

U-Shin Business

Work to achieve a quick turnaround in the European business, maximize synergies, and boost the competitiveness mainly in the automotive devices business

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Overview of the fiscal year ended March 2021

Sales of automotive components were down substantially due to deceleration of the automotive market mainly in the first quarter. This is due to a considerable decline in production resulting from the impact of restrictions on operations centered in Europe stemming from the spread of COVID-19. Sales continued to improve from the second quarter on due to a recovery in the market.

As a result, net sales were 105.1 billion yen, operating loss was 1.9 billion yen, and operating loss ratio was 1.8%. Considering that the operating loss occurred due to the temporary expense of approximately 4.3 billion yen related to structural reform, operating income was effectively the same level as the previous fiscal year.

Outlook for the fiscal year ending March 2022

Sales and income are expected to improve due to a recovery in the automotive market. With regard to the structural reforms in Europe, we plan to reduce personnel by March 31, 2022.

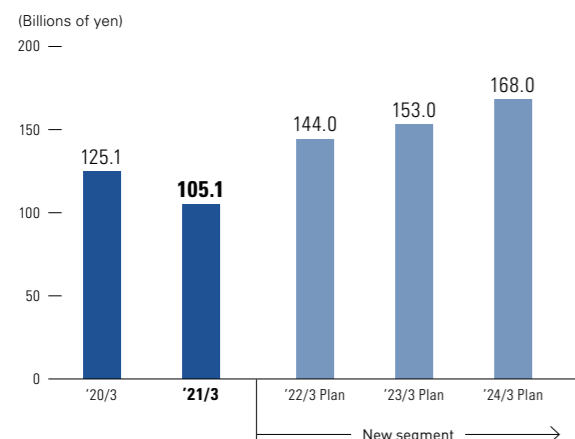
Midterm Business Plan

Improving performance by focusing on growth areas

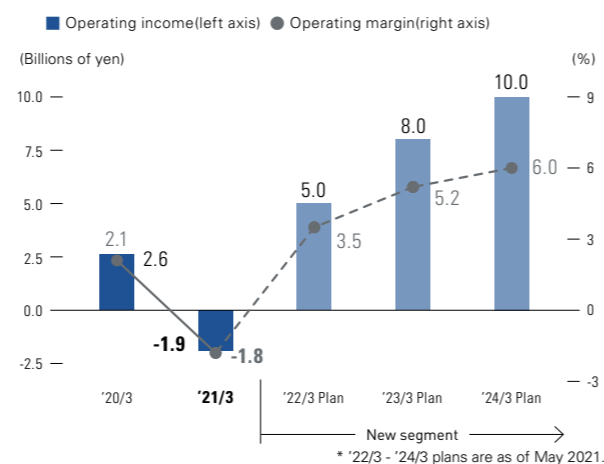
Main points

- 1** Structural reform (1)
A reduction of 300 personnel in Europe will contribute to profit from next fiscal year
- 2** Structural reform (2)
Departure from low-priced products
- 3** Acceleration of shift to high value-added products
(1) CSD (2) Flush handle (3) e-Latch
- 4** **Results of INTEGRATION strategy beginning to emerge**

Net sales



Operating income/operating margin



Overview of the fiscal year ended March 2021

Highlights of the U-Shin business

Net sales composition

11%

ROIC

-2%

Cost cutting

through higher rate of in-house manufacturing

New products

that combine technologies of Group companies

Basic strategies for next 10 years

Our basic strategies in the U-Shin business are to achieve a turnaround in the European business and to generate synergies, and then we will focus attention on automotive business while expanding housing equipment. To achieve this, we aim to improve quality, raise productivity, and strengthen its managerial control framework, in addition to improving profitability in the early stages by enlisting the Group's global human resources and manufacturing expertise going forward, while establishing competitive products through INTEGRATION of technologies.

Core competencies

Our core competency is our all-in-one know-how from development and design through production for systems in a range of automotive fields—from mechanical structures to electronic technology and software. At the Hiroshima mother plant, in addition to an all-in-one system including product development, prototyping, mass production, market rollout, and quality assurance, we protect from leaking valuable know-how through the in-house manufacturing of core components centered on molds.

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

Integrating the product development capabilities of MinebeaMitsumi will enable significant contributions to developing open/close mechanisms of automobiles. One example is CSD* for power liftgates, which are becoming more widely installed in vehicles year by year. MinebeaMitsumi products are used for the motors and bearings at the heart of CSD, and the Company steadfastly produces high quality products through concentrated production of motors, harness ASSY and gearboxes as a unit. In addition, we will create differences with other companies by developing a common engine through our unique modularization/actuatorization, with the aim of

increasing sales with a view to obtaining new customers based on MinebeaMitsumi's efficient production system.

* Compact Spindle Drive



Creating solutions to social issues

We believe we can contribute to the creation of welfare vehicles and vehicles more accessible to people requiring care and the elderly through the spread of digital keys using smartphones.

e-Access independently developed by the Company is a technology linking a system encompassing key authentication to unlocking and opening doors with a smartphone. This enables the vehicle to automatically open and close powered doors according to the position of the smartphone. For example, when a person approaches a vehicle door with a smartphone, the door opens automatically, and it closes automatically

when moving away from the vehicle. Furthermore, the door lock is automatically opened by lightly gripping the outer handle, and the door can be closed by automatically locking it completely when it is half open. In this way, by leveraging the characteristics of automation and electrification for hands-free control of opening and closing doors, it is possible to provide greater convenience to users.

Moving forward, we will continue to contribute to society through the provision of secure and safer products utilizing our technologies.