

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



Director, Vice President Executive Officer
Chief of MITSUMI Business Headquarters
Ryozo Iwaya

Overview of the fiscal year ended March 2021

Sales of mechanical components increased due to an increase in demand caused by global restrictions on going out. Analog semiconductors enjoyed increased sales due to new consolidation of ABLIC and orders received performing well.

As a result, net sales were 361.0 billion yen, operating income was 19.8 billion yen, and operating margin was 5.5%. Operating income effectively increased significantly, compared with the previous fiscal year, considering the temporary expense of approximately 4.0 billion yen in optical devices and analog semiconductors combined.

Outlook for the fiscal year ending March 2022

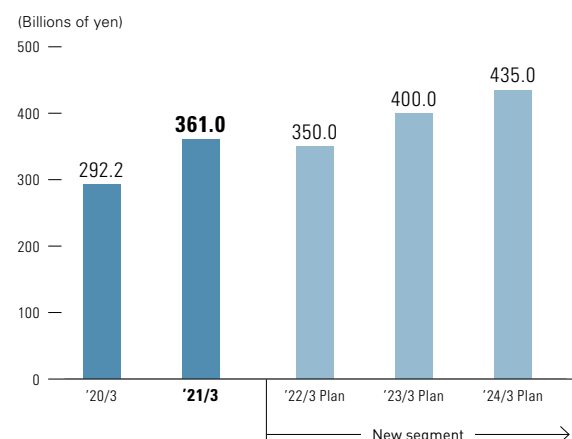
Sales and income are expected to increase in optical devices due to an increase in models with new added value among major customers. Analog semiconductors are expected to continue to perform well.

Midterm Business Plan

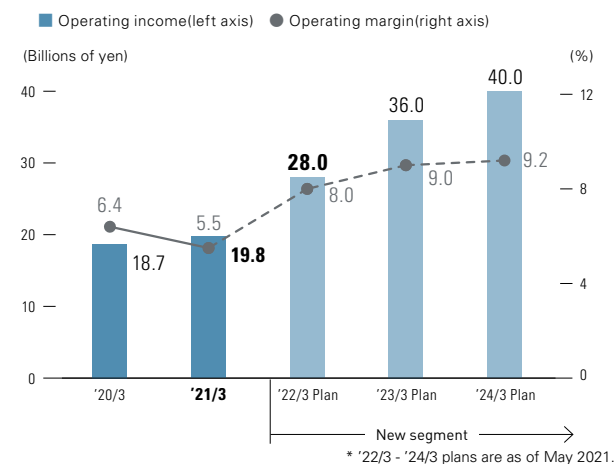
Establishing a profit structure not dependent on games

Main points	
1	Optical devices Further enhancing presence in the industry
2	Analog semiconductors Accelerating growth through synergies and organically
3	Mechanical components Utilizing INTEGRATION to develop new OEM business
4	Connectors/switches/power supply Focus for NEXT semiconductors

Net sales



Operating income/operating margin



Overview of the fiscal year ended March 2021

Highlights of the MITSUMI business

Net sales composition

36%

ROIC

12%

Mechanical components

Sales and income increased

Analog semiconductors

Significant income increase

(Excluding temporary expenses)

Basic strategies for next 10 years

MinebeaMitsumi is well aware that the key challenge to secure the absolute permanence of the MITSUMI business is to facilitate robust growth in 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 activities on companies thought to be able to effectively utilize these businesses.

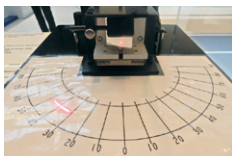
Core competencies

The source of our competitiveness is the technological development capabilities we possess that is required for ultra-precision processing typified by sensors, optics, MEMS (microelectromechanical systems) high-frequency technology, electric circuit 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.

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

We are focused on developing a new product aimed at LiDAR, which is thought to be indispensable for advanced autonomous driving technology for automobiles. It controls LiDAR mirrors with high speed and high precision using a rotary motion actuator that spins in both directions created in the Company's own magnetic circuit design called LATM*. Miniature and small-sized ball bearings are one of the key technologies utilized in this. In contrast to normal bearings

that only rotate in one direction, LATM bearings have very stringent requirements because they oscillate (bidirectionally), but this was made possible through the experience with bearings we have accumulated over many years. Moving forward, we will continue to create and propose new added value integrated with our core technologies.



* Limited Angle Torque Motor

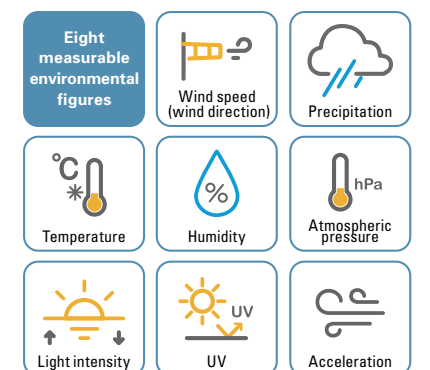
Creating solutions to social issues

As climate change progresses globally, increasing emphasis is being placed on the analysis and visualization of factors of natural disasters based on a variety of environmental data, and also the prediction of events and impacts that may occur. Since the founding of its predecessor, MITSUMI ELECTRIC, the MITSUMI business strength has been its sensor technology in addition to technological development in connectivity, including high-frequency technology and wireless communication technology, providing substantial business opportunities aimed at the creation of environmental monitoring systems.

For example, the Company's MEMS technology can be utilized to measure temperature, humidity, air pressure, air flow, rainfall and ultraviolet rays simply, with a single compact device. Furthermore, ABLIC's batteryless

technology and the MEMS business recently acquired from OMRON Corporation will combine to further expand areas where the technology can be deployed.

In this way, we will strive to enhance environmental quality by actively engaging in the resolution of a variety of social issues.



Examples of data measurable using the Company's integrated environmental sensors