Chapter III Activities for Value Creation

Strategies by Business

We originally embarked on business as a manufacturer specializing in ball bearings, but later applied core technologies, such as ultra-precision technologies, developed through machining operations, to our Electronic Devices and Components.

We have built a reputation, which is a unique position, as an "INTEGRATION manufacturer of precision components" with a multi-faceted business portfolio unlike any other in the world which contributes to the company's risk diversification efforts.

We are dynamically developing markets in each business segment, and each has different business opportunities, risks, and measures to deal with them. We will explain our business strategies, including a business overview, on the next and subsequent pages.

Machined Components

Major products

Main products

Ball bearings, rod-end bearings, spherical bearings, fasteners, pivot assemblies

Major applications

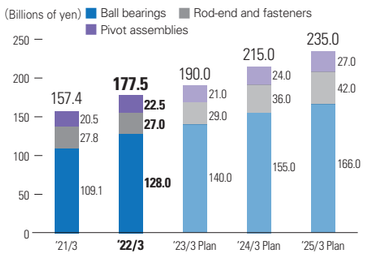
Automobiles, High-end home appliances, HDD, Data centers, Drones, Medical devices, Aircraft, Robots

Highlights

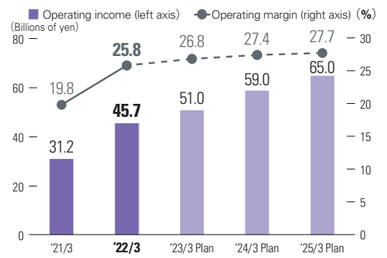
Total sales volume and production volume of ball bearings both reached record highs.
Making steady progress with production capacity increases resulting in efforts to achieve large-scale capacity increases at the fiscal year ending March 2023.

- Operating margin: **Over 25%**
- The World's: **No.1 share**
- Production capacity: **Increasing Significantly**
- Aircraft demand: **Recovering**

Net sales

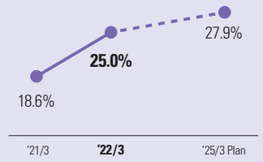


Operating income/operating margin



*'23/3 - '25/3 plans are as of May 2022.

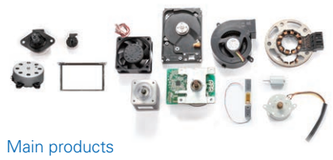
Return on Invested Capital ("ROIC") highlights



ROIC increased mainly due to the recovery of profit margins on ball bearing products.

Electronic Devices and Components

Major products



Main products

HDD spindle motors, stepping motors, fan motors, DC motors, LED backlights, resonant devices, sensing devices

Major applications

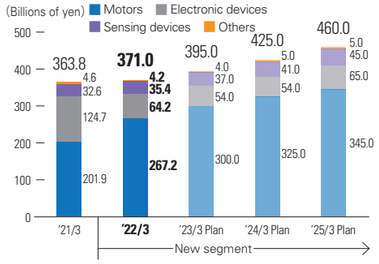
Automobiles, High-end home appliances, HDD, Game consoles, Office automation equipment, Medical devices, Smartphones, Wearable devices

Highlights

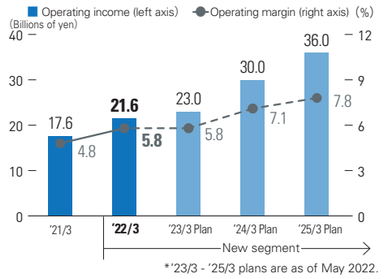
Despite soaring material costs and semiconductor shortages having an impact, we have achieved a significant increase in profit, mainly centered around motor applications.

- Motor sales: **Up 32%**
- Motor business: **Significant Increase in Profit**
- Electrification leading to: **Expansion of Business Opportunities**
- Product portfolio: **Expanding**

Net sales



Operating income/operating margin



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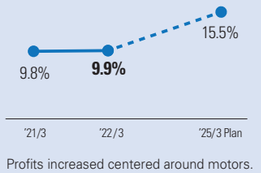
ROIC highlights



Profits increased centered around motors. Invested capital went up due to an increase in the inventory of raw materials for automotive products.

MITSUMI Business

Major products

Main products

Precision components, optical devices, power supplies, mechanical components, smart products, components for home security units, analog semiconductors

Major applications

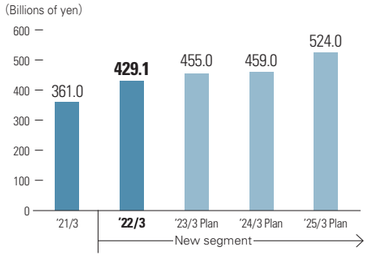
Smartphones, High-end home appliances, IoT devices, Game consoles, Data centers, Automobiles, Home security units, Wearable devices, Medical devices

Highlights

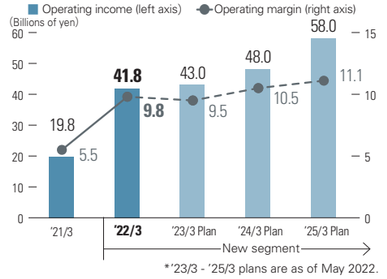
Achieved record high profits. Significant profit growth in analog semiconductors and increased demand for optical devices established it as a solid revenue source.

- ROIC: **19%**
- Operating income: **Record High**
- Analog semiconductors: **Going Well**
- Optical devices: **Significant Increase in Sales**

Net sales



Operating income/operating margin



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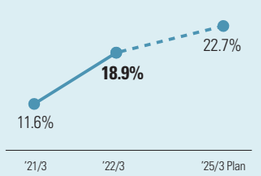
ROIC highlights



ROIC increased significantly as a result of profits doubling while minimizing increases in invested capital.

U-Shin Business

Major products

Main products

Automotive components (door latches, door handles, etc.), wireless communication devices, industrial machinery components

Major applications

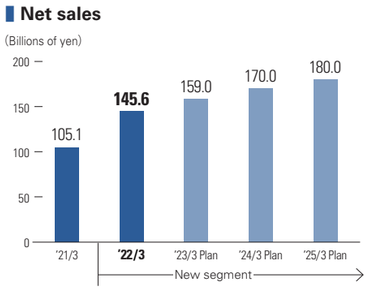
Automobiles, Agricultural machinery, Construction equipment

Highlights

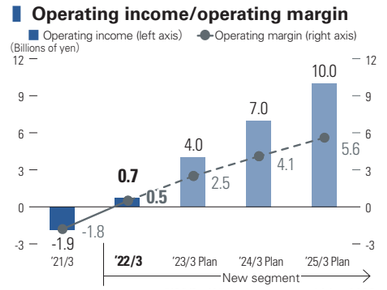
Despite the impact of customer production adjustments due to the shortage of semiconductors, the company returned to profitability in the fourth quarter. Structural reforms in Europe completed as planned.

- Operating income: **Returned to Profit**
- Structural reforms in Europe: **Completed**
- High functionality leading to: **Highly Added Value**
- New businesses are: **Being Acquired**

Net sales



Operating income/operating margin



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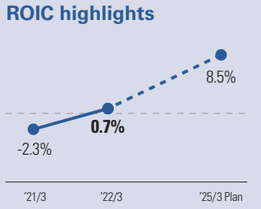
ROIC highlights



The company returned into profitability due to an increase in the sales of automotive products and an improved cost structure.

* From the fiscal year ended March 2022, the company transferred some of our business segments.

Machined Components

Strong growth potential due to increasing structural demand, particularly for ultra-high quality products creating an overwhelming competitive edge

Senior Managing Executive Officer
Chief of Machined Component Business Headquarters
Satoshi Mizuma

Core competencies

Through the fundamental strength of the Company's DNA, including ultra-precision machining, vertical integration, global development, and mass production, we are securing a dominant market share and achieving a high-level QCDESS®*. By pursuing overseas development early and strengthening our in-house manufacturing and maintenance capabilities for components and facilities, we have succeeded in balancing ultra-high quality and low costs. The accumulation of knowhow over many years forms a barrier to entry making it practically impossible for competing manufacturers to enter the market which cannot be measured in terms of capital investment.

* Abbreviation for quality, cost, delivery, ecology/efficiency, service and speed

Bang Pa-in Plant (Thailand)

Opportunities

- Increase in demand for high-quality bearings in general, which contribute to energy efficiency and the downsizing of end products.
- Increase in bearing usage per vehicle due to electrification and the shift to EVs.
- Increase in demand for bearings for cooling systems, including those for data centers.
- Shift to new aircraft equipped with energy-saving and high-efficiency engines by airline companies.

Risks

- Increased attractiveness for competitors to enter the miniature and small-sized ball bearing market.
- Medium- to long-term, downward trend in sales volume of pivot assemblies due to shrinking Hard Disk Drive ("HDD") market.
- Decline in production rate of new aircraft due to sluggish global passenger demand.

Responding to opportunities and risks

- Strengthen competitiveness by promptly implementing capacity expansion for ball bearings.
- Increase market share by leveraging our strength in bearings for aircraft.
- Establish a new pillar of machined components through aggressive M&As.
- Further improve the precision of our products and provide new value to our existing and new customers.

Overview of the fiscal year ended March 2022

Sales volume of miniature and small-sized ball bearings, our mainstay products, increased centered around those for data centers and automobiles, resulting in increased sales. Rod-end bearing sales decreased due to decreased aircraft-related demand. Pivot assembly sales increased despite the trend of shrinking the HDD market. As a result, net sales were 177.5 billion yen, operating income was 45.7 billion yen, and operating margin was 25.8%.

Outlook for the fiscal year ending March 2023

Demand for ball bearings has strongly increased in a wide range of applications, especially for automobiles and data centers. Business for aircraft applications, including rod-end and fasteners, is assumed to gradually recover during the second half of the year. Demand for pivot assemblies is expected to decline due to the contraction of the HDD market.

Midterm Business Plan

Growth in ball bearing business plus recovery in aerospace

Main points

1. Sales of ball bearings
   Continued medium- to long-term growth led by automobiles and data centers
2. Production of ball bearings
   Establish monthly production capacity of 370 million plus
3. Rod-end and fasteners
   Reinforce structure by shifting from a push to a pull system

Basic strategies for next 10 years

Our basic strategy for the Machined Components is to maintain stable and sustainable growth in our core business that has been in effect since the establishment of the Company, and to maximize the growth areas by expanding the portfolio. To this end, we have been increasingly strengthening our miniature and small-sized ball bearings business, which already enjoys an overwhelming competitive advantage in the market. In addition, we have been taking steps to further strengthen the earnings base by actively pursuing M&As aiming to acquire new technologies and expand the business portfolio.

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

For miniature and small-sized ball bearings, we have a global market share of over 60%, which are used in rotating or moving devices, such as small precision motors. The use of ball bearings with lower frictional resistance makes rotation smoother. Therefore, ball bearings play an important role in reducing the power consumption of motors.

Ball bearings are important components since they determine the rotational efficiency of motors. As such, the INTEGRATION of ball bearings and motors is the source of our differentiation from other companies. In addition, we have a lineup of special bearings such as bearings for aircraft, ceramic bearings, and ultra-high-speed rotating bearings. With the above line up, we will meet the needs of all of our customers and contribute to the reduction of power consumption around the world. "Eco-friendliness" is the key to further growth in the future. One of the examples we are currently working on as a part of this is a ball bearing with a three-fold improvement in precision. This is an ultra-high-precision bearing minimizing loss during the rotation of motors. This will be able to contribute to a reduction in global CO_2 emissions through its installation in various motors, such as server fans.

Bearings with 3x precision

New Developing products and supplying components for solving social issues

The world promotes efforts towards the realization of net zero CO_2 emissions. Meanwhile, the aerospace industry is facing a variety of challenges, including the development of high-efficiency and fuel-efficient aircraft and the development of decarbonized fuels. In response to these challenges, the Company is proposing various new products to customers from the perspectives of "low fuel consumption," "energy saving," "electrification," and "lightweight materials." In this way, we are working towards sustainable growth in the aerospace industry.

For example, we are delivering products such as seals for high efficiency and low fuel consumption engines for small and medium-sized aircraft, which are the current mainstream, in addition to conventional rod-ends and spherical bearings. In addition, we are working on the development of ceramic bearings for landing gears with new functions, in which a motor is incorporated inside the wheel. By making the aircraft landing gear self-propelled by an electric power, ground waiting times can be optimized. It can also contribute to a reduction in CO_2 emissions.

In the future, we will also contribute to the mitigation of climate change risks through business growth.

MinebeaMitsumi's New Growth Axis Pages 25 to 26

Fuel efficient engine

Landing gears with new functions

Electronic Devices and Components

Develop new business areas by expanding our portfolio and achieve consistent growth over the long term

Director, Vice President Executive Officer
Chief of Electronic Device & Component Business Headquarters
Ryozo Iwaya

Core competencies

In addition to the Company's DNA of ultra-precision machining, vertical integration, global development, and mass production, we are in the ongoing process of fusing core technologies in the electronics field including sensors, optics, and magnetics. We are expanding our products into broad markets, including automobiles which require stringent quality characteristics and smartphones which require vertical launches—balancing quality and quantity rapidly on a go forward basis. A dynamic location system which responds to customer demands through manufacturing automation & semi-automation and employee education & training, also enhances our competitiveness.

Hamamatsu Plant

Opportunities

- Increase in demand for small and precise motors that contribute to energy saving and noise reduction.
- Expansion in opportunities to enter new motor fields due to the shift to EVs.
- Increase in demand for actuators, cooling fans, etc. due to expansion of industrial machinery, FA and robot markets.
- Formation of new markets such as resonant devices.

Risks

- Rise of low-cost competitors in China.
- Impact on profit structure due to soaring prices of raw materials and components.
- New technologies are replacing existing technologies at a faster pace than expected.
  (HDD market, smartphone market)

Responding to opportunities and risks

- Correction of selling prices in response to soaring prices of raw materials and components.
- In growth markets, expand sales in response to increased demand in focused fields.
- In mature markets, strengthen competitiveness by reducing costs, including design changes and material cost reductions.
- Capture business opportunities by developing products ahead of competitors, taking advantage of our strengths through INTEGRATION.

Overview of the fiscal year ended March 2022

Although impacted by soaring raw material prices, motors have seen a significant growth in sales for the full year through increased sales of spindle motors for HDD and the expanded use of motors for applications in automobiles. Net sales of LED backlights were down due to decreased demand associated with a decrease in the number of smartphone models using them. As a result, net sales were 371.0 billion yen, operating income was 21.6 billion yen, and operating margin was 5.8%.

Outlook for the fiscal year ending March 2023

For motors, we expect accelerated growth and significant increases in sales and profit due to the recovery of the automobile market and further expanded uses. Sales and profits of electronic devices are expected to decrease due to a decline in the number of models adopting LED backlights. Although sales of sensing devices are expected to remain virtually the same, profit is expected to increase due to improved profitability endeavors.

Midterm Business Plan

Accelerating growth with motors as a pillar for earnings

Main points

1. Motors
   Top-line growth in automotive motors to further increase profitability
2. Electronic devices
   Contribution to profits by resonant devices
3. Sensing devices
   Expand sales for automotive and industrial applications (molding machines, etc.)

Basic strategies for next 10 years

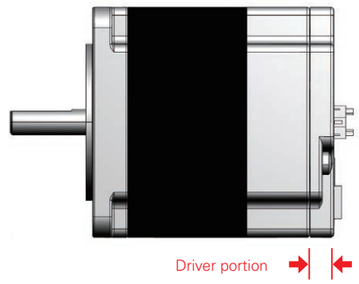
In the Electronic Devices and Components, our basic strategy is to maximize profit by reinvesting cash generated from the sub-core businesses to core businesses, thus strengthening the platform of our core businesses of motors and sensors. In the sub-core businesses, where technological changes are rapid and profit opportunities are large, it is important to implement thorough measures to reduce fixed costs and to properly assess business risks. With the aim of achieving consistent growth over the long term, we will expand our portfolio and develop new areas of business through the INTEGRATION process using other Eight Spear products.

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

The stepping motors manufactured and sold in the motor business rotate at a fixed angle in response to electrical signals. Stepping motors are used in various products such as automobiles and high-end home appliances. We are currently developing an electromechanical integrated motor. This combines an ultra-precision HB stepping motor from the Electronic Devices and Components business with a motor driver IC from the MITSUMI business. We envision this product's wide range of applications, including in textile machinery and medical pumps, for which smaller products and low power consumption are required. Our electromechanical integrated motor has realized smaller products through integration with the motor and control board. In addition, it is equipped with vector control using a magnetic sensor, resulting in the realization of closed loop control*. This allows for the motor to operate more efficiently, and the power consumption of the overall machine can be reduced.

In this manner, we will contribute to higher efficiency and lower power consumption through the INTEGRATION of our technologies and the improvement of product characteristics.

*A type of positioning control method



Electromechanical integrated motor
(Image)

New

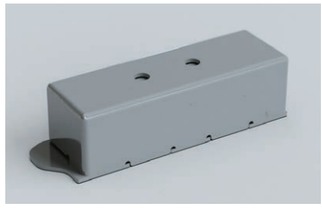
Developing products and supplying components for solving social issues

Products for medical devices require extremely high quality. In addition, in recent years it has becoming more and more important to respond to emerging social issues. Examples of such issues include the "evolution of technology," such as remote control and cloud, "automation" due to the shortage of medical personnel, and "contactless" due to the global COVID-19 pandemic. The Company is working to develop products which will contribute to these social issues through diverse technologies and product portfolios, spearheaded by the ten core technologies and the Eight Spear products.

For example, for mild obstructive sleep apnea (OSA) symptoms, our resonant devices can provide faint, quiet vibration that does not disturb sleep. The product could be installed in easy-to-use, wearable products without covering the mouth and nose and it may be possible to alleviate the deterioration in sleep quality and the lack of sleep encountered by people suffering with Obstructive Sleep Apnea ("OSA").

In this manner, we will work on the development of products through the INTEGRATION of our various technologies and product lines, which will contribute to solving social issues.

MinebeaMitsumi's New Growth Axis Pages 25 to 26



Resonant device
(Image)

MITSUMI Business

Develop new products for future growth fields by taking an INTEGRATION approach using Eight Spear products to create business opportunities for the entire group

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

Core competencies

The source of our competitiveness is our technological development capabilities 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 integrating our core technologies including, ultra-precision machining and vertical integration, which are a part of MinebeaMitsumi's DNA, we are creating an all-in-one system to respond to our customers' detailed needs from development through to mass production. More than half of the Eight Spear products belong to MITSUMI business, and thus are the driving force behind the creation of INTEGRATION for the entire group.

MinebeaMitsumi's Eight Spears

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

Components covered by the MITSUMI business

Opportunities

- Expanding needs for even lower power consumption, smaller size, and higher precision in key fields such as automotive, communications, and medical.
- Expanding opportunities to utilize wireless communication technology and sensor ICs in response to increasing demand for contactless products.
- Using AI/Big Data will improve connectivity in automobiles, housing equipment, infrastructure, etc.

Risks

- Rise of new technologies and applications to replace existing technologies.
- Rise of low-cost competitors in China.
- Tighter regulations on high-tech industries due to U.S.-China trade friction.
- Large-scale M&As and oligopolies due to semiconductor industry restructuring.

Responding to opportunities and risks

- Focus on developing new products and cultivating new customers by leveraging our technological capabilities.
- Determine capital investment plans in line with business growth phases.
- Strengthen competitiveness by expanding analog semiconductor capacity and creating synergies with internal resources.

Overview of the fiscal year ended March 2022

Increase in sales due to robust orders for analog semiconductors, in addition to substantial growth in optical devices. As a result, net sales were 429.1 billion yen, operating income was 41.8 billion yen, and operating margin was 9.8%.

Outlook for the fiscal year ending March 2023

We expect a further increase in sales and profit with continuing growth anticipated, mainly in optical devices and semiconductors.

Midterm Business Plan

Drive growth by semiconductors and actuators

Main points

1. Optical devices
   Increase in the installation rate of our focus products and shift to next-generation technologies
2. Analog semiconductors
   Start-up of Shiga Plant and expansion of MEMS sales
   Achieve stable growth through synergies and organic growth
3. Mechanical components
   Utilizing INTEGRATION to develop new OEM business
4. Connectors/switches/power supply
   Create next-generation semiconductors through in-house synergy

Basic strategies for next 10 years

MinebeaMitsumi is well aware that the key challenge for securing the absolute permanence of the MITSUMI business is to facilitate robust growth in the five areas encompassing the Eight Spear product groups as the future core businesses. As such, the basic strategy of the MITSUMI business involves strengthening the 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 of companies thought to be able to effectively utilize these businesses.

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

The quality, performance, and profitability of our ten core technologies and Eight Spear products are strengthened through their close mutual association, leading to enhanced business performance. Our analog semiconductor business boasts a diverse and high-quality product line-up, which includes; battery protection ICs, MEMS, automotive ICs, etc. The characteristics of these semiconductor products are further enhanced by their incorporation into the Company's motors.

In 2021, the Company acquired an analog semiconductor business, the 8-inch plant (current Shiga Plant) and MEMS business from OMRON Corporation. In addition, we established semiconductor development centers in Gunma and Gifu, and strengthened our technological development team, with the aim of deepening our analog semiconductor technologies and expanding our product lineup. Looking ahead, we will focus on eight business domains in the analog semiconductor business, including INTEGRATION in motor driver ICs and logic-related products, aiming to be the one-of-a-kind through INTEGRATION capabilities company.

Shiga Plant

New Developing products and supplying components for solving social issues

The precision components business of the MITSUMI business manufactures and sells electronic components, including connectors, switches, and coils. Because factors such as the mold precision significantly influences product characteristics, this business has a high affinity with MinebeaMitsumi's ultra-precision machining technologies and mass production technologies. We specialize in miniaturization and precision parts, and these parts are being utilized more and more by our customers in a many applications.

For example, automobiles are connected to various external infrastructure information (GPS, Wi-Fi, TV, etc.). This digitized information is transmitted to the in-vehicle equipment through our FAKRA connectors. Because travel routes and speed are optimized based on this information, equipping automobiles with our high-performance connectors can reduce gasoline consumption, thereby reducing environmental impacts.

In this way, we will strive to achieve the SDGs by actively engaging in the resolution of a variety of social issues through the provision of precision electronic components.

FAKRA connectors

MinebeaMitsumi's New Growth Axis Pages 25 to 26

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

Executive Officer
Chief of U-Shin Business Headquarters
Osamu Nakamura

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**

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.

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.

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.

New

Developing products and supplying components for solving social issues

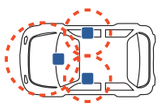
We are developing a unique "Digital Key System" through the INTEGRATION of U-Shin Business's access technologies with MITSUMI Business's wireless communication technologies. This system enables a smartphone to be used in place of car keys to lock and unlock car doors and to start the engine. In addition 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.

MinebeaMitsumi's New Growth Axis Pages 25 to 26

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.



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.

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 suppling 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, wo 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 50

Strengths of Human Capital

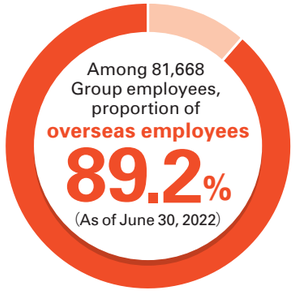
Diverse talents will accelerate our business activities and ensure we achieve sustainable growth

All around the world the Company has talents with knowledge, skill, and experience that they have developed thorough experience. These talents, "human resources," are the source of our technological innovation and INTEGRATION initiatives.

Strength 1 Diversity of talents as a source of innovation

Since its foundation, the MinebeaMitsumi Group has actively engaged in M&A activities with its sights of overseas expansion. Today, we are a global corporate group with a high amount of overseas employees. Our Groups' products, plants, and talents are diverse, and we believe that diversity is the source of our technological innovation and INTEGRATION initiatives.

We promote talented employees based on a spirit of equality, no matter which company an employee hails from. We have also accelerated organizational reform in recent years by actively recruiting and promoting key talents from outside our walls to enable us to acquire new knowledge, technology, and experience.



Proportion of female managers
16.4%

Proportion of female employees
63.5%
(As of June 30, 2022)

Strength 2 Global talents create new value for the Company based on our corporate philosophy

The MinebeaMitsumi Group's products, including our ultra-high precision miniature ball bearings, contribute to the reduction of energy and resources since the majority of applications, feature small sizes, light weight, and durability parameters. Our efforts to support convenient lifestyles and provide people around the world with products featuring outstanding environmental performance are directly linked to our corporate philosophy, which aims to "contribute to realization of a sustainable, eco-friendly and prosperous society." Our employees are proud of the Group's products and their work. We believe that "interpersonal INTEGRATION," when a diverse workforce recognize each other's abilities, experience, and views, support each other, and thus bring out the best in each other, is the key to achieving sustainable growth into the future. Our Japanese employees are trained to be global talents and play active roles at each location around the world, striving together every day, working side by side with employees at other locations.

Number of foreign officers and senior managers
(As of June 30, 2022)
17 persons

Strength 3 Skilled workers/engineers continue to pass down and evolve knowhow

The MinebeaMitsumi Group regards its "employees" as the foundation of manufacturing and strives to pass on manufacturing knowhow. In the case of component processing, for example, we enhance product performance by the pursuit of excellent precision processing of the components we supply to our customers. This not only increases our added value to our customers but also enables us to improve the assembly efficiency and productivity. We are working to develop skilled workers and engineers able to pass on the knowledge and technologies gained from this experience and further advance and grow.

Research and development personnel within the Group
(As of June 30, 2022)
7,106 persons

Strategies of Human Capital

We will take the challenge to transform the Group to create new value by actively embracing difference that will in turn enhance corporate values and achieve our management strategies together

We are focused on discovering and developing talent that will play key roles in our businesses through the era of the Company's centenary, and creating workplace environments where all employees can work in health and safety, making full use of their abilities.

Strategy 1 Engage in talent development worldwide

Material issue 6

At present, over 80% of the MinebeaMitsumi Group's sales, and over 90% of its production activities are located overseas, and our overseas businesses are continuing to grow in size and in importance. Developing and utilizing talent to lead the global expansion of our businesses is a key management issue for the Group, and we are progressively training management talents and the next generation of leaders and specialist talents in Japan and overseas.

- **Enhancing the skills of engineers**
  We aim for technological superiority, and are continuing to implement initiatives to ascertain the skill levels of our employees, enhance their technical knowledge, and develop their abilities. To this end, we have established a skills certification program aimed at developing engineers and skilled staff with the capacity to engage in developing high value-added products and enhancing product quality.
- **Developing Group employees in Japan; The next generation of leaders**
  We are continuing to implement like providing experience in overseas assignments at our global sites, dispatching employees to programs like the Columbia Business School in the United States and the Hitotsubashi Financial Leadership Program in Japan, and exploring selective training programs for our potential next-generation leaders.

- **Developing employees at local subsidiaries overseas to be the next generation of senior management**
  We are continuing to select potential next-generation leaders from overseas Group companies too, training them at the Head Office in Japan for one year, as well as sending them to local subsidiaries overseas (from Germany to Japan, Thailand to German, Japan and Cambodia, Malaysia to the United States, etc.)

Strategy 2 Worldwide promotion of diversity

Material issue 7

We are continuing to boost our strength in diversity and promote inclusion, embracing diversity in talents and encouraging employees to draw upon their diversity to create new value for the Company.

- **Recruiting diverse talents**
  Mid-career hires account for 67% of new employees (Group companies in Japan in fiscal 2021)
- **Promoting the empowerment of all employees equally**
  We are continuing to hold diversity seminars and career discussion events centered on an understanding of diversity and the empowerment of all employees equally.
  - In Japan -Percentage of female managers: Aim for 3.5% by fiscal 2026 (MinebeaMitsumi on a non-consolidated basis; 2.8% as of April 30, 2022)
  - In Japan -Percentage of women among new graduate hires: 20% or more

Strategy 3 Creating a positive and rewarding work environment

Material issue 8

The Company believes in a work-life balance for its employees as we believe this is a key issue linked to motivation and their sense of fulfillment. We will continue with the various systems already introduced to enable flexible working styles, such as working at satellite offices and allowing staggered working hours, while also aiming to improve and expand the use of these systems to enable more male employees to assist with their childcare endeavors by offering more flexible working systems.

- Percentage of male employees taking spousal maternity leave: 68.2% (MinebeaMitsumi, on a non-consolidated basis, in fiscal 2021)
- We will continue to hold internal networking events where employees in the child-rearing generation can form networks and exchange ideas and information on issues such as balancing work and childcare

Strategy 4 Ensuring employee safety and health

Material issue 9

At the MinebeaMitsumi Group, we believe that ensuring a safe and hygienic workplace environment will enable us to improve the quality of our products and services, increase production, and raise the moral of our employees. At each plant in Japan, we hold regular meetings of safety and hygiene committees composed of subcommittees responsible for work safety, hygiene, etc., where each subcommittee shares the results of its group activities used to achieve its goals. Overseas, our main mass production plants in Thailand, China, the Philippines, Cambodia, Singapore, and Malaysia have all obtained ISO 45001 certification.

Talent strategy 3 Maximizing the power of the organization through the INTEGRATION of talent

Cultivating a corporate culture for the effective INTEGRATION of talent

Talent strategy 3 Maximizing the power of the organization through INTEGRATION

Material issue 7 Worldwide promotion of diversity

The Group's strength in the INTEGRATION of diverse talents supports the business and technological INTEGRATION crucial to achieving our corporate philosophy.

Morning greetings promotion activities (Tokyo Head Office building)

Improve the quality of communications and cultivate a corporate culture where everyone can express their ideas freely

One-to-one dialogue between employees and those they work closely with, such as their supervisors and subordinates, is important for the efficient and effective promotion of INTEGRATION initiatives. We have continued to raise the quality of communication by conducting ongoing practical training for managers on how to achieve effective one-to-one dialogue and how to give feedback that encourages self-directed actions and empowers employees.

Moreover, it is important that employees with different backgrounds achieve mutual understanding so that effectively use our diverse talents capitalizing on one of our key strengths. Given the increased diversity of our employees due to our M&A activities, it is more important than ever that we encourage more communication between employees, especially in light of distances caused by remote locations.

In view of these circumstances, we launched greetings promotion activities at our Tokyo Headquarters building from June 2022. In addition to distributing greeting guidelines and raising awareness with posters featuring ideas contributed by our employees, these activities include the greetings promotion members patrolling the building to encourage employees to greet each other. Simple greetings give rise to dialogue, revitalizing communication across the entire organization, and this in turn can accelerate INTEGRATION initiatives with the aim of cultivating a corporate culture where everyone can feel secure about expressing their ideas.

The results of INTEGRATION, bringing a variety of diverse ideas to fruition

Fiscal 2021
All-MinebeaMitsumi Team-Building Awards Gold Prize (productivity improvement):
Mechanical Assemblies Team (Thailand)

Fiscal 2021
All-MinebeaMitsumi Team-Building Awards Bronze Medal (scrap reduction):
Cebu Mitsumi MAT-D2 Team (The Philippines)

Fiscal 2021
All-MinebeaMitsumi Team-Building Awards Best Idea Prize (productivity improvement):
Minebea Slovakia MTCE CSD Team (Slovakia)

Fiscal 2021
All-MinebeaMitsumi Team-Building Awards Silver Prize (productivity improvement):
MITSUMI Business Headquarters Semiconductor Business Division (Chitose)

Corporate philosophy Basic management policy Corporate slogan

Instilling the corporate philosophy and creating a corporate culture to foster INTEGRATION

We provide employees with a range of different learning opportunities to ensure they possess an understanding of the MinebeaMitsumi Group corporate philosophy, basic management policies, and corporate slogans, which form the basis of INTEGRATION initiatives. We are also implementing initiatives to clarify our vision of the talent required to achieve our corporate philosophy, embody this vision in personnel assessment and training guidelines and instill it in employees and ensure it takes root in our corporate culture which will foster INTEGRATION.

Accelerating effective and efficient INTEGRATION initiatives

Systems effectively and efficiently fusing real and digital applications and technologies are vital to accelerate our INTEGRATION initiatives. To this end, we are leveraging crucial AI/DX tools such as Slack and Box, converting the valuable tactical knowledge accumulated through the Company's history into explicit knowledge and building systems to efficiently embody this knowledge throughout the organization through e-learning courses. Promotion of AI & DX Page 55

INTEGRATION with external stakeholders

We are expanding our INTEGRATION initiatives to include not only employees but also our diverse stakeholders.

At the Karuizawa Technology Center, we have begun to offer workshops and tours for the community including for children, who will create our future. Starting next year, we will make maximum use of the facilities at the MinebeaMitsumi Tokyo X Tech Garden to provide various activities for the public, including universities, customers, and local school groups in support of our corporate social responsibilities.

Initiatives to accelerate the INTEGRATION of talent

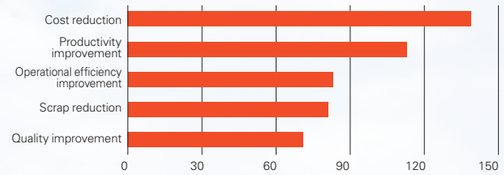
Material issue 6 Engage in talent development worldwide

By implementing various measures to make maximum use of the potential of diverse talents, both as individuals and in teams, we will accelerate the Group's sustainable growth.

Promoting employee INTEGRATION through team-building initiatives

The MinebeaMitsumi Group's team-building initiatives, the foundation for our INTEGRATION initiatives, were officially launched as a program in fiscal 2019. So far, we have organized the various autonomous activities previously undertaken by each division into a systematic format, extracted the important elements for the Group's team-building initiatives, organized these elements into guidelines, provided employees with a thorough understanding through e-learning, and implemented efforts to instill these initiatives throughout the organization.

■ Five top project categories for team building



In fiscal 2020, we introduced an awards system to recognize teams that have generated outstanding results. We have also introduced a mechanism whereby outstanding efforts are shared as case studies to allow employees to learn from each other about the elements of successful team-building in an effort to advance these initiatives across the entire organization.

The Thailand team that won gold medal at the All-MinebeaMitsumi Team-Building Awards for fiscal 2021 had constructed a system for efficient actions using a data-driven approach. This system involved a range of information that was collected from members on the front line and shared among all those involved. The sharing of information enabled the team to achieve continuous productivity improvements and led not only to quantitative results but also to a change of actions and attitudes of members as well as the organizational culture.

The Slovakian team that won the Best Idea award was a team composed of members from manufacturing, research and development, and sales across three countries: Japan, Germany, and Slovakia. Team members exchanged close communication combining both real and digital interaction, and achieved substantial production increases, reductions in repairs and scrap which equated to an increase in net profit. Starting in fiscal 2022, we have established the Team-building Promotion Office to further advance these initiatives and together with members appointed from each division, we have launched efforts to continue to create dynamic self driven results.

Strengths of Intellectual Capital

Generate new value by INTEGRATION formed by internal alliances and M&A activities centered on ultra-precision machining technology

MinebeaMitsumi is working to maximize synergies through INTEGRATION, combining the strengths of manufacturing, technology, development, and sales centered on ultra-precision machining technology. Furthermore, using M&A as a driver for speedy growth, we are producing synergies early on through our PMI (Post Merger Integration) endeavors. We continuously generate new and increased value by leveraging the strength of our intellectual capital.

Strength 1 Continually-refined, ultra-precision machining technology

MinebeaMitsumi has devoted nearly seven decades to in-house development of ultra-precision machining technology and has reached its goal of producing 370 million units per month. The Company has developed cutting-edge processing technologies in-house, including machine cutting tools, specialty tools and production equipment, with environmental considerations that still make it possible to freely control dimensions on a nanometer level as well as providing consistent quality and process accuracy at all times.

As a components manufacturer, the Company also has established an unparalleled manufacturing framework geared to meeting market and customer needs by providing in-house development of new raw materials required for future products. We draw from our experience in ultra-precision machining technologies developed thus far and collected performance data and apply it horizontally to our machined components and other products which provides a large amount of data, "Big Data" to use.

At MinebeaMitsumi, we also contribute to the reduction of CO_2 emissions through our products. As a Company initiative, we are focusing on the development of high-precision bearings which will assist in the achievement of this goal. By further refining our ultra-precision machining technology and increasing the precision of our bearings, we effectively reduce friction thus increasing the energy efficiency of the bearings. For example, using the miniature ball bearings produced for fan motors, which is widely used to cool IT related electronic devices, will contribute to reducing approximately 1.496 million tons of CO_2 emissions.

Initiative to calculate volume of avoided CO_2 emissions by product Page 59

We will continue to deepen our ultra-precision machining technologies to expand the effects of CO_2 emissions reduction and energy consumption reduction in the products we provide to our customers.

Strength 2 Capability by INTEGRATION of manufacturing, technology, development, and sales

At MinebeaMitsumi, we develop new products and pioneer into new markets to resolve new social issues by closely intertwining manufacturing, technology, development, and sales by continuing to aggressively expand investment in research and development.

In 2022, we established two centers; 1) the Osaka Research and Development Center (ORDC) in February and 2) the Karuizawa Technology Center in May, as new development bases for engineers. Also we must mention our planned relocation of the Tokyo Headquarters (planned for the fiscal year ending March 2023). These changes reinforce the significance of enhancing the strength of our INTEGRATION efforts and will certainly add to the Company's 100th anniversary in 2051. In Osaka, we established MinebeaMitsumi Osaka at the same time as the Osaka Research and Development Center, consolidating the sales offices of MinebeaMitsumi, U-Shin, U-Shin Showa, and ABLIC now located at the same site.

Together with the INTEGRATION of MinebeaMitsumi's knowledge base, we will constantly challenge ourselves to further advance our underlying technologies. At the same time, we will continue to leverage the difference that transcends conventional wisdom to create vital components for society and new value through the INTEGRATION of wide-ranging core technologies and core businesses, which are unlike anything seen across the globe.

Karuizawa Technology Center

Osaka Research and Development Center (ORDC)

Strength 3 Maintain and improve M&A capability/PMI

As of August 2022, MinebeaMitsumi has acquired a total of 54 businesses, which includes 23 since April 2009, which has greatly strengthened its business portfolio.

Among them, we are focused on PMI, and by upholding the spirit of equality, we motive the Group's members to rapidly generate synergies.

Interview with President of ABLIC Page 53

Strategies of Intellectual Capital

Create new value by combining our ultra-precision machining technologies with our core technologies to promote development of new products that contribute to resolving social issues

In order to support speedy growth of our core businesses, we will strengthen basic technologies and key technologies that improve the added value of products which will in turn increase competitiveness further by developing new products based on market needs.

We will also generate infinite synergies through INTEGRATION and focus on solving social issues and developing new products that meet the demands of the next generations.

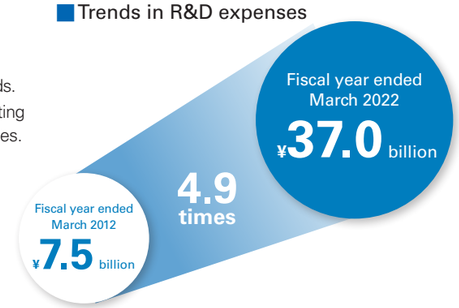
Strategy 1 Upgrade core technologies and roll out new products

Under its policy for technology development, MinebeaMitsumi is engaging in key strategies that involve:

- Expansion of key technologies (core technologies) essential for new product development that can be victorious in the market in the medium- to long-term periods.
- Creating new products by effectively leveraging Group synergies and actively promoting INTEGRATION initiatives. MinebeaMitsumi takes on the following important strategies. Moreover, in addition to these existing technology policies, we will engage in new product development with a heightened consciousness of social issues.

1. Expand the motor business
2. Bring about a paradigm shift with respect to the optical technology development product line
3. Expand the sensor business
4. Enter the robotics market
5. Connectivity with sights set on IoT
6. Improve added value of machined components
7. Collaborate with U-Shin
8. Collaborate with ABLIC

■ Trends in R&D expenses



New technology strategy that advances development of new products

In the Company's previous technological development strategy, the policy was to further broaden and strengthen core businesses through differentiation of the product lineup and strong key technologies to support this in addition to technologies that improve capabilities. However, we are now starting to take on challenges of developing new technologies and new products under our initiative to steadily achieve the Company's medium-term targets of 2.5 trillion yen in net sales and 250 billion yen in operating income.

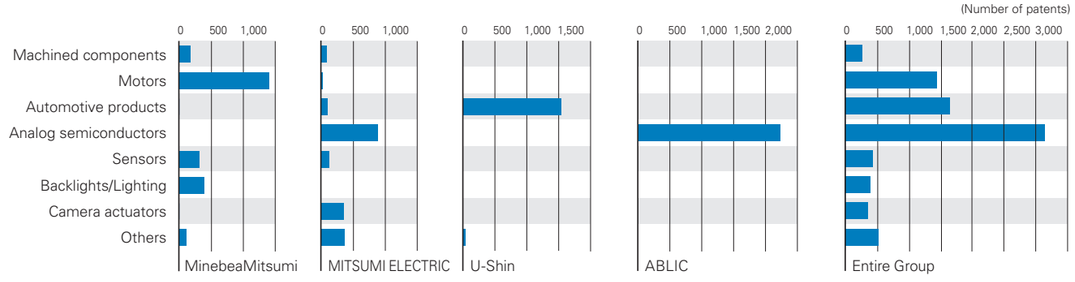
More specifically, this calls for transforming the Engineering Development Div. itself through the optimization of technology development policies. Our approach to date has involved fine-tuning elemental technologies with a focus on technology and then commercializing such technologies and mass producing products by improving and enhancing these technologies. Meanwhile, prevailing technological innovation and changing circumstances have given rise to the need for us to deliver maximum results in a shorter period of time.

As such, in order to continue to evolve with the development of new products and discover various needs inherent across a wide range of markets, we have recently been not only cultivating more powerful technology, but also have actively adopted a policy of promoting product development based on market needs. Furthermore, we will efficiently and swiftly proceed with the launch of new products that are essential to achieving the previously mentioned medium-term targets as well as the research and development for one-of-a-kind products by facilitating technical exchanges with external institutions, through industry-academia partnerships, thus strengthening our framework to enable young engineers to develop and propose new products.

Strategy 2 Shape portfolio of intellectual property that supports business growth

The MinebeaMitsumi Group maintains ownership of over 8,000 patents in its portfolio as illustrated below. We have effectively assembled a portfolio that covers the Group's main businesses centered around the Core Businesses, drawing on complementary offerings of MinebeaMitsumi, MITSUMI ELECTRIC, U-Shin, and ABLIC.

(Number of patents)



The strength of MinebeaMitsumi's M&A

Semiconductor Division serves as a role model for manufacturing in Japan

Senior Managing Executive Officer of MinebeaMitsumi
Representative Director, President and CEO of ABLIC Inc.
Nobumasa Ishiai

What are the strengths of the Semiconductor Division?

The key growth driver has been selling-price improvements achieved through product differentiation.

Business results for the fiscal year ended March 31, 2022 were significantly above our planned targets with net sales of 77.5 billion yen and operating income of 20.0 billion yen.

Although partly a result of yen depreciation, the biggest growth drivers were our hard work to increase manufacturing efficiency and improved selling prices. To combat ongoing decline in selling price, ABLIC pursues a "value selling" initiative, ensuring our customers are aware of the value ABLIC provides. This initiative, in place prior to business integration with MinebeaMitsumi, has resulted in vastly improved selling price.

In addition to value selling, there are three strategies that have led to improved profitability for the Semiconductor Division of MinebeaMitsumi.

The first strategy is to be the expert in the value of our products to our customers, understanding their true needs and providing products and services that best meet those needs. By following this approach, we avoid downward price pressures, and the customer benefits by getting what they really need. This has led to a change in our marketing mindset. We transitioned from a mindset that "the customer is always right" to "the customer is our close partner," and this fundamentally changed our way of seeing things.

The second strategy is to improve product value using tried and tested criteria for new product development. One of these is what we call "rising star & horizontal development." This entails concentrating management resources in high performing sectors, developing a successful business model, then implementing it horizontally across the organization to improve profitability. In addition, our vertically integrated manufacturing, sales, and marketing structure allows swift translation of new products into a practical applications, resulting in expansion of sales after the initial launch period.

The third strategy is to improve the accuracy of our production management system, integrating manufacturing and sales. Under this system, developed over four years, I look comprehensively at sales and production in order to forecast orders and manage inventories accordingly. Currently, we are able to achieve sales results within plus or minus 10% of the order forecasts. By implementing this framework within the Semiconductor Division, I believe we can further improve our delivery while maximizing sales and profit.

What are your forecasts for the Semiconductor Division?

We will meet our targets and expect to achieve FY2024 targets ahead of schedule.

The Semiconductor Division's targets for the fiscal year ending March 31, 2025 are net sales of 100 billion yen and operating profit of 30 billion yen. In addition to these financial targets, our objective is "to provide semiconductors for every niche while supporting our customers to realize a sustainable society." MinebeaMitsumi's efforts are focused on eight business fields centered around environmentally friendly products. The eight core businesses of the MinebeaMitsumi Group are the "Eight Spears," and strengthening each of these pillars is a major policy of the Group. Our business, analog semiconductors, is the third spear after MinebeaMitsumi's founding core businesses of bearings and motors. I also have a strong wish to contribute by providing essential components of products around the world, and I wish to see the Semiconductor Division rank among the global top ten analog semiconductor manufacturers. Last year we welcomed two new engineering bases, Gunma and Gifu. With the Shiga Plant, this reorganization has enabled us to strengthen our analog semiconductor operations.

There is a saying in Japanese that encapsulates our current business environment: "the weather is fair, but the waves are high." Firstly, the "fair weather": Although recent business conditions have caused short-term declines in demand, in the medium and long term we expect our markets (automobiles, industrial machinery, communications, and medical devices) to support an annual average sales growth rate exceeding the overall market forecasts up until 2024. Secondly, the "high waves": We expect the fiscal year ending March 2023, will require endurance and perseverance. This will not be limited to ABLIC. In addition to high foundry costs and material prices, we are facing the effects of the Ukraine situation, the continuing impact of COVID-19, stagnation in the markets of Greater China, and the risks associated with unstable local electricity and water supply. However, we are undaunted by these circumstances, and see opportunities. The Government of Japan is offering subsidies to strengthen semiconductor manufacturers, and we are using this to maximum effect, swiftly launching the Shiga Plant, accelerating our transition to highly profitable products, including the new product market. Through concerted efforts by the entire Group to eliminate waste, among other initiatives, we are accelerating our "Breakthrough Action Through Endurance and Perseverance."

Meanwhile, we are working on strengthening our resilience. When a semiconductor manufacturer suffers an accident which disrupts delivery, it can affect global supply chains. To prevent this we work to ensure best practice in safety and hygiene, and give our utmost attention to risk management, putting in place comprehensive countermeasures against fire, earthquake, and extreme weather.

What is the secret behind the strength of MinebeaMitsumi M&A?

Insight informed by strategy and contribution to society.

We have learned much from study of the management of various global corporations. At ABLIC, our objective has always been to combine the best international management thinking with the strongest qualities of Japanese management. After more than one year since joining the Group, I have learned that both MinebeaMitsumi and ABLIC share a common approach in that respect.

I think the core strength of the business integration with MinebeaMitsumi has been the development of insight informed by strategic thinking and a desire to contribute to society. The present Semiconductor Division began with the integration of the semiconductor business of MITSUMI ELECTRIC in 2017. ABLIC joined in 2020, and OMRON Corporation's Yasu Plant (currently Shiga Plant) was added in 2021. With these additions and the reorganization at the Gunma and Gifu Plants we have grown to become the third spear of the MinebeaMitsumi Group in four years. The employees and officers from these companies share a commonality of circumstance and culture and each have developed unique combinations of technology and know-how. Even with expert technology and excellent human capital, obstacles prevented their growth and development, first and foremost of which was production capability. If any of these businesses were to have continued to go it alone, they were facing a high probability of not surviving. Through the business integration with MinebeaMitsumi, great opportunities to contribute to society have been created.

As a result, the business integration has benefitted all stakeholders including not only the MinebeaMitsumi Group, but also each company newly joining the Group, their employees, their customers, and society. I think M&A will continue to be actively pursued by the MinebeaMitsumi Group, and will play a crucial role alongside organic growth in achieving our target of 2.5 trillion yen in net sales.

Lastly, what tenets and business philosophy do you hold dear?

Work that makes a contribution to society is work we can be proud of.

The tenets I live by are humility, warmth, and gratitude. I look at what a company can do, and marvel how everyone's efforts combined far exceed what one person is capable of. This inspires me. I think the ability to create relationships and products that everyone can take pride in is the core value at the heart of working for a company. It all begins with people. I think the most important thing is to create an environment that provides motivation and allows employees to perform their work safely, effectively, and with pride. If we can do that, I believe that results will always follow. In order to be able to make changes in a company, we need to value and support our employees, and put effort into developing employee talent and skill.

Chapter III Activities for Value Creation – Promotion of AI & DX

We are committed to DX* for the realization of our corporate philosophy and dramatic improvement of our business processes.

* Digital transformation

The MinebeaMitsumi Group utilizes DX to realize its corporate philosophy, with the target of increasing productivity to the highest level.

We will continue to promote the use of AI and DX to enhance management capital.

Managing Executive Officer
Chief Digital Transformation Officer (CDXO)
In charge of AI & DX Promotion Division and
IT Services Division
Togo Sanai

01 Strategy

DX strategy in line with our corporate philosophy

- Continuing assessment of our strategy and its impact on our digital journey
- Qualitative and quantitative measurement of our progress

02 Organization & Resources

Defining, securing and developing digital talent as a DX specialized organization

- Establishment of the MinebeaMitsumi Specialist Certification Program for IT engineers; proposals for skill competencies and career paths including architect, data scientist, security specialist, etc., and support for career planning

03 Technology

Introduction of the latest digital solutions, process-building and shared insights

August 2020-
Established AI & DX Promotion Division (August) 1
Began full-scale use of the "Cisco Webex" video conferencing app

2021 2
- Introduced the Slack digital workspace
- Launched the MinebeaMitsumi Academy e-learning platform
- Recommended security measures to support DX
- Began using the Box cloud storage service
- Automated conversation programs utilizing AI (artificial intelligence) Launched the "AI Chatbot for Recruiting" Launched the "AI Chatbot for e-commerce"
- Began the introduction of Okta to support zero-trust security

2022 3
- Develop AI solution "MinebeaMitsumi Healthcare Platform"
- Develop HR solution "MinebeaMitsumi Human Capital (tentative name)"
- Develop "MinebeaMitsumi Customer Success (tentative name)" for more efficient sales operations
- Accelerate re-training of IT engineers through a specialist certification program

2023 onward 4
Service launches planned
- "MinebeaMitsumi Healthcare Platform"
- "MinebeaMitsumi Human Capital"
- "MinebeaMitsumi Customer Success"

Improved sales forecasts (demand and sales forecasting) using AI
Providing DX to maximize efficiency improvements at production sites
Consideration of linkage between DX solutions and each legacy system, etc.

Strengthen the HR database to contribute to talent utilization

Human Capital Management for Training, Promotion, Allocation, & Retention

Restructure the sales platform to achieve business expansion

- Accomplish the ideal sales scheme through introducing novel sales platform
- Achieve sales of 2.5 trillion yen and a profit margin of 10% in fiscal 2029 through extreme deal management and behavior management of sales representatives

Solutions utilizing AI aim to contribution to resolve social issues

Bed Sensor System™


Our bed sensor product


Measurements using the bed sensor


AI modeling

Assess health status utilizing AI technology

Reduce the burden of elder-care nursing, and provide users and their families with safety and security

Contributing to the resolution of social issues through the fusion of cutting-edge technologies and IoT devices

- Challenging novel technological development to support health care using non-contact and non-invasive sensors
- Using AI technology to assess the user's state of health utilizing data collected from the bed sensor