

MITSUMI Business

Develop new products for future growth fields by taking an **INTEGRATION** approach of **Eight Spear** products and create business opportunities for the entire group



Ryozo Iwaya
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Major products



Precision components (connectors/switches/coils) Optical devices (camera actuators)
Power supply components Mechanical components Automotive products (high-frequency components) Semiconductors (analog semiconductors)

Major applications



Basic strategies

MinebeaMitsumi is well aware that the key challenge to secure the absolute permanence of the MITSUMI business is to facilitate robust growth of the five areas encompassing the new Eight Spear product groups as the future core businesses. As such, the basic strategy of the MITSUMI business involves strengthening the new Eight Spear products using cash generated from sub-core businesses as a growth resource. This will be achieved through (1) 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.

Core competencies

The source of our competitiveness is our technological development capability in fields requiring microfabrication—represented by sensors, optics, micro-electro-mechanical systems (MEMS), high-frequency technology, electronic circuits technology, and semiconductor design technology. Furthermore, by fusing MinebeaMitsumi's DNA, our core technologies including ultra-precision machining and vertical integration, through the business integration, we are creating an all-in-one system to respond to our customers' detailed needs from development through to mass production. Half of the new Eight Spear products belong to the MITSUMI business and are the driving force in the creation of the Group's overall INTEGRATION.

Overview of the fiscal year ended March 2020

Highlights of the MITSUMI business

Net sales composition	ROIC	Optical devices Sales and income increased	Analog semiconductors Significantly strengthened by organic growth and M&As
30%	15%		

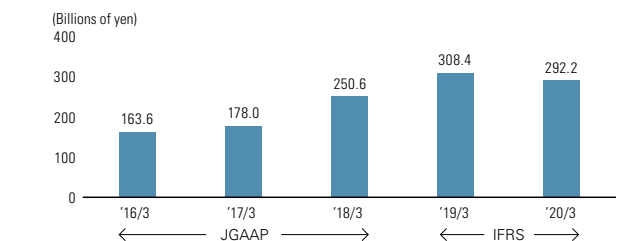
Overview of the fiscal year

Secured the same level of income in real terms as the previous fiscal year

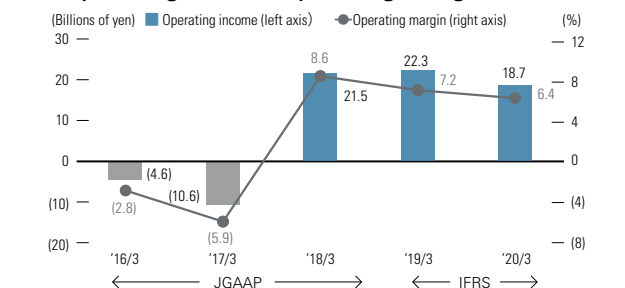
Camera actuators have enjoyed a large increase in sales with trends in smartphones with multiple cameras and higher functionality. Amid the global economic slowdown, analog semiconductors trended strongly and enjoyed increased sales. Meanwhile, sales of mechanical components decreased due to a change in the product mix of some OEM products. Sales of precision components, power supplies, and automotive products declined slightly compared with the previous fiscal year.

As a result, net sales were 292.2 billion yen (down 2.0% YoY), operating income was 18.7 billion yen (down 15.8% YoY), and operating margin was 6.4%. Taking into account positive special factors amounting to approximately 4 billion yen in the previous fiscal year, operating income was almost on par with the previous year.

Net sales



Operating income/operating margin



"Becoming the one-of-a-kind through INTEGRATION capabilities" Strategy

Analog semiconductors are growing as an earnings pillar by both organic growth and M&As

We expect to leverage very substantial synergies in the dual fronts of top line and costs, in conjunction with ABLIC, which was subject to business integration in April 2020. Analog semiconductors of ABLIC for automobiles, medical devices and industrial machinery are applied to sophisticated

connectivity technologies and dedicated devices closely associated with IoT technologies. Going forward, through the INTEGRATION of the unique products of ABLIC including medical device IC, battery-less sensors, and magnetic sensors with the Company's technological platform of motors, sensors, and wireless communications, we will work to create revolutionary new products to contribute to the IoT society.

Creating solutions to social issues

Challenging ourselves to create revolutionary new products to contribute to the IoT society

Since the founding of its predecessor, MITSUMI ELECTRIC, the MITSUMI business strength has been its technological development in connectivity, including high-frequency technology and wireless communication technology. That technology resides at the center of the source of our competitiveness created by the INTEGRATION of the MinebeaMitsumi Group. These technologies are now used in a range of products including automobiles, consumer electronics, and Smart White Goods. Going forward, we will contribute to the acceleration of an advanced information, smart society through IoT, big data, and AI.

Furthermore, as stated to the right, the MITSUMI business will cover six of the new Eight Spears and seven of the ten core technologies, and is a field poised for large growth in the future.

MinebeaMitsumi's new Eight Spears	Ten core technologies
Bearings	Ultra-precision machining technology
Motors	Mass production technology
Access products	Sensor technology (load, pressure, etc.)
Analog semiconductors	Optical technology
Sensors	MEMS technology
Connectors/switches	High-frequency technology
Power supply components	Electronic circuits technology
Wireless/communications/software	Semiconductor design technology
	Mechanism design technology
	System design technology

Components covered by the MITSUMI business