

## 1. History of MinebeaMitsumi

Organic growth  
X  
M&A growth

The Company was established in Itabashi-ku, Tokyo in July 1951 as Japan's first specialized manufacturer of miniature ball bearings. After the war, engineers from the former Manchuria Airplane Manufacturing Company returned from Manchuria and established the company with dreams and passion for the development of the aircraft industry.

In the 70 years since then, we have expanded into the field of electronic devices, and through management integration with MITSUMI ELECTRIC, U-Shin, and ABLIC, have grown into an INTEGRATION manufacturer of precision components with a unique business portfolio that is unmatched in the world, ranging from ball bearings to motors, sensors, access products, and semiconductors.

We will continue to grow through both organic growth and M&As to create new value that supports manufacturing and people's lives around the world.

### From 1951 Founding period



#### Unchanging ideas since the founding period Ultra-precision machining technology and mass production

We have pursued high quality and low costs since our establishment in order to strengthen our miniature ball bearing products. In 1964, the Company introduced the latest machinery and equipment to the Karuizawa Plant and received guidance from overseas engineers, which dramatically improved the level of technology. As exports to overseas markets increased and sales grew, the Company introduced a series of cutting-edge machines to the Karuizawa Plant, increasing its competitiveness through ultra-precision machining technology and mass production technology.

### Organic growth

Founded in 1951, Nippon Miniature Bearing Co., Ltd., Japan's first specialized manufacturer of miniature ball bearings, is incorporated in Azusawa, Itabashi-ku, Tokyo



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



### From 1970 Diversification



The U.S. Reed Instrument Corp. (Currently NHBB Chatsworth Plant)

#### Expanding our business domain through overseas expansion and diversification

Based on a sense of crisis that bearings might disappear in the future, we started the motor business in 1973, and in the 1980s, we expanded into the semiconductor and electronic components business.

In 1971, we acquired the U.S. Reed Instrument Corp. and began production overseas. We also started overseas production at our own plants in Singapore in 1972 and in Thailand in 1980. In addition to actively conducting domestic and overseas M&As to acquire engineers and increase production capacity, the Company also acquired non-manufacturing companies such as cosmetics and kimono door-to-door sales companies and pig-farming-related companies to expand the scale of its business.

### From 1990 Return to manufacturing



Shanghai Plant (China)

#### Streamlining management by promoting selection and concentration of businesses

In the 1990s, as the negative effects of diversification began to mount, we sought to restore our profitability by reorganizing businesses that were not closely related to manufacturing and concentrating management resources on our core businesses of bearings and electronic devices. We started integrated production of ball bearings in Shanghai, China. Production of high-precision components for HDDs started in earnest, as we further refined our ultra-precision machining technology and vertically-integrated manufacturing system.

### M&As

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

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

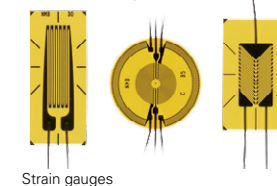


1988  
The U.K. rod-end bearing manufacturer is acquired  
Supply to Europe market is expanded



Rose Bearings Ltd. (The U.K., currently NMB-Minebea UK Lincoln Plant)

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



Strain gauges



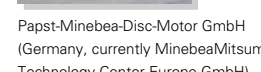
New Hampshire Ball Bearings, Inc. (the U.S., currently NHBB Peterborough Plant)

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

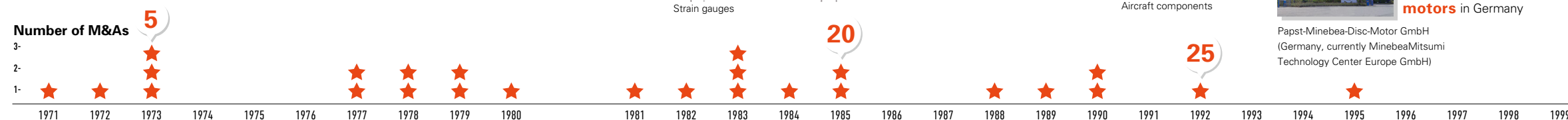


Aircraft components

1990  
The Company established a company to develop HDD spindle motors in Germany



Papst-Minebea-Disc-Motor GmbH (Germany, currently MinebeaMitsumi Technology Center Europe GmbH)



The corporate profile can be viewed from here.



From **2000** Becoming an **INTEGRATION** manufacturer of precision components



**Pursuing synergies to solidify strength as a company**

As we entered the 2000s, the technological changes in the world became even more drastic, and IoT came to be the norm. We further expanded our production bases in Cambodia and Slovakia, and accelerated our M&A activities. Since the current CEO, Kainuma, took office in 2009, the Company has conducted 20 M&As. In 2017, the Company conducted a business integration with MITSUMI ELECTRIC and changed the company name to MinebeaMitsumi Inc.

In the 2000s, the world was hit by a variety of disasters, including the Lehman bankruptcy, US-China trade frictions and other financial crises, the Great East Japan Earthquake, the flooding in Thailand, and the spread of COVID-19. Nonetheless, with the strength of our diversified business portfolio and risk diversification system, we have strongly overcome adversity and continue to grow as an INTEGRATION manufacturer of precision components.

2021 **70<sup>th</sup> anniversary** 2051 **100<sup>th</sup> anniversary**

**Continue growing by diversifying our core businesses and through INTEGRATION, and contribute to the achievement of an eco-friendly and prosperous society**

**Organic growth**

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



Cambodia Plant

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



Suzhou Plant (China)



Kosice Plant (Slovakia)

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



Active Grille Shutter Actuators

**2020**  
New building is completed at the Akita Business Division  
**Development of automotive business is strengthened**

Akita Business Division of MITSUMI ELECTRIC



**2021**  
New multi-purpose plant building to be constructed on the Bang Pa-in Plant in Thailand  
**Planning to increase production capacity for a variety of future products**

**Strengthened Eight Spears**

Companies that have been integrated	Bearings	Motors	Access products	Analog semi-conductors	Sensors	Connectors/switches	Power supply components	Wireless communications software
ABLIC				●				
U-Shin			●					
Mach Aero	●							
C&A	●							
MITSUMI ELECTRIC		●		●	●	●	●	●
Sartorius					●			
Cixi	●							
CEROBEAR	●							
MOATECH		●						

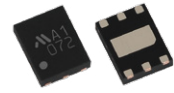
**M&As**

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



DC motors

**2017**  
Business integration with MITSUMI ELECTRIC through share exchange  
Accelerated growth of each business as an **"Electro Mechanics Solutions®" provider that integrates control technology with machine and electronic technology**



1-cell Lithium-ion Battery Protection IC

**2020**  
Business integration with ABLIC through acquisition of its shares  
**The Company's presence in the analog semiconductor market is strengthened**



ABLIC Takatsuka Unit

**2015**  
Acquired a major manufacturer of measuring components in Germany (Sartorius Mechatronics T&H GmbH; current Minebea Intec GmbH)  
**Production and supply in Europe and India are expanded**



Sensing devices

**2019**  
Business integration with U-Shin Ltd. through tender offer  
**Generated synergy in the automotive, housing equipment and industrial machinery areas** through the strength of new INTEGRATION



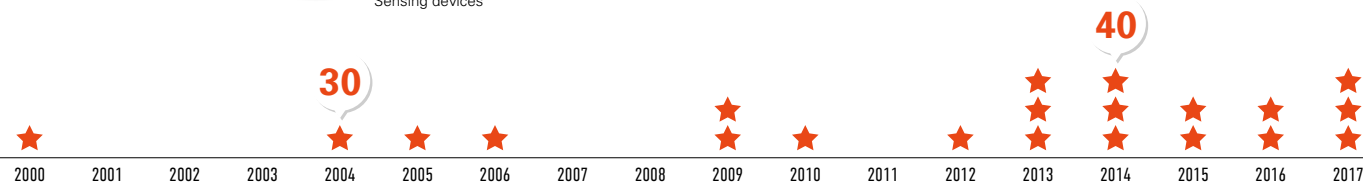
U-Shin Hiroshima Plant



Door handles

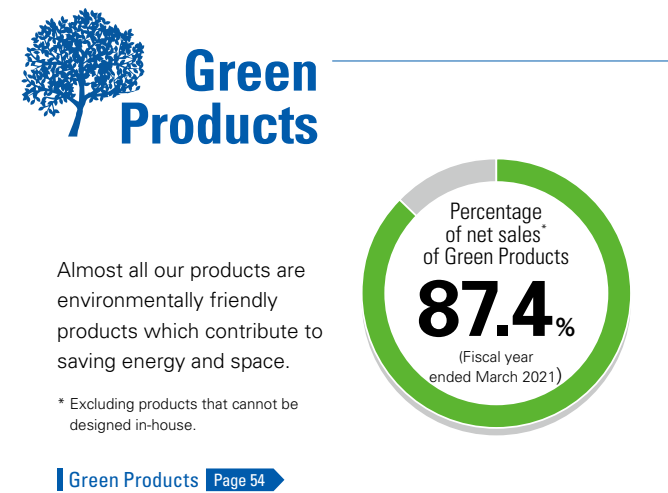
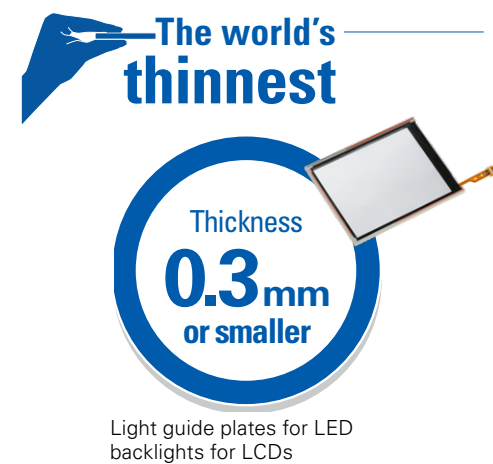
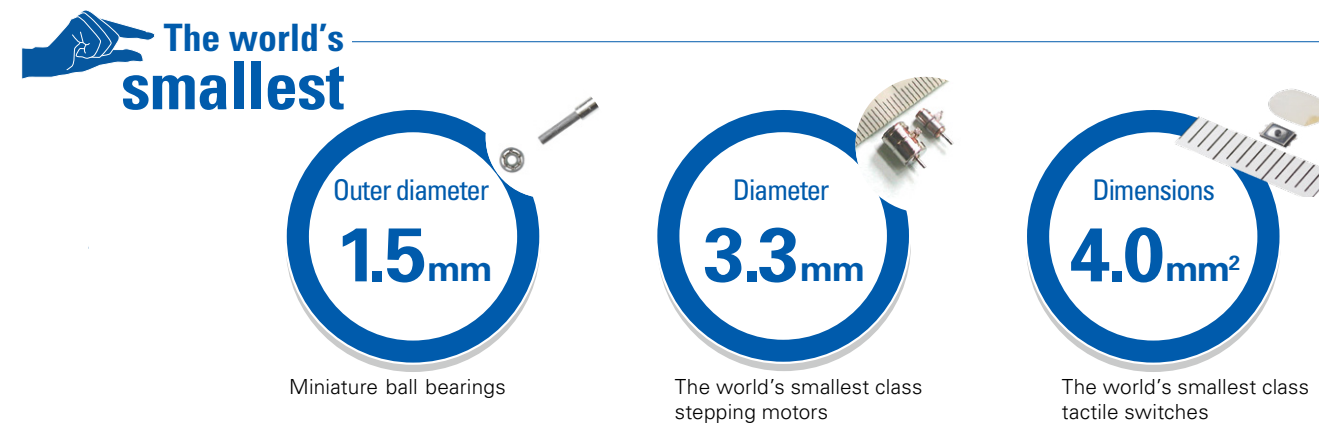
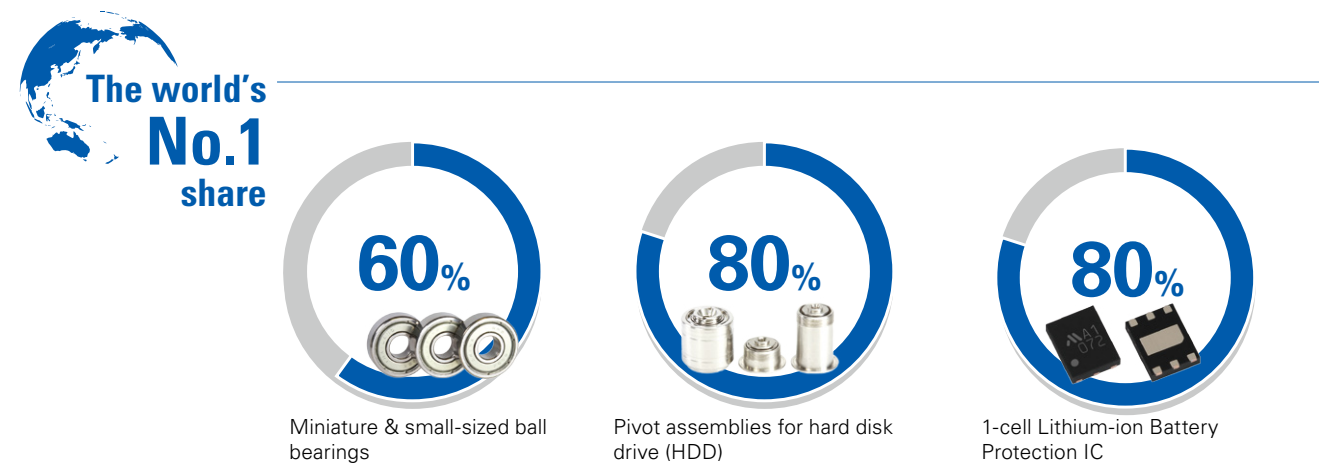
**2021**  
Announced **acquisition of 8-inch analog semiconductor plant (fab) and MEMS business** from OMRON Corporation

Total of **51** M&As!



## 2. MinebeaMitsumi Today

With ultra-precision machining technology at the core, we are able to **leverage our strengths** in a diverse range of business, production, and human resources without being vulnerable to risk

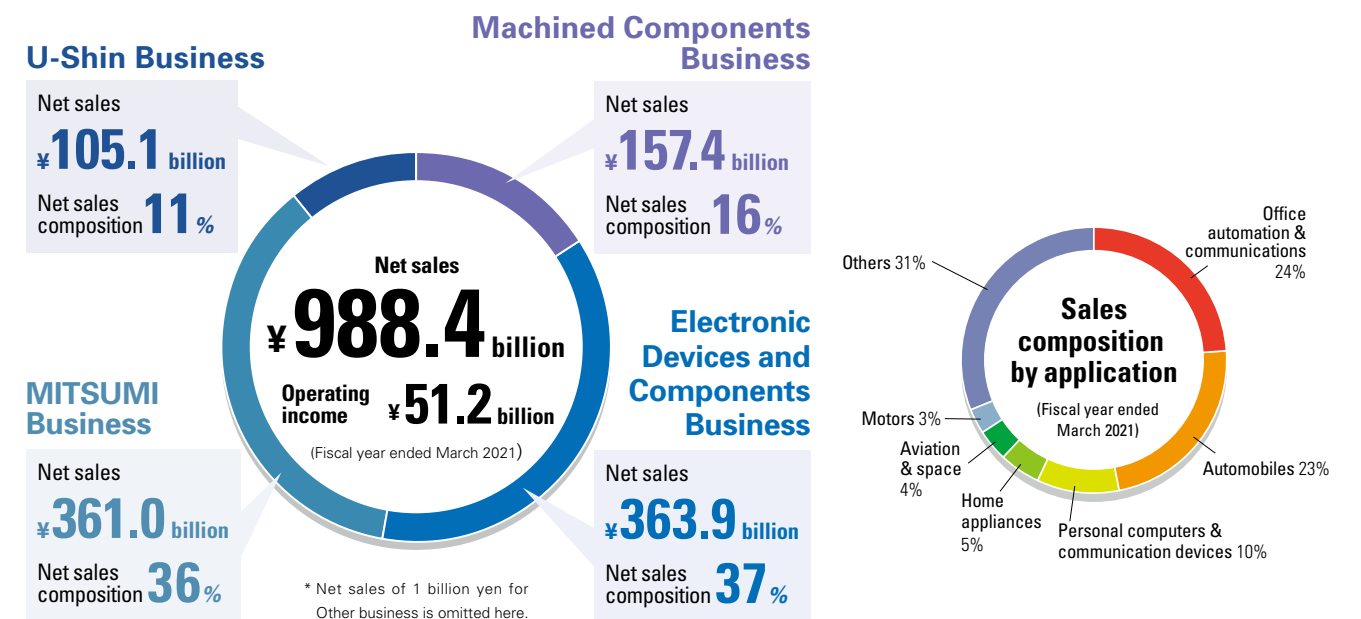


MinebeaMitsumi boasts a 60% share of the global market for miniature and small-sized ball bearings with an outer diameter of 22 mm or less. Furthermore, we have applied the **ultra-precision machining technology** and mass production technology we have cultivated through our bearing business to a variety of fields, and have created the world's smallest and thinnest products with the No. 1 share in the global market. In addition, we have an effective product mix that includes automobiles, aircraft, smartphones, medical equipment and infrastructure, and a complementary system of global production bases in Japan, the U.S., Europe and Asia, which provide us with an excellent risk diversification system and a wide range of human resources to create synergies. **The diversity of our business, production, and people is the source of our strength.**



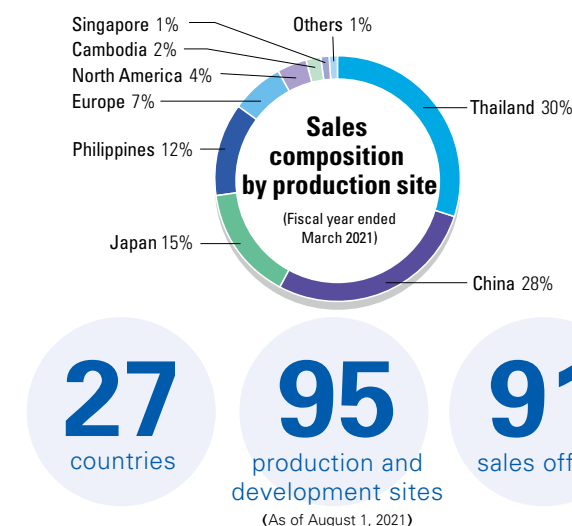
### Business

The Company set a new record high in net sales for the fiscal year ended March 2021 thanks to its diversified business portfolio.



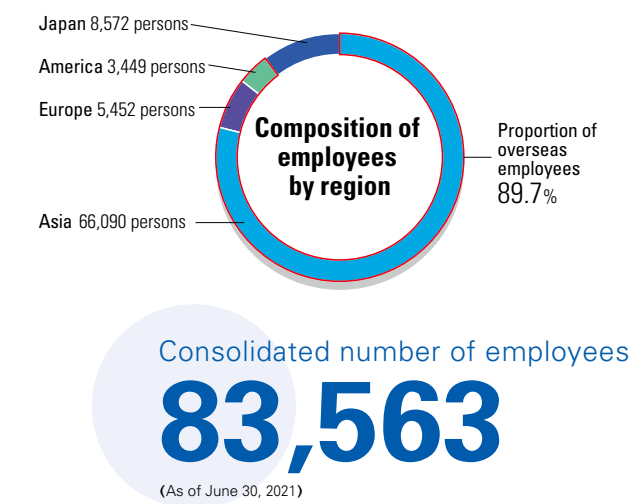
### Production

We created a global system for production and reduced exchange, disaster and geopolitical risks.



### People

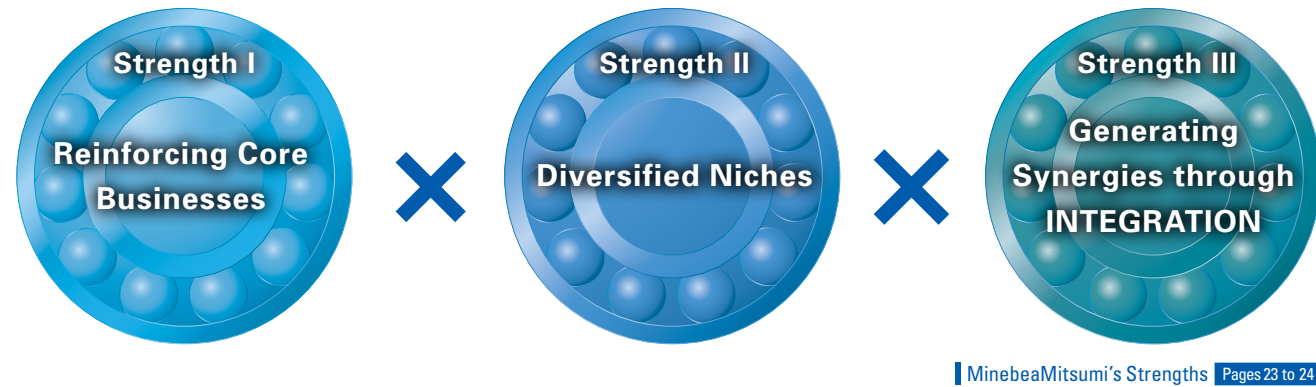
The Company serves as a global enterprise that carries out and employs 90% of its diversified workforce abroad.





### 3. Value Creation Model of MinebeaMitsumi

## Sustainable growth based on three strengths and non-financial capital



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

By combining these three strengths and creating synergies, we have created economic value as well as environmental and social value, and have accumulated financial and non-financial capital.

We will achieve sustainable growth by leveraging these synergies and further refining our three strengths.

\* INTEGRATION means "combining" rather than "simple gathering" of the Company's proprietary technologies to evolve the "Eight Spears" of core businesses and to create new products in various fields through the INTEGRATION of our advanced technology.

**Sustainable growth of MinebeaMitsumi Group**

Toward Sustainable Growth Pages 25 to 26

### Non-financial capital to build up strength

Manufactured capital	Human capital	Intellectual capital
<ul style="list-style-type: none"> <li>Vertically-integrated manufacturing</li> <li>Global operation</li> <li>Accumulated manufacturing knowhow</li> </ul>	<ul style="list-style-type: none"> <li>Global human resources</li> <li>Diversity of human resources</li> <li>Skilled workers/engineers</li> </ul>	<ul style="list-style-type: none"> <li>Ultra-precision machining technology</li> <li>Comprehensive manufacturing, engineering, development, and sales capability</li> <li>M&amp;A capability/PMI</li> </ul>

Manufactured Capital Pages 43 to 44 | Human Capital Pages 45 to 48 | Intellectual Capital Pages 49 to 50

### Fundamental philosophy

- Corporate philosophy**  
To contribute to realization of a sustainable, eco-friendly and prosperous society by providing better products, at a faster speed, in larger numbers, at a lower cost and by smarter means.
- Basic management policy**  
Transparent management based on our company credo "The Five Principles"
- Corporate slogan**  
Passion to Create Value through Difference

### Economic value created

- Environmentally friendly products that support manufacturing around the world
- Achieve and maintain the world's No.1 market share and the world's smallest and thinnest technology
- 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

- Contribution to the global environment through our products
- Social trust through provision of high quality products and fair trade
- Mass production with minimum environmental footprint
- Contribution to technological innovation through cutting-edge technology
- Diversity in human resources
- Employment and employee training in emerging countries

- Support for global environmental improvement and achievement of SDGs through corporate activities and products themselves
- Pursue business activities that harmonize the creation of environmental and social value with the creation of economic value

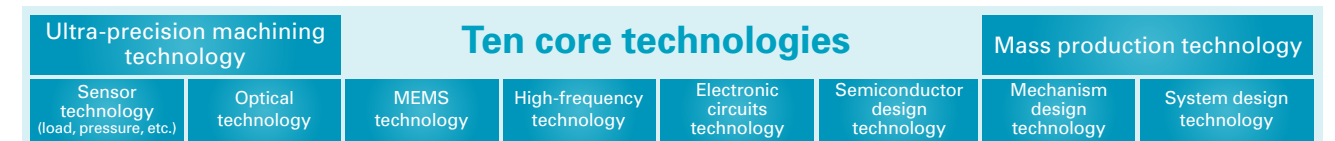
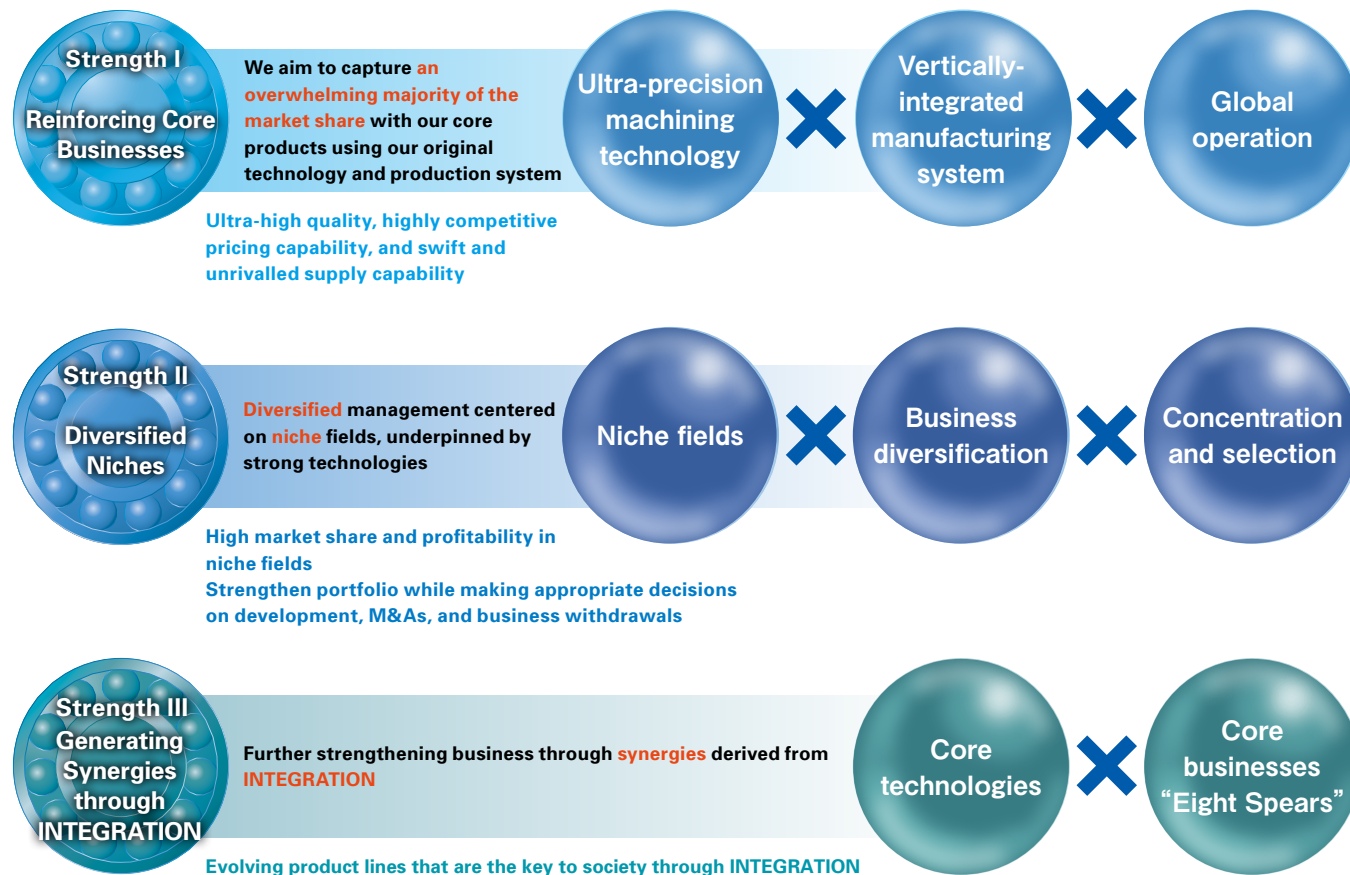
### 4. MinebeaMitsumi's Strengths

Centered on our ten core technologies, we will generate synergies through INTEGRATION

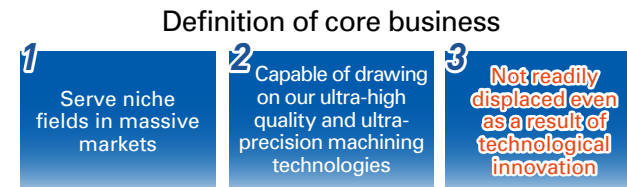
We will pursue organic growth through our core/sub-core strategy

By integrating and utilizing the ten core technologies that MinebeaMitsumi has honed, including ultra-precision machining technology and mass production technology, we will not only evolve each of the Eight Spear products in our core business, but also create new business opportunities through the INTEGRATION of evolved products. We are also developing sub-core businesses that utilize our core technologies. We will further enhance technologies and maximize earnings from our sub-core businesses functioning as cash cows. We plan to invest the created earnings to further enhance and grow our core businesses.

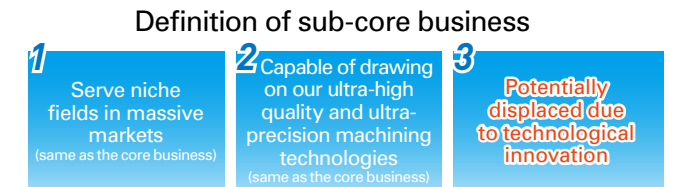
### Three strengths which create "difference"—expanding the realm of possibility



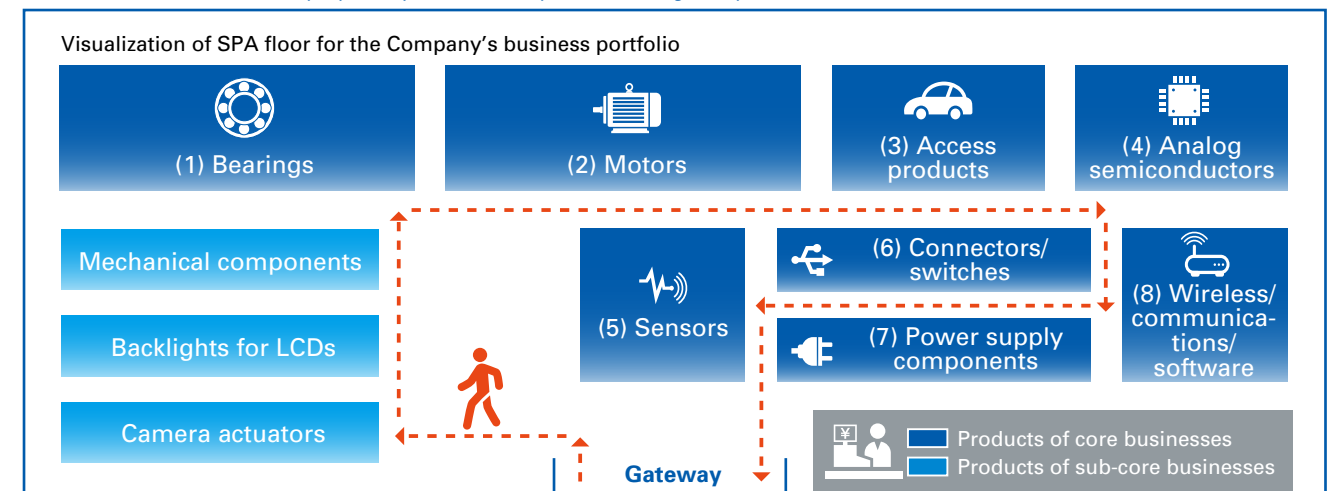
### Core businesses (Eight Spears)



### Sub-core businesses

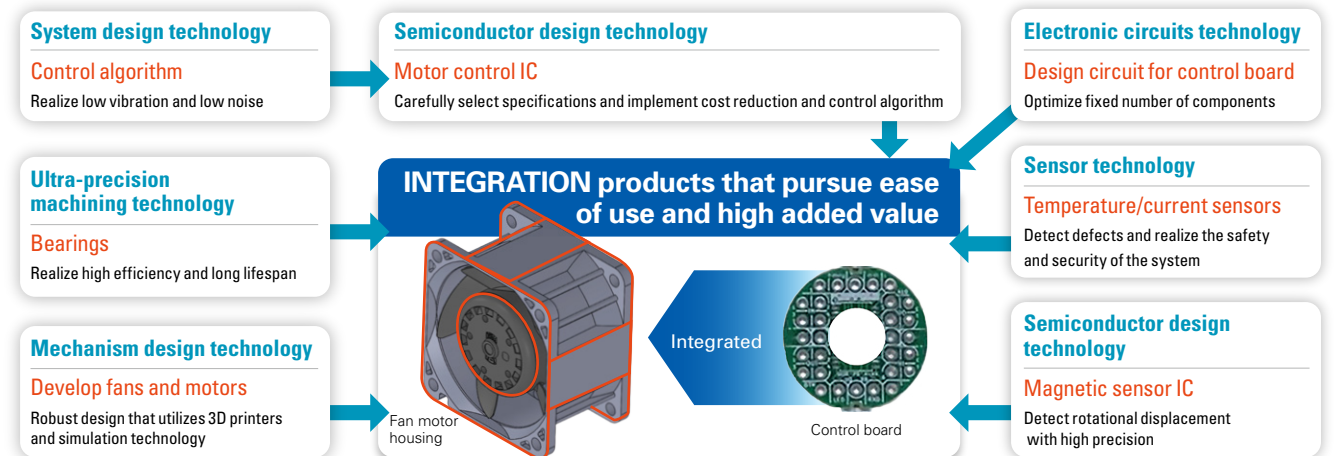


Create a product lineup that is centered on core businesses and fulfills customers needs  
 — Make MinebeaMitsumi's proprietary coordination possible through cooperation—



\*SPA stands for Specialty store retailer of private label apparel, meaning a business model which entails selling related items of apparel using a vertically-integrated approach extending from planning to manufacturing and sales.

### Example of synergies: Motor control



Realize motor control with ultra-high precision through promotion of "INTEGRATION" activities

### Creating value in various areas





## 5. Toward Sustainable Growth

# The road to an eco-friendly and prosperous society

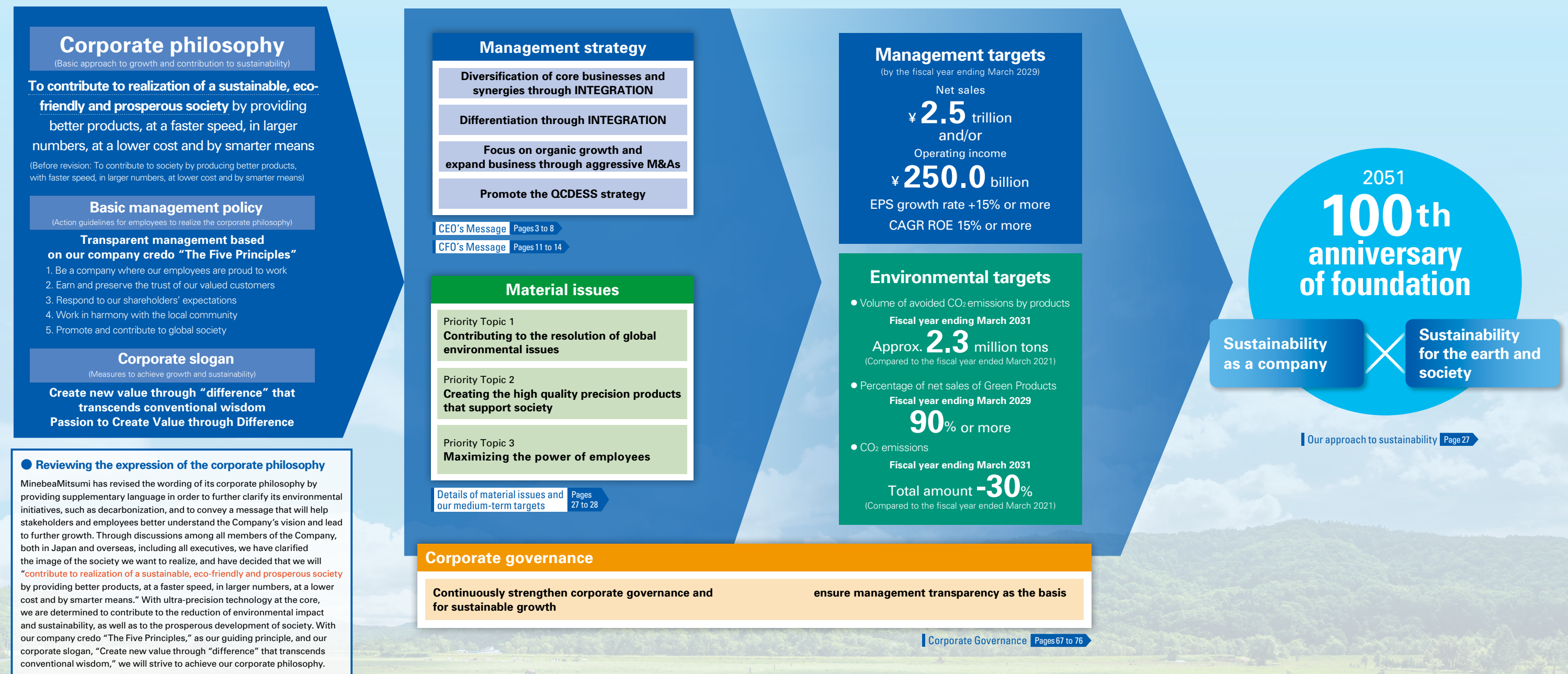
Based on the belief that “sustainability” is the essence of management, MinebeaMitsumi has reviewed the expression of its corporate philosophy with the aim of achieving both further growth for the Company and sustainable development for the earth and society in the future. In terms of management strategies, we have newly adopted the QCDESS™ strategy, which emphasizes “eco and efficiency,” as a solid foundation for MinebeaMitsumi’s 100th anniversary.

Furthermore, in order to respond quickly to changes in society such as GX (green transformation) and DX (digital transformation), we have established new committees such as the Carbon Neutral Steering Committee and the Global Information Security Steering Committee.

## Corporate activities themselves contribute to realization of a sustainable society

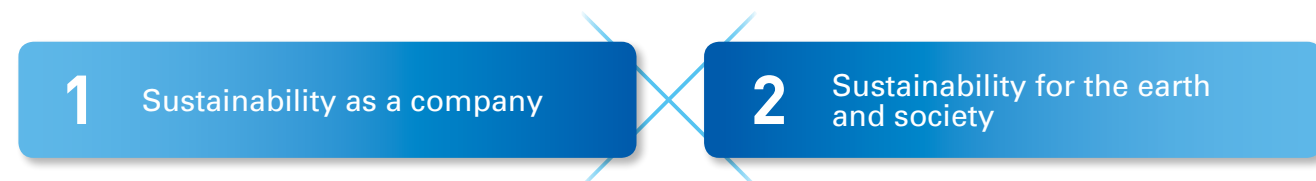
In light of changes in the external environment, such as decarbonization, we have also reexamined “material issues (Materiality)” as an important management issue. We will clarify the volume of avoided CO<sub>2</sub> emissions by our products and our own CO<sub>2</sub> emission reduction target as “contributing to the resolution of global environmental issues.” In addition, we will focus on establishment of a mass-production and stable supply system and a safe and secure management system, promotion of procurement in consideration of environmental and human rights issues, and coexistence with local communities for “creating the high quality precision products that support society.”

Furthermore, for “maximizing the power of employees,” we will promote bottom-up activities such as human resource development and the promotion of diversity. Through these measures, we will achieve our management, environmental, and other goals, and through our corporate activities, we will endeavor to develop a sustainable society.



# Sustainability at MinebeaMitsumi

## Our approach to sustainability



We are taking a two-pronged approach consisting of **1 sustainability as a company** and **2 sustainability for the earth and society**

### 1 Sustainability as a company

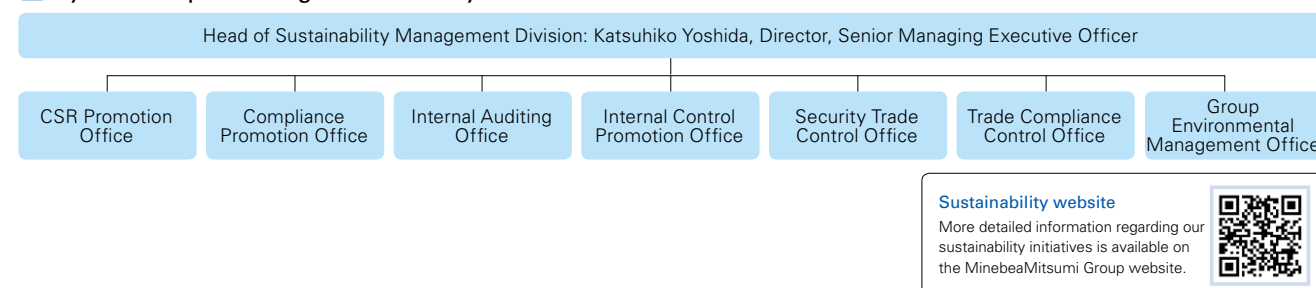
We believe that diversity of things that can be combined organically is the essence of sustainability, premised on the notion that sustainability acts as the starting point of business management. (See page 24 for an illustration of the SPA model within our business portfolio.) The Company builds and refines multifaceted and decentralized frameworks across areas that include manufacturing sites, markets, and technological development, in addition to products, in a manner whereby such frameworks act as a source of the Company's competitiveness. Our policy is to boldly invest our business

resources in a manner that reinforces our efforts relating to the environment, society and corporate governance, encompassing execution of such business activities in order to facilitate sustainable growth.

### 2 Sustainability for the earth and society

At the same time, as a manufacturer of precision products supporting society, we are "working toward stable supply and making reliable products with low energy consumption widely available" to contribute to the sustainable development of the global environment and of humanity.

### System for promoting sustainability



## Priority topics/Material issues (Materiality)

In 2019, the Company identified material issues focused on fulfillment of corporate social responsibility (CSR).

Due to changes in the external environment, including heightened interest in environmental issues, we revised the material issues that had been put together from the standpoint of CSR as "management issues" for implementing strategies from a company-wide perspective.



- "Contributing to solutions to environmental issues" refers to "reduction of global CO<sub>2</sub> emissions through environmentally friendly products" leveraging INTEGRATION and the ultra-precision machining technology that is our biggest strength. We are working on this together with "minimizing the environmental impact of business activities."
- "To create the high quality precision products that support society," thereby contributing to the environment, we work on "strengthening the system for mass and stable supply of ultra-precision components" and "practicing responsible procurement" while also promoting "coexistence with local communities" at manufacturing and other business sites, including job creation and collaboration with local residents.
- The source of this value creation is our human resources. Aiming to "maximize the potential of our employees," we seek to "train human resources and promote diversity on a global scale" while working to "create positive and rewarding work environments" for employees and promote "employee health and safety."

### Initiatives for material issues

Priority Topic 1	Contributing to solutions to environmental issues	
Material issues	Primary medium-term targets (aiming for around fiscal 2025)	Main SDGs that it contributes to
1 Reduction of global CO <sub>2</sub> emissions through environmentally friendly products	<ul style="list-style-type: none"> <li>Volume of avoided CO<sub>2</sub> emissions by products: Approx. 2.3 million tons (fiscal year ending March 2031)*</li> <li>Percentage of net sales attributable to Green Products: 90% or more (fiscal year ending March 2029)</li> </ul>	  
2 Minimizing the environmental impact of business activities	<ul style="list-style-type: none"> <li>10% reduction of CO<sub>2</sub> emissions per unit sales compared to the fiscal year ended March 2020 (fiscal year ending March 2026)</li> <li>30% reduction of total CO<sub>2</sub> emissions compared to the fiscal year ended March 2021 (fiscal year ending March 2031)</li> </ul>	
Priority Topic 2	Creating the high quality precision products that support society	
Material issues	Primary medium-term targets (aiming for around fiscal 2025)	Main SDGs that it contributes to
3 Strengthening the system for mass and stable supply of ultra-precision components	<ul style="list-style-type: none"> <li>Development of mass production system for ultra-high-performance bearings and other products through substantial improvement in precision</li> <li>Strengthen product safety management system capable of supporting products in new fields through business expansion</li> </ul>	   
4 Practicing responsible procurement	<ul style="list-style-type: none"> <li>Enhancement of CSR procurement guidelines considering environmental and human rights issues (introduction of RBA standards in guidelines and implementation of self-audits based on them)</li> </ul>	
5 Coexistence with local communities	<ul style="list-style-type: none"> <li>Ongoing communication with local communities</li> </ul>	
Priority Topic 3	Maximizing the power of employees	
Material issues	Primary medium-term targets (aiming for around fiscal 2025)	Main SDGs that it contributes to
6 Global human resources development	<ul style="list-style-type: none"> <li>Strengthen human resources development to actively promote expansion and development of business operations worldwide by leveraging benefits of the integration synergy of the MinebeaMitsumi Group</li> </ul>	 
7 Global promotion of diversity	<ul style="list-style-type: none"> <li>Percentage of women among new graduate hires: 20% or more</li> </ul>	 
8 Creating positive and rewarding work environments	<ul style="list-style-type: none"> <li>Achieve diverse styles of work that enable employees to work enthusiastically</li> </ul>	
9 Employee health and safety	<ul style="list-style-type: none"> <li>0 incidents of serious workplace injuries (fatal accidents)</li> <li>100% compliance with regular health checkups</li> </ul>	

\* Details of the volume of avoided CO<sub>2</sub> emissions by products [Pages 55 to 56](#)

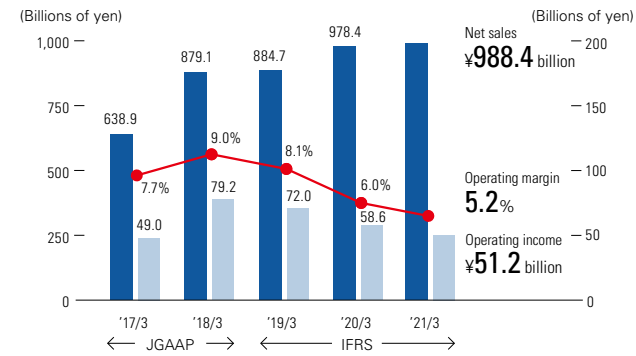
Results vs. targets, short-term targets, and all medium-term targets can be viewed from here.



# Financial & Non-financial Highlights

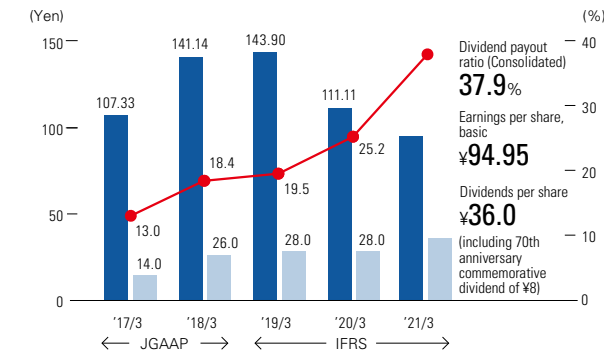
## Financial highlights

### Net sales, operating income and operating margin



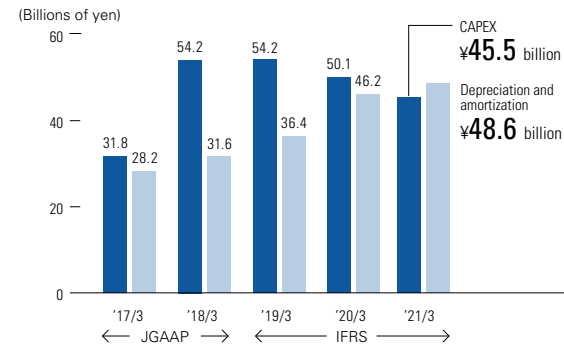
In order to realize a further increase in profitability, we have been concentrating on cutting costs, creating high-value-added products, developing new technologies, and enhancing our marketing promotion, and as a result reached record highs in net sales.

### EPS and dividends



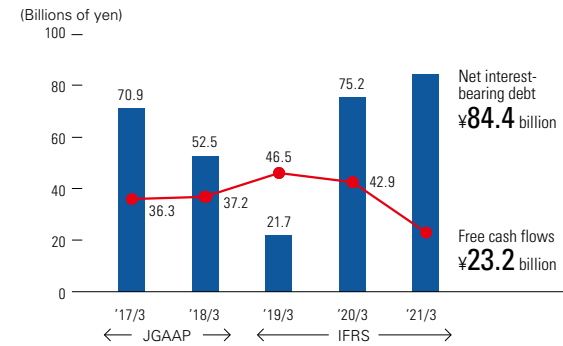
An 8-yrn commemorative dividend for the 70th anniversary was added to the year-end dividend, bringing it to 22 yen. This was done to express our gratitude to our shareholders and bring shareholder returns to a level that better reflects business performance. The dividend for the fiscal year ended March 2021 came to 36 yen.

### CAPEX, depreciation and amortization



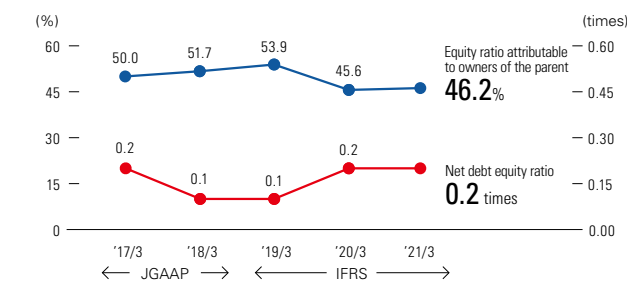
CAPEX was incurred mainly due to investment undertaken to strengthen operations in the Electronic Devices and Components business.

### Net interest-bearing debt and free cash flows



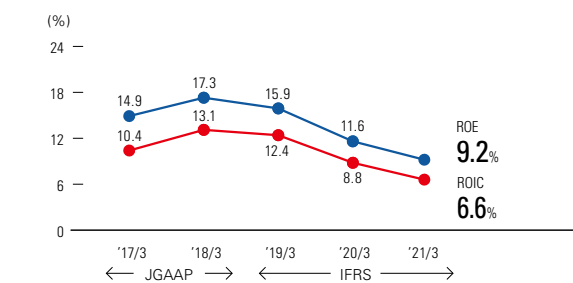
Net interest-bearing debts increased as a result of the business integration with ABLIC and the purchase of additional shares of consolidated subsidiary C&A TOOL ENGINEERING, INC.

### Equity ratio attributable to owners of the parent and net debt equity ratio



The equity ratio attributable to owners of the parent improved year on year, while the net debt equity ratio remained at the same level. We maintain financial discipline.

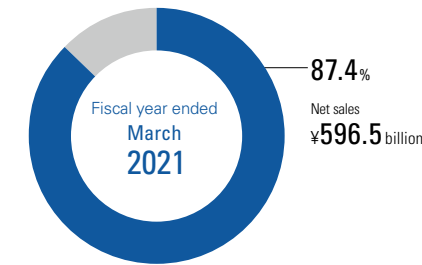
### ROE and ROIC



ROE and ROIC decreased due primarily to the impact of the sudden drop in orders in the first quarter associated with COVID-19 and one-time expenses in the fourth quarter (including U-Shin structural reform expenses in Europe).

## Non-financial highlights

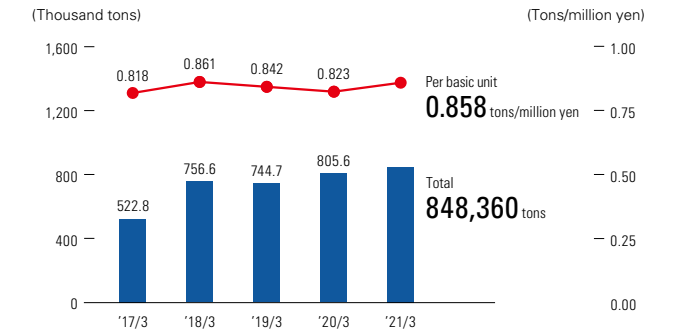
### Percentage of net sales of Green Products



The net sales of Green Products in the fiscal year ended March 2021 amounted to 596.5 billion yen, which was 87.4% of the total net sales (excluding products that cannot be designed in-house).

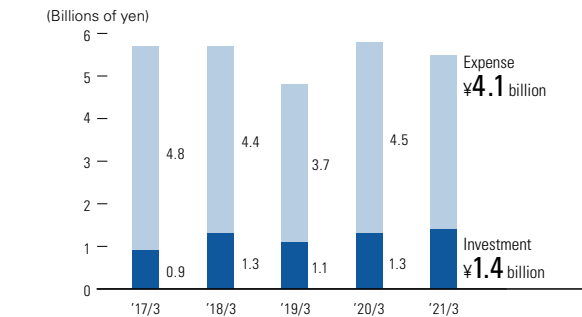
[Green Products](#) [Page 54](#)

### CO<sub>2</sub> emissions



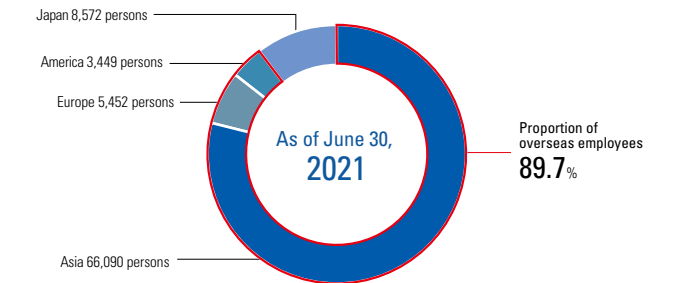
We address the matter of CO<sub>2</sub> emissions related to global warming in terms of total volume and per basic unit of output. In the fiscal year ended March 2021, our CO<sub>2</sub> emissions increased 5.3% in total volume and 4.3% per basic unit of output, in comparison with the previous fiscal year.

### Environmental conservation costs



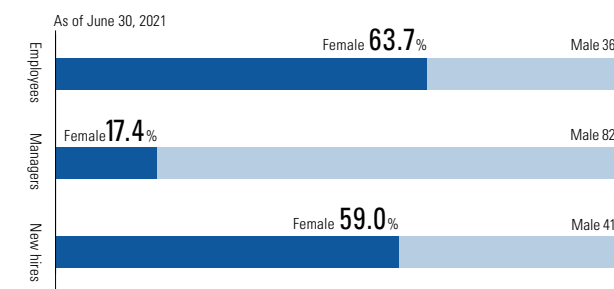
Environmental conservation costs are calculated as the total of investment and expense on the basis of the "Environmental Accounting Guidelines 2005" published by Japan's Ministry of the Environment. We incurred 5.5 billion yen in environmental conservation costs which encompassed investment and expense combined in the fiscal year ended March 2021.

### Number of employees by region



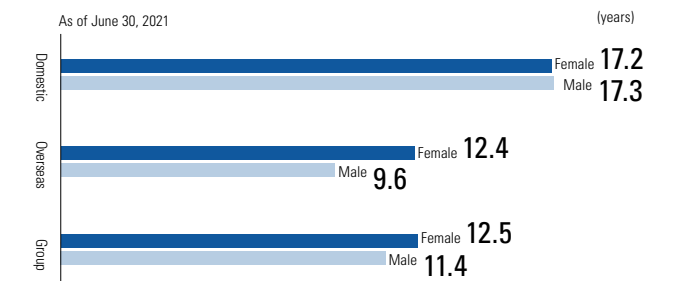
The Group's proportion of employees based overseas is high at 89.7% given that some 70% of its net sales are generated outside of Japan and roughly 90% of its production takes place abroad.

### Proportion of female employees (employees, managers, and new hires)



We have been creating workplace environments where our diverse group of employees is able to maximize their talents. This involves promoting the empowerment of our female employees with the aims of creating new values and competitiveness. Female accounted for 63.7% of our employees and 17.4% of our managers as of March 31, 2021.

### Average of working years by gender



The average years of service for female employees of the overall Group is high, and there are no substantial gender differences in that regard. As such, we are taking steps to develop workplace environments where it is possible for employees to continue working after having taken childcare leave.