

## Strengths of Manufactured Capital

### Sharing knowhow obtained through vertically-integrated manufacturing and global production with the entire world

The strength of MinebeaMitsumi's manufactured capital, which is the source of MinebeaMitsumi's competitiveness, is a vertically-integrated manufacturing system which enables the company to achieve both ultra-precision machining technology and mass production. Furthermore, we are expanding the global production framework and sharing our accumulated manufacturing knowhow throughout the entire Group. We have formed a dedicated team to support manufacturing, strengthening manufacturing capabilities across the Group and contributing to the generation of synergies.

#### Strength 1 Strengths and benefits of vertically-integrated manufacturing system

Many ultra-precision components such as bearings require a machine's precision to be at a micron (1/1,000,000) or nano (1/1,000,000,000) level, as well as the need to be mass produced in volumes numbering in the hundreds of millions.

MinebeaMitsumi has established a "vertically-integrated manufacturing system" for managing everything from design and development to assembly and in-house inspection, reducing manufacturing costs and providing products with high precision and speed.

#### Vertically-integrated manufacturing system which enables us to achieve both ultra-precision machining technology and mass production



#### Strength 2 Benefits of a global production framework

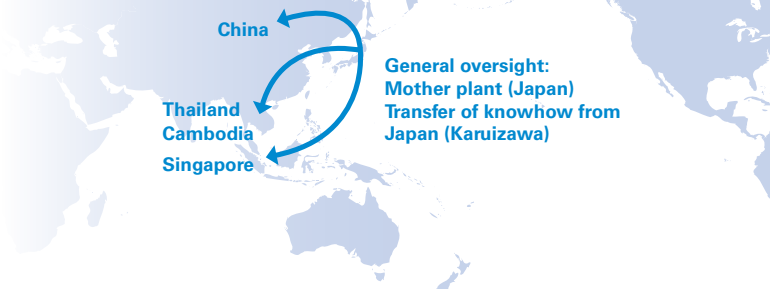
The Company's strength in diverse products is also a strength in our manufactured capital. Among the 96 production sites spanning 22 countries, the mother plants in Japan closely work with mass production sites in Southeast Asia, such as its plants in Thailand, the Philippines, China, and Cambodia, as well as Europe and the United States, to swiftly and flexibly respond to diverse market needs.

Furthermore, most of our businesses have facilities in multiple countries that produce bearings, motors, and sensors which allows us to diversify risk. At all of our locations in every country, we provide guidance premised on the notion of "identical technologies and administration," and develop frameworks that facilitate the manufacturing of products underpinned by the notion of "uniform quality." This does not simply diversify risk, but enables us to truly avoid risk while supplying products embodying standards demanded by our customers, even during instances when we might encounter

production stoppages in certain geographic areas.

We also diversify risk in a manner that involves "manufacturing across multiple factories of similar types," with our sights set on the notion of local production for local consumption.

■ Example: manufacturing site mix involving the Ball Bearing Business Unit



#### Strength 3 Accumulation of manufacturing knowhow and active contribution by specialist manufacturing support personnel

MinebeaMitsumi has refined its manufacturing capabilities by specializing in very small and miniature-sized bearings, and has engaged in improving productivity at a high level by increasing performance, quality, and yields to the extreme. Such manufacturing knowhow has been shared throughout the entire

Group not only for bearings, but also motors and electronic devices, leading to differentiation of our products. A specialized team has also been formed to support manufacturing and synergies have been quickly demonstrated with this business integration.

## Strategies of Manufactured Capital

### Thoroughly implementing measures to reduce environmental impacts and addressing risk equates to further improvement of overwhelming supply capability

MinebeaMitsumi will further focus on reducing the environmental impact of manufacturing and fulfill its supply responsibilities as a components manufacturer by thoroughly implementing risk management. Furthermore, we are strengthening our vertically-integrated manufacturing system through the automation of equipment and in-house manufacturing of components. We will continue to support manufacturing around the world by sharing best practices through team-building initiatives and promoting productivity improvements which will improve our speedy and overwhelming supply capabilities.

#### Strategy 1 Reduction of environmental impact of manufacturing

MinebeaMitsumi has long been committed to environmentally friendly initiatives in accordance with its management policy, including the operation of a Plant Wastewater Zero System in the mass production facilities at its Thailand and Shanghai Plants. Starting with the installation of solar power generation systems at our two main plants in Thailand, where we

have mass production bases, we plan to install solar power generation systems in Japan, the U.S., and Malaysia, and will further focus on reducing our environmental impact amid the global focus on climate change and decarbonization.

| Initiatives for the Environment | Pages 57 to 62

#### Strategy 2 Strengthening of risk management

MinebeaMitsumi, as a component manufacturer, has worked to expand our risk management structure on a global scale, considering our social responsibilities when supplying customers products on a global scale.

Even when faced with the spread of COVID-19, we quickly established a response headquarters team headed by the CEO to globally and swiftly sharing our best practices in addressing COVID-19, along with information on logistics, procurement, and sales, to endeavor to keep the impact of the pandemic to a minimum.

The risk diversification efforts employed by the Company have proven effective, not only in the COVID-19 crisis but also in

the supply chain disruptions mostly due to the unavailability and rising raw material prices and the shortage of semiconductors. As a result of these efforts, we are maintaining plant operations and shipments to our customers.

Moving forward, top management and employees will work as one to face crises and we will continue to do our best to strengthen risk management efforts, unwavering in the face of adversity.

| Risks and Opportunities | Pages 29 to 30 | Risk management | Pages 79 to 80

#### Strategy 3 Further improvement of our swift and overwhelming supply capability through team-building

The speed of changes in technological innovation is accelerating and diversifying more than ever and as a components manufacturer, we are required to deliver our products to the market and to customers, we are manufacturers of finished goods more quickly, in large quantities, with even greater flexibility.

Our pursuit to achieve overwhelming supply capacity is to improve productivity. We share manufacturing knowhow for in-house parts and production equipment that has been refined through vertically-integrated manufacturing across a wide range of businesses, generating synergies even as we enhance productivity.

Our in-house manufacturing of parts and production equipment reduces cost, improves productivity, and enables speedy and flexible responses to sudden model changes, making our products more competitive. In future, we will continue to increase the percentage of the parts and equipment we manufacture in-house manufacturing, promote automation utilizing our production

equipment, and establish optimal production monitoring systems.

We are also reinforcing our production capacity for the future through efficient capital investment and M&A endeavors that will ensure that we maintain our position ahead of the trend and ahead of our competitors. For ball bearings, one of our mainstay businesses, growth is continuing due to an increase in demand for high-quality products. In addition to our existing efforts to improve productivity, we aim to establish a supply system to produce 370 million units per month, the highest level ever reached, through measures including capital investments for our Bang Pa-in Plant.

We will continue to refine our speedy and overwhelming supply capabilities by taking a variety of steps to further increase productivity and expand production capacity through team-building initiatives, including sharing the accumulated manufacturing knowhow and best practices.

| Team-building | Page 80