Machined Components

Aim to achieve strong growth on the back of increasing structural demand, particularly for ultra-high quality products and overwhelming competitive edge

Managing Executive Officer
Chief of Machined Component
Business Headquarters
Satoshi Mizuma

Overview of the fiscal year ended March 2021

Sales of miniature & small-sized ball bearings, our mainstay product, increased due to steady demand in data centers. Rod-end bearing sales decreased due to decreased aircraft-related demand. Pivot assembly sales were down due to shrinking of the HDD market.

As a result, net sales were 157.4 billion yen, operating income was 31.2 billion yen, and operating margin was 19.8%.

Outlook for the fiscal year ending March 2022

Demand for ball bearings has been increasing strongly in a wide range of applications, especially for automobiles and data centers.

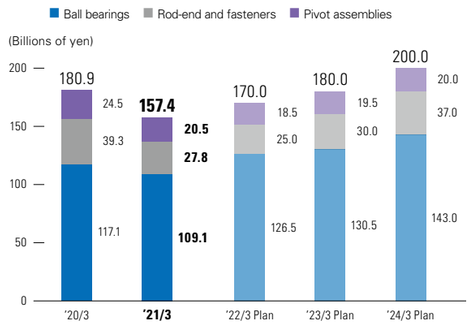
Business for aircraft applications, including rod-end and fasteners, is assumed to remain at the same level as the previous fiscal year at the beginning of the fiscal year. Demand for pivot assemblies is expected to decline due to the contraction of the HDD market.

Midterm Business Plan

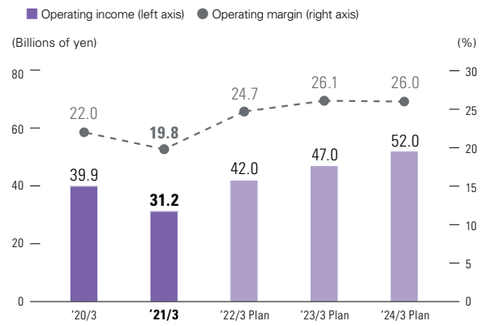
Ball bearing growth bounces back from aircraft slump

Main points	
1	Sales of ball bearings **Production capacity to match external sales volume, especially for automobiles and data centers**
2	Production of ball bearings **Establish a system to produce 345 million units per month**
3	Rod-end and fasteners **Strengthen our structure in anticipation of a significant recovery in demand after COVID-19**
4	**Establish a mass production system for ultra-high performance bearings with greatly improved accuracy**

Net sales



Operating income/operating margin



* '22/3 - '24/3 plans are as of May 2021.

Overview of the fiscal year ended March 2021 — Highlights of the Machined Components

Net sales composition	ROIC	External sales volume of ball bearings	Production volume of ball bearings
16%	19%	Approx. 210 million units/month (+ Internal sales 55 million units/month)	Approx. 260 million units/month

Basic strategies for next 10 years

Our basic strategy for the Machined Components is to maintain stable and sustainable growth in our core business since the establishment of the Company, and to maximize the growth areas by expanding the portfolio. To such ends, we have been increasingly fortifying the business of miniature and small-sized ball bearings which already boast overwhelming competitive advantages in the market, while taking steps to further strengthen the earnings base by actively pursuing M&As aiming to acquire new technologies and expand the business portfolio.

Core competencies

Through the fundamental strength of the Company's DNA, including ultra-precision machining, vertical integration, global development, and mass production, we are securing a dominant market share and high-level QCD*. By pursuing overseas development early and strengthening our in-house manufacturing and maintenance capabilities for components and facilities, we have succeeded in balancing ultra-high quality and low costs. The accumulation of knowhow over many years forms a barrier to entry that cannot be measured in terms of capital investment, making entry practically impossible for competing manufacturers.

* Abbreviation for quality, cost, and delivery.

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

We are developing products with a relatively large outer diameter of up to 100 mm as new initiative in the ball bearing business. The main target is for the main motors of new energy vehicles (NEVs), which require technologies for high-speed rotation, electric corrosion resistance, durability, and power saving. In addition to the core technologies that we have established for miniature and small-sized bearings, we can utilize the technological capabilities of our group companies.

Specifically, Europe's myonic has a strong track record in ultra-high speed rotation applications, and CEROBEAR has a strong track record in developing products using ceramics. NHBB in the U.S. develops products using heat-resistant steel and other special materials, and also produces large bearings.

In this way, we will combine the technologies of the entire group to open up new fields.

MinebeaMitsumi Japan/Asia
- The world's No. 1 share in miniature and small-sized bearings
- Low-cost, mass production technology
- Element development technology (Materials, tribology)

myonic Europe
- Development and production for medical- and aerospace-related applications
- Strong for applications handling high speed rotation

Technology INTEGRATION

NHBB America
- Development and production of special bearings for aviation and medical applications
- Small to large diameters

CEROBEAR Europe
- Ceramic material technology (aircraft, F1, industrial machinery)
- Custom made development and production (up to large sizes)

Creating solutions to social issues

In the age of carbon neutrality, we believe that it is very important for set manufacturers to reduce CO_2 emissions through their products. For this reason, it will be necessary to procure eco-friendly parts.

With this future trend in mind, we have launched a new product strategy for miniature and small-sized bearings, in which we are working to improve quality to an overwhelming level. By using our bearings, it will be possible to reduce CO_2 emissions even more drastically than before. As a result, we will be able to further strengthen our earnings base by adding the element of green to quality, which is one of the sources of our competitiveness: quality, supply capacity, and price.

We will continue our efforts to manufacture products with the aim of reducing our environmental impact.