

## 1. History of MinebeaMitsumi

# Organic growth × 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 over 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.

### Founded in 1951

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



Karuizawa Plant (Japan)

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**

### 1970

#### Organic growth

1972 Our first own overseas plant is constructed in Singapore

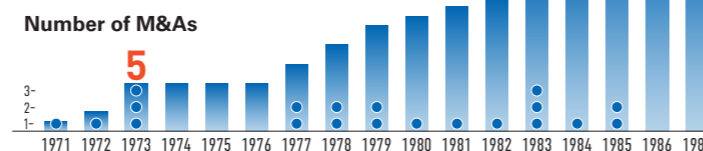
#### M&As

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

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



The corporate profile can be viewed from here.



### 1980

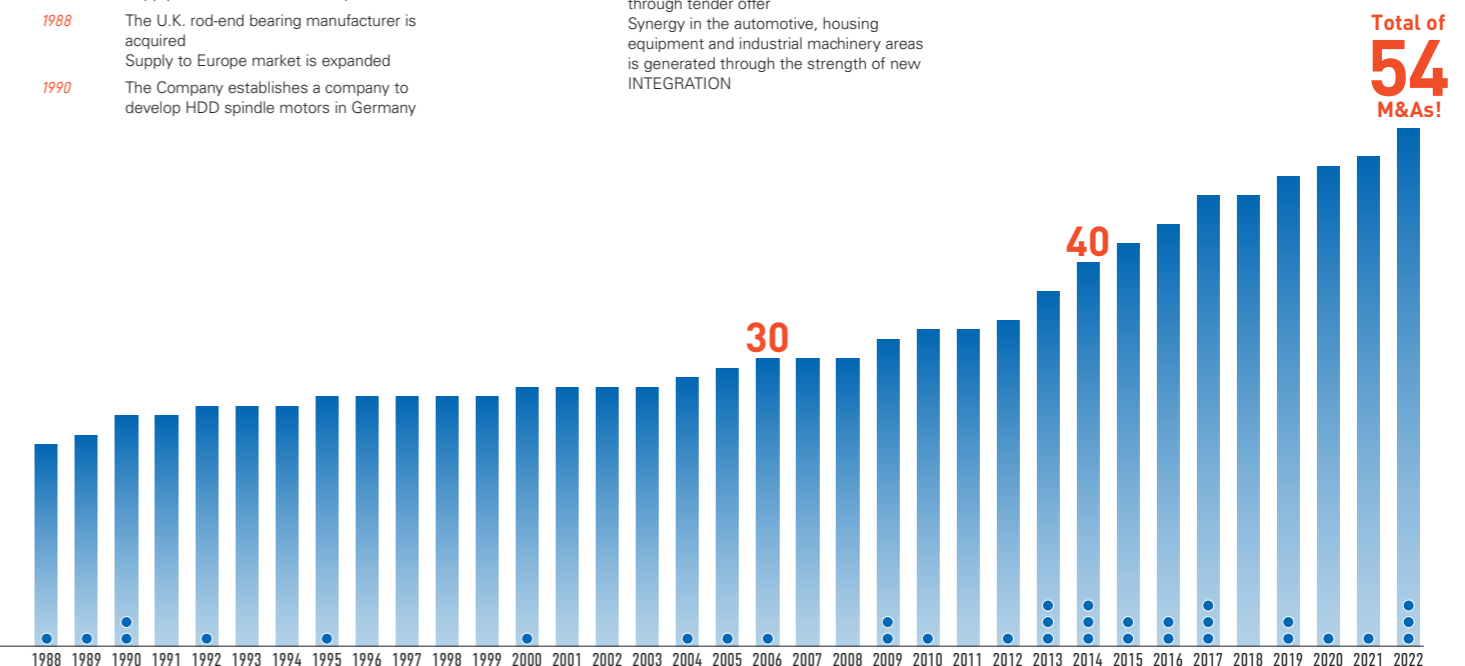
- 1980 Ayutthaya Plant is established. The Company advances for the first time into Thailand, the Group's largest facility
- 1984 Bang Pa-in Plant is established as the second facility in Thailand
- 1986 Hamamatsu Plant is established. Development in the electronic devices and components area is expanded
- 1988 Lop buri Plant is established in Thailand. Production in the electronic devices and components area is expanded
- 1994 MINEBEA ELECTRONICS & HI-TECH COMPONENTS (SHANGHAI) LTD., (our first plant in China) is established, which produces bearings and fan motors from parts in a vertically-integrated manner
- 1980 The Company commences the production of small-sized ball bearings
- 1985 The U.S. ball bearing manufacturer is acquired. Supply to the U.S. market is expanded
- 1988 The U.K. rod-end bearing manufacturer is acquired. Supply to Europe market is expanded
- 1990 The Company establishes a company to develop HDD spindle motors in Germany

### 2000

- 2010 Our plant is established in Cambodia, and commences production the next year. Risk diversification, expansion of production and reduction of costs
- 2010 Suzhou Plant is established to expand production of LED backlights
- 2018 Kosice Plant in Slovakia commences production. Supply to Europe market is expanded
- 2010 Production of brushless motors is commenced. Product lineup of motors is expanded
- 2015 A major manufacturer of measuring components in Germany is acquired. Production and supply in Europe and India are expanded
- 2017 Business integration with MITSUMI ELECTRIC through share exchange. Growth of each business is accelerated as an "Electro Mechanics Solutions" provider that integrates control technology with machine and electronic technology
- 2019 Business integration with U-Shin Ltd. through tender offer. Synergy in the automotive, housing equipment and industrial machinery areas is generated through the strength of new INTEGRATION

### 2020

- 2020 New building is completed at the Akita Business Division. Development of automotive business is strengthened
- 2021 New multi-purpose plant building is constructed on the Bang Pa-in Plant in Thailand. Production capacity for a variety of future products is increased
- 2022 Karuizawa Technology Center is established. Development of machined components is strengthened
- 2020 Business integration with ABLIC through acquisition of its shares. The Company's presence in the analog semiconductor market is strengthened
- 2021 8-inch analog semiconductor plant (fab) and MEMS business is acquired from OMRON Corporation. Production of analog semiconductors is expanded
- 2022 TOB for acquisition of shares of Honda Tsushin Kogyo Co., Ltd. is begun. Acquisition of shares of SUMIKO TEC CO., LTD. is announced. Acquisition of shares of Honda Lock Mfg. Co., Ltd. is announced



#### 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.

#### 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 business 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



#### 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.

#### 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 23 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.

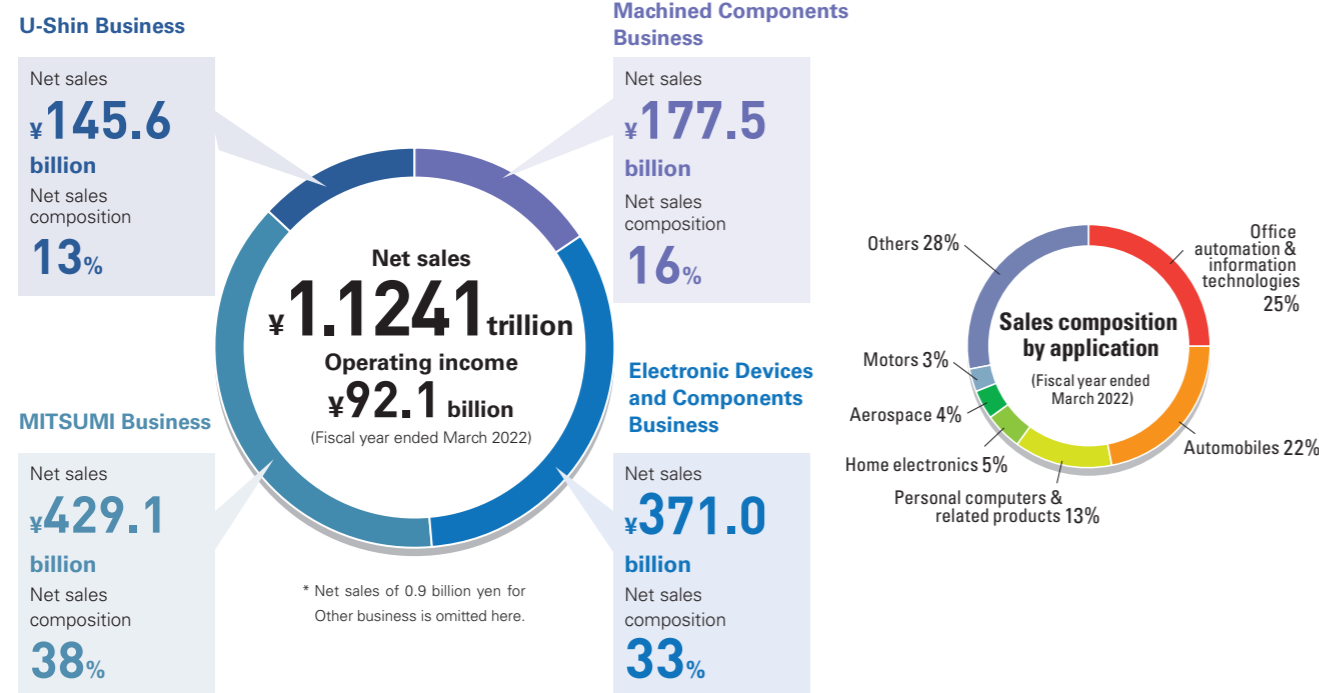
## 2. MinebeaMitsumi Today

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



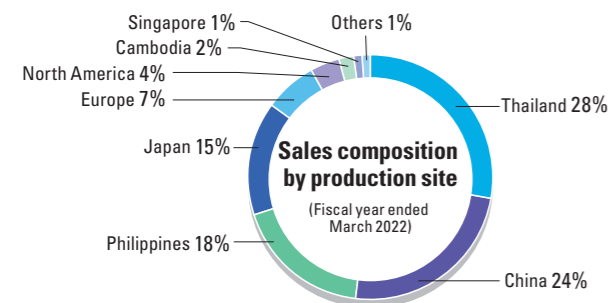
### Business

The Company set a new record high in net sales and operating income for the fiscal year ended March 2022 thanks to its diversified business portfolio.



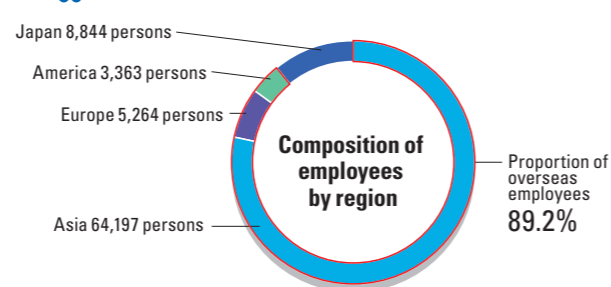
### Production

We created a global production framework 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.



Consolidated number of employees  
**81,668**

(As of June 30, 2022)

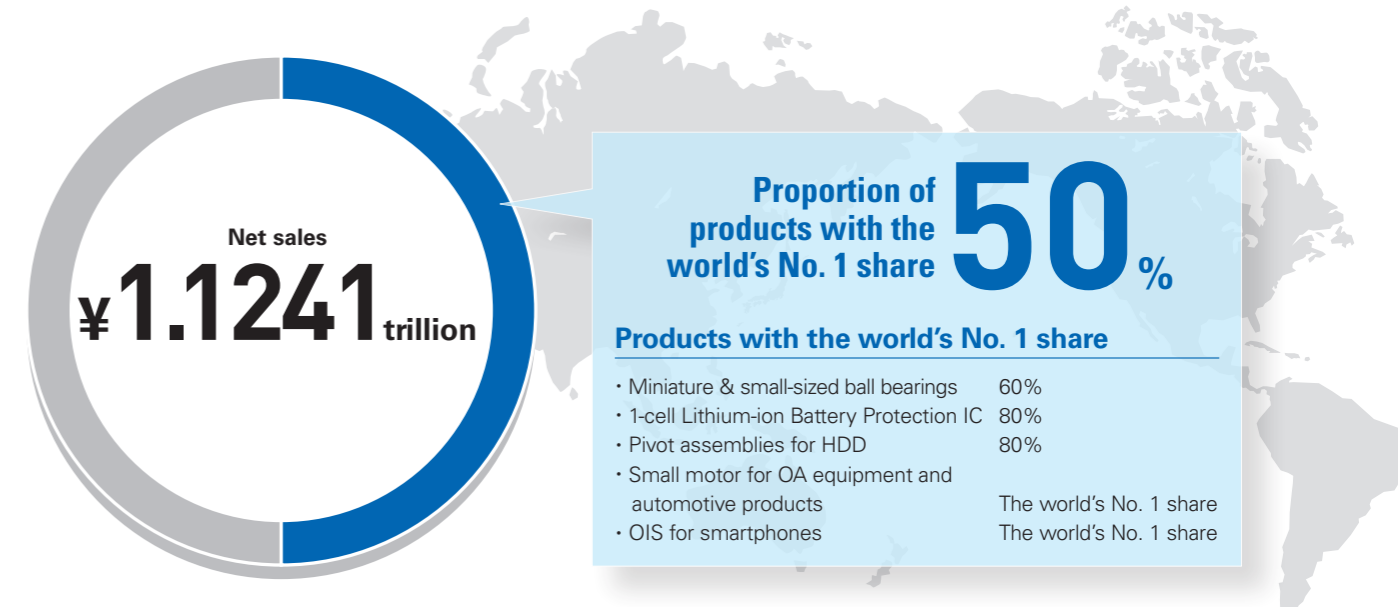
**27**  
countries

**96**  
production and R&D bases

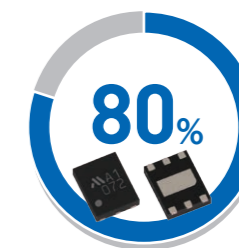
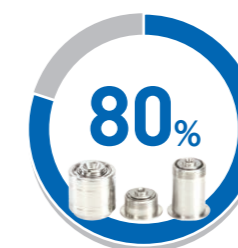
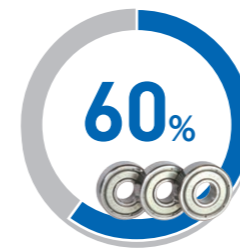
**87**  
sales offices

(As of August 1, 2022)

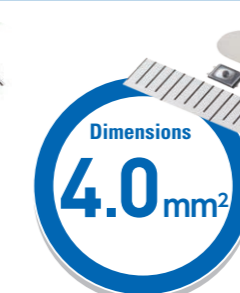
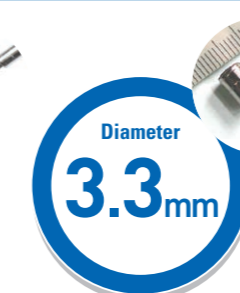
MinebeaMitsumi boasts a 60% share of the global market for miniature and small-sized ball bearings with an outer diameter of 22 mm or less. Furthermore, by applying the ultra-precision machining technology and mass production technology we have cultivated through our bearing business to a variety of fields, we have created products with the No. 1 share\* in the global market, as well as the world's smallest and thinnest products. Our global No. 1-share products account for approximately 50% of our net sales. In addition, we have an effective product mix including automobiles, aircraft, smartphones, medical devices and infrastructure, and a complementary system of global production bases in Japan, the U.S., Europe and Asia. These provide us with an excellent risk diversification system and a wide range of talents to create synergies. The diversity of our business, production, and people is the source of our strength.



### The world's No. 1 share



### The world's smallest



### The world's thinnest

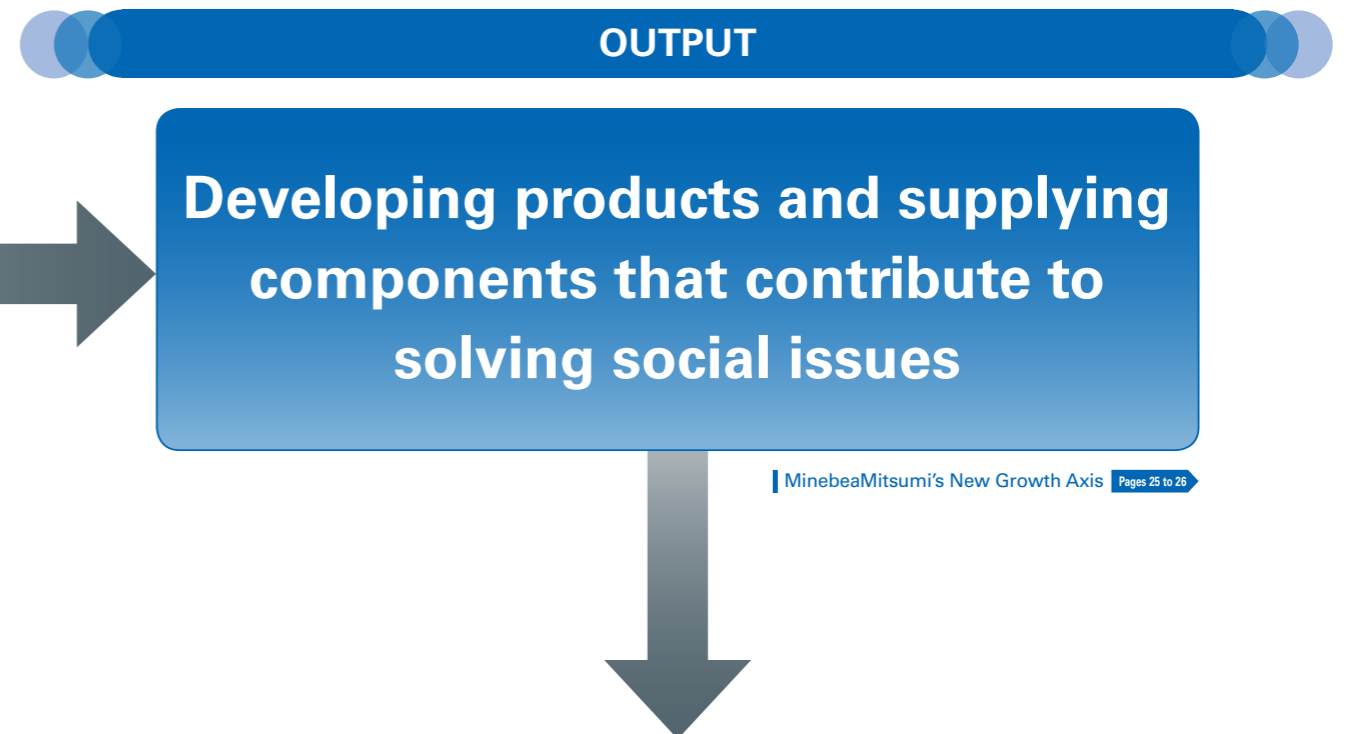
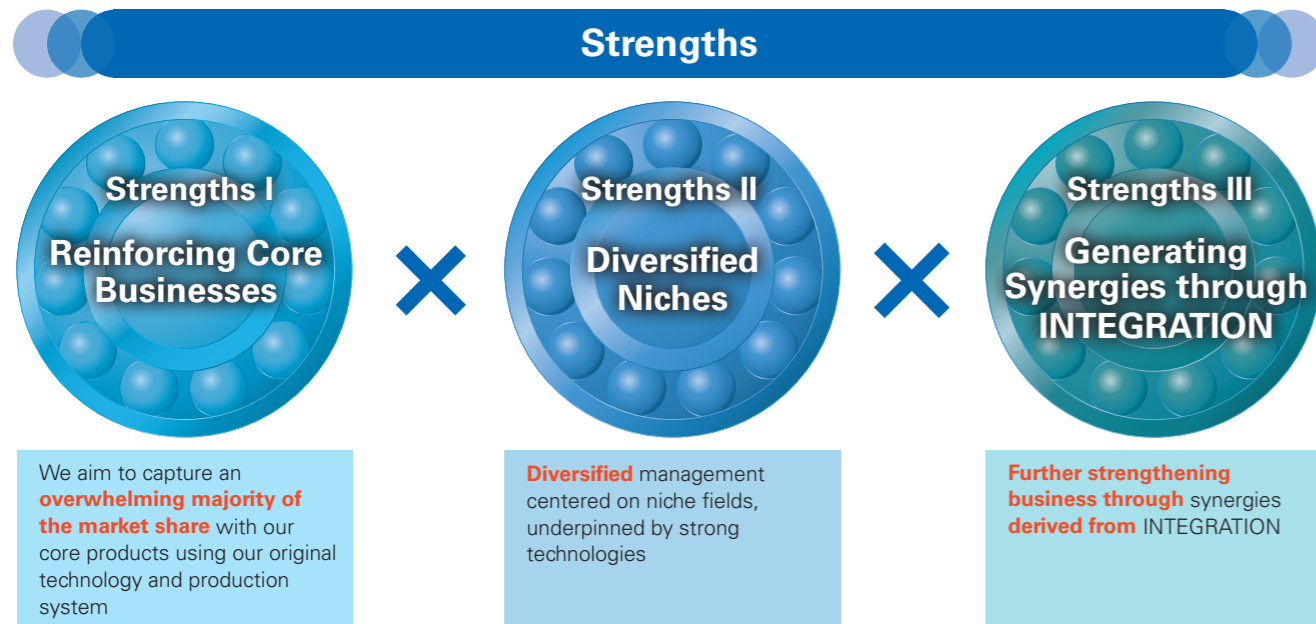


\*According to MinebeaMitsumi

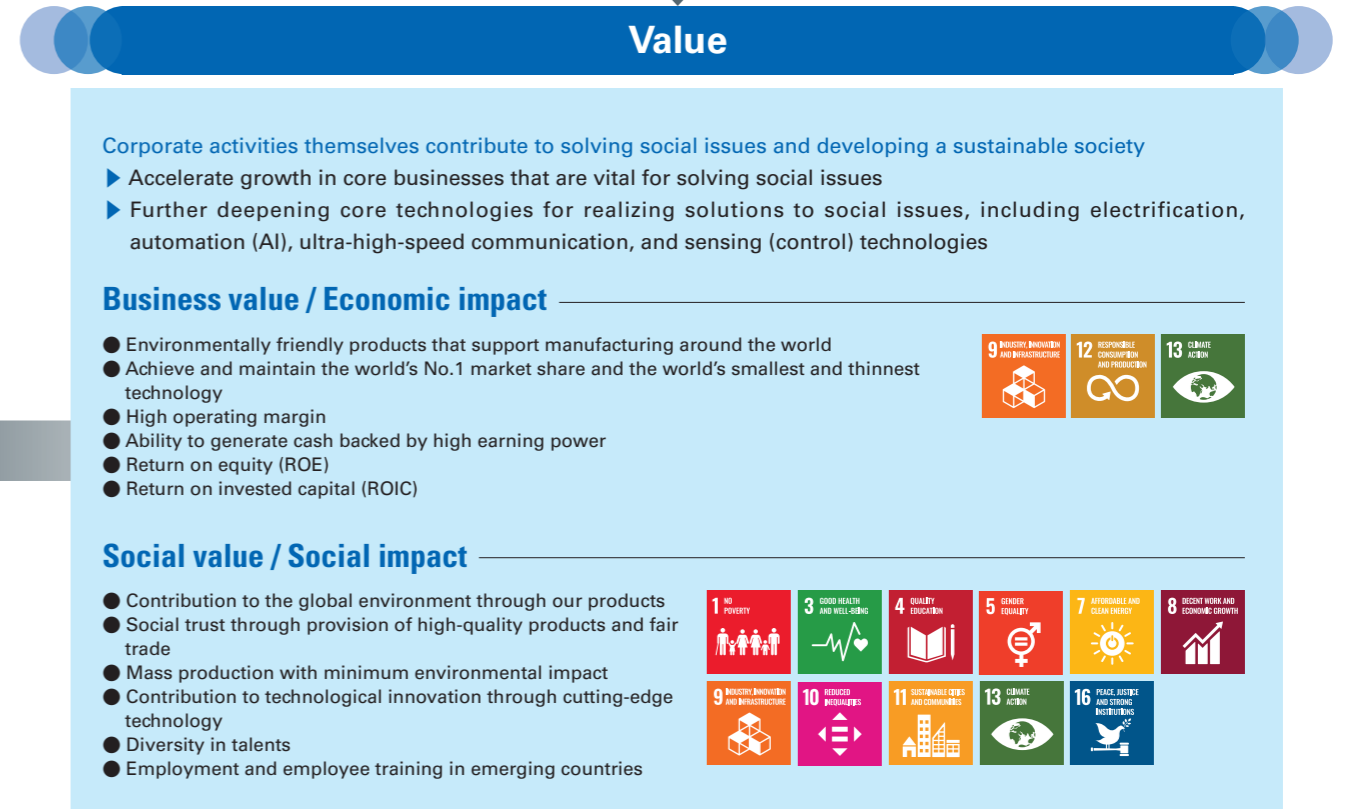
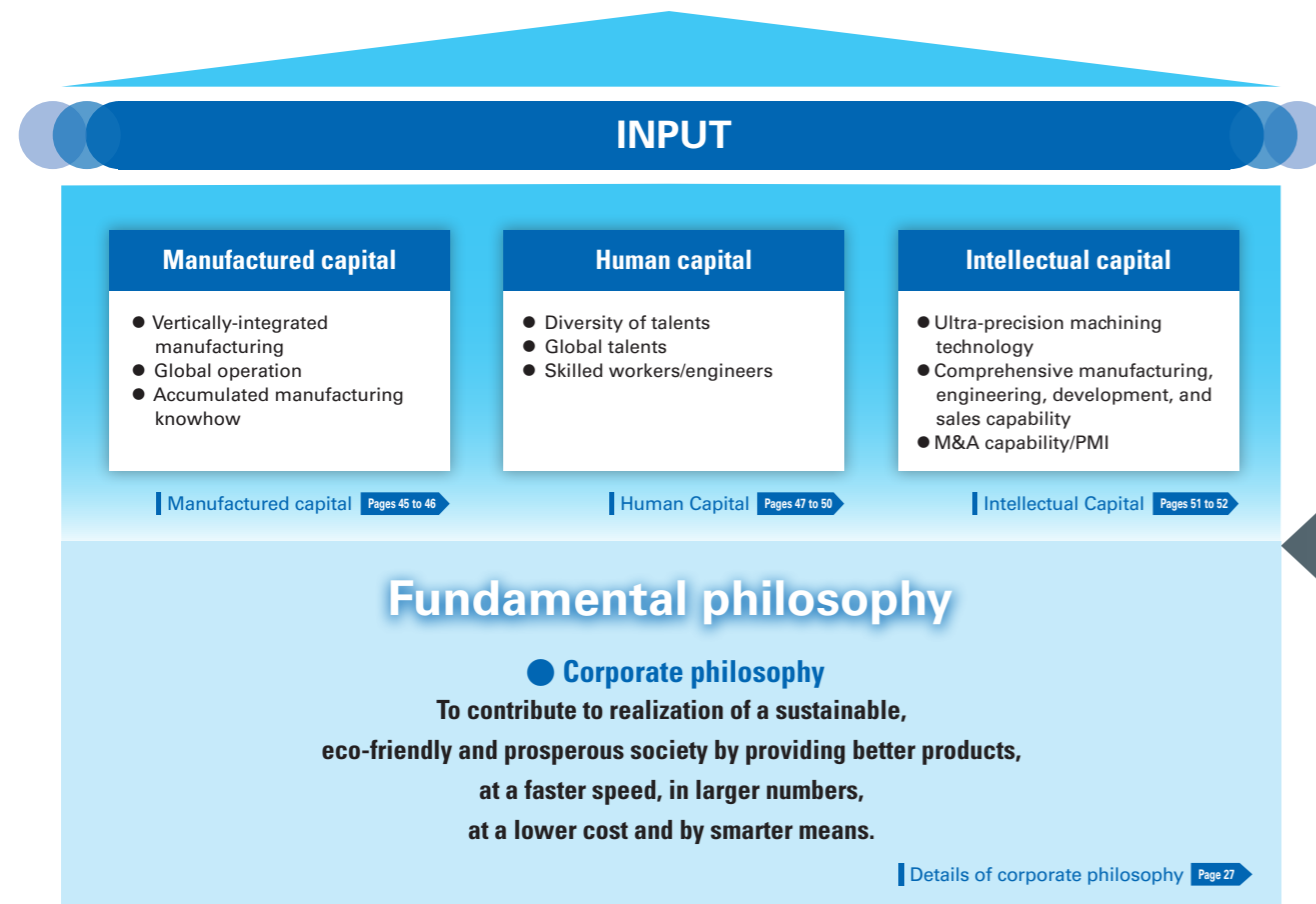
### 3. Value Creation Model of MinebeaMitsumi

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

MinebeaMitsumi's Strengths Pages 23 to 24



MinebeaMitsumi's New Growth Axis Pages 25 to 26



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.

By leveraging these synergies and further refining our three strengths, we will contribute to solving social issues and aim to achieve sustainability as a company as well as sustainability for the earth and society.

\* 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.

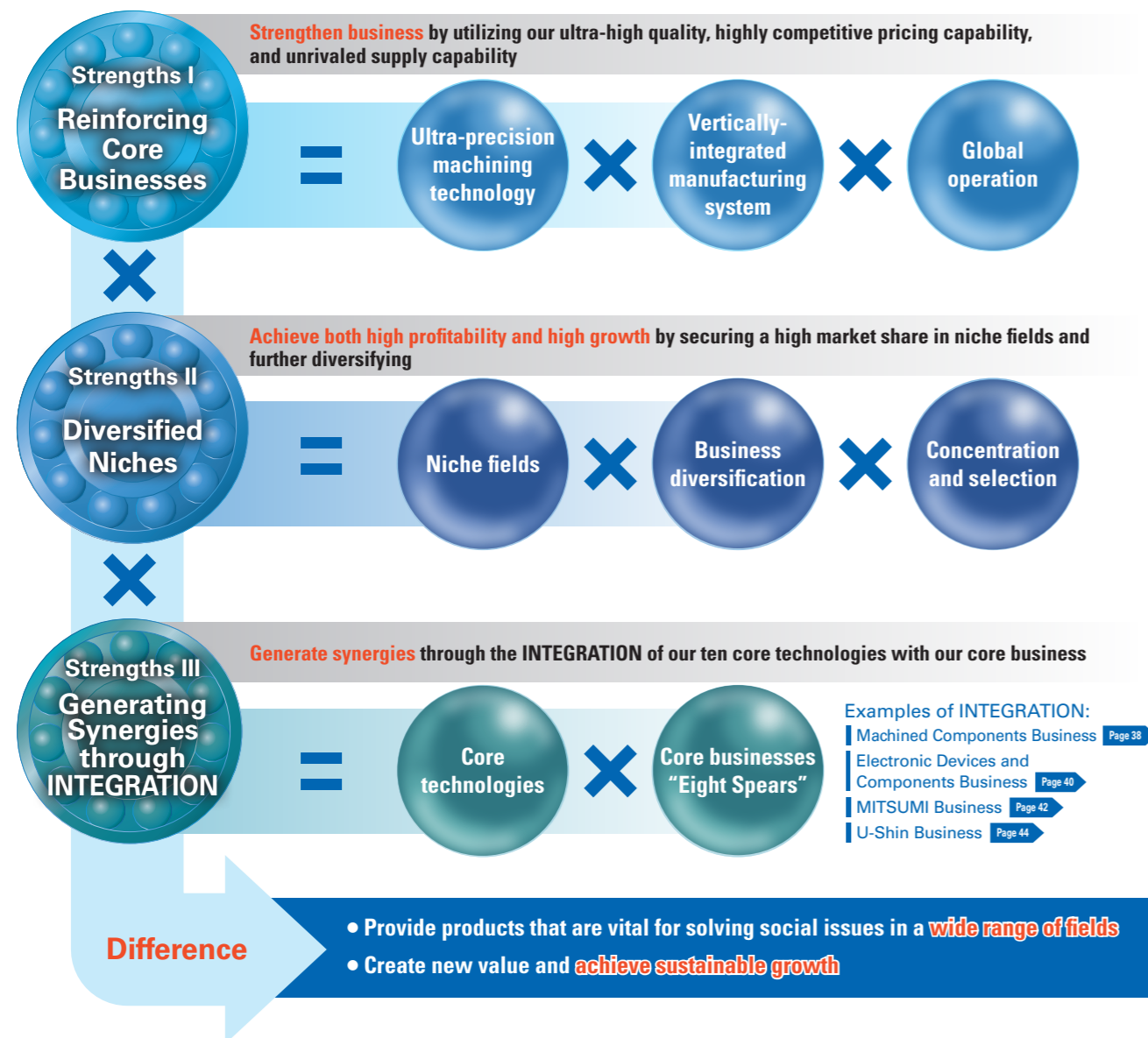
## 4. MinebeaMitsumi's Strengths

### Three strengths create "difference" - expanding the realm of possibility

MinebeaMitsumi's sustainable growth is achieved through the three strengths we have cultivated since our foundation.

These strengths have been supported and strengthened by our respective competitive advantages.

By further combining these, we produce "differences" that cannot be found at other companies, and achieve sustainable growth.



### Ten core technologies

Ten core technologies that MinebeaMitsumi has honed, including ultra-precision machining technology and mass production technology. By integrating and utilizing these, we will not only evolve each product, but also create new business opportunities through the INTEGRATION of evolved products.



### Core businesses "Eight Spears"

Our business can be divided into core businesses, sub-core businesses, and non-core businesses.

The definitions of core business and sub-core business are as shown below. We have already withdrawn from non-core businesses not applicable as core businesses or sub-core businesses, and at present do not have any business applicable as non-core.

### Organic growth pursued with core and sub-core strategies

#### Definition of core business

- (1) Serve niche fields in massive markets
- (2) Capable of drawing on the strengths of the Company
- (3) Not readily displaced even as a result of technological innovation
- (4) Have synergy between products

The core businesses "Eight Spears" can be expected to also produce synergy through the combination of businesses. The table below provides a list of combinations with core businesses expectable to produce mutual synergy.

	Bearings	Motors	Analog semiconductors	Access products	Sensors	Connectors/ switches	Power supply components	Wireless/ communications/ software
Bearings		○		○	○			
Motors	○		○	○	○	○	○	○
Analog semiconductors		○		○	○		○	○
Access products	○	○	○		○	○	○	○
Sensors	○	○	○	○			○	○
Connectors/ switches		○		○			○	○
Power supply components		○	○	○	○	○		○
Wireless/ communications/ software		○	○	○	○	○	○	

#### Definition of sub-core business

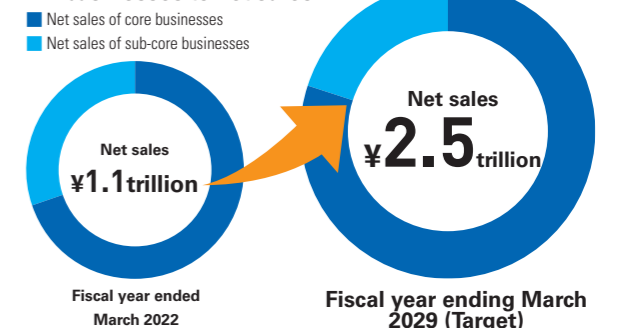
- (1) Serve niche fields in massive markets (same as core businesses)
- (2) Capable of drawing on the strengths of the Company (same as core businesses)
- (3) Potentially displaced due to technological innovation
- (4) Have synergy between products (same as core businesses)

Our current sub-core businesses include game-related and smartphone-related businesses.

Sub-core businesses contribute to the further strengthening and growth of the core businesses through the improvement of technological capabilities, the acquisition of new technologies, and the maximization of earnings as a cash cow. In addition, we are minimizing risk through initiatives including keeping fixed costs to a minimum and taking accelerated depreciation method on investment, given potential for future displacement of such business.

We will shift to core businesses in the long term, aiming to achieve both the reduction of earnings volatility and the improvement of risk management.

### Ratio of sales by core businesses and sub-core businesses to net sales



### 5. MinebeaMitsumi's New Growth Axis

## Accelerating growth by developing products and supplying components which will contribute to solving social issues

In addition to organic growth and - M&As in the markets we serve today, which have been our growth drivers thus far, "developing products and supplying components for solving social issues" will be MinebeaMitsumi's new axis to continue to accelerate corporate growth.

- 1 Organic growth**
  - Market disposable income per capita will rise in line with the growth in global GDP
  - The sale of high-end functional products = The necessity of parts for high-end functional products
- 2 M&A**
  - Integration of synergistic companies, with a focus on MinebeaMitsumi's Eight Spears products that make up its core business
- New 3 Developing products and supplying components for solving social issues**
  - Synergistic and close alliances with the Eight Spears

Strategies by Business Pages 38, 40, 42, 44

Past ————— Current ————— Future

### New trends 3

Development of products for solving social issues listed below

**Energy**

Bearings with 3 times the precision of today's products

To create extreme reduction of electric power consumption!



**Environment**

Smart city solutions

To centralized control of street light luminance, etc., through wireless communication



**Declining birthrate and aging population**

Bed Sensor System™



**Disaster countermeasures**

Integrated environmental sensors

To allow visualization of meteorological data in real time



**Autonomous driving**

Actuators for laser scanners

Innovate the LIDAR image quality and function



**Growth by solving social issues**

**Growing with development of the global economy**

### Traditional trends 1 2

Organic + M&A Compound Average Growth Rate ("CAGR") 11%

- Convenience and comfort**

Automotive precision components

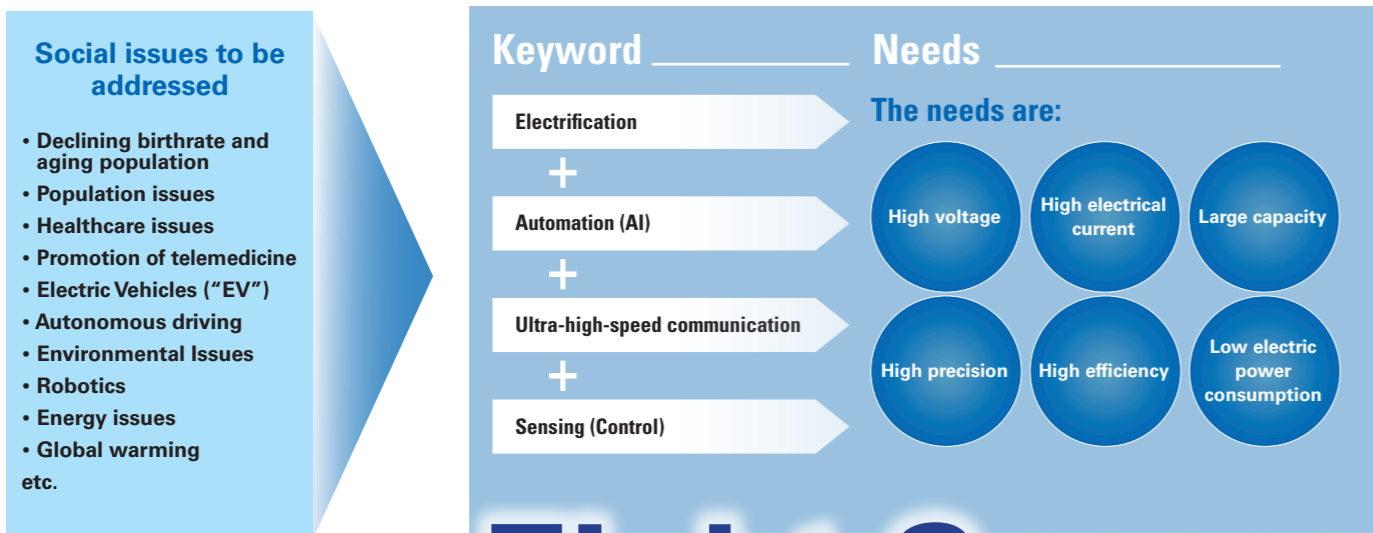
Contribute to safety, comfort, and energy saving of automobile

**High functioning**

Precision components for mobile device

Contribute to the functionality and slimness of smartphones

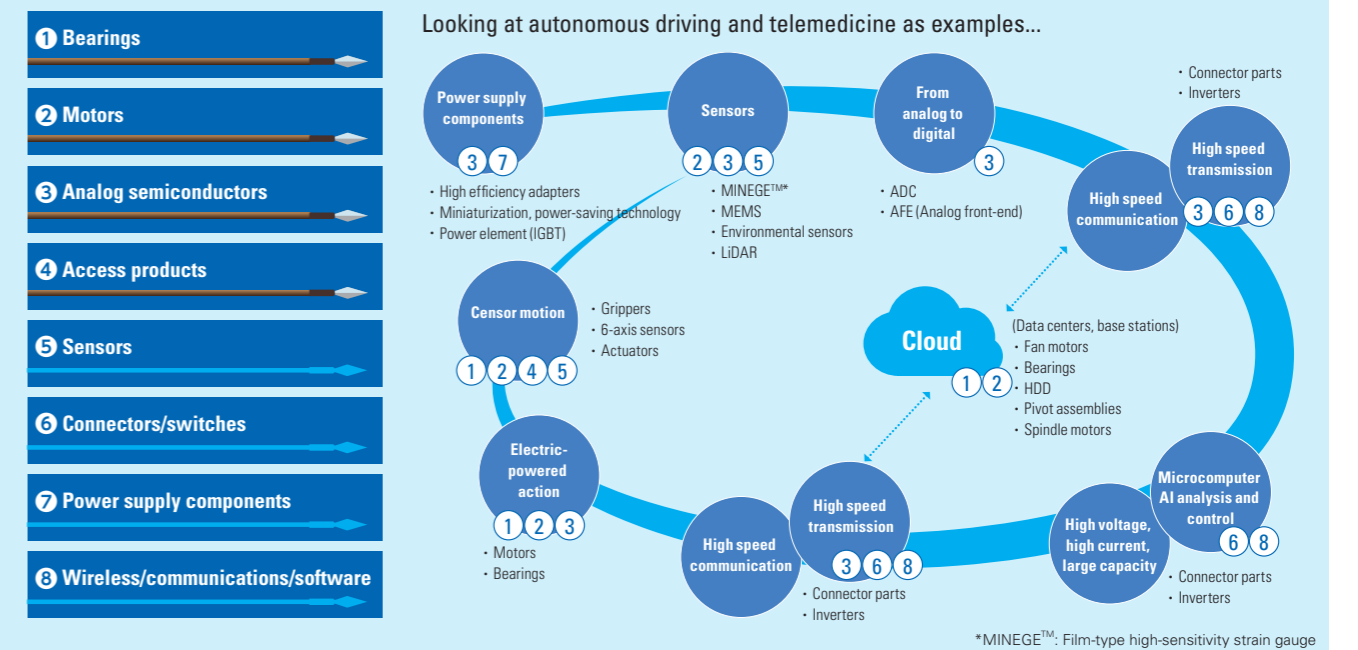
### The 4th industrial revolution will produce new technologies that will solve social issues, some of which are noted below:



The products required for social issues make up the

# Eight Spears

### Deepen and INTEGRATE each of the Eight Spears technologies to solve social issues



## 6. Achieving Long-term Management Goals

### The road to an eco-friendly and prosperous society

Contribute to solving social issues and the realization of a sustainable society through MinebeaMitsumi's corporate activities themselves

Based on the belief that "sustainability" is a key objective of management, MinebeaMitsumi's corporate philosophy aims to achieve both future further growth for the Company and sustainable development for the earth and society. In terms of management strategies, we have adopted the QCDESS® strategy, which emphasizes "eco and efficiency," as a solid foundation for MinebeaMitsumi's 100th anniversary.

Under the theme of "Materiality," key management issues, we will promote bottom-up activities such as talent development and promotion of diversity under the themes of "contribution to solving global environmental issues," "creation of high-quality precision parts that support society," and "maximization of employees' strengths." By these measures, and through our corporate activities themselves, we will endeavor to solve social issues and to develop a sustainable society.

#### Corporate philosophy

(Basic approach to growth and contribution to sustainability)

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

(Action guidelines for employees to realize the corporate philosophy)

Transparent management based on our company credo "The Five Principles"

1. Be a company where our employees are proud to work
2. Earn and preserve the trust of our valued customers
3. Respond to our shareholders' expectations
4. Work in harmony with the local community
5. Promote and contribute to global society

#### Corporate slogan

(Measures to achieve growth and sustainability)

Passion to Create Value through Difference  
Create new value through "difference" that transcends conventional wisdom

#### Management strategy

Diversification of core businesses and synergies through INTEGRATION

Differentiation through INTEGRATION

Organic growth and M&As, as well as developing products and supplying components that resolve social issues will accelerate the corporate growth

Promote the QCDESS strategy

CEO's Message Pages 3 to 8 CFO's Message Pages 11 to 16

#### Material issues (Materiality)

Priority Topic 1  
Contributing to solutions to environmental issues

Priority Topic 2  
Creating high-quality precision products that support society

Priority Topic 3  
Maximizing the power of employees

Details of material issues Pages 31 to 32

#### Talent strategies

1. Developing and acquiring leaders

2. Developing and acquiring engineers

3. Maximizing the power of the organization through the INTEGRATION of talents

Message from Officer in Charge of Human Resources Development Pages 9 to 10

Human Capital Pages 47 to 50

#### Management targets

(by the fiscal year ending March 2029)

Net sales **¥2.5 trillion** and/or

Operating income **¥250.0 billion**  
EPS growth rate +15% or more  
CAGR ROE 15% or more

#### Environmental targets

- Volume of avoided CO<sub>2</sub> emission by products  
Fiscal year ending March 2031

Approx. **2.3 million tons**  
(Compared to the fiscal year ended March 2021)

- Percentage of net sales of Green Products  
Fiscal year ending March 2029

**90% or more**

- Greenhouse gas emissions  
Fiscal year ending March 2031

Total amount **-30%**  
(Compared to the fiscal year ended March 2021)

Initiatives for the Environment Pages 57 to 62

#### Developing and acquiring talents that we seek

- Leaders who look at the big picture, and who strengthen and evolve business through ingenuity, leadership execution skills
- Engineers who boldly confront the challenge of solving social issues through the deepening and INTEGRATION of technologies

Sustainability as a company

Sustainability for the earth and society







Our approach to sustainability Page 31

#### Corporate Governance

Corporate Governance Pages 71 to 80

# Risks and Opportunities

The Group formulates strategies and measures by: recognizing the business environment and anticipating its developments; and analyzing impacts of individual events on the Group's business and performance; and further analyzing probabilities of occurrence and degrees of impact of risks and opportunities. The table below provides an overview of the Group's risk and opportunity assessment.

Megatrends	Impact on the Company (▲ : Risks ○ : Opportunities)	Probability of occurrence	Degree of impact	Strategies/measures	Reference		
<b>Emergence of geopolitical conflict</b> (Trade friction and Ukraine Issue)	 <b>Manufacturing</b>	▲ Suspension of production and reduction in capacity utilization of the Group's production sites due to natural disaster, etc.	Moderate	Large	<ul style="list-style-type: none"> <li>Formulating BCPs and implementing training drills at major business sites in Japan and overseas with a focus on locations subject to substantial water risks</li> <li>Global production framework</li> </ul>	<a href="#">BCP</a> <a href="#">Page 80</a> <a href="#">Initiatives for the Environment</a> <a href="#">Pages 57 to 62</a> <a href="#">Manufactured capital</a> <a href="#">Pages 45 to 46</a>	
		▲ Suspension of production and reduction in capacity utilization of supplier production sites due to natural disaster, etc. ▲ Supply chain instability due to geopolitical conflict	Moderate	Large	<ul style="list-style-type: none"> <li>Effective product mix and global production system for changing external environment</li> <li>Regularly performing political and economic risk assessments</li> </ul>	<a href="#">Security Trade Control</a> <a href="#">Page 80</a> <a href="#">Manufactured capital</a> <a href="#">Pages 45 to 46</a>	
		▲ Increase in production cost due to rising raw material prices	High	Moderate	<ul style="list-style-type: none"> <li>More stringent monitoring of supply-demand balance</li> <li>Price increase</li> </ul>	<a href="#">CFO's Message FAQ 1</a> <a href="#">Page 15</a>	
<b>Global climate change and shift to a carbon-free society</b>	 <b>Quality control</b>	▲ Incurrence of significant expenses and loss of public confidence resulting from serious accident or product recall caused by a defective product	Low	Large	<ul style="list-style-type: none"> <li>Rigorously implementing the MinebeaMitsumi Group Quality Policy</li> <li>Investigation and verification in design stage and strengthening of management structure within supply chain</li> </ul>	<a href="#">Reinforcement of quality control systems</a> <a href="#">Page 63</a>	
		▲ Loss of markets and competitiveness due to obsolescence of existing technologies and products ▲ Rise of low-cost competitors in emerging countries	Moderate	Moderate	<ul style="list-style-type: none"> <li>Strengthening and diversifying the Core Businesses "Eight Spears"</li> <li>Continuous development of an intellectual property portfolio</li> </ul>	<a href="#">MinebeaMitsumi's Strengths</a> <a href="#">Pages 23 to 24</a> <a href="#">Intellectual Capital</a> <a href="#">Pages 51 to 52</a>	
<b>Acceleration and diversification of technological innovation</b>	 <b>Technological innovations</b>	○ New business opportunities brought about by new technologies and new models	High	Moderate	<ul style="list-style-type: none"> <li>Reducing costs and strengthening competitiveness</li> <li>Differentiation by high-quality, high value-added products</li> <li>Gaining new business through INTEGRATION, M&amp;As, and alliances</li> <li>Continuously strengthening the vertically-integrated manufacturing system through automation of equipment and in-house manufacturing of components</li> <li>Promoting open innovation through industry-government-academia partnership</li> </ul>	<a href="#">Strategies by Business</a> <a href="#">Pages 35 to 44</a> <a href="#">MinebeaMitsumi's New Growth Axis</a> <a href="#">Pages 25 to 26</a> <a href="#">MinebeaMitsumi's Strengths</a> <a href="#">Pages 23 to 24</a> <a href="#">Manufactured capital</a> <a href="#">Pages 45 to 46</a>	
		○ Active use of AI and DX	High	Moderate	<ul style="list-style-type: none"> <li>Promoting DX in-house</li> <li>Building a new sales platform</li> </ul>	<a href="#">Promotion of AI &amp; DX</a> <a href="#">Pages 55 to 56</a>	
		▲ Actions toward reducing greenhouse gas (GHG) emissions ▲ Escalation of environmental protection costs	High	Moderate	<ul style="list-style-type: none"> <li>Performing scenario analysis of climate change-related risks and opportunities, formulating and executing action plans</li> <li>Expanding "MMI Beyond Zero"</li> <li>Automating manufacturing processes and reducing production time</li> <li>Reorganizing and streamlining production sites</li> </ul>	<ul style="list-style-type: none"> <li>Implementing environmental measures through establishment of the Carbon Neutral Steering Committee</li> <li>Strengthening the QCDESS® framework</li> <li>Installing high-efficiency, energy-saving equipment</li> </ul>	<a href="#">Initiatives for the Environment</a> <a href="#">Pages 57 to 62</a>
<b>Digital shifts &amp; cybersecurity</b>	 <b>Environment</b>	○ Mounting demand for resource- and energy-saving, low-carbon products	High	Moderate	<ul style="list-style-type: none"> <li>Promoting MinebeaMitsumi Green Products</li> <li>Installing private solar power generation systems and procuring renewable energy</li> </ul>		
		▲ Challenges in securing talents due to decreasing size of labor force ▲ Challenges with respect to successorship and imparting knowhow	High	Moderate	<ul style="list-style-type: none"> <li>Securing diverse talents through active recruitment</li> <li>Recruiting talents through M&amp;As</li> <li>Establishing our corporate brand through various advertisements</li> <li>Conducting next generation candidate selections and development programs and specific in-house training</li> <li>Team building activities to facilitate sharing of knowhow such that expertise does not remain the sole domain of certain individuals</li> </ul>	<ul style="list-style-type: none"> <li>Implementing measures for employee health maintenance and improvement to augment productivity and increase employee retention</li> </ul>	<a href="#">Message from Officer in Charge of Human Resources Development</a> <a href="#">Pages 9 to 10</a> <a href="#">Human Capital</a> <a href="#">Pages 47 to 50</a> <a href="#">Outside Directors and Human Resources Development Representatives in Roundtable Discussion</a> <a href="#">Pages 67 to 70</a>
		▲ Loss of existing business and damage to reputation due to human rights violations	Low	Large	<ul style="list-style-type: none"> <li>Furthering the adherence to responsible procurement</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with the Human Rights Policy and thorough education regarding respect for human rights</li> </ul>	<a href="#">Practicing responsible procurement</a> <a href="#">Page 64</a> <a href="#">Policy and initiatives related to human rights</a> <a href="#">Pages 65 to 66</a>
		○ Enhancing corporate value through management practices that emphasize human rights	Moderate	Moderate	<ul style="list-style-type: none"> <li>Compliance with the Human Rights Policy and thorough education regarding respect for human rights</li> <li>Periodic monitoring of supply chain</li> </ul>	<ul style="list-style-type: none"> <li>Ensuring stable operation of whistle-blowing system</li> </ul>	<a href="#">Internal reporting system</a> <a href="#">Page 78</a>
		○ Corporate growth as a result of improving the working environment for employees	Moderate	Moderate	<ul style="list-style-type: none"> <li>Enhancing the personnel system and measures geared towards employee work-life balance</li> <li>Promoting efforts to prevent long working hours and increase the use of paid annual leave</li> </ul>	<ul style="list-style-type: none"> <li>Promotion of diversity &amp; inclusion</li> <li>Project to promote the empowerment of women</li> </ul>	<a href="#">Message from Officer in Charge of Human Resources Development</a> <a href="#">Pages 9 to 10</a> <a href="#">Human Capital</a> <a href="#">Pages 47 to 50</a> <a href="#">Outside Directors and Human Resources Development Representatives in Roundtable Discussion</a> <a href="#">Pages 67 to 70</a>
<b>Demographic change</b> (Shrinking labor force & super-aged society)	 <b>Society</b>	○ Emergence of new social issues related to products for medical devices	High	Moderate	<ul style="list-style-type: none"> <li>Development of products that address technological evolution, automation, and non-contact through a diverse portfolio of technologies and products portfolio</li> </ul>	<a href="#">Developing products and supplying components for solving social issues</a> <a href="#">Page 40</a>	
		▲ Information leaks, computer virus infections, cyber attacks ▲ Loss of existing business and damage to reputation due to non-compliance	Moderate	Large	<ul style="list-style-type: none"> <li>Building and operating an appropriate information security system</li> </ul>	<ul style="list-style-type: none"> <li>Ensuring stable operation of whistle-blowing system</li> </ul>	<a href="#">Risk management</a> <a href="#">Pages 79 to 80</a> <a href="#">Corporate Governance</a> <a href="#">Pages 71 to 80</a>
			Low	Large	<ul style="list-style-type: none"> <li>Enhancement of corporate governance</li> <li>Strengthening compliance and risk management framework</li> </ul>		
<b>Mounting international demands concerning human rights and human rights legislation</b>	 <b>Governance</b>						

# Our Approach to Sustainability

## Sustainability at MinebeaMitsumi



### 1 Sustainability as a company

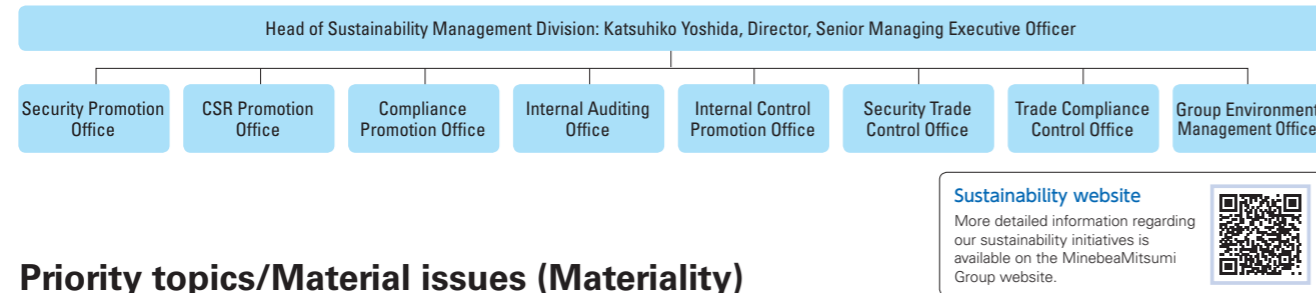
We believe that diversity among things that can be combined organically is the essence of sustainability, premised on the notion that sustainability acts as the starting point of business management. The Company builds and refines multifaceted and decentralized frameworks, including those for products as well as for manufacturing sites, markets and technological development, that act as a source of the Company's competitiveness. Our policy is to boldly invest our business resources in a manner that strengthens our efforts relating to the environment, society and

corporate governance in order to facilitate sustainable growth.

### 2 Sustainability for the earth and society

At the same time, as a manufacturer of precision products that supports society, we are "working towards providing a stable supply of reliable products with low energy consumption that are widely available" to be a company that contributes 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 in recent years, we revised the material issues from the standpoint of CSR as important "management issues" for implementing strategies from a company-wide perspective.

Priority Topic 1	Priority Topic 2	Priority Topic 3
Contributing to solutions to environmental issues	Creating high-quality precision components that support society	Maximizing the power of employees

1. "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 as a company, "minimizing the environmental impact of business activities."
2. "To create high-quality precision products that support society," thereby contributing to the environment, we work to "strengthen the mass and stable supply system for ultra-precision components" and "practicing responsible procurement" while also promoting "coexistence with local communities" at manufacturing and other business sites by job creation and collaboration with local residents.
3. The source of this value creation is our human resource management efforts. Aiming to "maximize the potential of our employees," we seek to "enhance training by our human resources departments and promote diversity on a global scale" while working to "create a positive and rewarding work environment" for employees and promote "employee health and safety."

### Initiatives for material issues

Priority Topic 1	Material issues	Primary medium-term targets (with an approximate timetable of fiscal year 2025)
	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 of 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 greenhouse gas emissions per unit sales compared to the fiscal year ended March 2020 (fiscal year ending March 2026)</li> <li>● 30% reduction of total greenhouse gas emissions compared to the fiscal year ended March 2021 (fiscal year ending March 2031)</li> </ul>

\* Progress achieved toward targets for volume of reduced CO<sub>2</sub> emission by our products and increased sales ratios of Green Products [Pages 59 to 60](#)

Priority Topic 2	Material issues	Primary medium-term targets (with an approximate timetable of fiscal year 2025)
	3 Strengthening the mass and stable supply system for 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 Responsible Business Alliance (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>

4 Practicing responsible procurement [Page 64](#)

5 Coexistence with local communities [Page 66](#)

Priority Topic 3	Material issues	Primary medium-term targets (with an approximate timetable of fiscal year 2025)
	6 Global talent development	<ul style="list-style-type: none"> <li>● Strengthen talent 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>● Increased percentage of diversity in the workplace: 20% or more</li> </ul>
	8 Creating a positive and rewarding work environment	<ul style="list-style-type: none"> <li>● Achieve diverse work styles 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>

Maximizing the power of employees (Material issues [4](#) to [9](#)) [Page 48](#)

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

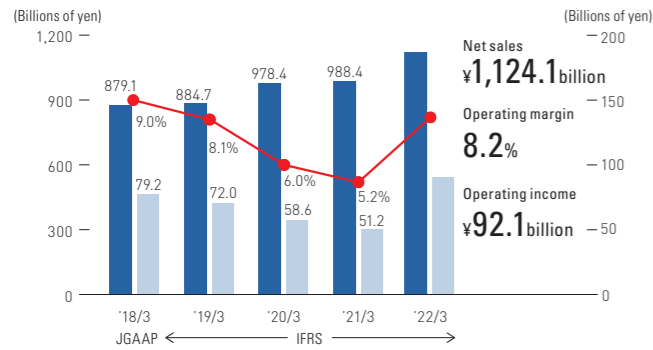




# Financial & Non-financial Highlights

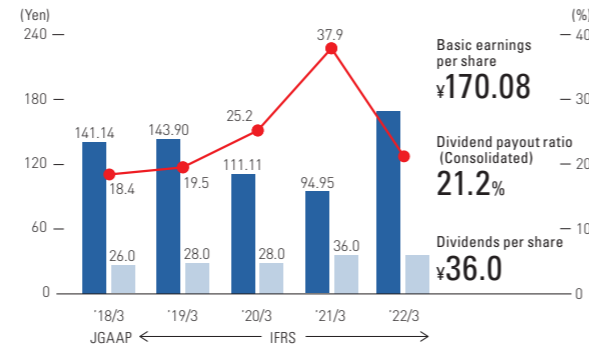
## Financial highlights

### Net sales, operating income and operating margin



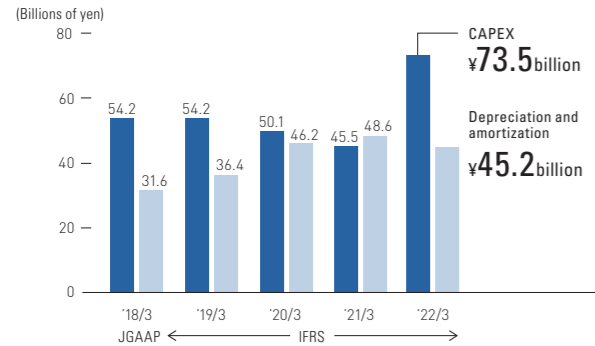
In order to realize a further increases in profitability, we have been concentrating on cutting costs, creating high-value-added products, developing new technologies, and enhancing our marketing promotion that has resulted in record high net sales and operating income. Since the fiscal year ended March 2014, we have achieved record highs for net sales, i.e. nine consecutive years.

### EPS and dividends



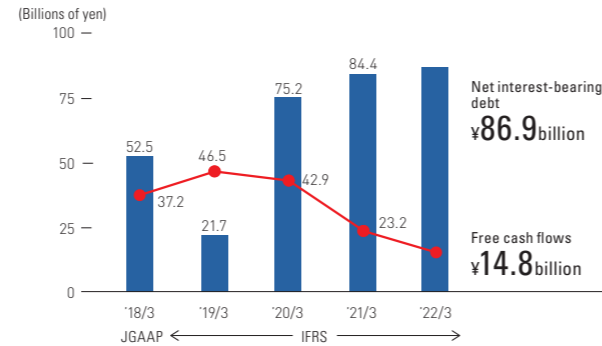
As a result of our efforts to return profits to shareholders at a level that better reflects business performance, the dividends for the fiscal year ended March 2022 has been set at 36 yen per share. The year-end dividend will be 18 yen per share, which represents an increase of 4 yen from the 14 yen per share paid in the previous fiscal year, excluding the commemorative dividend of 8 yen per share.

### CAPEX, depreciation and amortization



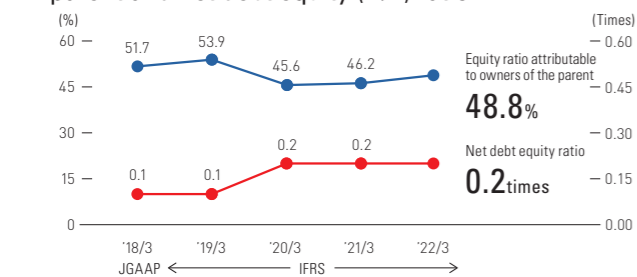
CAPEX was incurred mainly due to investments undertaken to strengthen operations in the Machined Components and the MITSUMI business. \* CAPEX in fiscal year ended March 2022 includes a portion of acquisition expenses for the new Tokyo Headquarters building (MinebeaMitsumi Tokyo XTech Garden).

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



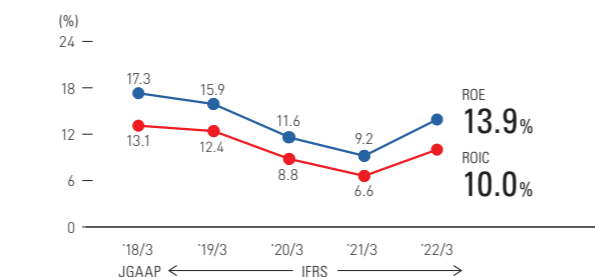
While maintaining free cash flow generation at a high level, net interest-bearing debt increased due to an increase in working capital and the purchase of treasury stock.

### Equity ratio attributable to owners of the parent and net debt equity (D/E) ratio



The equity ratio attributable to owners of the parent improved from the previous year, while the net debt equity ratio remained at the same level maintaining financial discipline.

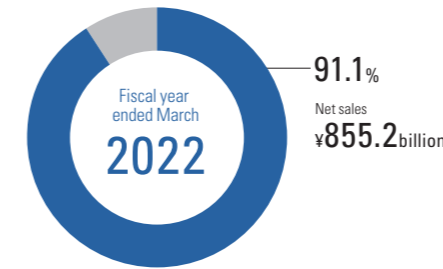
### ROE and ROIC



Both ROE and ROIC have improved significantly year-on-year due to the recovery of profitability, and are approaching the levels before the COVID-19 pandemic.

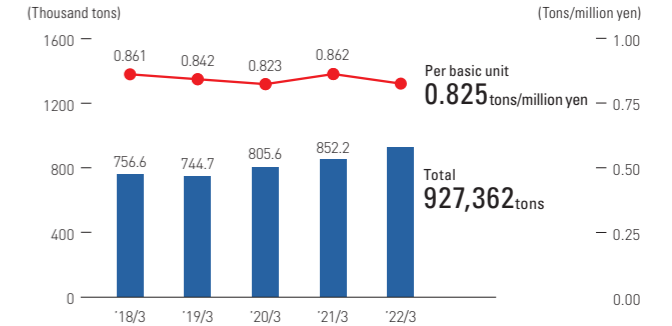
## Non-financial highlights

### Percentage of net sales of Green Products



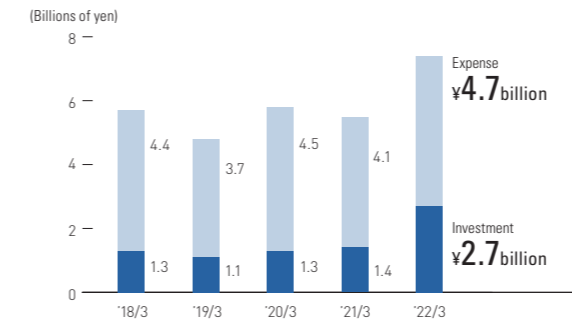
The net sales of Green Products in the fiscal year ended March 2022 amounted to 855.2 billion yen, which was 91.1% of the total net sales (excluding products that cannot be designed in-house). [Green Products Page 60](#)

### CO<sub>2</sub> equivalent greenhouse gas emissions



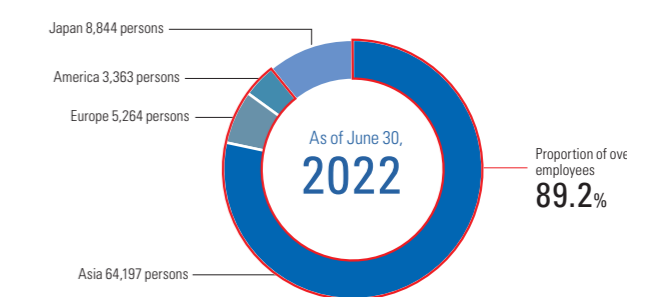
Since greenhouse gases are considered to be a cause of climate change issues, we examine total emissions and emissions per unit sales. In the fiscal year ended March 2022, our greenhouse gas emissions increased 8.8% in total volume and decreased 4.3% per unit sales, in comparison with the previous fiscal year.

### Environmental conservation costs



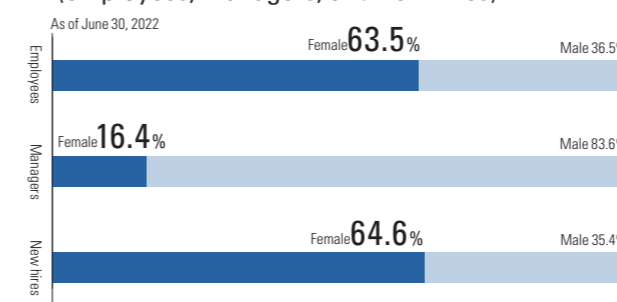
Environmental conservation costs are calculated as the total of investment and expense on the basis of the "Environmental Accounting Guidelines 2005" published by Japan's Ministry of the Environment. We incurred 7.4 billion yen in environmental conservation costs which encompassed investment and expense combined in the fiscal year ended March 2022.

### Number of employees by region



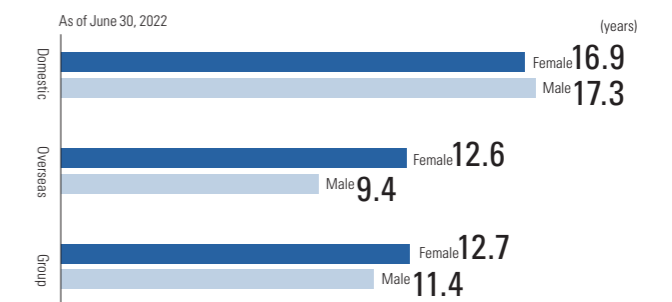
The Group's ratio of overseas employees is as high as 89.2% given that some 70% of its net sales are generated outside of Japan and roughly 90% of its production takes place abroad.

### 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 diverse employees with the aims of creating new values and competitiveness. Female accounted for 63.5% of our employees and 16.4% of our managers as of June 30, 2022.

### 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 enhancements where possible to support working families.