- Declining birthrate and aging population in developed countries
- Widening disparity

Materialities and SDGs

Creation of a work environment where all employees can give their utmost effort

- 1 Ensuring employee safety and health **S**
- 2 Creating positive and rewarding work environments **S**
- 3 Human resources development worldwide **S**
- 4 Diversity promotion worldwide **S**

Creation of new value that contributes to the development of society

- 5 Creating environmentally friendly products **E**
- 6 Contributing to dialogue with and the development of local communities **S**
- 7 Creating solutions to social issues **S**

Stable supply of precision components supporting society

- 8 Providing safe and reliable products **S**
- 9 Practicing responsible procurement **S**
- 10 Reinforcing risk management **G**

Materialities Page 40

Unique strengths and non-financial capital

Strengths I
Reinforcing Core Businesses

Strengths II
Diversified Niches

Strengths III
Generating Synergies through the INTEGRATION

Instrumental capital

Human capital

Intellectual capital



Vision for MinebeaMitsumi through the fiscal year ending March 2029

Quantitative targets



Basic strategies for next 10 years

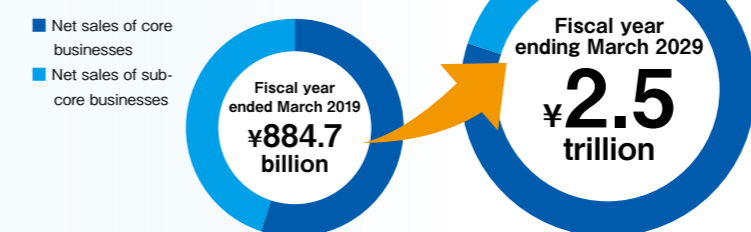
Becoming the world's mightiest INTEGRATION manufacturer of precision components with our new Eight Spears

1. Change to new Eight Spears	3. Cultivate new markets
2. Launch new products	4. Pursue active M&As

+ Digitalization

Human resources development (including training successors) + shareholder return maintaining financial discipline

We will shift to core businesses, and managing both the decreasing of volatility of performance and improvement of risk management



We will continue to take on challenges in order to resolve social issues as an Electro Mechanics Solutions™ Provider.

G: Governance

- Ensuring management transparency
- Enhancing capital efficiency
- Anti-bribery and anti-corruption
- Strengthening Group governance

The Five Principles

- 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
- Promote and contribute to global society

At the heart of our company credo, **The Five Principles**, is a commitment to engaging our stakeholders in dialogue and ensuring management transparency. This spirit is part of our corporate DNA and passing it down to future generations will support sustainable growth.