

U-Shin Business

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

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Core competencies

Our core competency is our diverse knowhow from the development and design phases through production for systems in a wide range of automotive applications—from mechanical structures to electronic technology and even software. The Hiroshima mother plant provides integrated services including product development, prototyping, mass production, market rollout, and quality assurance while protecting valuable knowhow by manufacturing core components and molds inhouse.



U-Shin Hiroshima Plant

Opportunities

- Shift to high value-added products due to the electrification and advanced functionality of door-opening systems in automobiles.
- Expansion of the digital key market due to the shift to connected cars.
- Increase in the number of elemental parts per vehicle due to higher value-added door handles, latches, and CSDs*.
- * Compact Spindle Drive ("CSD")
- Increase in the CSD installation rate.

Risks

- Increased competition and its impact on pricing strategies.
- Production adjustment by automobile manufacturers due to economic trends and difficulty in procuring parts.
- Possibility that automobile manufacturers will prefer existing products due to factors such as safety and commonality of parts and functions.

Responding to opportunities and risks

- Implement structural reforms to shift from low-priced products to high value-added products.
- Accelerate the development of high-end products for luxury car manufacturers by increasing the presence of our technologies.
- Develop common engines through our unique modularization/actuatorization.

Overview of the fiscal year ended March 2022

Automotive components were impacted by the slowdown in the automotive market. However, sales have increased due to a recovery in domestic automotive sales and an increase of approximately 30.0 billion yen due to segment changes. As a result, net sales were 145.6 billion yen, operating income was 0.7 billion yen, and operating margin was 0.5%.

Outlook for the fiscal year ending March 2023

We expect an increase in sales and profit due to a recovery in automobile production and the effect of reducing fixed costs resulting from the structural reforms in Europe announced in March 2021.

Midterm Business Plan

Strengthen profitability from market recovery and shift to high value-added products

Main points

- 1** Accelerate shift to high value-added products
(1) CSD (2) Flush handle (3) e-Latch
- 2** Results of structural reforms
Aim for a turnaround in the European business market this fiscal year
- 3** Realize outcome from growth strategies, such as **INTEGRATED** handles

Strategy for "Becoming the one-of-a-kind through INTEGRATION capabilities"

By incorporating MinebeaMitsumi's outstanding key technologies into the automotive products of U-Shin, a Tier-1 manufacturer, we are engaged in creating higher value-added, higher-end automotive products. Our main items are as follows:

Sensor technology × e-handles

We are developing product by combining MinebeaMitsumi's sensor technology with U-Shin's fixed e-handles. Gently pulling the door handle will cause the latch to be unlocked electrically, enabling users to open and close the car door with minimum effort. We are also considering an emergency mode to enable the door to be unlocked even when power is cut off.



Optical technologies × Overhead consoles

We are developing in-vehicle lighting featuring a unique design with high performance by equipping overhead consoles produced by U-Shin business with MinebeaMitsumi's optical technologies.

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 to focus attention on automotive business as one of its core competencies. To achieve this, we aim to improve quality, raise productivity, and strengthen our managerial control framework. In addition, we will improve profitability by enlisting the Group's global talents and manufacturing expertise going forward, while establishing competitive products through INTEGRATION of technologies.

We will develop lighting with characteristics like the deep brilliance of a chandelier or with a smart appearance, featuring toning and dimming functions to provide customers with lighting tailored to match their requirements and vehicle concepts.



Wireless communication technologies × Access technologies

We are developing a "Digital Key System," enabling smartphones to be used as car keys by fusing together the access technologies developed by the U-Shin business teams which uses the keyless keys technology integrated with the wireless technologies developed in the MITSUMI business teams. By combining Ultra Wide Band (UWB) communications with our unique positioning algorithm, we are establishing technologies to detect the position of keys (smartphones) with a high degree of precision.



Developing products and supplying components for solving social issues

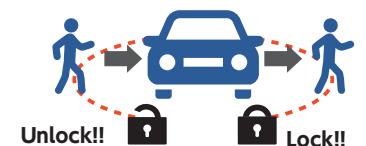
We are developing a unique "Digital Key System" through the INTEGRATION of U-Shin Business's access technologies with MITSUMI Business's wireless communication technologies. This system enables a smartphone to be used in place of car keys to lock and unlock car doors and to start the engine. In addition to enhancing the convenience of private automobiles, this has the potential to contribute to the utilization of diverse mobility functions, such as car sharing and the use of a car trunk as a home delivery locker.

We are also considering applying the Ultra Wide Band (UWB) technology developed for this system to in-car passenger detection sensors to detect infants being left behind in an

automobile. Going forward, these integrated technologies will contribute to a safer and more secure mobile society.

Passive Entry

The system detects the location of a smartphone outside the car, and locks or unlocks the doors automatically when the smartphone enters a designated area.



Engine Start

When the smartphone is detected to be inside the car, the system allows the engine to be started.

