

# Integrated Report 2022



# Build a utopia where engineers to the resolution of social issues

## INTEGRATION of know-how: Expand development sites in Japan and globally

MinebeaMitsumi is expanding its development sites in order to accelerate the evolution of products that contribute to the resolution of social issues. Following on from the Osaka Research and Development Center (ORDC) in February 2022, we opened the Karuizawa Technology Center at the head office, which is the mother plant, in May. We are also establishing development sites globally, speedily responding to the demands of each region at the Company's R&D centers in Europe and China. At the MinebeaMitsumi Tokyo X Tech Garden, to which we will relocate in March 2023, we will attract diverse talents and accelerate new product development, aiming to make a "profit center" that will generate even more profit as the "ideal environment for engineers - a utopia".

### Karuizawa Technology Center

Promote development of machined components



### MinebeaMitsumi Tokyo X Tech Garden

- Taking advantage of geographical location to secure excellent talents
- **Activate INTEGRATION of talents**
- Tempering the "Eight Spears" of our core businesses and creating additional spears
- Thoroughly pursuing technological synergies
- **Complete the Group's post-merger integration (PMI)**



### Global development sites

Responding to needs of each region with speed



**Osaka Research and Development Center**  
Promoting development and sales in the Kansai region  
Strengthening the platform of IoT solutions

**Semiconductor Development Center**  
Strengthening design and development capabilities for analog semiconductors and mixed-signal semiconductors



MinebeaMitsumi Technology Center Europe GmbH



MinebeaMitsumi Technical Service (Suzhou) Ltd. (China)

Co-operating with universities, colleges and research institutions outside the Company

## INTEGRATION of talents: strategy to realize growth

We will drive growth using three talent strategies for the realization of our targets for the fiscal year ending March 2029.

### Talent strategy 1 Developing and acquiring leaders

Strengthening leaders who can enhance and evolve the business with their ability to think big and execute with a strong sense of vision

### Talent strategy 2 Developing and acquiring engineers

Strengthening engineers who can boldly take on the challenge of the resolution of social issues through the deepening and INTEGRATION of technology

### Talent strategy 3 Maximizing the power of the organization through the INTEGRATION of talents

A talent management system that allows each individual to maximize their potential

Message from Officer in Charge of Human Resources Development Page 9 | Human Capital Page 47

# can create products that contribute

Creating a "profit center" that realizes net sales of 2.5 trillion yen and operating income of 250 billion yen through the **INTEGRATION** of diverse **know-how** and "talents."

Heading towards the Company's 100th anniversary with our strength, a refined "physique" = manufacturing capability  
Thoroughly nurture the "brain" = development, and the "face/arms" = sales capability

Brain = Development

Face/arms = Sales

Physique = Manufacturing

Manufactured capital Page 46

Fiscal year ending March 2029

Net sales

¥2.5 trillion

Operating income

¥250 billion

2051 Celebrating

the 100th anniversary

Likening "physique" to manufacturing capability, "brain" to technological capability and "face/arms" to sales capability for manufacturing, the Company has thoroughly honed manufacturing capability = "physique" during its 70-year history. For our 100th anniversary, the Company will strengthen its technological development and sales capabilities, which are the "brain" and "face/arms," in order to create products that contribute to the resolution of social issues.

## CONTENTS

CEO's Message 3

**Organic growth and M&As, as well as developing products aimed at the resolution of social issues will accelerate growth**

Message from Officer in Charge of Human Resources Development 9

Chapter I Financial Strategy and Capital Policy 11  
CFO's Message

Chapter II Value Creation Story of MinebeaMitsumi 17

Chapter III Activities for Value Creation 35  
(Strategies by Business/Strengthening of Non-financial Capital/Interview with President of ABLIC/Promotion of AI & DX)

Chapter IV Initiatives to Support Value Creation 57  
(Initiatives for the Environment, Initiatives for Society, Outside Directors and Officers in Charge of Human Resources Development in Roundtable Discussion, Corporate Governance)

## Organic growth and M&A, as well as developing products aimed at the resolution of social issues will accelerate growth

Establishment of the ideal environment for engineers enlisting **INTEGRATION** of talents at the new Tokyo Headquarters with a view to our 100th anniversary



Representative Director, CEO & COO  
**Yoshihisa Kainuma**

The fiscal year ended March 2022 marked our 70th anniversary and the 60th anniversary of our public listing. It is of great significance that our operating income and profit reached record highs in addition to achieving net sales exceeding 1.1 trillion yen. We achieved this result despite having encountered various issues that included lockdowns in Shanghai, the situation in Ukraine, and soaring raw materials prices due to the ongoing spread of COVID-19.

With strengths in the form of the diversity of our business, production, and people having yielded results, we further bolstered our management foundation, which is capable of withstanding adversity and risk. Although we are likely to continue encountering various additional risks during the fiscal year ending March 2023, we will strive to achieve record-high net sales and operating income, while achieving further growth amid such headwinds. Furthermore, we are setting our sights on achieving targets for net sales and operating income of 2.5 trillion yen and 250 billion yen, respectively, in the fiscal year ending March 2029, and will continue to push forward with our sights set on MinebeaMitsumi's 100th anniversary in 2051.

At a financial results briefing held upon my appointment as CEO 13 years ago, I said that my mission was that of: (1) maximizing shareholder value, and (2) laying a solid foundation for our 100th anniversary. To such ends, we rolled out the basic strategy of "Electro Mechanics Solutions™" seeking mechanical and electrical integration, which went on to become a prototype for deploying our concept of **INTEGRATION\***. We have firmed up our manufacturing and sales strengths enlisting our accumulated core technologies and the "Eight Spears" of our core businesses. Nowadays, more than half of the Company's sales are generated from sales of products that hold the top market share in their respective fields.

Now that we have achieved our target of 1 trillion yen in net sales, going forward we are seeking to achieve targets of 2.5 trillion yen in net sales and 250 billion yen in operating income in the fiscal year ending March 2029. To such ends, the Company will accelerate growth enlisting a three-pronged approach encompassing product development and components supply as a new means of helping to resolve social issues, in addition to achieving growth both organically and through M&As.

In the past, the Company maintained growth by supplying high quality and ultra-precision components as required amid mounting demand for high-performance products - as people's lives become more affluent accompanying GDP growth. We have a product platform that enables consistent growth, underpinned by what we can safely say is a business model similar to that of major global beverage producers and daily necessity manufacturers.

However, as the world undergoes economic development, various issues are emerging that pose challenges to society, including our impact on the environment and declining birthrates coupled with aging populations. The source of our continued growth derives from our role in supplying components including products necessary for enabling new technologies that specifically address such social issues.

From a technical standpoint, we classify the means of addressing various newly emerged social issues involving declining birthrates and aging populations, healthcare challenges, self-driving cars, climate change, and energy, into the four categories of electrification, automation, ultra-high-speed communication, and sensing (control). Meanwhile, these four realms are integrally related to the "Eight Spears" of our core businesses.

One example of this is our role in telemedicine. For instance, in the case of remote surgery performed between Tokyo and Osaka, analog semiconductors and conversion equipment are necessary in order to sense finger movement of the surgeon based in Tokyo and convert that movement from analog data into digital format. Moreover, the process of transmitting the instructions from Tokyo to Osaka to a microcomputer via high-speed communications would call for ultra-precision connectors and wireless communications software technologies for enabling high-speed data transmission. The cloud servers would also use our fan motors, pivot assemblies, spindle motors, and other such products. Also, our motors and bearings would serve an indispensable role in enabling motorized action of the surgical robot located in Osaka.

In such situations, our products are endemically involved in giving rise to cutting-edge technologies that offer the resolution of social issues. We are an "INTEGRATION manufacturer of precision components" serving multiple fields with room for growth - rather than a specialized manufacturer dedicated to a single business. In other words, we sell the major components necessary for edge devices for cutting-edge technology so that meat, fish, produce, and beverages, which are necessary for our sustenance, can be sold at supermarkets. The difference from supermarket products is that our products display an unbeatable level of precision and wide-ranging advantages through their utilization. That is to say, our products differ from the commodity meat, fish, produce and beverages as each of our products has a significant competitive advantage. Given that each of these businesses complement the others, we have room for further growth with solutions multiplying eight-fold those of companies that have a single core product.

Moreover, we require a diverse range of "talents" including engineers in order to drive growth of these businesses and furthermore contribute to society.

\*INTEGRATION means "combining" rather than "simple gathering" of the Company's proprietary technologies to evolve the "Eight Spears" of our core businesses and to create new products in various fields through the **INTEGRATION** of our advanced technology.

We have established a robust R&D framework to achieve net sales of 2.5 trillion yen and operating income of 250 billion yen

We perceive our strengths in manufacturing, technology and sales honed up until now as the “physique,” “brain” and “face/arms” of our operations. We take pride in our accomplished physique derived from having prompted unparalleled growth in the Company’s manufacturing capabilities, which have been exhaustively refined for seven decades. Meanwhile, further demonstrating our ability to contribute to society going forward calls for us to hone our technological and development capabilities (which serve as our “brain”) and our sales capabilities (which serve as our “face/arms”).

Key to achieving this has been our acquisition of the new Tokyo Headquarters building in Shiodome, announced in December 2021. We acquired the former head office building of Nippon Express Co., Ltd. (Higashi-Shimbashi, Minato-ku, Tokyo) on April 15, 2022. Preparation is under way for planned relocation in March 2023. With our relocation to Shiodome, we have renamed the new building “MinebeaMitsumi Tokyo X Tech Garden.” The new building name reflects the following aims and clearly conveys our direction.

The Tokyo Research and Development Center (TRDC), which was established when we relocated our current Tokyo Headquarters building (Mita, Minato-ku, Tokyo) in 2013, has since its establishment acted as a hinge for each of the Group’s development sites, and created synergies by combining the product development of each business unit with diverse core technologies, supporting the Company’s INTEGRATION activities. We will promote this even further with the relocation and concentration to the Tokyo X Tech Garden, building the “ideal environment for engineers” that facilitates new product development, aiming for a “profit center” that generates new profit.

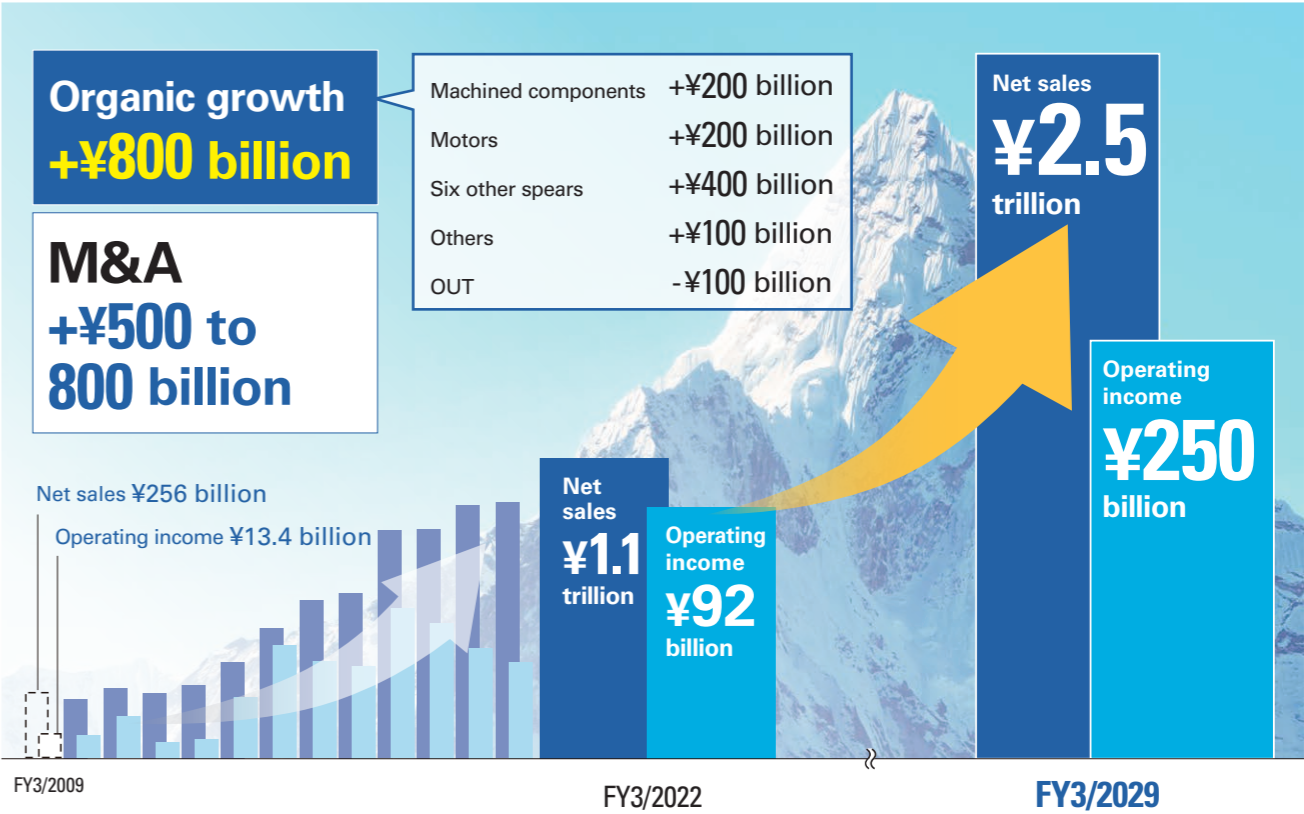
We believe that building the Company’s R&D hub in Shiodome, a prominent location in Tokyo, will enable us to gain access to greater numbers of diverse talents. Prior to the Tokyo X Tech Garden, we opened the Karuizawa Technology Center at the Head Office in May 2022. We have thoroughly strengthened our R&D framework such as the Osaka Research and Development Center (ORDC), which consolidates our Kansai-area development sites, and the Semiconductor Development Center. The Tokyo X Tech Garden will facilitate partnerships with universities and research institutions externally, in addition to creating a hub of interaction among such Group locations.

In so doing, we aim to temper the “Eight Spears” of our core businesses and develop products that are in step with the times, while also exhaustively pursuing technological synergies. Meanwhile, I see my job as that of bringing the Company together as a single entity by fusing the various technologies we have gained through M&A, and by prompting completion of post-merger integration (PMI) with respect to MITSUMI and other group companies.

Although the relocation will not generate immediate results, there is no doubt as to the importance of laying a solid foundation for our 100th anniversary by supplying more components for products that resolve social issues and by achieving sustainable growth while contributing to society.

Whereas the 73.2 billion yen investment is by no means insubstantial, it does not constitute the actual amount of investment. For one, building depreciation cost is low given that the majority of expense incurred is associated with land; and total cost is reduced given proceeds from sale of the current Tokyo Headquarters building. Above all, we are confident that this will be very cost-effective as it will facilitate the continued creation of new products essential to resolving social issues - by securing excellent talents and pursuing synergies.

Achieving net sales of 2.5 trillion yen and operating income of 250 billion yen is likely to require organic growth of 800 billion yen and growth derived from M&A of between 500 billion yen and 800 billion yen. In order to build a foundation for achieving such organic growth, we are attracting diverse talents to the Tokyo X Tech Garden, fine-tuning our existing products, and gaining talents which can accelerate new product development.



We will reactivate M&A to achieve further growth

M&A is yet another means for us to achieve more rapid growth. With previously suspended M&A projects finally regaining momentum amid substantial relaxation of COVID-19 restrictions worldwide, we are now able to resume our due diligence and factory guidance initiatives of the Company. Given these developments, we announced business integrations with HondaTsushin Kogyo\*\* and SUMIKOTECH\*\* in the connector business, and with Honda Lock in the access products business.

The Company pursues M&A according to certain key principles. One principle is to look for M&A candidates that can be expected to strengthen our “Eight Spears” of our core businesses and/or provide INTEGRATION thereof. Another principle is to only agree to an appropriate price, which means never acquiring at a high price. For instance, whereas our acquisition price for ABLIC was slightly above 30 billion yen, the Company’s semiconductor business has consequently achieved net sales exceeding 70 billion yen in the fiscal year ended March 2022. As a result, we are now setting our sights on net sales of 100 billion yen and then eventually 200 billion yen for this spear, which now ranks third, after bearings and motors. Over the 13 years since my appointment as CEO, there has been 540 billion yen in net sales growth attributable to M&As.

Meanwhile, we have also amassed expertise with respect to post-merger integration (PMI), which serves as a framework for promoting M&A. Of course, employees of all companies are treated with the spirit of equality. Talented individuals, regardless of their originating company, are provided with opportunities to play a role anywhere in the Group. Moreover, the acquired entity will in principle keep their former name. As a result, we have been forging win-win relationships aimed at not only maintaining employee motivation but also actively incorporating the best practices of those companies. M&As are a means of using our funds to buy time, but not corporate cultures.

Furthermore, our financial soundness serves as yet another strength. For instance, our ability to generate cash backed by the earnings power of our core businesses enables us to make substantial acquisitions.

Through M&As, we seek to further temper the “Eight Spears” of our core businesses while strengthening our earnings base.

\*\*The Group has resolved at its meeting of the Board of Directors held on July 29, 2022 to commence a TOB of Honda Tsushin Kogyo to make it a wholly owned subsidiary and to conclude a share transfer agreement to acquire all shares of SUMIKOTECH. Although this Integrated Report describes synergies and other forward-looking statements that are contemplated if both transactions are consummated as planned, each transaction is considered and consummated independently of the other.

## Sustainability is the essence of management Corporate activities themselves contribute to realization of a sustainable society

Since my appointment as CEO, I have strived to maximize profits and manage risk while pursuing continuous growth, thus enhancing sustainability and embracing the belief that “sustainability is the essence of management.” Based on that belief, I strengthened our risk diversification system, which is multifaceted and includes business management, talents, and production, enlisting extensive synergies derived from a “selection and concentration” strategy rather than limited synergies in that regard.

Such business portfolios have given rise to the basis for a solid management framework capable of withstanding adversities and offering room for growth. We will seek to balance our initiatives for both Company growth and sustainable growth of the global environment & society more precisely. To such ends, in 2021, we once again revised the wording of our corporate philosophy. We provided supplementary language to better facilitate understanding of our aims. Our corporate philosophy now reads: “To contribute to realization of a sustainable, eco-friendly and prosperous society by providing better products, at a faster speed, in larger numbers, at a lower cost and by smarter means.”

As a manufacturer of ultra-precision components, green transformation (GX) is becoming increasingly important amid calls for reduction of CO<sub>2</sub> emissions throughout the entire supply chain. As such, we will further promote our “QCDESS<sup>\*\*\*</sup>” strategy, which has entailed laying a solid foundation for our 100th anniversary last year. We will make exhaustive efforts in developing, manufacturing and selling products that are environmentally friendly and efficient, in addition to quality, cost, delivery date and service.

Since last year, we have been quantifying the contribution of our customers to the reduction of greenhouse gas emissions under the banner “MMI Beyond Zero” and this year again it has achieved significant results.

Going forward, we will help reduce greenhouse gas volume worldwide by promoting sales of MinebeaMitsumi Green Products and other such products of the Company featuring substantial energy-saving performance. Additionally, we will continue to take on challenges to become carbon neutral through such measures as the introduction of solar power generation. Through these efforts, we will make further endeavours to resolve social issues on the environmental front as well.

When it comes to corporate governance, the Company has been addressing recommendations of TCFD as required of companies listed on the Prime Market. It has also ensured that independent Outside Directors account for at least 40% of the membership of its Board of Directors and has established the Nomination and Compensation Committee, which is chaired by an independent Outside Director. Whilst we have already implemented these measures at an early stage, we will continuously strengthen our corporate governance system. We have recently made changes to our Outside Director structure in the hope of facilitating more extensive discussion on global issues.

\*\*\*QCDESS: Our strategy that adds “Eco/Efficiency and Speed” to “QCDS” (Quality, Cost, Delivery, Service), which serves as a source of competitiveness in the manufacturing industry

Environment Pages 57 to 62

Society Pages 63 to 70

Governance Pages 71 to 80

### Corporate philosophy

Details of corporate philosophy Page 27

#### Corporate philosophy (Basic approach to growth and contribution to sustainability)

To contribute to realization of a sustainable, eco-friendly and prosperous society by providing better products, at a faster speed, in larger numbers, at a lower cost and by smarter means.

#### Basic management policy (Action guidelines for employees to realize the corporate philosophy)

Transparent management based on our company credo “The Five Principles”

#### Company slogan (Measures to achieve growth and sustainability)

Passion to Create Value through Difference – Create new value through “difference” that transcends conventional wisdom



## “People” are what makes a company Our diversity of talents enables us to overcome adversity and achieve sustainable growth

We place “employees” first in “The Five Principles” company credo.

During the 2011 floods in Thailand, which serves as our largest manufacturing site, our local employees addressed the crisis by remaining at the factory as the floodwaters approached. Meanwhile, in the midst of the prolonged lockdown in Shanghai in 2022, our expatriate and local employees stayed in the factory overnight and otherwise exhibited dedication in supporting factory operations, thereby keeping adverse consequences of the lockdowns to a minimum. Having entered the market of Thailand in the 1980s and that of Shanghai in the 1990s, the Company now has engineers and plant managers equipped with managerial and manufacturing expertise amassed over three and four decades, respectively, as well as an understanding of the corporate philosophy. Accordingly, we are able to draw on workforces of our overseas operations in covering for employee shortfalls during times of emergency. The diversity of our talents facilitates risk management. Not only is it a source of growth, but it also enables us to overcome adversity. I feel these constitute the Company’s strengths and value which have no monetary equivalent.

Whereas employees give their utmost, management must also act accordingly. I am convinced that our efforts in building relationships of trust and safeguarding employees will consequently ensure that we meet shareholder expectations as we protect the Company and thereby safeguard its sustainable growth.

Moreover, it has only been through the passion and tenacity of our employees that we have been able to take on lofty challenges and accomplish such growth. Simply carrying out top management succession is not enough to ensure a sustainable future for the Company. It is also necessary to take a bottom-up approach to talent development.

In addition to pursuing global development and M&A, we will continue to expand the diversity of the Company’s talents through the boosting and hiring of personnel at our development sites such as the Tokyo XTech Garden. Meanwhile, we also seek to create new “value” unmatched by our competitors as we achieve INTEGRATION of the respective strengths of our talents which are equipped with various forms of knowledge and experience. To such ends, we will set our sights on achieving further growth looking toward our 100th anniversary as we share our strong “passion” for growth inherited from our predecessors.

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

Human Capital Pages 47 to 50



## A talent strategy that maximizes the talents needed to realize the Company's growth strategy

Last year, the Company revised the wording of its corporate philosophy in order to better define its growth strategy and the talent requirements necessary for the execution of the strategy. To realize the Eight Spears strategy and the strategies for solving social issues, which are clearly defined under the corporate philosophy of "to contribute to realization of a sustainable, eco-friendly and prosperous society by providing better products, at a faster speed, in larger numbers, at a lower cost and by smarter means,"

- Leaders who can enhance and evolve the business with their ability to think big and execute with a strong sense of vision
- Engineers who can boldly take on the challenge of the resolution of social issues through the deepening and INTEGRATION of the Company's technology

are the items that we believe we must focus on strengthening.

While clarifying the human talents, we are working to secure a group of talents who we can focus on strengthening, developing to uncover their potential, create a talent management system with appropriate assessment and compensation, and create a system that enables them to maximize their performance.

The Company aims to accelerate its growth by further strengthening these initiatives in preparation for the relocation to its new Tokyo Headquarters building (MinebeaMitsumi Tokyo XTech Garden) in 2023, and by implementing a talent strategy that further enhances the Company's talents, while utilizing the strength of its human capital.

### Talent strategy 1 Developing and acquiring leaders - Strengthening leaders who can enhance and evolve the business with their ability to think big and execute with a strong sense of vision -

One of the strengths of the Company is the diversity of its globally active talents, which it has nurtured since the time of its foundation as a result of its overseas expansion and M&As. [Human Capital Page 47](#) As we leverage this advantage in order to realize the Company's growth strategy going forward, we are further prioritizing the strengthening of our leaders. We are integrating various functions and the Eight Spear businesses that transcend existing frameworks, and promoting the strengthening and evolution of businesses/functions. At the same time, we are seeking to develop leaders who look at the big picture when identifying issues on a global level, who have the ability to execute, and who are able to bring the people concerned together as they take on the challenge of resolving these issues.

To achieve this, we will optimize the business portfolio,

actively hire top management talent from outside the Company who can drive the evolution of the business through powerful leadership, as well as augment and cultivate the talent pool for those with high potential to become the next generation of leaders. In particular, for the nurturing of top management candidates we will not only supply training opportunities but also provide work shadowing of management for a certain period of time, giving them front-line experience to help them refine their ability to make judgments as top management.

In addition to diversified and global talents, which are a strength of the Company, the development of a leadership that combines the ability to plan and build future visions with the ability to execute is one of the key points of our talent strategy, which accelerates the realization of the Company's group strategy.

### Talent strategy 2 Developing and acquiring engineers - Strengthening engineers who can boldly take on the challenge of the resolution of social issues through the deepening and INTEGRATION of technology -

The manufacturing knowhow that has been cultivated since the foundation of the Company and the technological capabilities that have been augmented through M&A and other factors are also strengths of the Company. [Intellectual Capital Page 51](#) The Company is further reinforcing these strengths to increase the robustness of the mechanism by which such knowhow is passed on. In addition to this, we are strengthening the portfolio of engineers that is needed to realize our growth strategy, by hiring engineers from outside the Company who use fresh ideas that are not bound by existing methods and their experience to add value to the Eight Spear products

and open the way to the resolution of social issues. Furthermore, we are nurturing the promising talents of the future by providing children with opportunities to learn and supporting students with their tuition fees, thus helping to educate the outstanding young engineers who will be responsible for the next generation of technical development.

We also invite academic institutions and customers to work on projects to generate technology that can be linked to the Company's technology and to various social issues. Moreover, the Company has established development sites such as the Karuizawa Technology Center and the Osaka

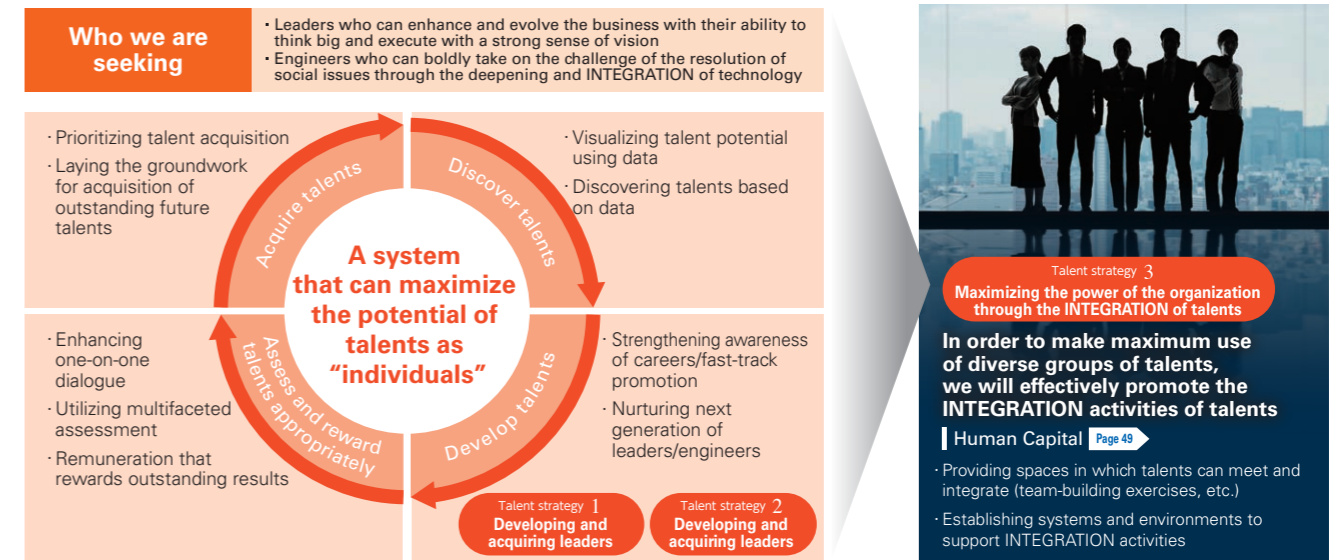
Research and Development Center so that those involved in technology can work without stress on new projects, both real and virtual. The Tokyo XTech Garden will join the technology development sites in 2023.

Furthermore, as bottom-up initiatives to create and implement a variety of ideas, the Company's distinctive team-building activities are used to facilitate technology INTEGRATION.

[Human Capital Page 50](#) [Promotion of AI and DX Page 56](#)

## MinebeaMitsumi's talent strategy

By systematizing talent management to allow each individual to maximize their potential, we will play a part in the development of society and accelerate the sustainable corporate growth



### Talent strategy 3 Maximizing the power of the organization through the INTEGRATION of talents

The diversity of our talents is one of the strengths of the Company. In order to maximize potential for individuals from a variety of backgrounds and with different aptitudes, the Company needs to implement an integrated talent management system.

In order to operate this structure effectively and efficiently, we will put in place a talent management system that addresses the four aspects of acquiring talents, discovering talents, developing talents, and appropriately assessing/rewarding talents.

If we strategically acquire priority talents and the talents that will support the MinebeaMitsumi Group of the future, we will use data to visualize and uncover the potential of all our employees, including new hires.

The process of updating career development will begin with new graduates. At each milestone from junior employee to middle management, employees will be provided with opportunities to consider their own career based on the Company's corporate philosophy and strategy. The system will provide opportunities to accelerate their career development through job-posting system and fast-track promotion.

Over the past few years in particular, we have focused on strengthening the system for appropriately assessing and rewarding talents. We have introduced a management by objectives system, and have changed to a remuneration system in which the performance of individuals is reflected in their reward, and under which outstanding results are rewarded. In conjunction with rephrasing our corporate philosophy, we have updated our performance evaluation items. As a result,

our performance appraisal and talent development is better suited to the talent requirements of the Company. To effectively use performance appraisal in talent development in particular, we provide managers continuous training on methods for assessment, methods for feedback, and methods for one-on-one dialogue. In addition, beginning in the current fiscal year we also introduced a system of multifaceted assessment.

What supports the operation of talent management is a human resources database system that enables the efficient and effective use of the latest talent information for each employee. We are currently in the process of moving to a human resources information system that enables the centralized management of all information related to talents that was not previously managed an integrated fashion in individual departments and sites. [Promotion of AI & DX Page 56](#)

Going forward, we will continue to reform the remuneration system so as to reward outstanding results by role and duties. In addition, we plan to check the level of employee satisfaction from the perspective of the overall employee experience resulting from the "INTEGRATION of talents." By doing so, we will work to create an organization that enhances the motivation and performance of the employee.

We believe this talent strategy will support the effective INTEGRATION of individual employees while maximizing their potential through a variety of opportunities. By accomplishing this, we will accelerate the sustainable growth of the Company.



The world is currently being exposed to various changes in the macro environment. In order for stable growth to continue within this, it is essential that we maintain and strengthen our resilience, which can overcome this. We will reduce risks for the Company by INTEGRATION of business with diverse technologies, products and markets that have synergy. Moreover, to make rapid M&A and capital investment for this possible, it is essential to maintain and strengthen our financial position.

As the person in charge of such matters, I will steadily implement the financial strategy and capital policy. Specifically, I will strengthen the financial base by appropriately managing cash allocation, and implement returns to shareholders that can satisfy all investors. Furthermore, in considering our medium- to long-term portfolio, I will aim to realize maximized investment efficiency and the optimized allocation of management resources, and maximize corporate value by controlling the cost of capital, such as ROIC.

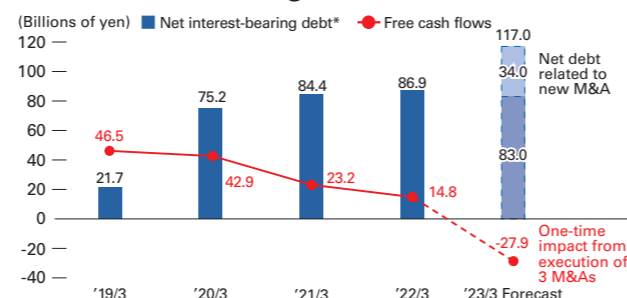
## Financial strategy and capital policy

### Financial strategy

Having made “strengthening our financial position” a basic policy, the MinebeaMitsumi Group has taken various steps that include efficiently engaging in capital investment, managing assets, and reducing interest-bearing debt. We have conducted an appropriate and agile financial strategy which entails reforming our portfolio in a manner that puts more weight on highly profitable core businesses while also carrying out highly effective M&As. In the fiscal year ended March 2022, we faced various headwinds, including semiconductor shortages, soaring raw material prices, and COVID-19. Nevertheless, we recorded high profits for our distributed business portfolio, centered on the Three Spears of our core businesses +1 (bearings, motors, analog semiconductors, and optical devices). However, due to disruptions in the supply chain, etc. free cash flow decreased as the addition of temporary inventory, primarily raw materials, was carried out. Net interest-bearing debt as of March 31, 2023 is expected to increase year on year. This is mainly because we are expecting expenditures associated with the acquisition of MinebeaMitsumi Tokyo X Tech Garden and expenditures due to the three M&As that were announced in July and August 2022. The distributed business portfolio's exceptional ability to generate cash through increasing profitability for the entire group of companies provided the funds to carry out the recently announced M&A expenditures, etc. After excluding that outlay, we expect a level of profit similar to that of the end of the previous fiscal year. A further rise in M&A activities

can be expected as we transition to coexistence with COVID-19. By taking advantage of such opportunities, we are achieving both organic growth and growth driven by the global M&A carried out by leveraging our superior ability to generate cash. In addition, we will focus on capturing new business opportunities, such as the development of products that solve social issues. First and foremost, we will increase growth and profitability, maximize cash flow, and further strengthening our financial position. On top of that, we will also flexibly allocate cash for the purposes of carrying out highly effective M&As. Through such measures, we will strengthen the “Eight Spears” of our core businesses and enhance shareholder returns.

### Net interest-bearing debt / Free cash flows



### Key indicators toward achieving net sales of 2.5 trillion yen and operating income of 250 billion yen

EPS growth rate  
**15%**  
or more  
CAGR

ROE  
**15%**  
or more

Rating  
Rating and Investment  
Information, Inc. (R&I)  
**A**

Rating  
Japan Credit Rating  
Agency, Ltd. (JCR)  
**A+**

### Cash allocation

Generated operating cash flows are to be preferentially allocated to R&D and capital expenditure to act as a driver of organic growth. Moreover, we are proactively considering options to carry out effective M&As enlisting 50% of our free cash flows and borrowings, premised on the notion of maintaining financial discipline such that the net debt equity ratio falls within the 0.2 times range. Under this policy, capital expenditure was 73.5 billion yen in the

fiscal year ended March 2022, and R&D expenses were 37.1 billion yen (3.3% of net sales). With regard to our forecasts for the fiscal year ending March 2023, we expect capital expenditure of 140 billion yen, including investments to increase production capacity at the ball bearing business in Thailand, and expenditures related to the acquisition of MinebeaMitsumi Tokyo XTech Garden, and R&D expenses of 38 billion yen (3.2% of net sales).

### Allocating capital backed by ability to generate cash

#### Operating cash flows

We will allocate capital with the aim of achieving organic growth, backed by our ability to generate cash accompanying profit growth.

**Organic growth** R&D expenses → **3%** of net sales  
CAPEX → **50%** of EBITDA

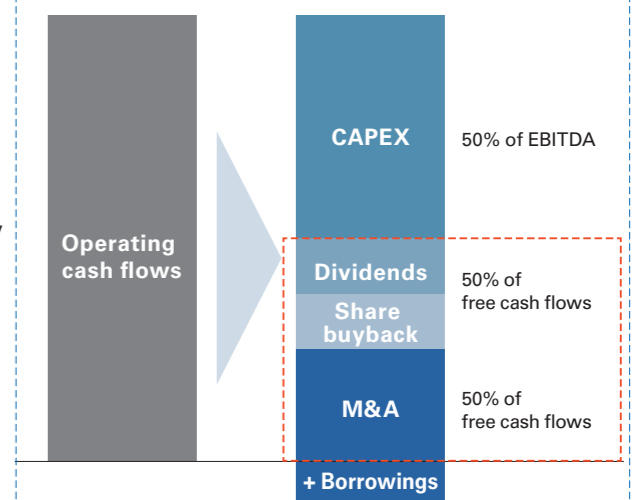
#### Free cash flows

We will flexibly allocate capital having secured the resources necessary to achieve organic growth.

**M&A growth** M&As geared to reducing earnings volatility  
**50% of free cash flows + borrowings**  
Maintaining financial discipline (within 0.2 times D/E ratio)

**Shareholder returns** Dividends and share buyback  
**50% of free cash flows**  
(Adjustments made to ratio of dividends to share buybacks depending on stock price levels; Share buybacks are to involve purchasing shares at appropriate thresholds)

### Medium- to long-term policy



### Shareholder returns

Regarding the annual dividend, having taken a comprehensive view of the business environment, MinebeaMitsumi aims to continue to pay out stable dividends, targeting a dividend payout ratio of around 20% on a consolidated basis, in principle, underpinned by its policy of enhancing returns to its shareholders.

In the fiscal year ended March 2022, annual dividends per share amounted to 36 yen, an increase of 8 yen over the 28 yen, excluding the 70th anniversary commemorative dividend of 8 yen per share, of the previous fiscal year. In terms of returns to shareholders in the fiscal year ending

March 2023, if operating income meets target, we will aim for something in the vicinity of 40 yen per share.

Going forward, while maintaining continuous, stable profit distribution, including both dividends and share buybacks, we will give top priority to improving the efficiency of shareholders' equity and distributing more profit to shareholders. While considering our financial standing and stock market trends, we plan to promote appropriate and agile shareholder returns up to a target level of 50% of free cash flows over the medium to long term.

### Financial base

It is our belief that securing a stable financial foundation is of the utmost importance to ensure we continuously provide returns to our shareholders. We have very favorable credit ratings received from two credit rating agencies, having been assigned an “A” rating from Rating and Investment Information, Inc. (R&I) and an “A+” rating

from Japan Credit Rating Agency, Ltd. (JCR). Although our equity ratio may vary in the short term depending on status of M&A implementation, we aim to achieve a stable financial foundation by accordingly maintaining an equity ratio of at least 50% over the medium to long term.

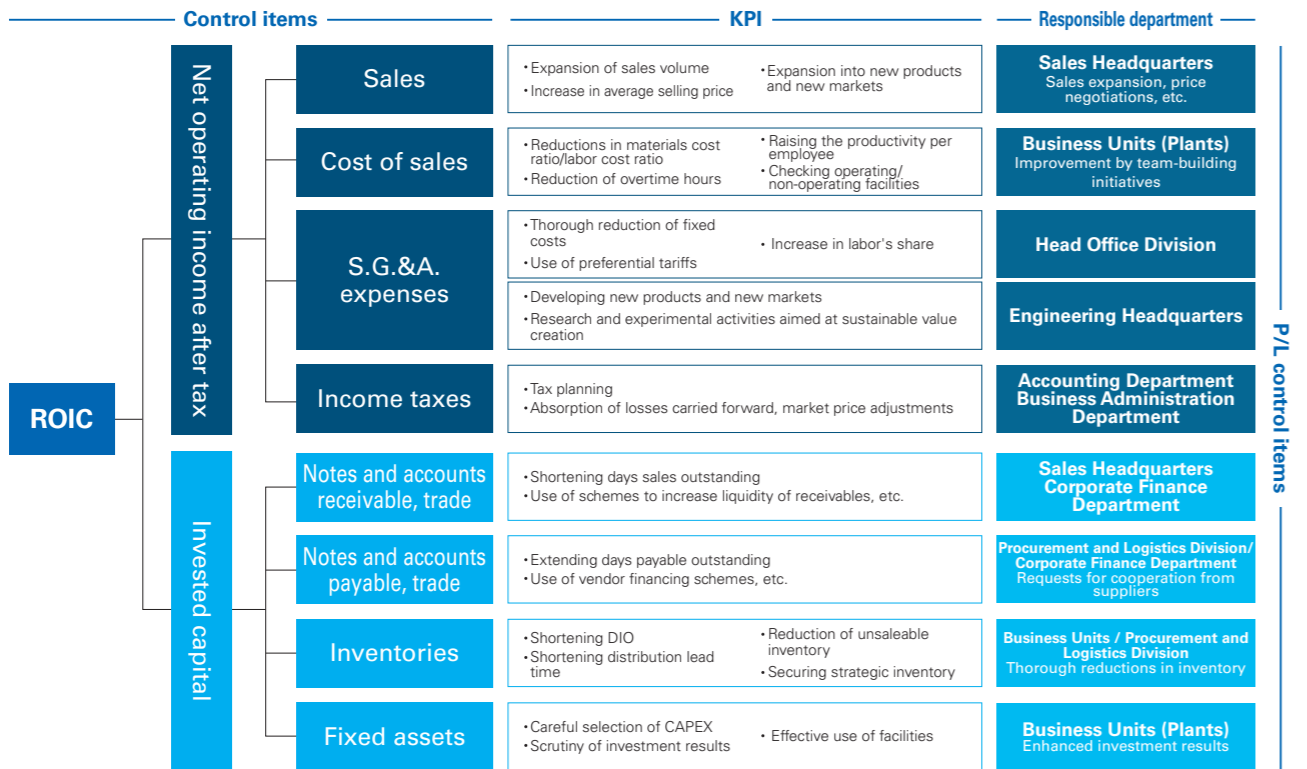
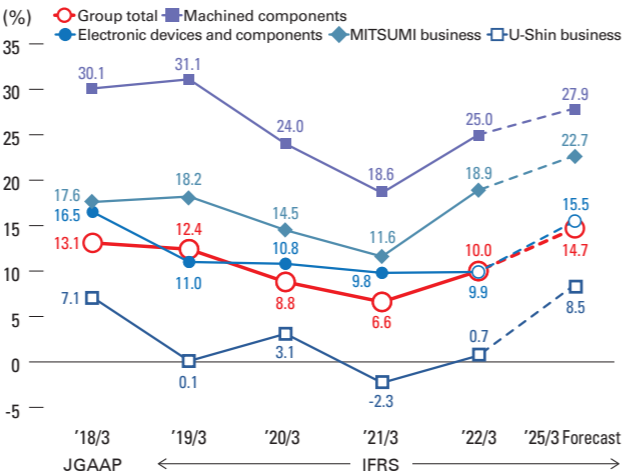
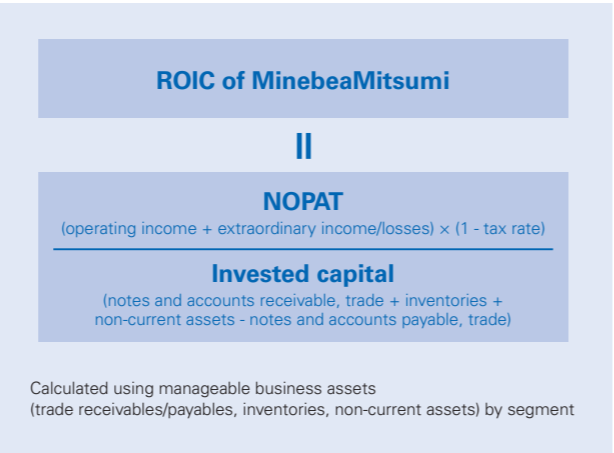
Management for value creation

The MinebeaMitsumi Group works to improve capital efficiency by appropriately implementing financial strategy, which involves identifying capital cost for each business after establishing a hurdle rate of 8% for investment decisions, 2% higher than the estimated cost of capital of 6%. In backing its efforts to achieve net sales of 2.5 trillion yen and operating income of 250 billion yen, the Company appropriately makes decisions on R&D, M&As, and business withdrawal by checking whether or not profitability exceeds its capital cost target and furthermore verifying current status and outlook of individual businesses, based on benchmarks enlisting not only return on equity (ROE) but also return on invested capital (ROIC), which is used as an indicator of profitability for each business.

Our approach to increasing profitability of individual businesses has involved improving profit margins and reducing invested capital enlisting a reverse ROIC tree approach, while simultaneously enhancing profitability of the business portfolio and optimizing invested capital on a Company-wide basis. In the fiscal year ended March 2022, we achieved ROIC of 10.0%, a significant improvement of 3.4% points over the previous fiscal year. This was partly the result of minimizing increases in invested capital through efficient investment. It was also due to our focus on enhancing profitability in our distributed business portfolio, centered on the Three Spears of our core businesses +1 (bearings, motors, analog semiconductors, and optical devices).

Going forward, we will seek to draw up business strategies and engage in business operations in alignment with initiatives for achieving sustainable growth and increasing corporate value over the medium to long term in line with the Corporate Governance Code. In our efforts to increase corporate value, we will endeavor to persistently achieve ROE and ROIC results that exceed hurdle rates, engage in risk management practices for reducing capital cost, and implement financial strategy which helps to enhance the competitive strengths of our products.

ROIC



Business portfolio strategy

Focusing on net sales by business segment, growth and ROIC, we view the current state and the potential of the Company's business portfolio as follows. With regard to invested capital, we seek to optimize management resources. To do this we plan to implement capital expenditures efficiently while utilizing of grants and other funds. We also will focus on controlling inventory and other assets on a business segment basis in order to maintain working capital within an appropriate range.

Machined Components Business

Primarily in the core business of bearings, we expect increases in personnel due to the automotive trend toward electric vehicles and additional functionality, and the expansion and growth of the data center market. Due to the recovery in post-COVID-19 passenger demand and initiatives by airline companies to reduce CO<sub>2</sub>, we expect aviation-related demand to show high growth in the future as a result of rising demand for energy-efficient new aircraft. Through consistent improvements in productivity and active capital investment, the Company will continue to match to customer demand the supply of ultra-high quality products it has cultivated until now, aiming to grow the business while maintaining its current high market share and profitability.

Electronic Devices and Components

The growth driver for electronic devices is transitioning from backlights, which is the sub-core business that drove the Company's profits thus far, to motors, which is a core business. An increase in the number of motors installed per unit is expected due to the electrification of automobiles. Accordingly, we expect to further expand sales and increase profitability by focusing on the development of products in niche fields, such as environment, safety and comfort functions. Furthermore, we expect that this will advance the expansion of sales of sensing devices for automotive and industrial applications (molding machines, etc.), and contribute to profits of resonant devices, which are creating new markets.

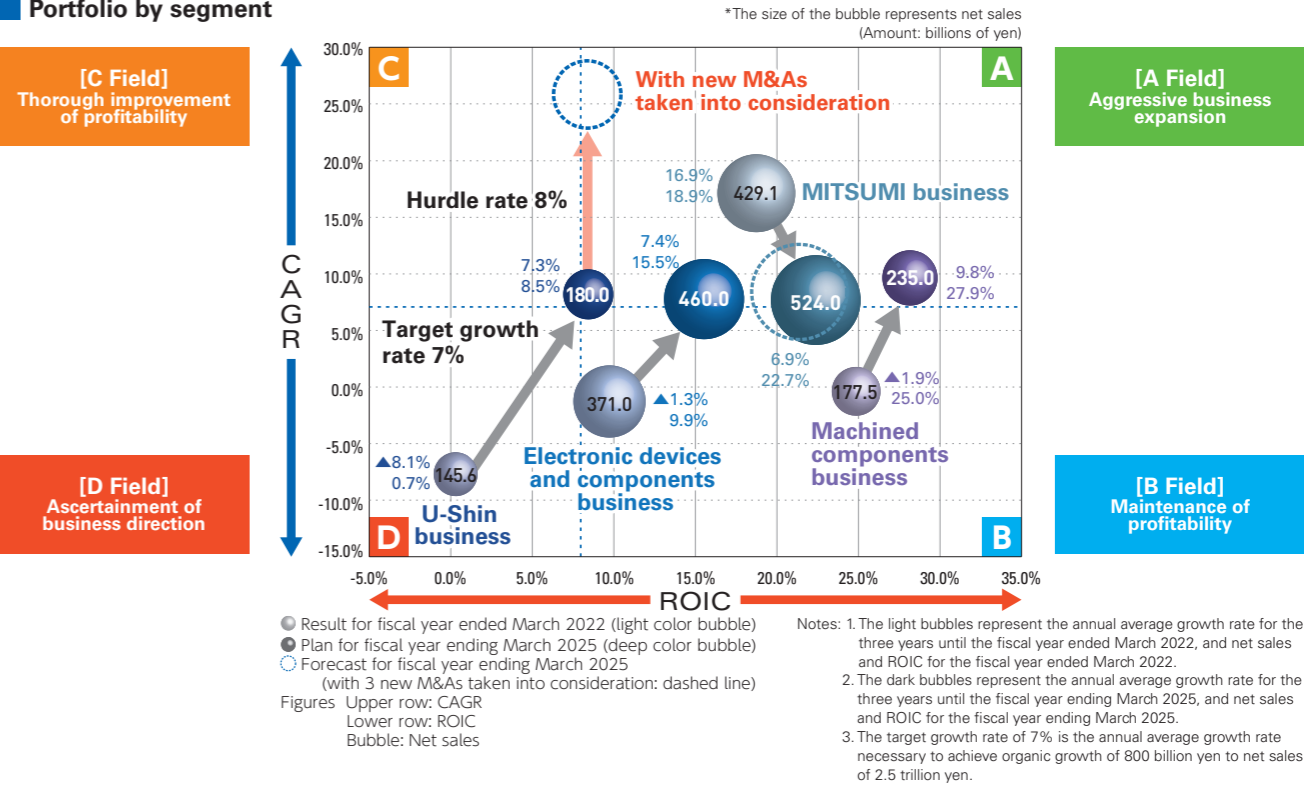
MITSUMI Business

In addition to the sub-core business of mechanical components for games, going forward we expect the sub-core business of optical devices and the core business of analog semiconductors to be the dual drivers of growth. In optical devices, we aim to grow net sales and achieve high levels of profit. To do this, we will raise installation rates for our products and promote the transition to next-generation technologies. Key to such efforts will be our swift and reliable development of products in accordance with customer development roadmaps and our building of systems for mass-production. In analog semiconductors, by bringing online the Shiga plant that we acquired in July 2021 to expand supply capacity, as well as by combining the synergies generated by expanded sales of MEMS with organic growth, we aim to reach 100 billion yen in net sales for the fiscal year ending March 2025. In the other core businesses of connectors, switches, and power supply components, by generating internal synergies and actively exploring M&A, we aim to create NEXT semiconductors.

U-Shin Business

ROIC by business fell short of the only hurdle rate of 8% due to the impact of the deceleration of the automotive market during the COVID-19 pandemic. Nevertheless, the structural reforms initiated in Europe business during the fiscal year ended March 2021 have progressed satisfactorily, and we expect to steadily improve profitability as we raise production in line with the recovery in automobile production. In addition, by accelerating the shift towards high value-added products such as CSD, Flush handle, and e-Latch, we will further bolster margins.

Portfolio by segment



### Midterm Business Plan

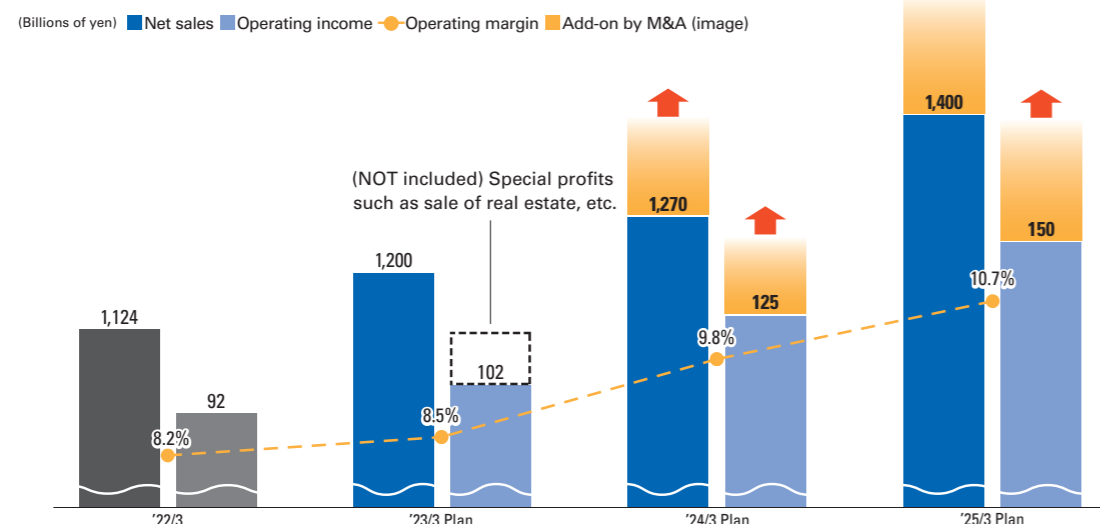
We anticipate significant increases in sales and profit over the medium to long term, particularly in the Three Spears of our core businesses (bearings, motors and analog semiconductors) and optical devices. The stable growth of these various businesses has been helping to further increase profitability for the entire Group while reducing earnings volatility.

In addition to organic growth and M&A growth, we have identified developing products and supplying

components for the resolution of social issues as our new axis for growth. In the Midterm Business Plan, our targets for the fiscal year ending March 2025, are set at net sales of 1.4 trillion yen and operating income of 150 billion yen.

As for M&As, previously suspended accounts are finally regaining momentum amid relaxation of COVID-19 restrictions worldwide. We were able to announce three M&As during July and August 2022.

### M&A activity to increase as we transition to coexistence with COVID-19



### Strategies by Business

**Machined Components Business** Pages 37 to 38 | **Electronic Devices and Components Business** Pages 39 to 40 | **MITSUMI Business** Pages 41 to 42 | **U-Shin Business** Pages 43 to 44

#### FAQ 1: What is your view on results for the fiscal year ending March 2023?

Various uncertainties, such as issues in Ukraine and the lockdown in Shanghai, have been mixed together recently. After taking into consideration various elements, the full-year results forecast includes net sales of 1.2 trillion yen and operating income of 102 billion yen. We also see one major topic this year as being price revisions. Currently we are seeing increases in a variety of business costs, not just materials but also logistics. At MinebeaMitsumi as well, we have been implementing thorough cost reductions in all businesses. I think that a key issue in addition to this will be to what extent we succeed in passing on cost increases to our product prices. In preparation for achieving this, we are hoping to move forward with the adoption of a transparent pricing system based on surcharges, under which customers bear the burden when costs go up, and we return the benefits to customers when prices go down.

What we call the Three Spears + 1, which are bearings (including aircraft bearings), motors, analog semiconductors, and optical devices, will be the drivers of performance again this fiscal year. Under the expectation that the lockdown in Shanghai and semiconductor shortages will gradually improve, we expect significant positive factors for U-Shin compared with the previous fiscal year. The important message is that "this fiscal year we will definitely exceed 100 billion yen." We expect an exchange rate of 115 yen, but if the recent depreciation of the yen continues, we believe that this may exceed the forecast for the current fiscal year, primarily for analog semiconductors. Moreover, the area delineated by the dotted line above operating income of 102 billion yen for this fiscal year indicates the additional contribution from selling the Tokyo Headquarters building and other factors.

### Obtains highest evaluation under the Green Bond Framework

To achieve the environmental targets while taking on the challenge of carbon neutrality and promoting MMI Beyond Zero the Company is preparing to issue green bonds for to provide proceeds for various environmental-related improvements. These include not only power-saving high quality bearings, ultra-high performance bearings, and related R&D expenses, but also investments in R&D and production for ball bearings used in the main motors of electric vehicles. The Company will also use these proceeds to procure its own decarbonized power sources. The Green Bond Framework set up by the Company for the issuance has been assigned by JCR a "g1 (F)" for greenness evaluation (use of proceeds) and "m1 (F)" for management, operation and transparency evaluation and thus satisfies the criteria in relation to items required in the "Green Bond Principles" and the "Green Bond Guidelines." As a result, the overall evaluation received was the highest possible of Green1 (F).

#### Management Strategy to Solidify the Foundation for our 100th Anniversary (2051)



Contribute to global GHG emission reductions through two pillars

#### 1. Challenge to carbon neutrality

#### 2. Expand MMI Beyond Zero

**Establishment of Green Bond Framework to raise funds to further promote initiatives to realize a sustainable global environment**

### Risk management

Due to such factors as the shift towards a decarbonized society and heightened geopolitical risk, the business environment in which the Company operates is changing at dizzying speed on a day-to-day basis. In order to respond to such changes quickly and appropriately, we must strengthen our "defensive" approach to risk management in addition to taking an "aggressive" approach to maximizing profit.

The President and Chief Executive Officer of MinebeaMitsumi is the chief risk management officer and makes important decision regarding risk management at the Risk Management Committee. It is also the role of the committee to assume specific risks and action plans for such risks and conduct continuous monitoring of the situation. As the CFO, I am focused on recognizing and forecasting our business environment, analyzing the impact of individual event on our business and performance, examining the likelihood of occurrence and the severity of risks and opportunities, and formulating strategies and measures. I

also execute those strategies and measures in a concrete and steady manner.

**Risks and opportunities** Pages 29 to 30

For the MinebeaMitsumi Group in the current fiscal year, I believe that BCP, and particularly initiatives for mitigating water risk, is an urgent issue. Recently, I performed calculations for those of our sites that have a high level of water risk, such as flooding and drought. For these sites, we will continue to develop and strengthen disaster prevention manuals and BCPs.

**Risk management example 1 BCP** Page 80

In addition, in order to respond promptly to the strengthening of economic sanctions and export control regulation in various countries, and to take a more strategic approach to expanding the business, we have drawn up new internal regulations regarding economic security, and established a system for management of economic security risk.

**Risk management example 3 Security trade management** Page 80

#### FAQ 2: What was the impact from purchasing the new Tokyo Headquarters building?

The increase in operating income expected as a result of focusing on raising profits in our distributed business portfolio, centered on the Three Spears of our core businesses +1 (bearings, motors, analog semiconductors and optical devices), is projected to lead to a significant increase in operating cash flows this fiscal year. Investing cash flows, including expenditures arising from the purchase of the new Tokyo Headquarters building we named "MinebeaMitsumi Tokyo X Tech Garden," will

increase considerably this fiscal year. However, due to our superior ability to generate cash we expect to maintain positive free cash flows when excluding the three M&As announced through July-August 2022. We expect the Tokyo X Tech Garden to turn out to be a very cost-effective move, as we assume that it will facilitate the ongoing creation of new products essential to resolving social issues by securing excellent talents and pursuing synergies between businesses, centered on the Eight Spears.

1. History of MinebeaMitsumi

Organic growth × M&A growth

The Company was established in Itabashi-ku, Tokyo in July 1951 as Japan's first specialized manufacturer of miniature ball bearings. After the war, engineers from the former Manchuria Airplane Manufacturing Company returned from Manchuria and established the company with dreams and passion for the development of the aircraft industry.

In the over 70 years since then, we have expanded into the field of electronic devices, and through management integration with MITSUMI ELECTRIC, U-Shin, and ABLIC, have grown into an INTEGRATION manufacturer of precision components with a unique business portfolio that is unmatched in the world, ranging from ball bearings to motors, sensors, access products, and semiconductors.

We will continue to grow through both organic growth and M&As to create new value that supports manufacturing and people's lives around the world.

Founded in 1951

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



Karuizawa Plant (Japan)

1963 Plant is relocated from Kawaguchi, Saitama, to Miyota-machi, Nagano, and operations begin at the Karuizawa Plant, to become the mother plant of all the MinebeaMitsumi Group's plants worldwide

1970

Organic growth

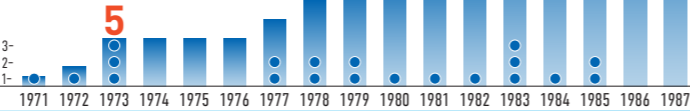
- 1972 Our first own overseas plant is constructed in Singapore
- 1971 Production overseas is commenced for the first time in the U.S.
- 1974 The Company embarks on the electronic devices and components area (measuring components: the present Sensing Device BU)

M&As



The corporate profile can be viewed from here.

Number of M&As



1980

- 1980 Ayutthaya Plant is established The Company advances for the first time into Thailand, the Group's largest facility
- 1984 Bang Pa-in Plant is established as the second facility in Thailand
- 1986 Hamamatsu Plant is established Development in the electronic devices and components area is expanded
- 1988 Lop buri Plant is established in Thailand Production in the electronic devices and components area is expanded
- 1994 MINEBEA ELECTRONICS & HI-TECH COMPONENTS (SHANGHAI) LTD., (our first plant in China) is established, which produces bearings and fan motors from parts in a vertically-integrated manner

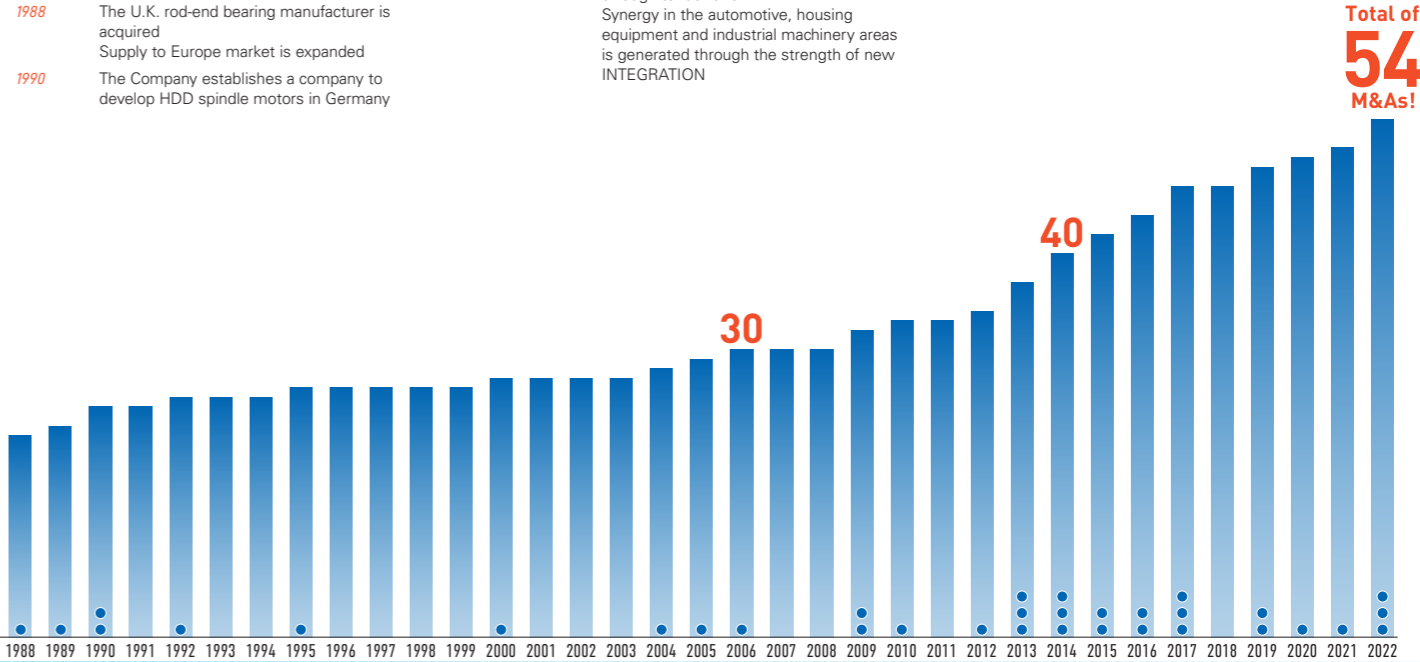
- 1980 The Company commences the production of small-sized ball bearings
- 1985 The U.S. ball bearing manufacturer is acquired Supply to the U.S. market is expanded
- 1988 The U.K. rod-end bearing manufacturer is acquired Supply to Europe market is expanded
- 1990 The Company establishes a company to develop HDD spindle motors in Germany

2000

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

2020

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



From 1951 Founding period



Unchanging ideas since the founding period Ultra-precision machining technology and mass production

We have pursued high quality and low costs since our establishment in order to strengthen our miniature ball bearing products. In 1964, the Company introduced the latest machinery and equipment to the Karuizawa Plant and received guidance from overseas engineers, which dramatically improved the level of technology. As exports to overseas markets increased and sales grew, the Company introduced a series of cutting-edge machines to the Karuizawa Plant, increasing its competitiveness through ultra-precision machining technology and mass production technology.

From 1970 Diversification



The U.S. Reed Instrument Corp. (Currently NHBB Chatsworth Plant)

Expanding our business domain through overseas expansion and diversification

Based on a sense of crisis that bearings might disappear in the future, we started the motor business in 1973, and in the 1980s, we expanded into the semiconductor business and electronic components business. In 1971, we acquired the U.S. Reed Instrument Corp. and began production overseas. We also started overseas production at our own plants in Singapore in 1972 and in Thailand in 1980. In addition to actively conducting domestic and overseas M&As to acquire engineers and increase production capacity, the Company also acquired non-manufacturing companies such as cosmetics and kimono door-to-door sales companies and pig-farming-related companies to expand the scale of its business.

From 1990 Return to manufacturing



Streamlining management by promoting selection and concentration of businesses

In the 1990s, as the negative effects of diversification began to mount, we sought to restore our profitability by reorganizing businesses that were not closely related to manufacturing and concentrating management resources on our core businesses of bearings and electronic devices. We started integrated production of ball bearings in Shanghai, China. Production of high-precision components for HDDs started in earnest, as we further refined our ultra-precision machining technology and vertically-integrated manufacturing system.

From 2000 Becoming an INTEGRATION manufacturer of precision components



Pursuing synergies to solidify strength as a company

As we entered the 2000s, the technological changes in the world became even more drastic, and IoT came to be the norm. We further expanded our production bases in Cambodia and Slovakia, and accelerated our M&A activities. Since the current CEO, Kainuma, took office in 2009, the Company has conducted 23 M&As. In 2017, the Company conducted a business integration with MITSUMI ELECTRIC and changed the company name to MinebeaMitsumi Inc. In the 2000s, the world was hit by a variety of disasters, including the Lehman bankruptcy, US-China trade frictions and other financial crises, the Great East Japan Earthquake, the flooding in Thailand, and the spread of COVID-19. Nonetheless, with the strength of our diversified business portfolio and risk diversification system, we have strongly overcome adversity and continue to grow as an INTEGRATION manufacturer of precision components.

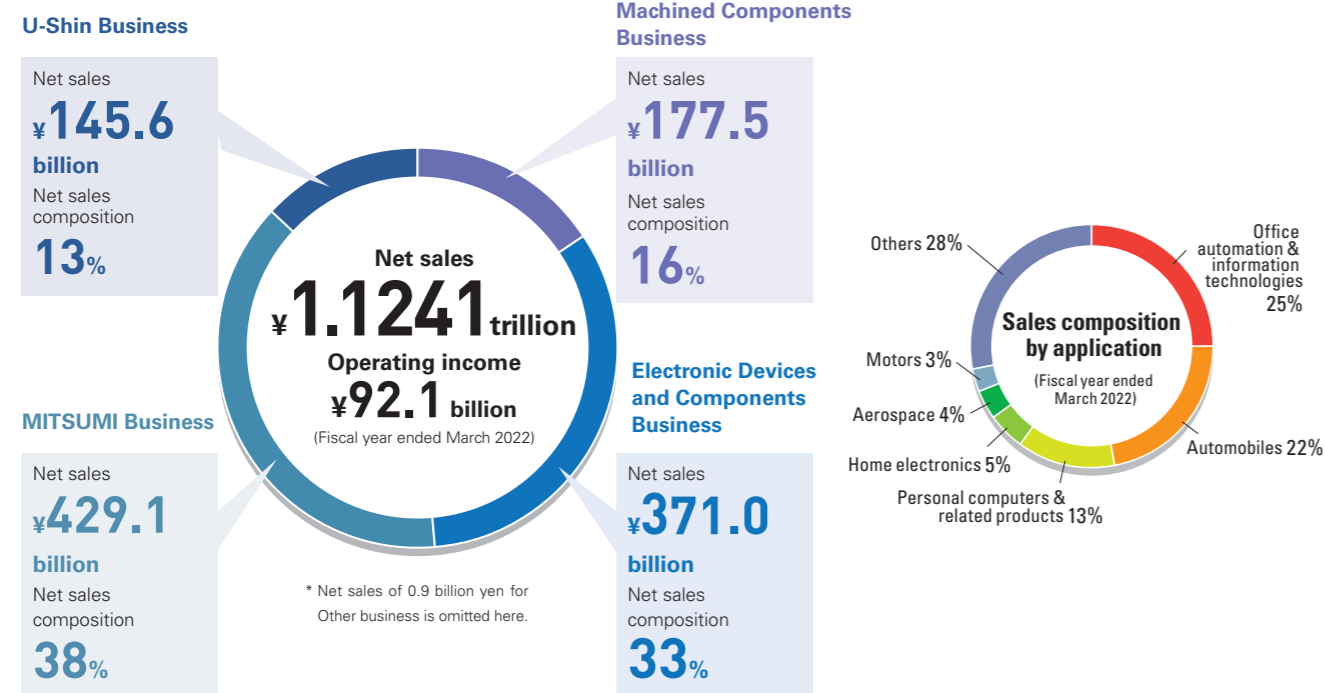
## 2. MinebeaMitsumi Today

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



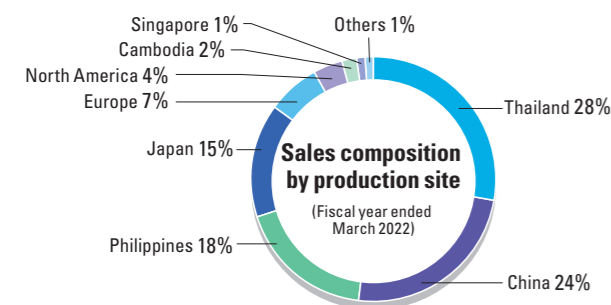
### Business

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



### Production

We created a global production framework and reduced exchange, disaster and geopolitical risks.



27  
countries

96  
production and  
R&D bases

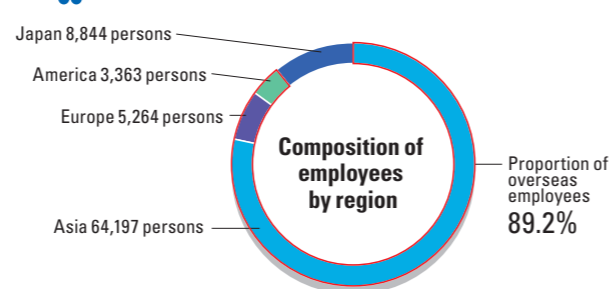
87  
sales offices

(As of August 1, 2022)



### People

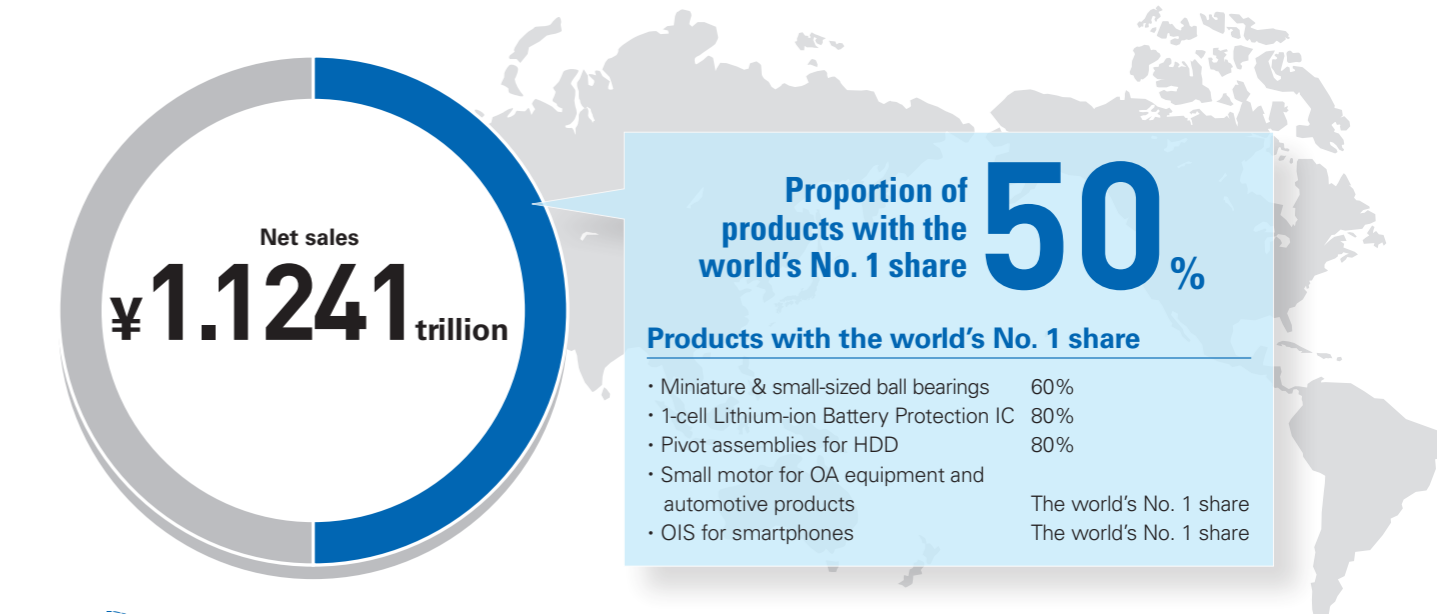
The Company serves as a global enterprise that carries out and employs 90% of its diversified workforce abroad.



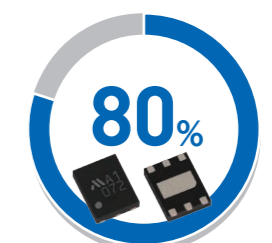
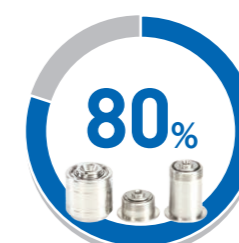
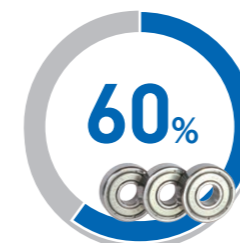
Consolidated number of employees  
81,668

(As of June 30, 2022)

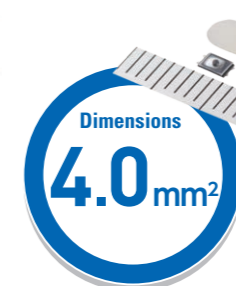
MinebeaMitsumi boasts a 60% share of the global market for miniature and small-sized ball bearings with an outer diameter of 22 mm or less. Furthermore, by applying the **ultra-precision machining technology** and mass production technology we have cultivated through our bearing business to a variety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



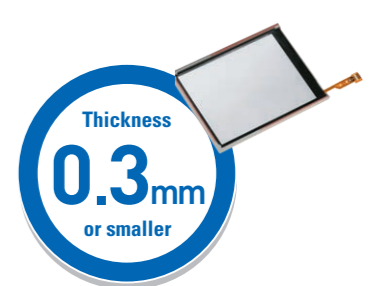
### The world's No. 1 share



### The world's smallest



### The world's thinnest

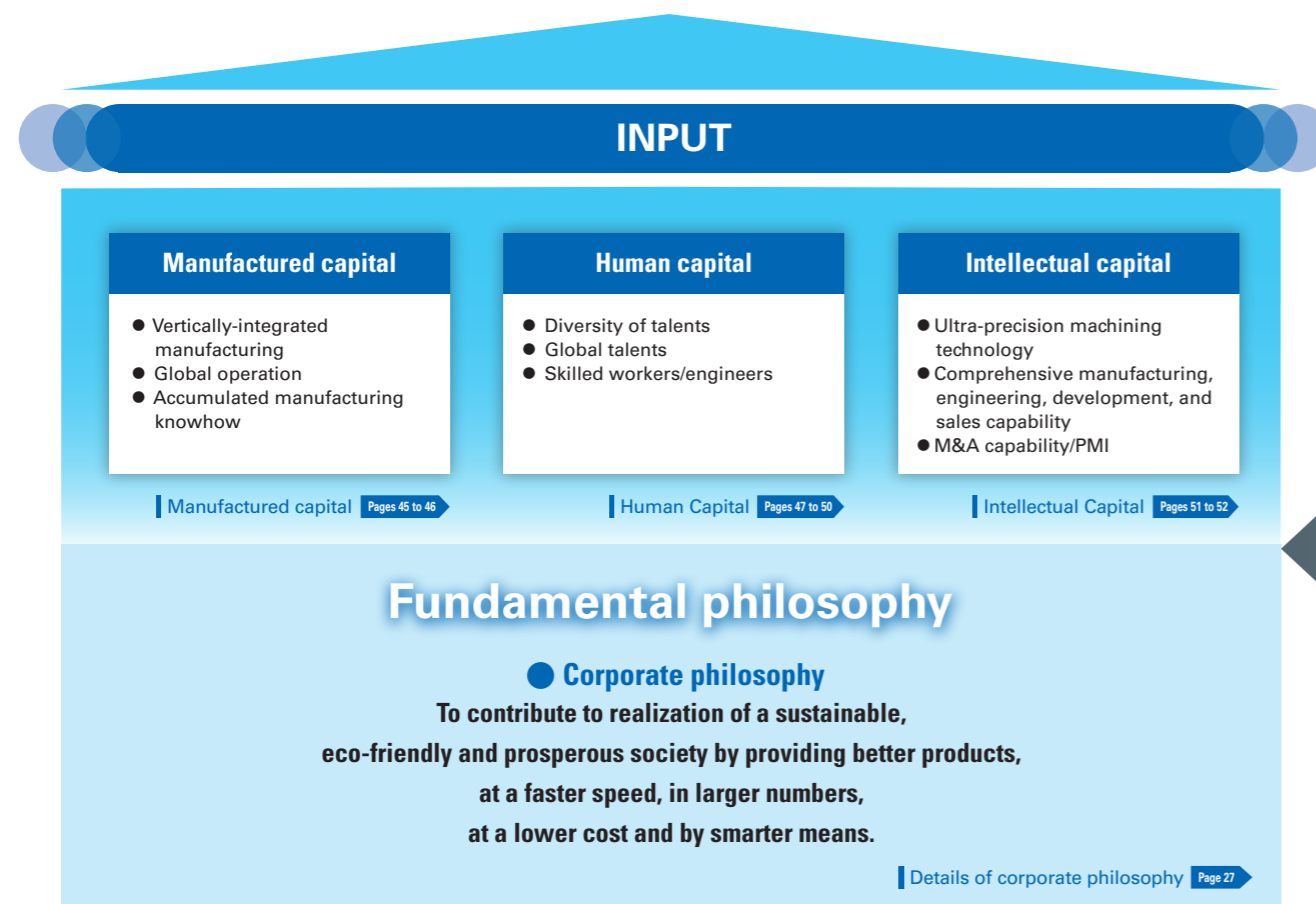
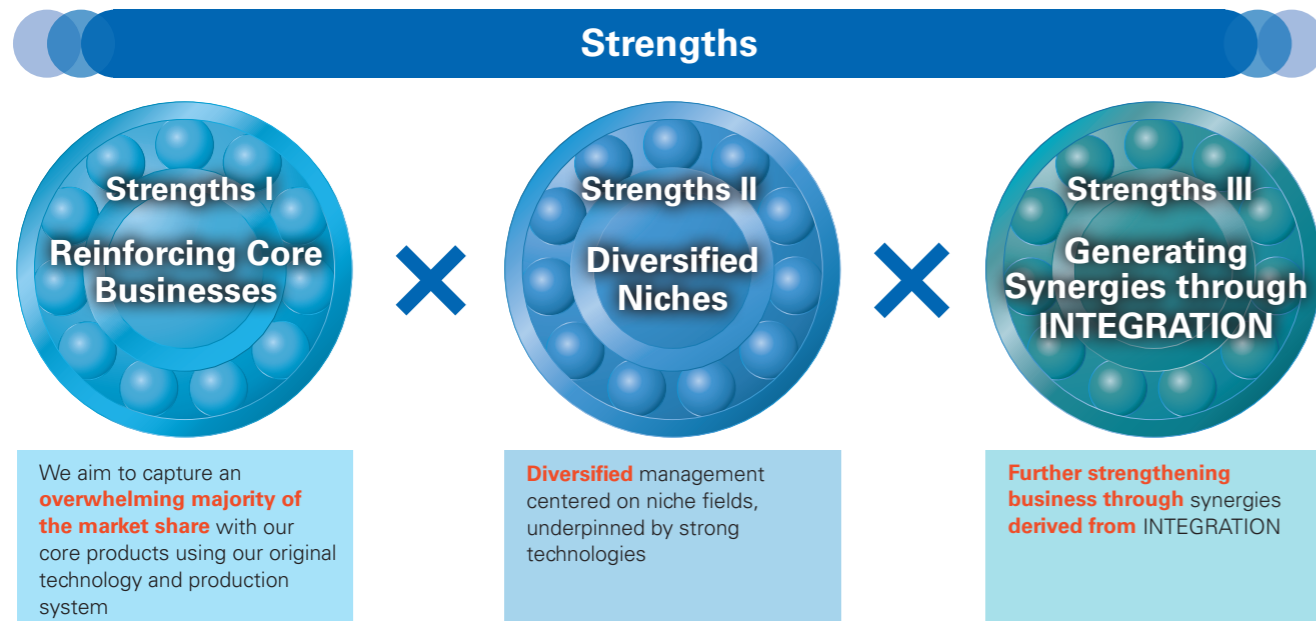


\*According to MinebeaMitsumi

### 3. Value Creation Model of MinebeaMitsumi

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

MinebeaMitsumi's Strengths Pages 23 to 24



MinebeaMitsumi's three strengths are "Reinforcing Core Businesses," "Diversified Niches," and "Generating Synergies through INTEGRATION\*."

By combining these three strengths and creating synergies, we have created economic value as well as environmental and social value, and have accumulated financial and non-financial capital.

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

\* INTEGRATION means "combining" rather than "simple gathering" of the Company's proprietary technologies to evolve the "Eight Spears" of core businesses and to create new products in various fields through the INTEGRATION of our advanced technology.



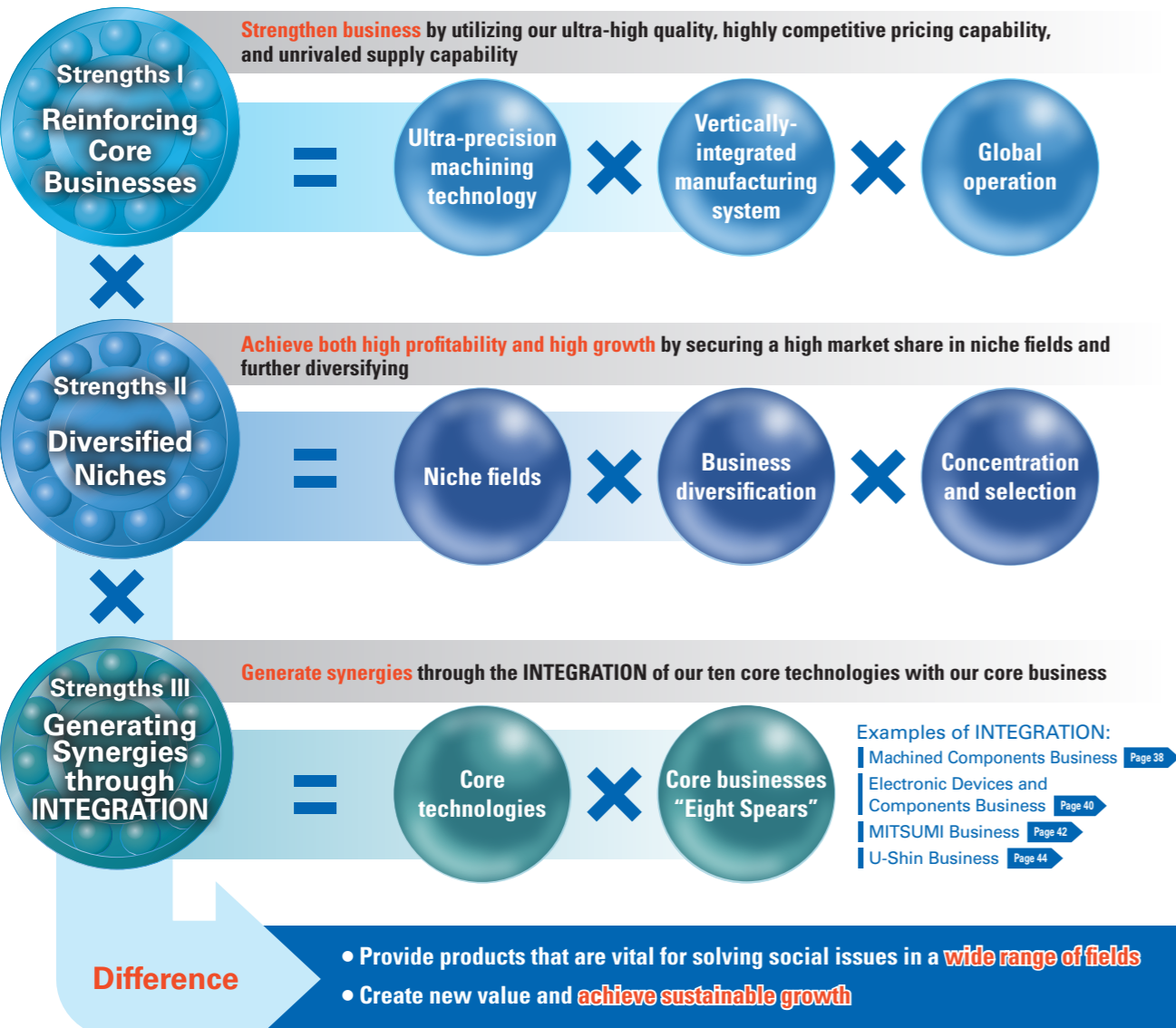
4. MinebeaMitsumi's Strengths

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

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

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

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



Ten core technologies

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

Ultra-precision machining technology	Mass production technology	Sensor technology (load, pressure, etc.)	Optical technology	MEMS technology	High-frequency technology	Electronic circuits technology	Semiconductor design technology	Mechanism design technology	System design technology
--------------------------------------	----------------------------	------------------------------------------	--------------------	-----------------	---------------------------	--------------------------------	---------------------------------	-----------------------------	--------------------------

Core businesses "Eight Spears"

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

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

Organic growth pursued with core and sub-core strategies

**Definition of core business**

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

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

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

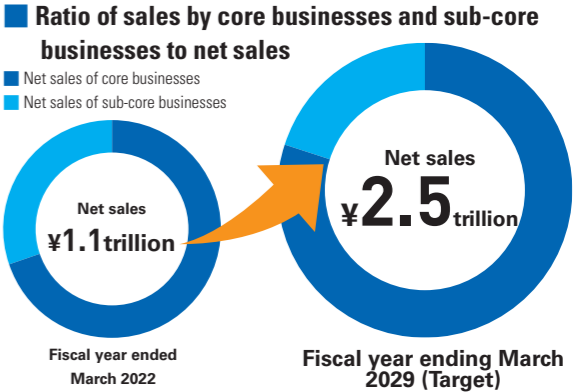
**Definition of sub-core business**

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

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

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

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



## 5. MinebeaMitsumi's New Growth Axis

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

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

#### 1 Organic growth

- Market disposable income per capita will rise in line with the growth in global GDP
- The sale of high-end functional products = The necessity of parts for high-end functional products

#### 2 M&A

- Integration of synergistic companies, with a focus on MinebeaMitsumi's Eight Spears products that make up its core business

New

#### 3 Developing products and supplying components for solving social issues

- Synergistic and close alliances with the Eight Spears

Strategies by Business Pages 38, 40, 42, 44

Past

Current

Future

### New trends ③

Development of products for solving social issues listed below

#### Energy

Bearings with 3 times the precision of today's products

To create extreme reduction of electric power consumption!



#### Environment

Smart city solutions

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



#### Declining birthrate and aging population

Bed Sensor System™



#### Disaster countermeasures

Integrated environmental sensors

To allow visualization of meteorological data in real time



#### Autonomous driving

Actuators for laser scanners

Innovate the LiDAR image quality and function

### Traditional trends ① ②

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

#### Convenience and comfort

Automotive precision components

Contribute to safety, comfort, and energy saving of automobile

#### High functioning

Precision components for mobile device

Contribute to the functionality and slimness of smartphones

Growth by solving social issues

Growing with development of the global economy

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

#### Social issues to be addressed

- Declining birthrate and aging population
- Population issues
- Healthcare issues
- Promotion of telemedicine
- Electric Vehicles ("EV")
- Autonomous driving
- Environmental Issues
- Robotics
- Energy issues
- Global warming etc.

#### Keyword

Electrification

+

Automation (AI)

+

Ultra-high-speed communication

+

Sensing (Control)

#### Needs

The needs are:

High voltage

High electrical current

Large capacity

High precision

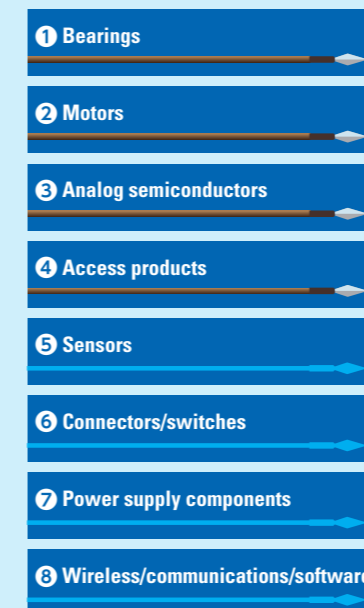
High efficiency

Low electric power consumption

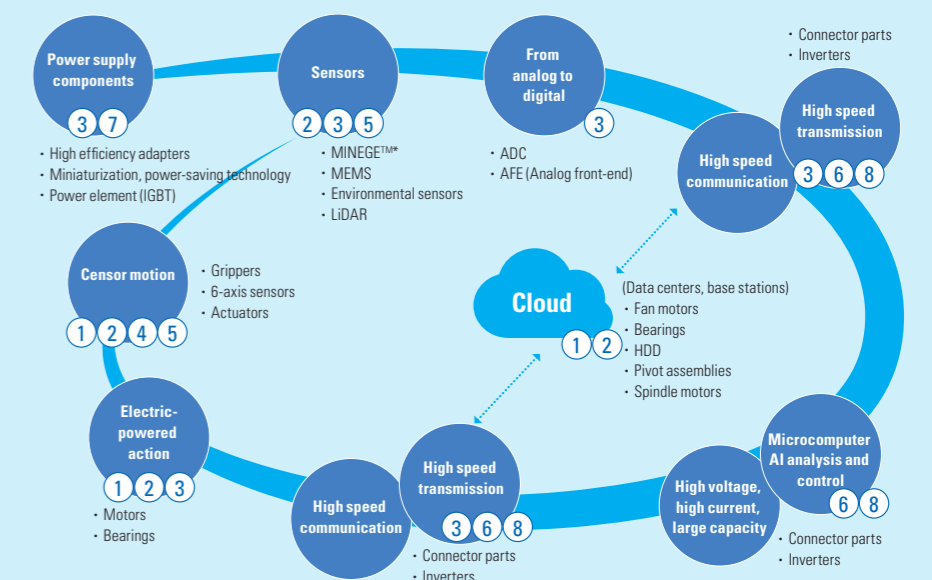
The products required for social issues make up the

# Eight Spears

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



Looking at autonomous driving and telemedicine as examples...



\*MINEGE™: Film-type high-sensitivity strain gauge

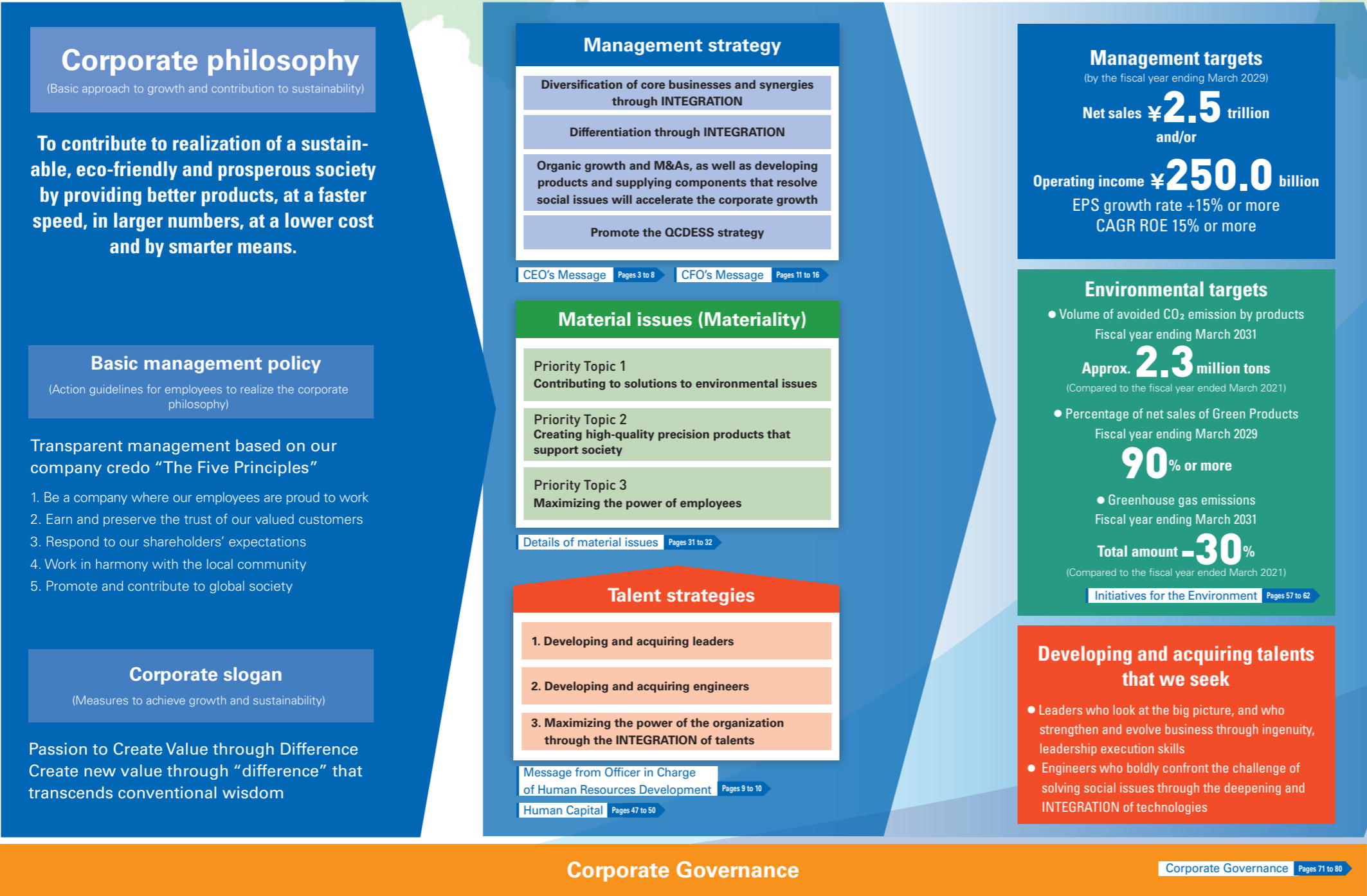
6. Achieving Long-term Management Goals

The road to an eco-friendly and prosperous society

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

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

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



Our approach to sustainability Page 31

## Risks and Opportunities

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

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

Our Approach to Sustainability

Sustainability at MinebeaMitsumi



① Sustainability as a company

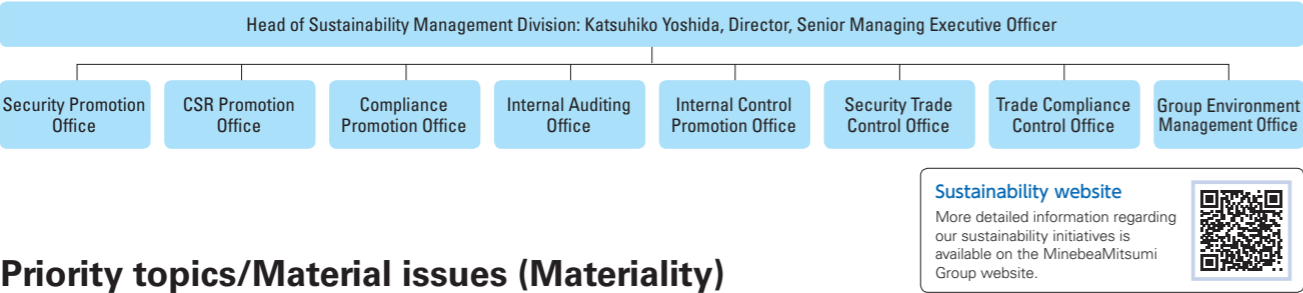
We believe that diversity among things that can be combined organically is the essence of sustainability, premised on the notion that sustainability acts as the starting point of business management. The Company builds and refines multifaceted and decentralized frameworks, including those for products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

corporate governance in order to facilitate sustainable growth.

② Sustainability for the earth and society

At the same time, as a manufacturer of precision products that supports society, we are "working towards providing a stable supply of reliable products with low energy consumption that are widely available" to be a company that contributes to the sustainable development of the global environment and of humanity.

System for promoting sustainability



Priority topics/Material issues (Materiality)

In 2019, the Company identified material issues focused on fulfillment of corporate social responsibility (CSR). Due to changes in the external environment, including heightened interest in environmental issues in recent years, we revised the material issues from the standpoint of CSR as important "management issues" for implementing strategies from a company-wide perspective.

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

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

Initiatives for material issues

Priority Topic 1	Material issues	Primary medium-term targets (with an approximate timetable of fiscal year 2025)
Contributing to solutions to environmental issues	① Reduction of global CO <sub>2</sub> emissions through environmentally friendly products	<ul style="list-style-type: none"><li>● Volume of avoided CO<sub>2</sub> emissions by products: Approx. 2.3 million tons (fiscal year ending March 2031)*</li><li>● Percentage of net sales of Green Products: 90% or more (fiscal year ending March 2029)*</li></ul>
	② Minimizing the environmental impact of business activities	<ul style="list-style-type: none"><li>● 10% reduction of greenhouse gas emissions per unit sales compared to the fiscal year ended March 2020 (fiscal year ending March 2026)</li><li>● 30% reduction of total greenhouse gas emissions compared to the fiscal year ended March 2021 (fiscal year ending March 2031)</li></ul>

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

Priority Topic 2	Material issues	Primary medium-term targets (with an approximate timetable of fiscal year 2025)
Creating high-quality precision components that support society	③ Strengthening the mass and stable supply system for ultra-precision components	<ul style="list-style-type: none"><li>● Development of mass production system for ultra-high-performance bearings and other products through substantial improvement in precision</li><li>● Strengthen product safety management system capable of supporting products in new fields through business expansion</li></ul>
	④ Practicing responsible procurement	<ul style="list-style-type: none"><li>● Enhancement of CSR procurement guidelines considering environmental and human rights issues (introduction of Responsible Business Alliance (RBA) standards in guidelines and implementation of self-audits based on them)</li></ul>
	⑤ Coexistence with local communities	<ul style="list-style-type: none"><li>● Ongoing communication with local communities</li></ul>

④ Practicing responsible procurement | Page 64 | ⑤ Coexistence with local communities | Page 66

Priority Topic 3	Material issues	Primary medium-term targets (with an approximate timetable of fiscal year 2025)
Maximizing the power of employees	⑥ Global talent development	<ul style="list-style-type: none"><li>● Strengthen talent development to actively promote expansion and development of business operations worldwide by leveraging benefits of the integration synergy of the MinebeaMitsumi Group</li></ul>
	⑦ Global promotion of diversity	<ul style="list-style-type: none"><li>● Increased percentage of diversity in the workplace: 20% or more</li></ul>
	⑧ Creating a positive and rewarding work environment	<ul style="list-style-type: none"><li>● Achieve diverse work styles that enable employees to work enthusiastically</li></ul>
	⑨ Employee health and safety	<ul style="list-style-type: none"><li>● 0 incidents of serious workplace injuries (fatal accidents)</li><li>● 100% compliance with regular health checkups</li></ul>

| Maximizing the power of employees (Material issues ⑥ to ⑨) | Page 48

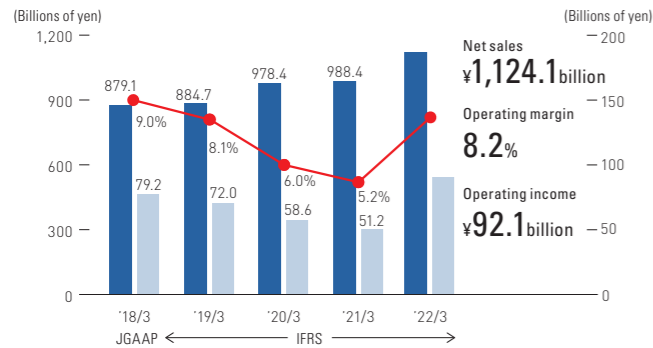
Results vs. targets, short-term targets, and all medium-term targets can be viewed from here.



## Financial &amp; Non-financial Highlights

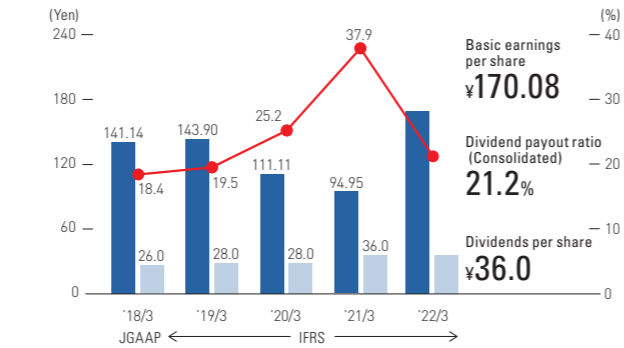
## Financial highlights

## Net sales, operating income and operating margin



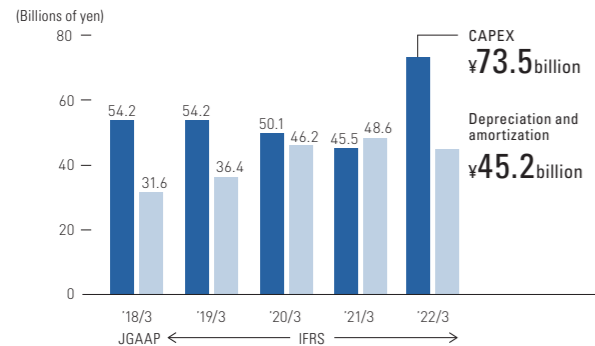
In order to realize a further increases in profitability, we have been concentrating on cutting costs, creating high-value-added products, developing new technologies, and enhancing our marketing promotion that has resulted in record high net sales and operating income. Since the fiscal year ended March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

## EPS and dividends



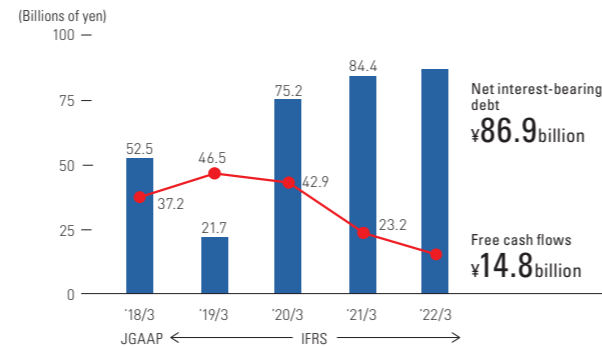
As a result of our efforts to return profits to shareholders at a level that better reflects business performance, the dividends for the fiscal year ended March 2022 has been set at 36 yen per share. The year-end dividend will be 18 yen per share, which represents an increase of 4 yen from the 14 yen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

## CAPEX, depreciation and amortization



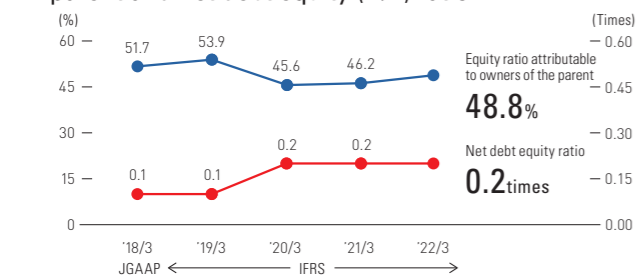
CAPEX was incurred mainly due to investments undertaken to strengthen operations in the Machined Components and the MITSUMI business.  
\* CAPEX in the fiscal year ended March 2022 includes a portion of acquisition expenses for the new Tokyo Headquarters building (MinebeaMitsumi Tokyo XTech Garden).

## Net interest-bearing debt and free cash flows



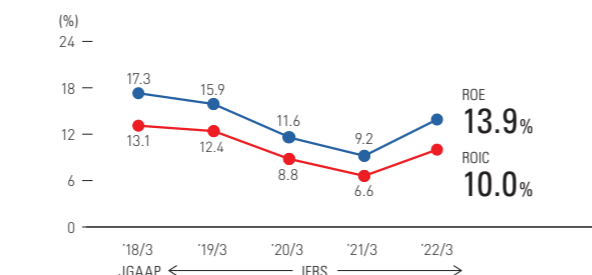
While maintaining free cash flow generation at a high level, net interest-bearing debt increased due to an increase in working capital and the purchase of treasury stock.

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



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

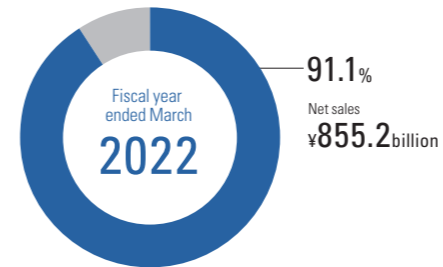
## ROE and ROIC



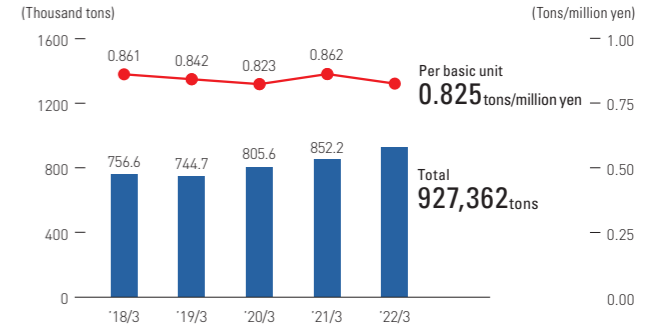
Both ROE and ROIC have improved significantly year-on-year due to the recovery of profitability, and are approaching the levels before the COVID-19 pandemic.

## Non-financial highlights

## Percentage of net sales of Green Products

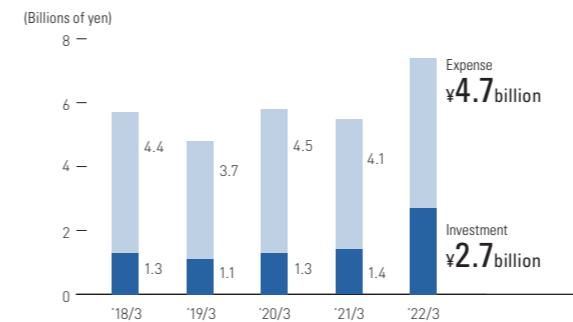


The net sales of Green Products in the fiscal year ended March 2022 amounted to 855.2 billion yen, which was 91.1% of the total net sales (excluding products that cannot be designed in-house).

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

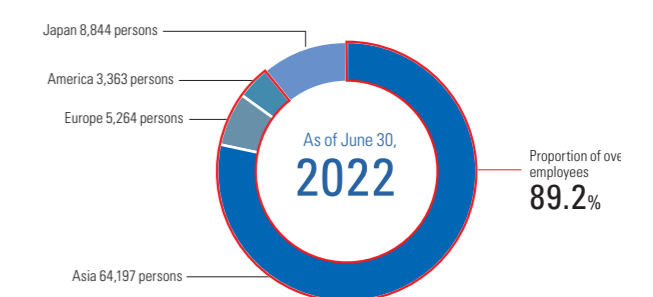
Since greenhouse gases are considered to be a cause of climate change issues, we examine total emissions and emissions per unit sales. In the fiscal year ended March 2022, our greenhouse gas emissions increased 8.8% in total volume and decreased 4.3% per unit sales, in comparison with the previous fiscal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

## Environmental conservation costs



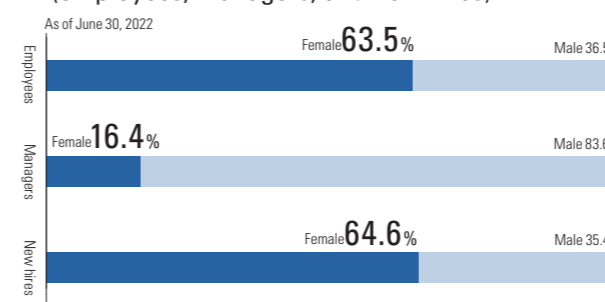
Environmental conservation costs are calculated as the total of investment and expense on the basis of the "Environmental Accounting Guidelines 2005" published by Japan's Ministry of the Environment. We incurred 7.4 billion yen in environmental conservation costs which encompassed investment and expense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

## Number of employees by region



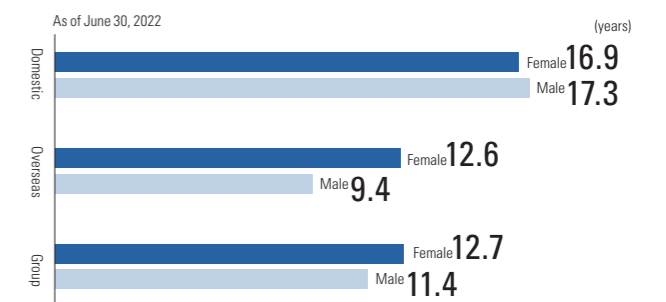
The Group's ratio of overseas employees is as high as 89.2% given that some 70% of its net sales are generated outside of Japan and roughly 90% of its production takes place abroad.

## Proportion of female employees (employees, managers, and new hires)



We have been creating workplace environments where our diverse group of employees is able to maximize their talents. This involves promoting the empowerment of diverse employees with the aims of creating new values and competitiveness. Female accounted for 63.5% of our employees and 16.4% of our managers as of June 30, 2022.

## Average of working years by gender



The average years of service for female employees of the overall Group is high, and there are no substantial gender differences in that regard. As such, we are taking steps to develop workplace enhancements where possible to support working families.

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.

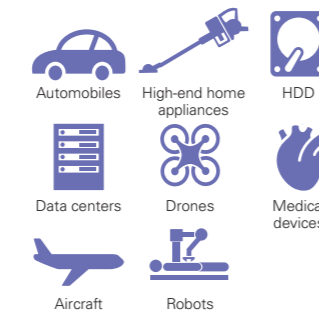
Machined Components

**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%**

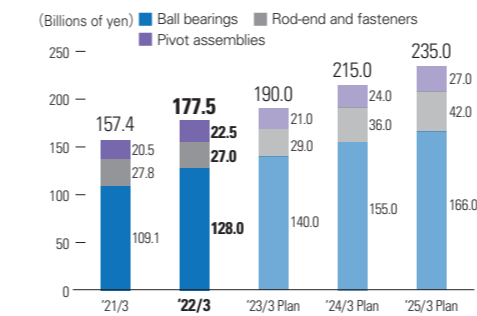
The World's **No.1 share**

Production capacity **Increasing Significantly**

Aircraft demand **Recovering**

**Net sales**

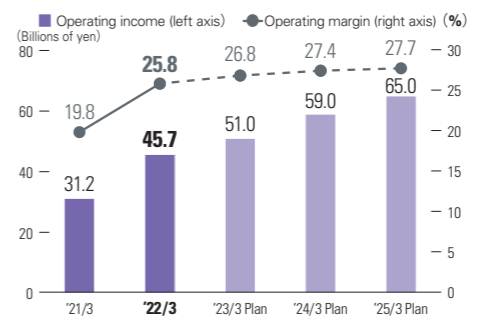
(Billions of yen)



Period	Ball bearings	Rod-end and fasteners	Pivot assemblies	Total
'21/3	109.1	27.8	20.5	157.4
'22/3	128.0	27.0	22.5	177.5
'23/3 Plan	140.0	29.0	21.0	190.0
'24/3 Plan	155.0	36.0	24.0	215.0
'25/3 Plan	166.0	42.0	27.0	235.0

**Operating income/operating margin**

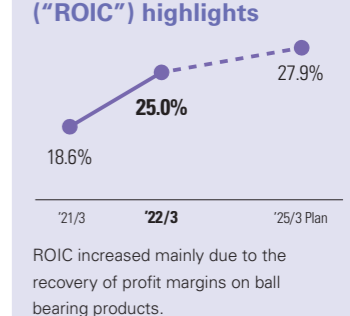
(Billions of yen) (Operating income left axis, Operating margin right axis (%))



Period	Operating income (Bil. yen)	Operating margin (%)
'21/3	31.2	19.8
'22/3	45.7	25.8
'23/3 Plan	51.0	26.8
'24/3 Plan	59.0	27.4
'25/3 Plan	65.0	27.7

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

**Return on Invested Capital ("ROIC") highlights**




Period	ROIC (%)
'21/3	18.6%
'22/3	25.0%
'25/3 Plan	27.9%

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%**

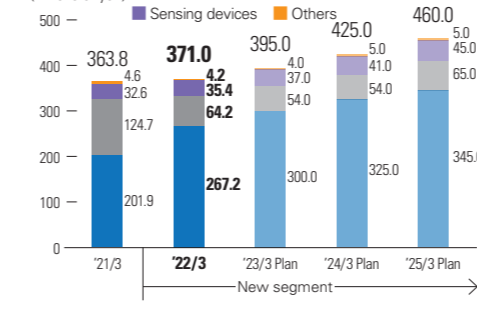
Motor business **Significant Increase in Profit**

Electrification leading to **Expansion of Business Opportunities**

Product portfolio **Expanding**

**Net sales**

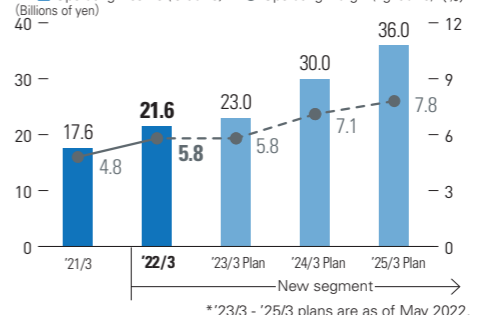
(Billions of yen)



Period	Motors	Electronic devices	Sensing devices	Others	Total
'21/3	201.9	124.7	32.6	4.6	363.8
'22/3	267.2	64.2	42.0	35.4	371.0
'23/3 Plan	300.0	54.0	37.0	4.0	395.0
'24/3 Plan	325.0	54.0	41.0	5.0	425.0
'25/3 Plan	345.0	65.0	45.0	5.0	460.0

**Operating income/operating margin**

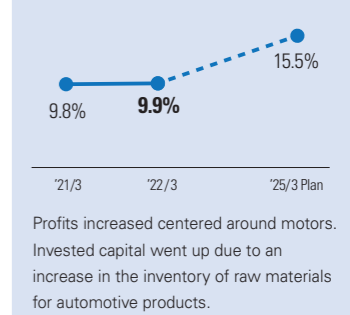
(Billions of yen) (Operating income left axis, Operating margin right axis (%))



Period	Operating income (Bil. yen)	Operating margin (%)
'21/3	17.6	4.8
'22/3	21.6	5.8
'23/3 Plan	23.0	5.8
'24/3 Plan	30.0	7.1
'25/3 Plan	36.0	7.8

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

**ROIC highlights**




Period	ROIC (%)
'21/3	9.8%
'22/3	9.9%
'25/3 Plan	15.5%

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%**

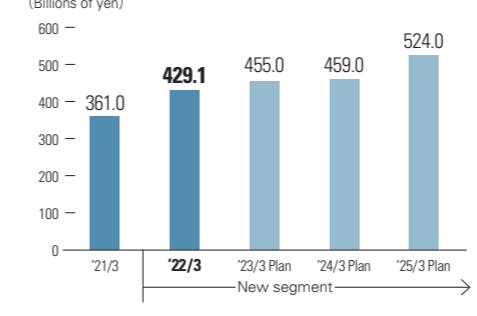
Operating income **Record High**

Analog semiconductors **Going Well**

Optical devices **Significant Increase in Sales**

**Net sales**

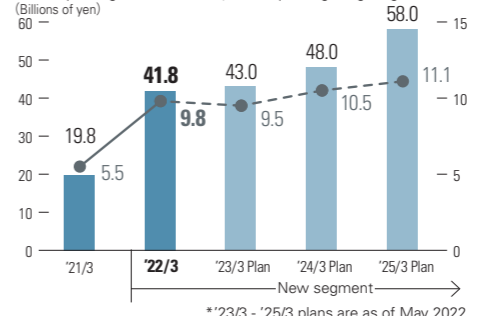
(Billions of yen)



Period	Net sales (Bil. yen)
'21/3	361.0
'22/3	429.1
'23/3 Plan	455.0
'24/3 Plan	459.0
'25/3 Plan	524.0

**Operating income/operating margin**

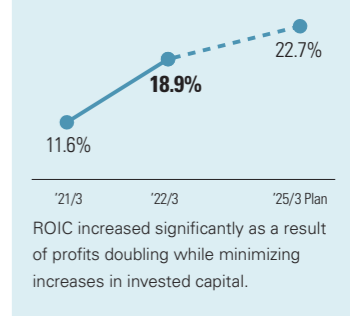
(Billions of yen) (Operating income left axis, Operating margin right axis (%))



Period	Operating income (Bil. yen)	Operating margin (%)
'21/3	19.8	5.5
'22/3	41.8	9.8
'23/3 Plan	43.0	9.5
'24/3 Plan	48.0	10.5
'25/3 Plan	58.0	11.1

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

**ROIC highlights**




Period	ROIC (%)
'21/3	11.6%
'22/3	18.9%
'25/3 Plan	22.7%

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**

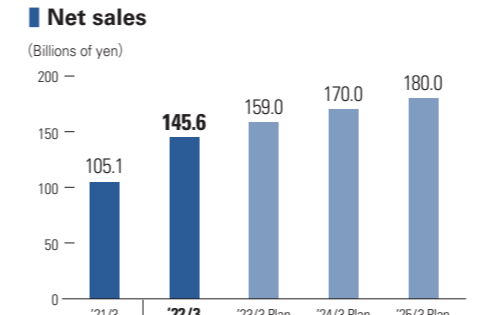
Structural reforms in Europe **Completed**

High functionality leading to **Highly Added Value**

New businesses are **Being Acquired**

**Net sales**

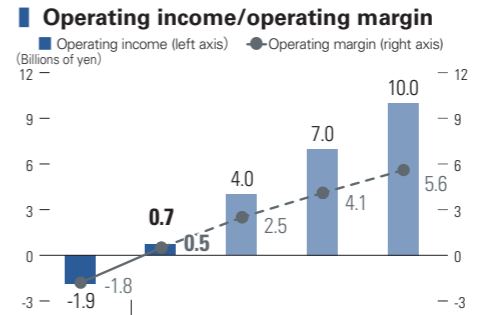
(Billions of yen)



Period	Net sales (Bil. yen)
'21/3	105.1
'22/3	145.6
'23/3 Plan	159.0
'24/3 Plan	170.0
'25/3 Plan	180.0

**Operating income/operating margin**

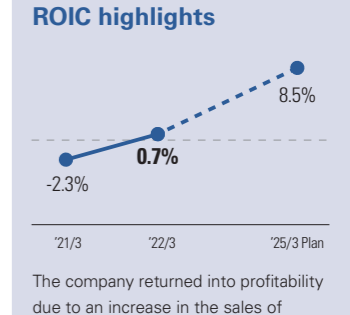
(Billions of yen) (Operating income left axis, Operating margin right axis (%))



Period	Operating income (Bil. yen)	Operating margin (%)
'21/3	-1.9	-1.8
'22/3	0.7	0.5
'23/3 Plan	4.0	2.5
'24/3 Plan	7.0	4.1
'25/3 Plan	10.0	5.6

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

**ROIC highlights**



Period	ROIC (%)
'21/3	-2.3%
'22/3	0.7%
'25/3 Plan	8.5%

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<sub>2</sub> 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

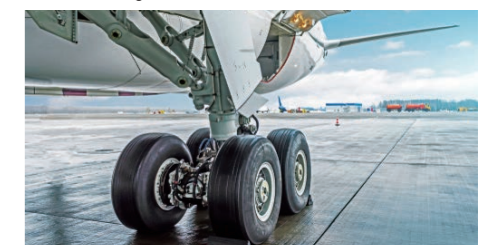
The world promotes efforts towards the realization of net zero CO<sub>2</sub> emissions. Meanwhile, the aerospace industry is facing a variety of challenges, including the development of high-efficiency and fuel-efficient aircraft and the development of decarbonized fuels. In response to these challenges, 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<sub>2</sub> emissions.

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



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

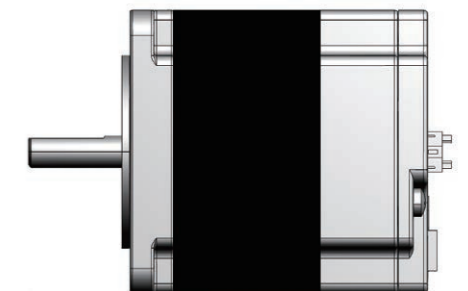
In the Electronic Devices and Components, our basic strategy is to maximize profit by reinvesting cash generated from the sub-core businesses to core businesses, thus strengthening the platform of our core businesses of motors and sensors. In the sub-core businesses, where technological changes are rapid 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

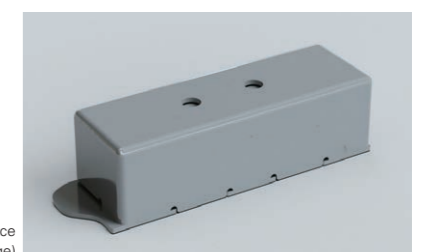
## Developing products and supplying components for solving social issues

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.



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

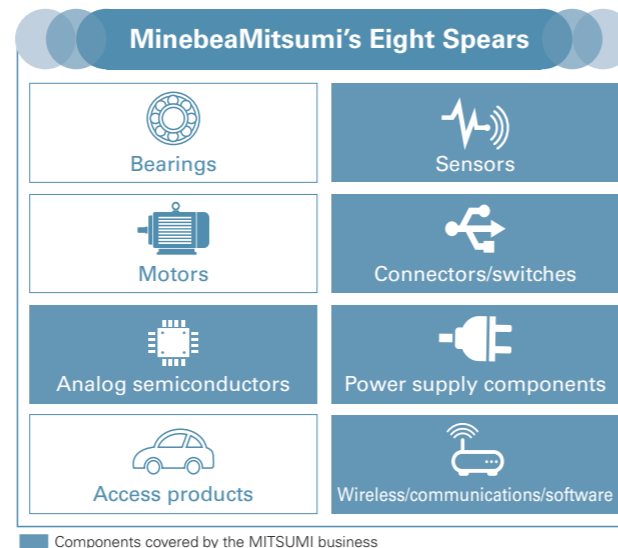
Director, Vice President Executive Officer  
Chief of MITSUMI Business Headquarters

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.



## 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

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

## 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

# 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**

## 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.

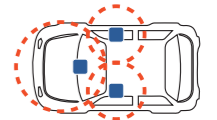
### Passive Entry

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.



## 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

## Strengths of Human Capital

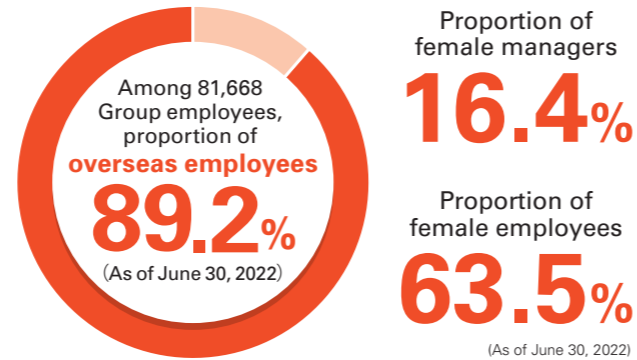
## Diverse talents will accelerate our business activities and ensure we achieve sustainable growth

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.



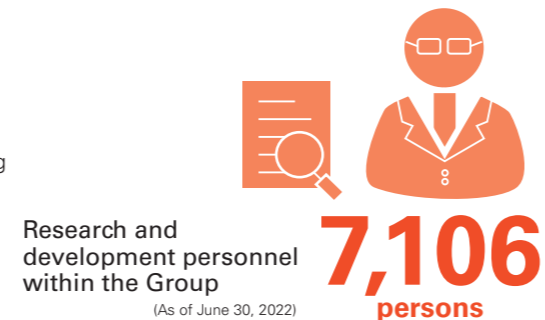
### Strength 2 Global talents create new value for the Company based on our corporate philosophy

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.



### 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.



## 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

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

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

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

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 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.

## Initiatives to accelerate the INTEGRATION of talent

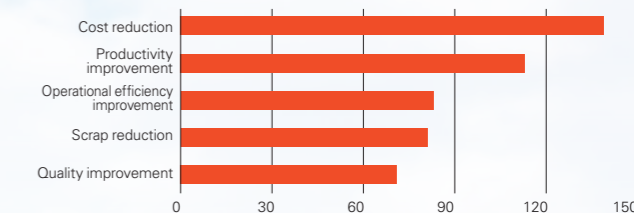
Material issue 6  
Engage in talent development worldwide

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.

### 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.

Strengths of  
Intellectual  
CapitalGenerate 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<sub>2</sub> 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<sub>2</sub> emissions.

Initiative to calculate volume of  
avoided CO<sub>2</sub> emissions by product Page 59

We will continue to deepen our ultra-precision machining technologies to expand the effects of CO<sub>2</sub> 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, 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 motivate the Group's members to rapidly generate synergies.

Interview with President of ABLIC Page 53

Strategies of  
Intellectual  
CapitalCreate 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.

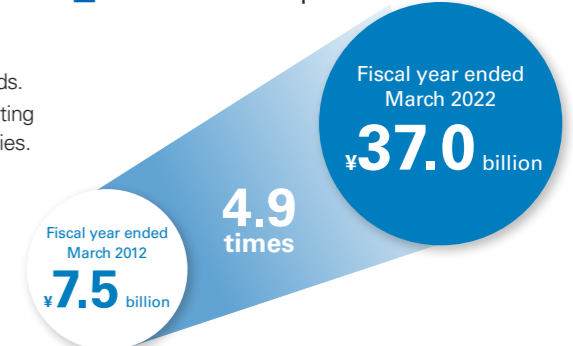
Strategy  
1 Upgrade core technologies and roll out new products

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
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&amp;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.

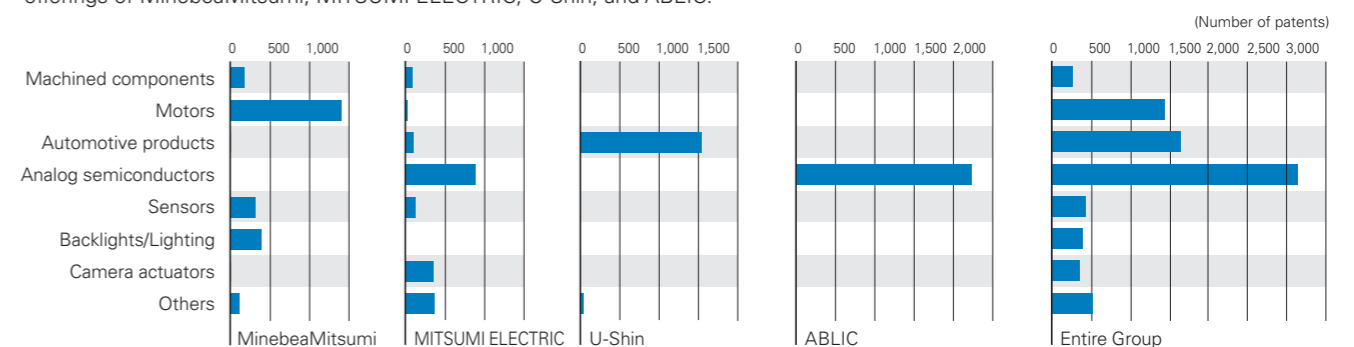
More specifically, this calls for transforming the Engineering Development Div. itself through the optimization of technology development policies. Our approach to date has involved fine-tuning elemental technologies with a focus on technology and then commercializing such technologies and mass producing 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.





## 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.

## 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

2022

- 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

3

**August 2020-  
Established AI & DX Promotion Division  
(August)**

Began full-scale use of the "Cisco Webex" video conferencing app

1

4

#### 2023 onward

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.

2

#### 2021

- 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

## Strengthen the HR database to contribute to talent utilization

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



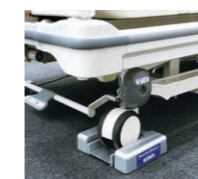
## Restructure the sales platform to achieve business expansion

- 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



# Initiatives for the Environment

The MinebeaMitsumi Group is striving to contribute to the protection of the earth's resources and the realization of a sustainable society, aiming to achieve carbon neutrality by 2050.



## Aiming to achieve carbon neutrality by 2050

We see it is one of the Company's missions to contribute to achieving global carbon neutrality by 2050. In addition to reducing the Company's own greenhouse gas emissions, we will strive to help our customers reduce their greenhouse gas emissions through our products.

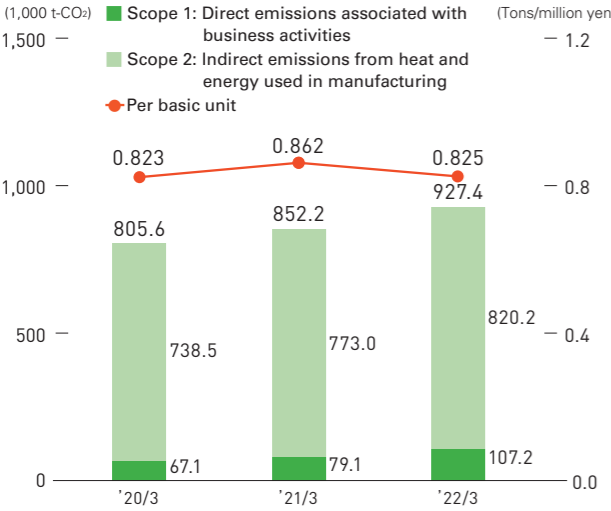
The Company has set a goal of reducing total greenhouse gas emissions (Scope 1 and 2) by 30% by the

fiscal year ending March 2031 (compared to the fiscal year ended March 2021). Combined with our target of increasing net sales by 2.5 times, this translates to an actual reduction of 76%, representing a challenging target.

We therefore aim to begin by **achieving our reduction target for the fiscal year ending March 2031, then proceeding to reach carbon neutrality by 2050, at the latest.**

## Greenhouse gas emissions during the fiscal year ended March 2022

### Scope 1 and 2 emissions

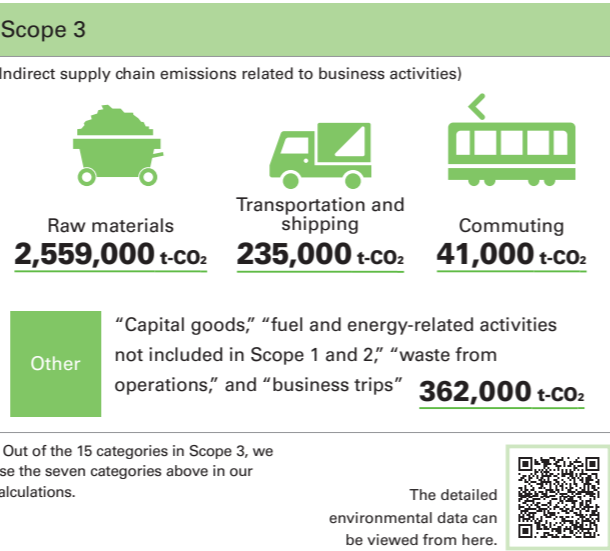


Our Scope 1 and 2 greenhouse gas emissions for the fiscal year ended March 2022 were 927,000 t-CO<sub>2</sub>, mainly due to an increase in electricity usage associated with an increase in net sales. Emissions per unit of net sales were actually 4.3% lower than in the previous fiscal year, mainly as a result of a lower CO<sub>2</sub> emission coefficient for electricity.

For this reason, we will work to control emissions

through initiatives such as energy-saving measures and the procurement of electricity from decarbonized sources.

Meanwhile, emissions due to the consumption of fuel and PFCs, SF<sub>6</sub>, etc. increased significantly. We plan to reduce our emissions of PFCs and SF<sub>6</sub>, especially, through the installation and renewal of emissions removal equipment.



## Highlights of environmental initiatives

Fiscal year ended March 2022  
The Company's greenhouse gas emissions  
**927,000 t-CO<sub>2</sub>**  
Volume of avoided CO<sub>2</sub> emissions by the Company's product  
**2,490,000 t-CO<sub>2</sub>**

2050  
**Aim for carbon neutrality**

CDP\* Scores  
Awarded **"A-"** in Climate Change 2021  
Awarded **"A-"** in Water Security 2021

\* CDP is a not-for-profit charity established in the United Kingdom that partners with institutional investors to lobby companies and cities to disclose their strategies and data concerning climate change, water and forests, as well as analyzing and assessing their responses.

## Procurement of electricity from decarbonized sources

We are working to control our Scope 2 CO<sub>2</sub> emissions by installing solar power panels on the roofspace and empty land at our plants, to generate our own electricity and curb the amount of electricity we purchase.

### Status and plan for the installation of solar power generating equipment\*

Country	Plant	Existing/planned	Scale (MW)
Thailand	Bang Pa-in Plant	Existing	3.1
		Planned	11.5
	Lop Buri Plant	Existing	1.9
		Planned	4.0
Malaysia	Malaysia Plant	Planned	2.3
America	NHBB Chatsworth Plant	Planned	1.2
Japan	U-Shin Hiroshima Plant	Planned	1.6
	Hamamatsu Plant	Planned	1.0
Total			26.6

\* This represents the current installation plans, and is subject to change.

Approximately 90%\*\* of the Company's greenhouse gas emissions are from electrical power. We are pursuing the following measures to procure electricity from decarbonized sources.

- 1 Installation of solar power panels, etc. to generate our own electricity
- 2 Corporate PPAs\*\*\* for solar power, etc. and power generation for self-wheeling
- 3 Renewable energy-based power contracts with electricity retailers
- 4 Purchase of renewable energy certificates, etc.

\*\* Proportion of Scope1 and 2 emissions \*\*\* Power Purchase Agreement



Solar power generation at Bang Pa-in Plant



Solar power generation at Lop Buri Plant

## TOPICS

### Towards realizing a sustainable society (Thailand)

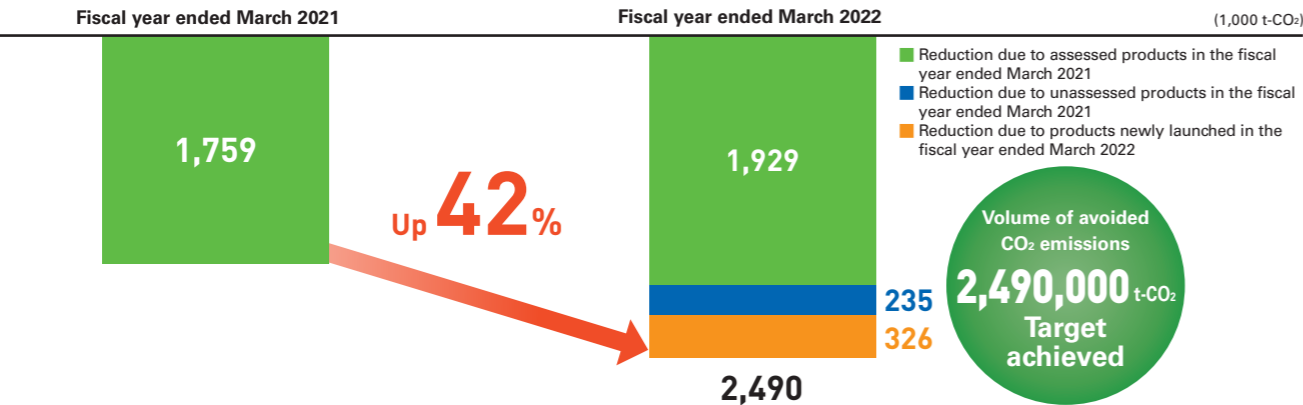
We organized an environmental initiative "40 Years MinebeaMitsumi with our unity, we create a new sustainable world" and conducted a cooperate social responsibility activity at a National reserved forest in Lopburi province, under the topic "The Great Passion to Green Sustainability Society," to mark the 40th anniversary of MinebeaMitsumi Group (Thailand). In August 2022, 250 employees participated in tree-planting as volunteers. We plan to complete the planting of approximately 100,000 trees across an area of 800,000m<sup>2</sup> by the end of 2022. We have also built two check dams to preserve the abundance nature and increase the biodiversity in the forest. The amount of carbon sink by tree-planting has been certified for carbon credits (T-VER), and we expect to receive 8,600 t-CO<sub>2</sub> worth of credits over the next ten years.



The MMI Beyond Zero initiative

Our “MMI Beyond Zero” initiative aims to contribute to the reduction of global CO<sub>2</sub> emissions by enhancing the energy-saving features of our products. By using these products, our customers will in turn reduce the electricity consumed by their products, and their customers’ products. As a part of this initiative, we have been tracking the amount of CO<sub>2</sub> emission reduction contribution by our products since the fiscal year ended March 2021.

Actual volume of avoided CO<sub>2</sub> emissions



The result for the fiscal year ended March 2022 was approximately 2,490,000 t-CO<sub>2</sub>, (up 42% year on year). This was a remarkable result, surpassing in just one year our initial target of approximately 2,300,000 t-CO<sub>2</sub>, a 30% increase in contribution, by the fiscal year ending March 2031. This was mainly due to an increase in sales of existing products and the launch of new products. We will continue to contribute to reducing global CO<sub>2</sub> emissions through the development and promotion of products with advanced energy-saving features.

Calculation method

The volume of avoided CO<sub>2</sub> emissions is calculated based on the Japan Electronics and Information Technology Industries Association (JEITA) guidelines.

“Effect on reduction of electricity consumption at the time of product use” indicates the amount of power consumption reduction when comparing the power consumption of the evaluated product with the power consumption of the same product equipped with previous generation parts.

Formula used to calculate the volume of avoided CO<sub>2</sub> emissions

$$C_d = \Delta W_r \times L \times H_{op} \times Coef_e \times S$$

$C_d$ : Volume of emissions directly avoided (kg-CO<sub>2</sub>)  $\Delta W_r$ : Reduction of electric power consumption in a rated condition (kW)  
 $L$ : Load factor during actual state of operation compared with rated usage conditions  $H_{op}$ : Hours of operation (h)  
 $Coef_e$ : Coefficient for CO<sub>2</sub> emissions from power consumption (0.5001 kg-CO<sub>2</sub>/kWh \*based on IEA2020 2018 emission coefficient in Japan)  $S$ : Sales volume  
\* We sell parts used in final products, so “product” refers to the final product.

Example of products with a high volume of avoided CO<sub>2</sub>

Fan motor bearings

Bearings support rotating shafts and are the most important part of rotary components such as motors.

We specialize in miniature ball bearings, which are used in fan motors, which are used widely in IT-related electronic devices and components for cooling.

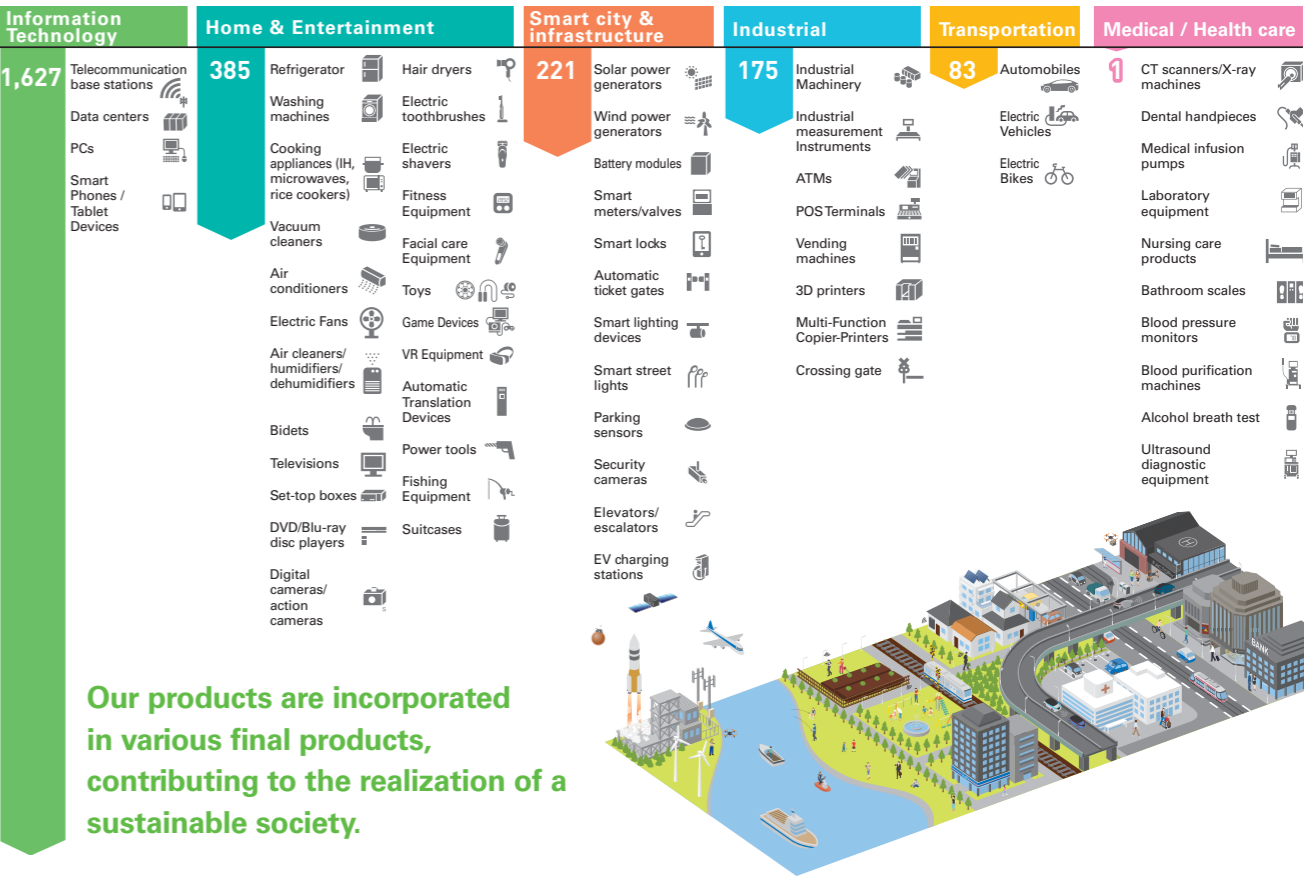
Volume of avoided CO<sub>2</sub> emissions Approx. 1,496,000 t-CO<sub>2</sub>



Polygon mirror scanner motors

These motors are used in laser writing in digital copiers and other such devices. A polygon mirror is rotated at high speed to scan a laser beam radiated from an laser diode (LD) into a photoreceptor. High-precision fluid bearing technology helps make equipment quieter and save both space and energy.

Volume of avoided CO<sub>2</sub> emissions Approx. 74,000 t-CO<sub>2</sub>



Green Products Certification Program

Almost all MinebeaMitsumi’s products are environmentally friendly products which are originally small sized and allow precise downsizing, and contribute to saving energy and space.

In 2019, we introduced the “MinebeaMitsumi Green Products Certification Program” to select products that are particularly environmentally friendly.

Criteria for designation as Green Products

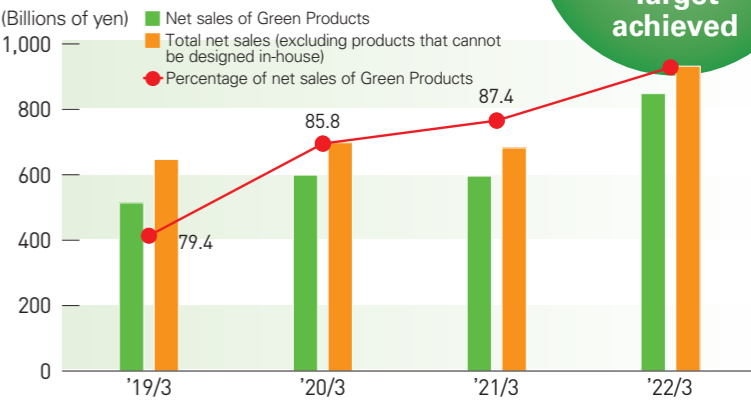
In designing	In manufacturing	In shipment	In using
<ul style="list-style-type: none"><li>Selection of environmentally friendly materials</li><li>Selection of energy-efficient parts</li><li>Use of recycled and reused materials</li><li>Consideration for disposal of products</li><li>Confirmation of non-use of prohibited substance</li></ul>	<ul style="list-style-type: none"><li>Reduction of electric power consumption</li><li>Reduction of raw and indirect materials</li><li>Reduction of waste</li><li>Reduction of chemical substances</li><li>Reduction of water usage</li></ul>	<ul style="list-style-type: none"><li>Use of packaging materials with consideration for the environment</li><li>Reuse of packaging materials</li><li>Reduction of CO<sub>2</sub> in logistics</li></ul>	<ul style="list-style-type: none"><li>Reduction of electric power consumption</li><li>Smaller products</li><li>Lighter products</li><li>Longer product lifespan</li></ul>

We are working to increase the ratio of MinebeaMitsumi Green Products to over 90% of our sales by the fiscal year ending March 2029.

In the fiscal year ended March 2022, we achieved this target with a ratio of Green Products of 91.1%, thanks to the renewal of our new product lineup featuring Green Products, as well as the improvement of processes used to produce our existing products.

We will continue our efforts to increase the ratio of Green Products.

Green Products sales results



Initiative for TCFD recommendations

We recognize the importance of disclosing climate-related financial information and endorsed the recommendations of the Task Force on Climate-related Financial Information Disclosures (TCFD) in 2020. As such, we disclose information on mitigating the risks and seizing the opportunities brought about by climate change.



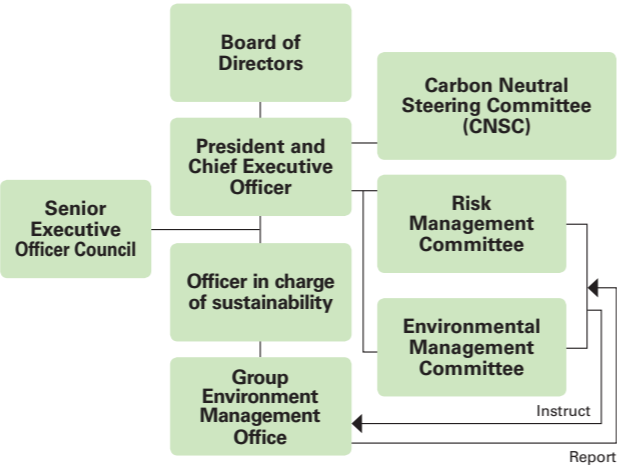
Governance

We address the risks and opportunities related to climate change based on the Company's Climate Change-Related Risk Management Regulations. These rules determine our internal structure for managing the risks and opportunities related to climate change (Figure 1) and our process of managing these risks and opportunities using the PDCA cycle (Figure 2).

The President and Chief Executive Officer has ultimate responsibility for managing the risks and opportunities related to climate change, managing these risks and opportunities through the Risk Management Committee, which is responsible for all facets of risk, and the Environmental Management Committee, which is responsible for environmental management, including the risks and opportunities related to climate change. The President and Chief Executive Officer assesses and supervises the status of response to these issues, and the Company's progress against its objectives. Meanwhile, the Carbon Neutral Steering Committee, reporting directly to the President and Chief Executive Officer, makes internal adjustments and recommendations regarding policies and basic measures for carbon neutrality.

The President and Chief Executive Officer evaluates the effectiveness of climate change governance through the Senior

Internal structure for managing the risks and opportunities related to climate change (Figure 1)



Executive Officer Council, and the Board of Directors monitors and supervises the appropriate response to the risks and opportunities related to climate change by those in charge of business execution, including the President and Chief Executive Officer.

The officer in charge of sustainability handles the status of the Company's response to climate change issues as one aspect of sustainability.

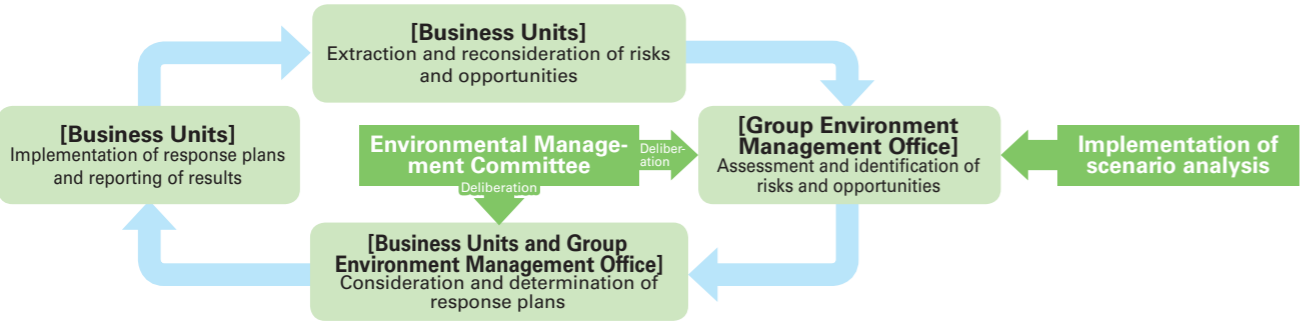
Risk management

The Company's process for managing the risks and opportunities related to climate change is shown in (Figure 2). We implement this PDCA cycle companywide each fiscal year.

When assessing risks, we do not focus only on the direct effect on our own operations but also consider effects up and down the value chain, such as the effect on raw materials procurement, logistics, customers, and end users.

Through this management process, the issues are deliberated by the Environmental Management Committee, composed of managers in charge of each division, and the results of this deliberation are checked by the Senior Executive Officer Council and the Board of Directors. Should a risk materialize, causing crisis situation, we will transition to an emergency response led by the Risk Management Committee.

Management process for risks and opportunities through PDCA cycles (Figure 2)



Strategy

We see it is one of the Company's missions to contribute to achieving global carbon neutrality. In addition to reducing the Company's own greenhouse gas emissions to achieve carbon neutrality, we work to help our customers reduce their greenhouse gas emissions through our products.

We are engaged in initiatives under MMI Beyond Zero (see page 59) to help customers reduce their greenhouse gas emissions through our products, and we will also use these

initiatives to control our own Scope 3 emissions.

We will promote these initiatives as key business strategies, including the supply of component for products and equipment such as electric vehicles, solar power generators, and green data centers, as well as the development of energy-saving, resource-saving, long-lifespan products.

Identifying risks and opportunities, and response planning

We have identified the Company's risks and opportunities related to climate change, and compiled a response plan for the fiscal year ending March 2023. We have compiled this plan with an understanding of risks and opportunities as two sides of the same coin, based on our view that responding to risks will create opportunities.

Our response plan for the fiscal year ending March 2023 forms part of the business plans for each business unit, plant, etc., and we will steadily implement it and compile the results.

We also carried out trial scenario analysis in the fiscal year ended March 2022, and plan to implement full-scale analysis in the fiscal year ending March 2023.

Item	Risks	Opportunities	Response plan
Response to water risks	Suspension of plant operations due to flooding, typhoon, flood tides, drought, etc.	Secure the trust of our customers by enhancing resilience	Identify the 24 plants with high water risk based on Aqueduct, and confirm the establishment of BCP measures <a href="#">Risk management example 1</a> <a href="#">Page 80</a> Measures have been established for the 7 main plants, of which 6 have obtained ISO 22301 certification
Improving productivity and efficient use of resources and energy	Deterioration in earnings due to soaring prices of raw materials and power, carbon tax, etc.	Secure earnings through resource-saving, energy-saving, decarbonized production activities	Automation and time reduction in manufacturing processes, reorganization and efficiency enhancements at production sites, modal shift from air to marine freight, installation of high-efficiency, energy-saving equipment, reduction and recycling of scrap, etc.
Improving product performance and providing new products	Market selection based on new indicators such as energy-saving performance, LCA, carbon footprint, etc.	Capture market share by providing resource-saving, energy-saving, low-carbon products	Development and promotion of products such as main motor bearings for EVs, vehicle batteries, various components for EVs/HEVs, fan motors for solar power generation and data centers, LED lighting, CLEAN-Boost (battery-less and wireless) products, various energy-saving, long-lifespan devices, products using bio/recycled plastics, etc.
Responding to customer demands	Failure to fulfill customer demands such as introducing renewable energy, reducing our carbon footprint, etc.	Secure orders by earnestly fulfilling customer demands aimed at decarbonization	Install solar power generation systems for in-house use and procure renewable energy <a href="#">Procurement of electricity from decarbonized sources</a> <a href="#">Page 58</a>
Curbing PFC and SF6 emissions	Increase in greenhouse gas emissions due to air emissions of potent greenhouse gases including PFCs and SF6; impediments to production and higher production costs due to the introduction of new regulations	Substantially reduce greenhouse gas emissions and reduce the carbon footprint of related products by curbing PFC and SF6 emissions	Installation and renewal of emissions removal equipment together with the enhancement of semiconductor production equipment.

Metrics and Targets

Target: Greenhouse gas emissions (Scope 1 and 2)

- Medium-term target: Reduce by 10% per unit sales by the fiscal year ending March 2026 compared to the fiscal year ended March 2020
- Long-term target: Reduce by 30% by the fiscal year ending March 2031 compared to the fiscal year ended March 2021
- Ultimate target: Achieve Net Zero by 2050 at the latest

[Greenhouse gas emissions during the fiscal year ended March 2022](#) [Page 57](#)

# Initiatives for Society



To ensure management sustainability, the MinebeaMitsumi Group is working on the material issues (Materiality) of “strengthening the system for mass and stable supply of ultra-precision components,” “practicing responsible procurement,” and “coexisting with local communities.”

Here, we provide information on “reinforcement of quality control systems,” “practicing responsible procurement,” “policies and initiatives related to human rights,” and “coexisting with local communities.”

Material issues (Materiality) Pages 31 to 32

## Reinforcement of quality control systems

### Quality management framework

The Group has created “Group Quality Management Rules” covering the entire Group as part of our measures to ensure the safety of its products & services and to prevent accidents. We have also prepared “Group Product Safety Management Manual,” “Group Conflict Material Management Manual,” “Group Responsible Minerals Procurement Management Manual,” and “Significant Quality Issue Handling Manual” to go with the Group Quality Management Rules and share them across the Group.

Final responsibility for the quality management framework lies with the President and Chief Executive Officer, and the “Quality Management Committee” has been established as an advisory body. As a subordinate organization, the “Quality Assurance Managers Council,” comprised of managers

responsible for quality in each business unit, holds meetings where managers regularly share information on specific quality issues and work to implement internal measures to ensure similar problems do not reoccur. In addition, the “Safety Regulation Council” ensures compliance with the Electrical Appliance and Material Safety Act (in Japan) and shares information on safety regulations in each region of the world to strengthen the Group’s response.

Going forward, as we shift from simple parts to more complex ones that are closer to final products or even final products themselves, which will see higher demand, we will establish a “Product Safety Council,” which will select members from each business unit, share information, and hold workshops.

### Risk management

The Group takes steps to mitigate the risk involving end products in which the Group’s parts are commonly used and which could have a serious impact on society in the event of a problem. Accordingly, headquarters and the respective business units perform collaborative risk assessments to such ends.

### Cooperating with suppliers

In order to meet the quality requirements of our customers throughout the supply chain, we clearly indicate MinebeaMitsumi’s quality policy to our suppliers, and request their understanding and cooperation.

#### Material issue target

During the fiscal year ending March 2023, we will enhance the training of quality management educators and product safety management supervisors at each site. We will also strengthen our product safety management system so that it is capable of supporting products in new fields through business expansion to be achieved around March 2026.

### Promoting quality management system certification

We have obtained certification of the necessary quality management systems at each business unit. We are also working on obtaining certification for standards related to new products. In addition, the Quality Assurance Headquarters holds training for internal auditing personnel to provide ongoing education and maintain and improve the system.

### Disclosing information on products

Most of the products supplied by the Group are parts that are built into the final products that are used by consumers. For that reason, we provide safety information and information on the chemical substances contained in our products, based on customer request.

## Practicing responsible procurement

### CSR procurement

Considering the global scope of our business activities, we believe it is important to promote CSR throughout our supply chain. In March 2012, we took steps to establish a framework for CSR procurement with the formulation of the “MinebeaMitsumi Group CSR Procurement Guidelines,”\* which is based on the “MinebeaMitsumi Group Code of Conduct.”\* The basic transaction contracts we sign with our suppliers require observance of these guidelines and make violations cause for termination.

In addition, to assess the status of CSR promotion by our suppliers, we established the “MinebeaMitsumi Group CSR Procurement Self-assessment Checklist”\* and have asked our suppliers to complete it.

Questions on the checklist are divided into the five categories of “general promotion of CSR,” “labor,” “health and safety,” “environmental conservation,” and “ethical management” to assess risks in the supply chain. We verify progress made with respect to CSR initiatives by providing feedback to our suppliers based on the survey results and communicating with suppliers where improvements are needed.

We implemented the following measures in fiscal 2021:

#### 1) Renewed the “CSR Procurement Guidelines”

We renewed the “CSR Procurement Guidelines” and distributed them to 6,734 suppliers in three languages: Japanese, English and Chinese.

#### 2) CSR education for employees in procurement and logistics divisions

We have set up a CSR procurement education tool for all 251 members of procurement and logistics divisions.

- Monitoring the status using the CSR Procurement Self-assessment Checklist  
We received responses to the Self-assessment Checklist from U-Shin’s 75 main suppliers all across Japan (representing 85% of its purchases).
- Obtained human rights pledges  
We received the submission of human rights pledges from the 4,617 suppliers that have continuing transactions with companies throughout the MinebeaMitsumi Group, to promote our policy of “responsible procurement.”

These pledges contain the following promises:

- A promise to comply with the requirements set forth under MinebeaMitsumi’s “CSR Procurement Guidelines”: (1) employment autonomy, (2) prohibition of child labor, (3) prohibition of discrimination, (4) prohibition of inhumane treatment, (5) minimum wage, (6) working hours, and (7) freedom of association.
- A promise to request that others in the supplier’s supply chain also comply with MinebeaMitsumi’s “CSR Procurement Guidelines.”
- A promise that there are no current violations by the supplier or others in the supplier’s supply chain; moreover, that if any violation is discovered, the supplier will immediately report it to the Company and correct it, or ensure that it is corrected.

We make the submission of this pledge a condition of business with any new suppliers.

We also have audits conducted by third-party agencies as necessary when human rights violations are suspected.

### Promoting “responsible mineral procurement”

In August 2012, the U.S. Securities and Exchange Commission adopted a disclosure rule mandated by “U.S. financial reform legislation” requiring companies to disclose the use of conflict minerals. We responded by formulating a “MinebeaMitsumi Group Policy on Conflict Minerals” in October 2012, in which we summarized the Group’s approach regarding “conflict minerals” from the Democratic Republic of the Congo and its neighboring countries.

We also added “conflict minerals” to the “CSR Procurement Guidelines.” Later, we have asked our suppliers to promote initiatives to ensure that no tantalum, tin, tungsten, gold, cobalt, or other minerals that are related to conflicts or CSR risk are used as part of our efforts to ensure responsible mineral procurement.

We will continue to respond to requests from customers using our database.

#### Material issue target

In the fiscal year ending March 2023, we will assess the status of CSR promotion among Chinese suppliers of U-Shin based on the “CSR Procurement Guidelines,” using the “CSR Procurement Self-assessment Checklist.” In addition, we will proceed with consideration aimed at the introduction of the RBA standard to our “CSR Procurement Guidelines” by the fiscal year ending March 2026 and carry out a self-audit accordingly to improve the CSR Procurement Guidelines, taking into account environmental and human rights issues.

\* These names were changed from “Minebea Group Code of Conduct,” “Minebea Group CSR Procurement Guidelines,” “Minebea Group CSR Procurement Self-assessment Checklist,” and “Minebea Group Policy on Conflict Minerals” in January 2017.

Policies and initiatives related to human rights

The Group has set forth its aim “be a company where our employees are proud to work” as the first of “The Five Principles” of the company credo. We respect the human rights of employees, and enable employees with diverse backgrounds to make the most of their abilities.

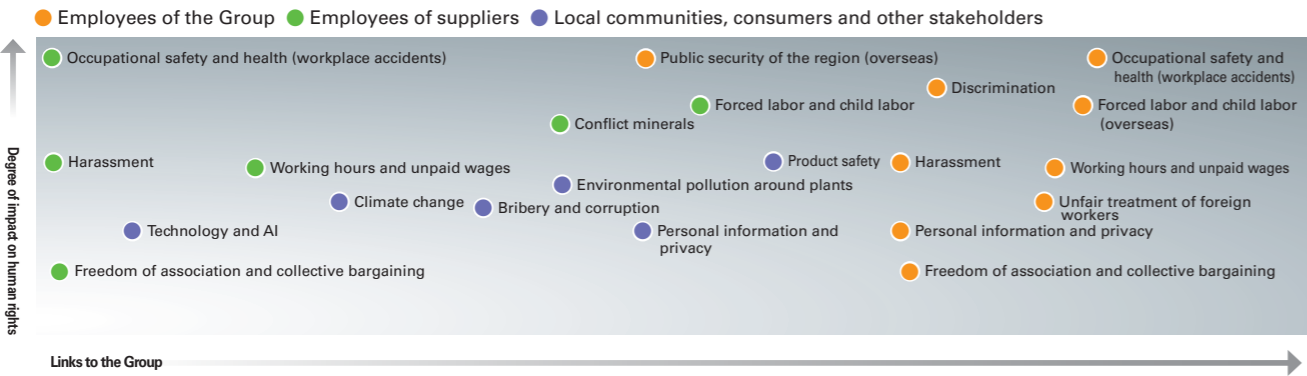
With the global expansion of business in recent years, we face an increasing need as a corporation to address

human rights issues in our supply chain. In this context, the Group maintains respect for human rights in our corporate activities as a key issue of basic management policy. As a global corporation, the Group is also focused on initiatives to prevent violation of the human rights of stakeholders, including in our supply chain, based on the MinebeaMitsumi Group Human Rights Policy, shown below.

Human rights risk map

We have identified and mapped the human rights risks that could negatively impact on the Group's business activities.

We will continue to mitigate these human rights risks as much as possible.



MinebeaMitsumi Group Human Rights Policy

The Group supports the Universal Declaration of Human Rights, the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights, and other human rights principles. We have established, by resolution of the Board of Directors, a human rights policy including these elements:

MinebeaMitsumi Group Human Rights Policy		
1 Respect for basic human rights	5 Prohibition of forced labor	9 Human rights due diligence
2 Compliance with applicable laws	6 Prohibition of discrimination	10 Education
3 Respect for international human rights agreements	7 Prohibition of harassment	11 Requests for suppliers to provide support and cooperation
4 Prohibition of child labor and restrictions on employment of young laborers	8 Respect for freedom of association and the right to collective bargaining	12 Information disclosure
		13 Scope

Initiatives related to the human rights of employees

**Initiatives focused on occupational safety and health**

The Group assures the health and safety of its employees. We provide safe and hygienic working environments, prevent overwork, and consider employee health in all our business activities. We design the Group's human resources systems not only for compliance with local laws and regulations, but also to improve labor management and create better workplace. These include systems that provide employees with benefits exceeding those mandated by law.

**Initiatives at overseas sites**

In view of the potential risk of forced labor and child labor at our largest site in Thailand, we have clearly stated the prohibition of forced labor and child labor and restrictions on the employment of young laborers in the Group's independently-established “Policy on Worker Protection and Social Accountability.” In addition to preventative measures, such as checking workers' official identification documents

to ensure that they are above the legal minimum age, we have implemented penalties for any violation of this policy. We have also obtained certification under Thailand's worker protection standard, TLS 8001.

Moreover, at our mass-production sites in Thailand, China, the Philippines, Cambodia and elsewhere, which are mass-production sites, we have obtained certification under ISO 45001, the international standard for occupational safety and health management systems.

**Education and Training**

We provide a full range of training programs for Group employees, to deepen our employee's understanding of our basic management policy including respect for human rights, including training for new recruits, training by employee rank, which uses the “MinebeaMitsumi Group Officer and Employee Compliance Guidelines,” harassment prevention, and inter-cultural communication for overseas assignment.

**Promotion of diversity & inclusion**

We are engaged in initiatives such as organizational reform, promoting women's advancement, and team-building to advance the diversity of our talent.

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

Human Capital Pages 47 to 50

**Relief measures**

We take appropriate measures to provide relief wherever the Group's activities have caused or clearly exacerbated a negative impact on human rights. We have established a whistle-blowing system and consultation point to enable the Group's employees and former employees to report and consult on issues or trouble related to human rights. We have made this system and consultation point widely known through the company.

Whistle-blowing Page 78

Initiatives related to human rights in our supply chain

At the Group, we implement risk assessments in our supply chain in accordance with the “MinebeaMitsumi Group CSR Procurement Guidelines,” by actively communicating with our suppliers and requiring that they regularly submit the

self-assessment checklist and a pledge concerning the observance of human rights. We continuously monitor compliance with the Guidelines, including respect for human rights.

Responsible procurement Page 64

Coexistence with local communities

**Support for single parents**

As part of the project to commemorate the 70th anniversary of incorporation, MinebeaMitsumi made a donation of 50 million yen to a certified NPO, Single Mothers Forum in July 2021. The money funded a learning support grants project for single-parent households with high school children, which continue to suffer from the COVID-19 crisis. We provided 1,606 high school students with support grants of 30,000 yen each.

On December 21, the Board of Directors resolved to make a further donation of 50 million yen to the same NPO, the second such donation in our 70th anniversary project. This money was used to fund the “We Support You on New Year! Project” for emergency assistance.

To deliver the support as quickly as possible to households in distress, 20 employees of the Company volunteered to pack QUO cards (gift cards; worth 20,000 yen each) into letter packs and sent them to 2,446 households on December 22.



\* For past activities, see “ESG Initiatives” on our website.

**Participation in the Mt. Zao Clean Operation**

Ten employee volunteers from Mitsumi Electric's Yamagata Business Division participated in the 48th Mt. Zao Clean Operation organized by Yamagata City. This was the first time in three years that the event was held due to COVID-19, and a total of 283 participants in 11 groups collected 100 kg of trash, empty cans, etc. along the ski and mountain climbing trails from the top of the mountain to the foot of the mountain.



**Participation in a cleanup of the Nakaumi and Lake Shinji**

A total of 42 employee volunteers from the MinebeaMitsumi Yonago Plant participated in a simultaneous cleanup of the Nakaumi and Lake Shinji. On the day of the event, 6,048 people from five cities adjacent to the Nakaumi and Lake Shinji participated, collecting 11.65 tons of trash. Of these, 1,069 people participated in Yonago City, collecting approximately 2 tons of trash from the seawalls to protect the natural environment of the Nakaumi.



The ESG Initiatives can be viewed from here.



Material issue target

We will strengthen our relationships with our local communities by promoting open communications.

## How does MinebeaMitsumi aim to “maximize the power of employees”?

Material issues (Materiality) Pages 31 to 32



A roundtable discussion was held between Outside Directors Atsuko Matsumura and Yuko Haga, who shared their thoughts on how MinebeaMitsumi should approach “maximizing the power of employees,” one of the Company’s material issues (Materiality), Kanako Ishida, Deputy General Manager of Human Resources & General Affairs Division, and Yumi Arima, Deputy General Manager of Human Resources Development Department, with whom the Outside Directors exchanged opinions.

### First of all, as an Outside Director, how do you assess the Company’s talent strategy in recent years?

**Matsumura:** In recent years, the Company has designated talent strategy as one of its key themes for engagement. I am very impressed with the way that the Company has actively worked to supplement and strengthen its existing strategies while responding to the demands of the times, to enhance its corporate value and achieve challenging management targets.

In 2018, when I was first appointed as an Outside Director, the Company set targets such as talent development to take challenges with a global focus, promoting women’s advancement, and diversifying employee working styles. The material issues for the Company were identified with the establishment of the Sustainability Management Division in 2019. In terms of talent, the Company strengthened its initiatives to develop key global talent, in addition to ensuring employee safety and health, and creating positive and rewarding work environments. In 2020, the Company held a diversity seminar to mark the launch of a project to promote women’s advancement. I was tasked with giving the keynote address. There was also a panel discussion featuring the Company’s female managers, which no doubt provided a big impetus for our young female employees. In 2021, the Company engaged in promoting diversity and inclusion (D&I), strengthening its efforts to create workplaces where diverse talents are accepted and mutually respected. The Company began to place a greater emphasis on new value creation through the expansion of forums for interchange between diverse talents.

In this way, I feel that the Company’s talent strategy has steadily evolved. I will pay close attention to the progress going forward.

### The Company is targeting net sales of 2.5 trillion yen and operating income of 250 billion yen by the fiscal year ending March 2029. Tell us about the specific initiatives that form the Company’s talent strategy aimed at achieving these targets and the long-term goals for the Company’s 100th anniversary.

**Ishida:** MinebeaMitsumi’s talent strategy has been formulated with the aim of expediting its Corporate strategy. MinebeaMitsumi is expanding its businesses through overseas expansion and M&As. We are in the process of expanding numerous businesses. In order to accelerate the Company’s growth to achieve our targets for the fiscal year ending March 2029, it is essential not only to further temper the Eight Spears of our core businesses but also to create new spears. For this reason, we face an even greater need for leaders who will expand and deepen our businesses with new ideas unconstrained by the existing framework, and for engineers who will not only integrate and deepen our various technologies but boldly aspire to develop new technologies.

By effectively operating a talent management system that integrates the acquisition, discovery, development, and appropriate assessment and compensation for the talent we seek, we are constructing a mechanism to enable all employees to make maximum use of their abilities and create outstanding results as teams. This is the talent strategy that MinebeaMitsumi is using to accelerate growth.

### - Ms. Haga, what impression do you have of the characteristics of the Company’s talents?

**Haga:** I think the Company has three strengths. First, it has steadily developed international talent over many years, and has an abundance of talents who are capable of playing an active part in business overseas.

Second, it is extremely good at integrating new talent into its existing organization and bringing in new influences and ideas from outside. Why is this? I think this ability is due to the

Company’s attitude. The Company ensures that new employees understand its strategy and reason for existence and have a mutual recognition of strengths and weaknesses. It actively strives to incorporate the strengths of other companies. For example, a meeting I attended the other day included a briefing on the results of team building by ABLIC. The Company is always eager to integrate good practices and positive examples company-wide.

Third, the Company actively welcomes talent from outside in areas where it has talent shortages, and encourages these talents to play active and important roles in appropriate positions. I think the Company makes a conscious effort to ensure these talents can make the most of their abilities by imparting to them, in clear and certain terms, the direction for which the Company aims and the performance expected of them.

At the same time, I think that dealing with Generation Z and other future generations do represent a challenge. Those in Generation Z seek forums for self-realization. If they don’t think a certain position fits them, they simply move on to the next one. They are capable of various modes of communication, and they understand diversity. The question of how to construct HR systems that are acceptable to this generation is an important theme for the Company.

### - Tell us about the type of leader the Company will need in the future, and related initiatives by the Human Resources Development Department.

**Ishida:** We will develop potential leaders capable of apprehending a broad view of business from a long-term perspective, perceiving the business opportunities and determining how to effectively leverage these opportunities, and considering and implementing ways for the Company to contribute to resolving social issues. We will also actively acquire such talents from outside the Group.

**Arima:** The Human Resources Development Department was established in 2013 to secure and develop talent to support the Company in its centenary era. We implement continuing programs for outstanding employees aged in their 30s and 40s, to develop the next generation of leaders by enhancing their leadership imagination, and raising and expanding their perspectives. These include programs such as systematic training in business strategy, dispatching employees to Colombia University in the United States as visiting research fellows, and encouraging them to undertake difficult challenges.

### - How do you ensure that technical skills and know-how are passed on inside the Group?

**Arima:** We operate a skills certification program aimed at identifying the technical skills possessed by our engineers, and developing capabilities. The program focuses on developing our young, mid-level engineers. MITSUMI ELECTRIC had been implemented training for young technical employees with high potential, where they learn technology management from basic knowledge. We have expanded this initiative horizontally across the MinebeaMitsumi Group.

### - Tell us about the talent management that handles the diverse talents that are a feature of MinebeaMitsumi.

**Ishida:** We want the senior generation, which has supported our growth until now, to pass the Company’s DNA on to employees in Generation Z, which will lead the Company as it marks its centenary in 30 years. We want to ensure that our Generation Z

make maximum use of their potential. We’ve implemented a wide range of measures to assist talent with diverse needs, but it is also vital to have core systems to integrate these measures. We believe that we will be able to efficiently operate the framework where appropriate assessment and communication lead to more

effective talent development, self-development and autonomous career development through the use of the HR database, which is currently being prepared. We are also continually implementing education to enable employees, especially those in management positions, to gain a correct understanding of the Company’s approach and systems, and to use these systems efficiently.

### - Ms. Matsumura, please share your views on the talent strategy promoted by the Company.

**Matsumura:** I think it’s vital for the Company’s talent strategy with a view to our 100th anniversary to contain measures to enhance human capital through investment in areas such as leadership development, the development of specialist talents and global talents. It’s important to raise the efficiency of talent management to develop talent with advanced abilities and bring about innovation.

At the same time, it’s also important to implement strategies to increase employee engagement and raise their motivation to make maximum use of their abilities for the Company’s development. I look forward to the Company implementing initiatives for employees’ physical and mental health and happiness—their well-being—through measures such as consideration for their work-life balance.

We believe that the passing down of manufacturing technologies and skills is one of the key issues for the Company, which is manufacturing differentiated products with advanced technologies. It is important to have talent development that can rapidly pass down and advance the expertise for manufacturing each product in various forms, and we expect to strengthen the Company’s initiatives going forward.

### - Ms. Haga, what are your views on the tasks and challenges the Company faces to develop talent and its next generation of leaders?

**Haga:** The Company considers it vital to determine strategic goals first, then consider the qualities required to lead our team to achieve these goals, from a perspective that considers the outside world and changes in the external environment as well as internal factors. We need talent with the innate ability to seek and perceive what is going on, and where: talent that will constantly send out feelers searching for new information.

Properly utilizing the next generation will be the key to developing the next generation of leaders. I think it’s also vital for companies to provide the tools and methods to enable their talent to demonstrate leadership adapted to technological change; moreover, that top management thoroughly discusses and deepens its shared understanding of what aspects should be maintained unaltered through generational change.

There are many aspects to the Company, forming the background and roots of its growth that should not be altered even as a new generation takes over. At the same time, the Company will not be able to keep up with external changes if it keeps advocating a certain approach just because it led to growth



Outside Director Yuko Haga

Outside Director  
Atsuko Matsumura



Deputy General Manager of the Human Resources Development Department  
Yumi Arima

in the past, or calling it common sense just because it was the accepted practice until now. I look forward to robust discussion concerning what aspects really need to be changed, and what should be kept the same.

**Tell us about the Company's recent initiatives for promoting diversity and inclusion (D&I).**

**Arima:** As a global corporation, MinebeaMitsumi has a diversity

of products, plants, and people. We regard this diversity as the source of our technological innovation and INTEGRATION activities. Of the Group's 100,000 employees on a consolidated basis, female accounted for 63.5% of employees and 16.4% for managers. On the other hand, within Japan, there is still ample room to promote the advancement of women.

Two years ago, with advice from the two Directors present today, we set up a project across four Group companies in Japan. The project focused on three initiatives: first, cultivating corporate culture and changing awareness; second, the proactive recruitment of women; and third, the creation of workplaces enabling employees to balance work and private commitments and play an active part long-term, regardless of their gender. As a result of these endeavors, MinebeaMitsumi received "Eruboshi (Level 3)" certification in 2021. This year, we have gone on to obtain "Kurumin" certification. Most recently, we have implemented training for all managers concerning unconscious bias and emotional safety. The response we received, far exceeding our expectations, reinforced for me the fundamental importance of accepting diverse opinions to create new value.

**- How do the two Directors present today view these initiatives concerning D&I?**

**Matsumura:** The Company's promotion of D&I is linked to new value creation through talent diversity and mutual understanding, in a broad sense. The synergies resulting from talent INTEGRATION can be expected to generate diverse ideas and contribute greatly to the Company's growth. D&I can bring a range of benefits such as achieving innovation and the effective promotion of quality control. It also has a positive impact on the Company's ESG initiatives. The promotion of D&I, in various forms, is therefore essential to enhance the Company's value.

In terms of the empowerment of women, the proportion of female managers is still low on a non-consolidated basis. However, through the work of the Human Resources Development Department, the Company's female managers are providing role models for young female employees, and I think we can expect the proportion of female managers to rise. In terms of diversity in nationality, the Group is fortunate to have abundant international talent, with an extremely high proportion of overseas employees. Outside Directors have the opportunity to come in contact with foreign managers through forums such as business division meetings, and going forward, I hope that we will be able to use these kinds of opportunities to exchange opinions with foreign managers.

**Haga:** I was previously involved in research into the employment of disabled people. One thing I learned from this research was the importance of gaining a perspective on "whether we know what kind of support is really needed." We begin empowering women by

asking "what kind of support is needed for women's advancement?" A similar approach can be taken to empowering those with disabilities. The Company has always been very understanding of diversity, and I think it can progress by summarizing the kinds of support needed by people in different circumstances, including those who play an active role despite their disabilities. I consider this to be an important way to achieve inclusion.

**Let's move on to the Company's initiatives to create workplaces where employees can work efficiently and autonomously, and its initiatives to promote safety and health. The Company plans to relocate to its new Tokyo Headquarters building (MinebeaMitsumi Tokyo XTech Garden) next year. What does it hope to achieve by that move?**

**Ishida:** The New Tokyo Headquarters building will gather outstanding talent. It will function as the Group's core site for INTEGRATION activities, promoting the INTEGRATION of technology through talent INTEGRATION and co-creation. Our initiatives to promote INTEGRATION and co-creation include measures to leverage cutting-edge technology and promote coexistence with local communities and the global environment. We will also create mechanisms to further enhance INTEGRATION effects by cultivating a workplace environment and culture that enables diverse talents to engage in work enthusiastically and perform at their best. We consider that initiatives such as these will accelerate the Company towards realizing its management strategy.

**- What kind of expectations and opinions to the directors have for this relocation?**

**Matsumura:** Through discussions at the Board of Directors, I expect that we will see increased profits through the improvement of the productivity and satisfaction of employees achieved by providing a pleasant space and well equipped facilities. In particular, I have high expectations that the activation of the free exchanging of opinions between employees and the generation of ideas will lead to increased motivation to work, as well as the creation of innovation. In addition, by activating dialog between employees across departments, it will be possible to exchange various information, including in regard to the empowerment of women and team building initiatives, and I think that this will lead to the generation of multiple INTEGRATION effects in terms of talent, and the effective resolution of issues.

Furthermore, by providing a space where employees can have thorough discussions with customers, it will be possible to provide the best products through the exchanging of opinions with customers, which I expect will lead to improved customer satisfaction and the enhancement of business.

**Haga:** We exchanged opinions about the expected effect of this relocation effort at the Board of Directors, and I think that there are two elements for achieving an effect.

The first one concerns hardware; at one university, research labs for different fields have been set up in the same research building, and whiteboards have been installed on the corridor walls, creating an environment in which researchers from different fields can freely discuss with each other. This is quite common in the United States, and I have expectations for means to realize such open activities. The second thing is that I think it is necessary to have something on the soft side that gives incentives to employees who want to go out on their own rather than be closed in their department or company. For example,

how about an incentive that allows for a part of working hours to be used for outside activities?

As I believe that the new Tokyo headquarters building has great potential, I would like for various initiatives to be considered that will lead to the enhancement of INTEGRATION activities.

**- The "INTEGRATION of talent" has become a key phrase, but what do you have in mind in terms of specific efforts for team activities?**

**Ishida:** Our company is focusing on team building activities as a measure to promote the INTEGRATION of talent. Various efforts have been performed at each department in terms of small group activities for quite some time, however since 2019 we have integrated these into a system, and have started company-wide activities. In these three years, each department has devised and promoted team building activities with a focus on improving productivity and reducing costs, and great results have been produced. The next challenge is the revitalization of activities that cross existing frameworks such as departments and regions, and the creation of even more dynamic results. Therefore, we will take measures that encourage teams to embark on new challenges.

**- How about the promotion of health and safety in relation to the creation of the workplace?**

**Arima:** We are actively working towards the creation of a work-friendly workplace environment that will allow for each employee to take pride in their work, stay healthy and active, and demonstrate their full potential. Our overseas mass production base has obtained ISO 45001 certification, and has established an environment that realizes safe manufacturing. Japan introduced a statutory retirement age of 65 in 2019. In order for our veteran employees, who have an abundance of knowhow and experience, to convey their knowledge and skills to the younger generation, I think that it is important for them to be able to work actively through to the statutory retirement age. In addition to offering a healthy menu at our employee canteen, we plan to also establish fitness facilities and a massage room at the New Tokyo Headquarters Building. In regard to mental health, we have established a help desk where employees are able to freely seek counseling. Most recently, we were recognized as a 2022 Certified Health & Productivity Management Outstanding Organization by the Ministry of Economy, Trade and Industry. We will continue to strengthen our efforts to promote employee health.

**- What kind of initiatives do you have in mind towards the "achievement of diverse styles that enable employees to work enthusiastically?"**

**Matsumura:** In order to maintain a high level of employee motivation and to further improve their level of contribution to the company, it will be important to take appropriate work-style reform measures. Employees each work under their own particular constraints, such as childbirth, childcare, nursing care, activities outside of work, as well as their own physical and mental issues, and I think that we need to provide various options in order for employees to maintain a work-life balance.

At the group, both within Japan and overseas, our employees have a high level of devotion to our company, fully understand our corporate philosophy, and demonstrate their abilities with enthusiasm. In order to bring about even greater effect from the INTEGRATION of talent that utilizes such high quality human capital, I would like for discussions to also be held at the Board of

Directors regarding the diversity of work styles.

**Haga:** In addition to these, the management of long working hours is also important. If there is a recognition that dedicated employees are working long hours, I think that this represents a great risk for the company. Why is health management important? Absenteeism and presenteeism have been studied as examples in which great loss is caused to a company through inefficiencies caused by absences due to illness and inefficiencies caused by coming to work even when unwell. I would like to ask that we monitor for the occurrence of such incidents behind the scenes at the company.

**Please tell me your opinions about the initiatives for achieving the "maximization of the power of employees."**

**Matsumura:** The purpose of "maximizing the power of employees" is to achieve the ambitious goals of the company, and enabling all employees to fully demonstrate their abilities will lead to a significant improvement in the company's performance as well as an increase in our contribution to society. To achieve this, it will be important for the company to develop and educate talent, while also providing a pleasant work environment that encourages employees to do their best. In order to create positive and rewarding work environments, it is important to listen to the opinions of employees, for example, for the Human Resources Development Department to install opinion boxes at various locations around the company, to promote the free use of these by employees, to collect various opinions, to analyze the trends, and to use the results to respond as flexibly as is possible. I would also like to provide my firm support towards the realization of an attractive workplace where all employees can maintain a good work-life balance, feel rewarded, and maximize their potential.

**Haga:** I think that from the company's perspective, "maximizing the power of employees" is an issue of "is this a place where employees can be fulfilled?" It will be necessary to foster a talent system and culture that allows for each talented employee to achieve fulfillment at the company over the long term, for management to provide such an environment, and for employees to respond to this; I think that this will build trust. I think that various measures will be put in place in the future; I hope that the results of this will be visualized, monitored regularly, and that various risk management activities will also be able to be performed if regular feedback is provided to the Board of Directors.

**Ishida:** While inheriting our DNA, we will foster a unique organizational culture that is furnished with new strengths, and by having employees empathize with this, their activities will have a soul, resulting in employees working together to achieve their goals. In order to continue to be such an organization, we will continue to develop a system that utilizes talent in which we do not lose sight of the big picture while valuing the things that make us unique, and listening to the opinions of all those around us, including those inside and outside the company.

**- In addition to supervising the execution of business, our outside directors provide a large amount of valuable advice based on their expert knowledge and extensive experience. The company will accelerate growth through the "INTEGRATION" of diverse talent, while incorporating such valuable advice.**



Deputy General Manager of Human Resources & General Affairs Division  
Kanako Ishida

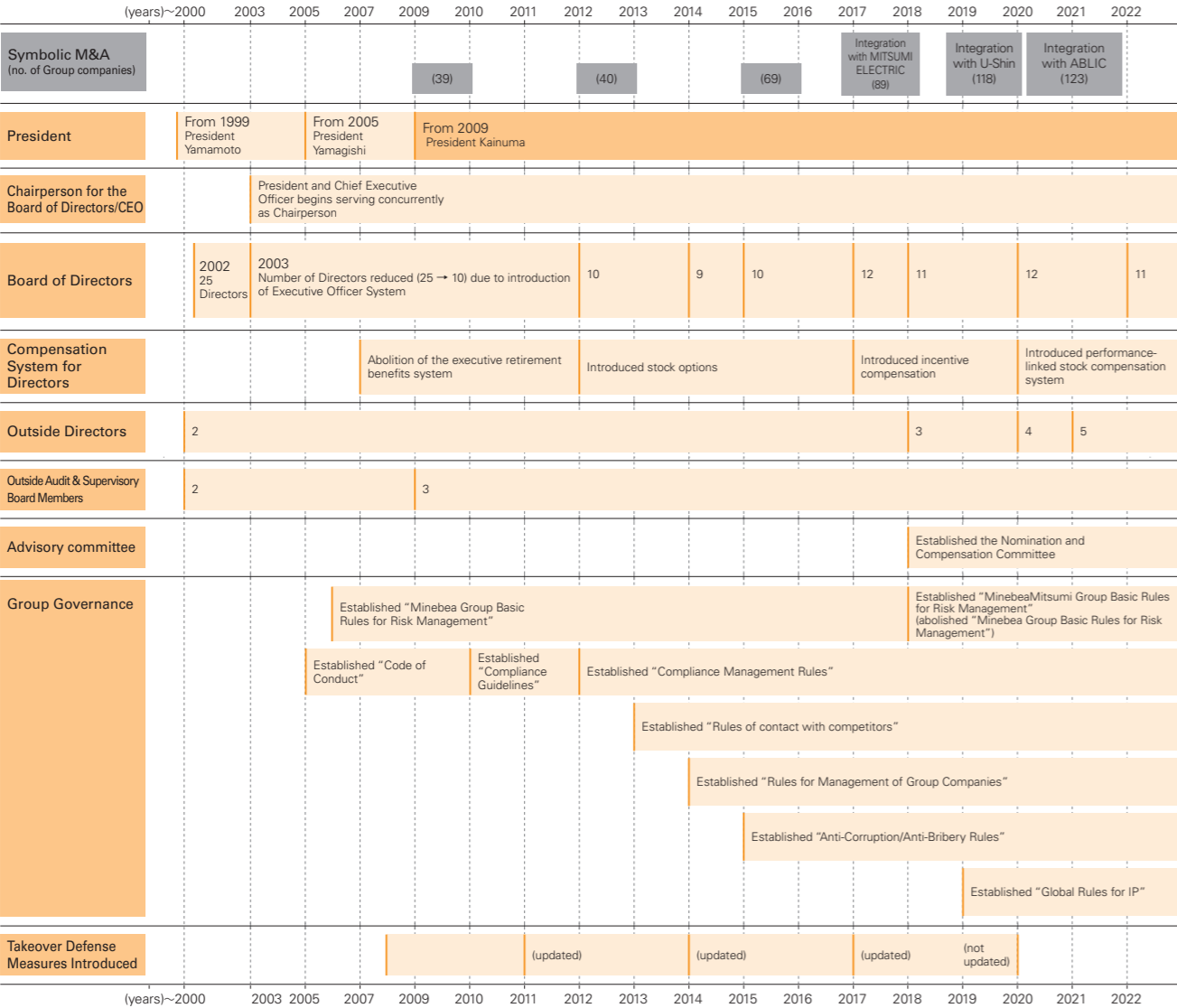
# Corporate Governance

We continue to enhance and reinforce corporate governance, which is the basis of sustainable growth

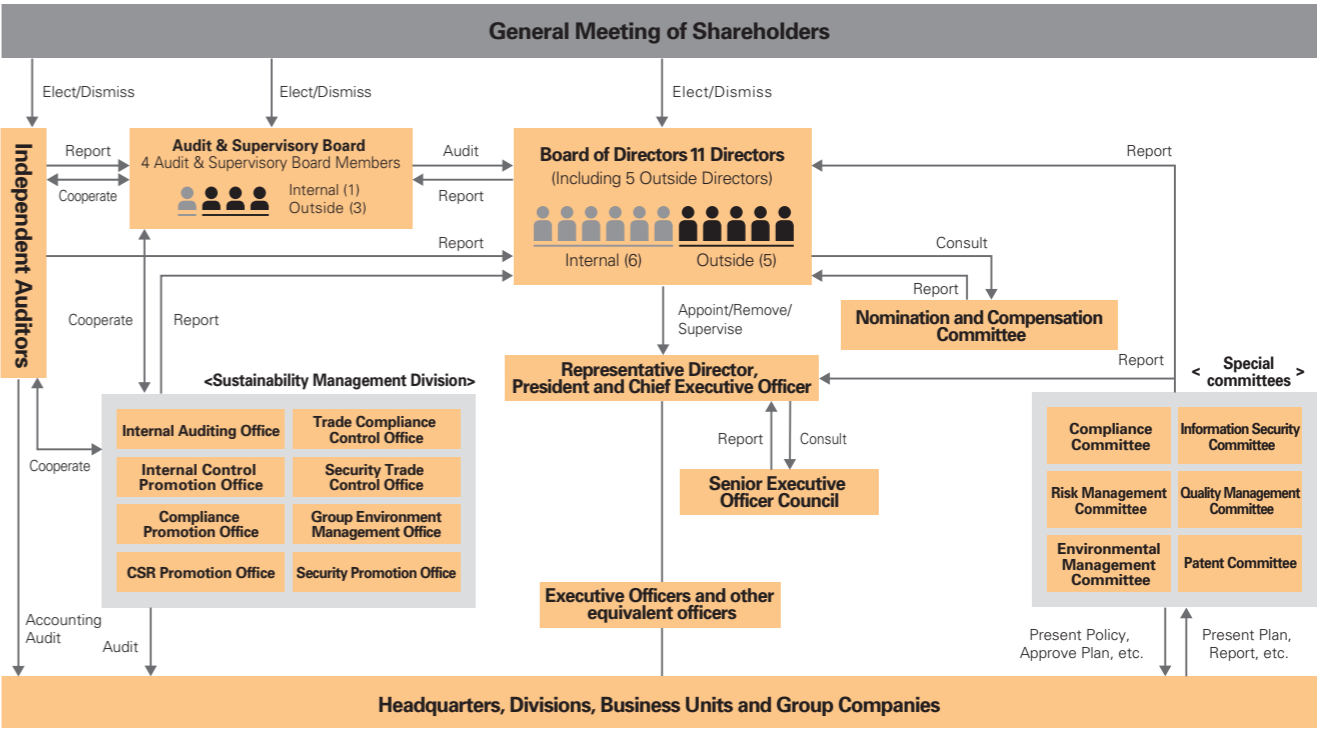
## Basic approach to corporate governance

MinebeaMitsumi has adopted “The Five Principles” of the credo as its basic management policy. The Five Principles are; “be a company where our employees are proud to work”; “earn and preserve the trust of our valued customers”; “respond to our shareholders’ expectations”; “work in harmony with the local community”; and “promote and contribute to global society.” Consistent with this company credo, MinebeaMitsumi will aim to increase corporate value as well as fulfill its social responsibilities to its various stakeholders, including shareholders, business partners, local communities, international society and employees. In order to achieve this, MinebeaMitsumi is making efforts to enhance our corporate governance system by maintaining transparency and objectivity of management as well as building management and supervisory function and business executing function.

### History of corporate governance



### Corporate governance system



### Status of the Board of Directors (13 meetings held in fiscal year ended March 2022)

In order to place importance on the diversity of the Board of Directors and realize improved sustainable corporate value, the Nomination and Compensation Committee will recommend candidates who possess the required knowledge, experience, skill set, and international competence to the Board of Directors. The candidates will be approved by the Board of Directors and then submitted to the General Meeting of Shareholders for final approval. In order to boost the transparency and objectivity of management, supervise business execution, and make strategic decisions, five of the 11 Directors are independent Outside Directors. Furthermore, in order to speed up the business execution, the Company makes significant transfer of authority from Directors to Executive Officers, etc. by introducing an Executive Officer System, and makes a clear distinction between supervisory functions and executing functions of management.

### Evaluation of the effectiveness of the Board of Directors

In order for the Board of Directors to discharge its duties, a periodic evaluation of the effectiveness of the Board of Directors is necessary. This evaluation considers the function of the Board of Directors as a whole, to verify that the composition of the members, the agenda items discussed, and the status of the operation of the Board of Directors are appropriate, and to identify issues and acknowledge problems and strengths. In March every year, written self-evaluation questionnaires are distributed to all Directors and Audit & Supervisory Board Members with the aim not only of looking at progress made in the previous fiscal year, but also of identifying key themes to be addressed over the next fiscal year. In the fiscal year ended March 2022, a third party evaluated the Board of Directors stating “Due to the results of the questionnaire, we do not have any significant concerns regarding the effectiveness of the Board of Directors of the Company.” Based on this, at the Board of Directors meeting in May 2022, the Board of Directors concluded that “The Board of Directors meetings held in the fiscal year ended March 2022 functioned appropriately overall,” and discussed initiatives in the current fiscal year for ensuring the effectiveness of the Board of Directors. For the current fiscal year the Board of Directors has decided to focus on initiatives for the promotion of sustainability, risk management, and compliance. Moving forward, we will continue to clarify issues at meetings of the Board of Directors and apply the PDCA cycle to continually improve, in order to enhance effectiveness of the Board of Directors.

Message from New Outside Director (Yuko Miyazaki, Outside Director)

I was elected as Outside Director at the Ordinary General Meeting of Shareholders this June. In July, I had the opportunity to visit nine plants in Thailand and the plant in Cambodia, providing me with first-hand experience of the atmosphere on site. On these visits, a new discovery for me was that each plant had a different atmosphere, even though all are MinebeaMitsumi group members. This is perhaps due to the products manufactured and histories being different for each plant.

After nearly 40 years of experience as an attorney in international transactions, financial transactions, corporate legal affairs, and tax disputes, for Japanese and overseas companies I served as a justice of the Supreme Court of Japan from 2018 to 2021. As an attorney, my experience included advising in a broad spectrum of industries, including the finance and securities industry in Japan and overseas (primarily the U.S.), various manufacturing industries, real estate, retail, logistics, IT (including computer hardware and software technologies and startups), and investment funds. The importance of identifying and understanding the facts when analyzing and judging legal issues cannot be stressed enough. This is because there is a risk of making mistakes in analyzing legal issues if the facts are not accurately understood. In many cases, knowing the type of business carried out by the client is crucial to understanding the facts necessary to analyze legal issues. For lawsuits, in particular, a lack of proper investigation of the facts can lead to surprises at the trial making a winnable unwinnable.

Through this kind of work as an attorney, my honest feeling is that we grow through learning from our clients. While

companies in the same sector do share common elements, I always feel each of those companies have differences in how they conduct business and their business philosophy as well as differences in business models, and regardless of the industry, each company has its own individuality, character, and mentality. All these differences make up what I call a company's DNA. Although some differences in a company's individuality and character stem from its sector, I believe that a larger portion arises from differences in the business philosophies of the people shaping the company. Learning from clients has helped me with my job as judge, and I believe the same will be true in supervising and giving advice regarding corporate management as an Outside Director.

I have taken over as an Outside Director of the Company and Chairperson of the Nomination and Compensation Committee, but the importance of identifying and understanding the facts will not change for this job. I am looking forward to not only finding out what individualities, mentalities and abilities the Company will have, but also seeing up close how the Company will grow in this age, exciting times lie ahead for manufacturing due to the fusion of AI and new electronic technologies. I, too, will strive to contribute to the Company's sustainable growth and improvement of corporate value.

Outside Director  
Yuko Miyazaki



Skills matrix of Directors and Audit & Supervisory Board Members

Name	Position	Expertise and background especially expected									
		Corporate management	M&A	Global	Manufacturing	Sales	Technological development	Environment and social	Legal affairs	Finance and accounting	Tax affairs
Directors	Yoshihisa Kainuma	○	○	○	○	○			○		○
	Shigeru Moribe	○		○		○					
	Ryozo Iwaya	○		○	○	○					
	Shigeru None	○		○		○					
	Michiya Kagami	○		○			○				
	Katsuhiko Yoshida	○	○	○				○		○	
	Yuko Miyazaki			○					○		○
	Atsuko Matsumura			○				○			
	Yuko Haga	○	○	○							
	Hirofumi Katase	○		○				○			
	Takashi Matsuoka	○						○			
Audit & Supervisory Board Members	Naoyuki Kimura			○							
	Koichi Yoshino	○	○	○						○	
	Shinichiro Shibasaki								○		
	Makoto Hoshino									○	○

The skills matrix is used not only for considering officer candidates, but also maintaining a skill balance in the whole Board of Directors.

Status of main activities of Nomination and Compensation Committee (seven meetings held in fiscal year ended March 2022)

In terms of nomination of Directors, the committee considered proposals for candidates for Director (new election and reappointments). Following interviews with the candidates for Director, the committee deliberated their eligibility as Directors of the Company and recommended their conclusions to the Board of Directors. The committee, in regard to the succession plan for CEO, etc., is continuing to hold discussion on the ideal successor for driving the growth of the Company, the selection method for candidate successors, as well as their development plan.

In terms of remuneration to Directors, the committee conducted interviews with Directors, deliberated the appropriateness of remuneration to individual Directors, and recommended their conclusions to the Board of Directors. The committee has continued to discuss reviews of the performance-linked compensation system, as an incentive towards achieving the fiscal year ending March 2029 goal of net sales of 2.5 trillion yen and operating income of 250 billion yen.

Remuneration to Directors and Audit & Supervisory Board Members of MinebeaMitsumi

The policy on determining remuneration for individual Directors is deliberated upon in the Nomination and Compensation Committee and is decided by the Board of Directors, respecting the recommendations of the committee. The remuneration to individual Directors is determined by a resolution of the Board of Directors after careful deliberation by the Nomination and Compensation Committee, which is based on the following remuneration composition and calculation methods that fall within the maximum amount authorized at the General Meeting of the Shareholders.

<Basic remuneration>

The basic remuneration includes position-based remuneration which takes into consideration the Directors' individual position(s). It also includes performance-based remuneration which is revised each fiscal year taking into consideration the individual performance, the performance of the Company and other factors, which equates to in a reasonable and appropriate amount. As for remuneration for Outside Directors, a fixed monthly amount is set which is the basic remuneration, taking into consideration expected roles played by each Outside Director, etc.

<Performance-linked bonuses for Directors>

These bonuses are linked to short-term performance compensation in an effort to enhance incentives regarding improvement of business performance and corporate value by achieving the Midterm Business Plan, inclusive of corporate value as expressed by stock prices along with focusing on profit for the year, which is the final financial results of each fiscal year. However, Outside Directors are not eligible for performance-linked bonuses for Directors. Performance indicators: Consolidated financial results, centered on profit for the year and stock price levels, including market capitalization, etc. Results: Consolidated profit for the year: 68.9 billion yen, consolidated net sales growth rate: +13.7%, consolidated operating margin: 8.2%, ratio of the Company's stock price to performance of the Nikkei stock average: +0.01%, market capitalization of 1,150.5 billion yen at the end of the fiscal year.

Calculation method: Payment amount to be paid is calculated based on the bonus calculation table determined by actual performance results. Details of handling the remuneration are stipulated in the "Directors' and Corporate Auditors' Compensation Regulations," which is decided by the Nomination and Compensation Committee and as agreed upon by the Board of Directors meeting.

<Performance-linked stock compensation>

Performance-linked stock compensation is a medium- to long-term performance-linked compensation. Its aim is to clearly link the Company's Director's compensation with corporate earnings and the share value of the Company, and to expose the Company's Directors to the same benefits and risks associated with share price fluctuations that the shareholders may experience, in order to enhance the awareness of contribution to the improvement of corporate earnings over the medium and long term, as well as to the increase of corporate value. Upon retirement, Directors will receive the number of shares of the Company's stock equivalent to the number of points awarded to them in accordance with their individual contribution levels, the evaluation of their efforts related to the Company's consolidated profit as well as their efforts related to non-financial Company indicators such as ESG (environment, social efforts, and corporate governance). Outside Directors are not eligible to receive performance-linked stock compensation. Performance indicators: Consolidated profit for the year Results: Consolidated profit for the year of 68.9 billion yen Calculation method: The number of shares (points) to be provided is calculated based on the point calculation table, which takes into account the evaluation of the Director's individual level of contribution (including the evaluation of initiatives relating to non-financial indicators, such as ESG) coupled with the achievement of consolidated profit. Details of the handling the shares are stipulated in the "Share Grant Regulations," which is reviewed by the Nomination and Compensation Committee with the final determination being decided in the Board of Directors meeting.

<Policy for determining the ratio of each type of compensation, etc.>

Compensation for Executive Directors is designed to be based heavily on performance-links that are geared to incentivize achievement of performance targets. The ratio of basic compensation to performance-linked compensation varies depending on the degree of the Company's business achievement at the end of each fiscal year, however, the compensation system aims for a ratio of at least 1:2 for basic compensation to performance-linked compensation to endeavor to emphasize performance enhancement. In addition, by aiming for performance-linked compensation to account for at least 10% of total compensation, the Company aims to align the interests of shareholders and Directors which in turn will motivate the Directors to achieve continuous improved performance.

Actual remuneration to Directors and Audit & Supervisory Board Members (fiscal year ended March 2022)

Categories	Number of payees	Amount of remuneration (millions of yen)			
		Basic remuneration	Performance-linked bonuses for Directors	Performance-linked stock compensation	Total
Directors (Outside Directors)	13 (5)	289 (54)	467 (Not applicable)	70 (Not applicable)	827 (54)
Audit & Supervisory Board Members (Outside Audit & Supervisory Board Members)	4 (3)	48 (33)	Not applicable (Not applicable)	Not applicable (Not applicable)	48 (33)
Total	17	338	467	70	876

The above table includes amounts paid to Mr. Tetsuya Tsuruta who retired from the position as Director at the conclusion of the 75th Ordinary General Meeting of Shareholders held on June 29, 2021.

Chapter IV Initiatives to Support Value Creation

Corporate Governance

List of Officers (As of August 2022)

Directors



Attendance at the Board of Directors Meeting  
100% (13/13)

Representative Director,  
Chairman & President (CEO & COO)  
**Yoshihisa Kainuma**

Apr. 1983 Member of Daini Tokyo Bar Association  
Dec. 1988 Director, General Manager of Legal Department of the Company  
Sep. 1989 Member of New York State Bar Association  
Dec. 1992 Managing Director and Deputy General Manager of Operations Headquarters  
Dec. 1994 Senior Managing Director, General Manager of European and American Regional Sales Headquarters, Deputy General Manager of Operations Headquarters  
Jun. 2003 Director, Senior Managing Executive Officer  
Apr. 2009 Representative Director, President and Chief Executive Officer  
Jan. 2017 Director, Chairman of the Board of Directors, MITSUMI ELECTRIC CO., LTD.  
Jun. 2017 Representative Director, Chairman & President (CEO & COO) (Present)  
Dec. 2018 Member of the Nomination and Compensation Committee (Present)

**Reason for appointment**  
Mr. Yoshihisa Kainuma has been in command of management of the entire Group since 2009, expanding the Group's operations and steadily implementing and achieving an improvement in corporate value. He was appointed because the Company considered that his management skills would further sustainable growth of the Group.



Attendance at the Board of Directors Meeting  
100% (13/13)

Director, Vice President Executive Officer  
**Ryozyo Iwaya**

Apr. 1981 Joined the Company  
Dec. 1989 Head of Tokyo Sales Division at Tokyo Branch  
Jun. 2009 Executive Officer, Head of Lighting Device Business Unit at Electronic Device & Component Business Headquarters  
Jun. 2013 Managing Executive Officer  
Jun. 2015 Director (Present), Senior Managing Executive Officer  
Jan. 2017 Chief of MITSUMI Business Headquarters of the Company (Present), Representative Director, Vice President and Chief Executive Officer, MITSUMI ELECTRIC CO., LTD.  
Apr. 2017 Representative Director, President and Chief Executive Officer, MITSUMI ELECTRIC CO., LTD. (Present)  
Jun. 2017 Chief of Electronic Device & Component Manufacturing Headquarters  
Aug. 2019 Director, U-Shin Ltd. (Present)  
Oct. 2019 Vice President Executive Officer, Officer in charge of Electronic Device & Component related Business (Present)  
Apr. 2020 Director, ABLC Inc. (Present)  
Apr. 2021 Chief of Electronic Device & Component Business Headquarters (Present)

**Reason for appointment**  
Mr. Ryozyo Iwaya has held important positions in the Sales Division and the electronic devices and components manufacturing business for many years, and he has a wealth of experience and keen insight. He was appointed because, as Director, Officer in Charge of Electronic Device & Component related Business, he supervises Electronic Device & Component Business Headquarters, MITSUMI Business Headquarters, and U-Shin Business Headquarters and properly fulfills his role.



Attendance at the Board of Directors Meeting  
100% (13/13)

Director, Senior Managing Executive Officer  
**Michiya Kagami**

Jan. 1989 Joined the Company  
Jul. 2005 Head of Electronics Development Division at Engineering Headquarters  
Jun. 2009 Deputy Chief of Electronic Device & Component Business Headquarters  
Jun. 2011 Executive Officer  
Mar. 2013 Head of Engineering Development Department of Electronic Device Division at Electronic Device & Component Manufacturing Headquarters  
Jun. 2015 Managing Executive Officer  
Aug. 2015 Deputy Chief of Electronic Device & Component Manufacturing Headquarters, Officer in charge of Engineering Development Division at Electronic Device & Component Manufacturing Headquarters  
Jun. 2017 Director, Chief of Engineering Headquarters (Present)  
May 2018 Senior Managing Executive Officer (Present)  
Apr. 2021 Head of Engineering Development Division at Electronic Device & Component Business Headquarters (Present)

**Reason for appointment**  
Mr. Michiya Kagami has held important positions in the development branches of the electronic devices and components business for many years, and he has a wealth of experience and keen insight in research and development. He was appointed because he properly fulfills his role as Director and Chief of Engineering Headquarters.



Attendance at the Board of Directors Meeting  
100% (13/13)

Representative Director, Vice Chairman  
**Shigeru Moribe**

Mar. 1980 Joined MITSUMI ELECTRIC CO., LTD.  
May 1990 General Manager of Development Headquarters, MITSUMI ELECTRIC CO., LTD.  
Apr. 1991 Director, Head of Singapore branch, MITSUMI ELECTRIC CO., LTD.  
Apr. 1994 Managing Director, MITSUMI ELECTRIC CO., LTD.  
Oct. 1999 Senior Managing Director, General Manager of Sales Headquarters, MITSUMI ELECTRIC CO., LTD.  
Apr. 2002 Representative Director, President, MITSUMI ELECTRIC CO., LTD.  
Jan. 2017 Adviser of the Company  
Apr. 2017 Director, Chairman of the Board of Directors, MITSUMI ELECTRIC CO., LTD. (Present)  
Jun. 2017 Representative Director, Vice Chairman (Present)

**Reason for appointment**  
Mr. Shigeru Moribe served as Representative Director, President of MITSUMI ELECTRIC CO., LTD. for many years until the business integration with the Company in 2017, and he has a wealth of experience and keen insight as a corporate manager. He was appointed because he properly oversees the management of the Group as Representative Director, Vice Chairman.



Attendance at the Board of Directors Meeting  
100% (13/13)

Director, Senior Managing Executive Officer  
**Shigeru None**

Apr. 1982 Joined the Company  
Sep. 1999 Manager of Osaka Branch  
Jun. 2007 Executive Officer  
Apr. 2011 Deputy Officer in charge of Sales Division  
Jun. 2012 Managing Executive Officer  
Jun. 2015 Director (Present)  
Jun. 2016 Senior Managing Executive Officer (Present)  
Jun. 2017 Officer in charge of Sales Division  
May 2018 Chief of Sales Headquarters (Present)

**Reason for appointment**  
Mr. Shigeru None has held important positions in the Sales Division for many years, and he has a wealth of experience and keen insight. He was appointed because he oversees the entire sales division as Director, Chief of Sales Headquarters and properly fulfills his role.



Attendance at the Board of Directors Meeting  
100% (13/13)

Director, Senior Managing Executive Officer  
**Katsuhiko Yoshida**

Apr. 1984 Joined the Company  
Dec. 2013 Head of Operation Department at Electronic Device & Component Manufacturing Headquarters, General Manager of Vertical Integration Improvement Office, General Manager of Business Support Office  
Jun. 2014 Executive Officer  
Jun. 2016 Deputy Chief of Business Administration Headquarters, General Manager of Business Administration Department (Present)  
Jun. 2017 Managing Executive Officer  
Apr. 2019 Officer in charge of Business Administration and Corporate Planning Division, Deputy Officer in charge of Accounting & Corporate Finance Division, Deputy Officer in charge of Sustainability Management Division  
Oct. 2019 Senior Managing Executive Officer (Present)  
Apr. 2020 Director, ABLC Inc. (Present)  
Jun. 2020 Director, Chief of Tokyo Head Office (Present), Officer in charge of Sustainability Management Division  
Director, Vice President Executive Officer, MITSUMI ELECTRIC CO., LTD. (Present)  
Director, U-Shin Ltd. (Present)  
Apr. 2021 Head of Business Administration and Corporate Planning Division, Head of Sustainability Management Division (Present)

**Reason for appointment**  
Mr. Katsuhiko Yoshida has held important positions in the business administration division, the corporate planning division, the procurement division, etc. for many years, and he has a wealth of experience and keen insight. He was appointed because he oversees the entire administration division, including corporate planning and investor relations, as Director, Chief of Tokyo Head Office and properly fulfills his role.

Independent Outside Directors



Assumed the office on June 29, 2022

Outside Director  
**Yuko Miyazaki**

Apr. 1979 Registered as attorney-at-law, member of Dai-Ichi Tokyo Bar Association  
Aug. 1984 Joined Nagashima & Ohno (currently Nagashima Ohno & Tsunematsu)  
Jan. 1988 Legal Counsel, Legal Department, The World Bank  
Jun. 2012 Partner, Nagashima & Ohno (currently Nagashima Ohno & Tsunematsu)  
Jun. 2015 Outside Director, Seven Bank, Ltd.  
Jan. 2018 Outside Audit & Supervisory Board Member, Oji Holdings Corporation  
Jul. 2021 Justice, The Supreme Court of Japan  
Sep. 2021 Re-registered as attorney-at-law, member of Dai-Ichi Tokyo Bar Association  
Jan. 2022 Special Advisor, Nagashima Ohno & Tsunematsu (Present)  
Jun. 2022 International Judge, Singapore International Commercial Court (Present)  
Outside Director of the Company (Present)  
Chairperson of the Nomination and Compensation Committee (Present)

**Reason for appointment**  
Ms. Yuko Miyazaki has expertise in corporate legal affairs and tax affairs as well as a wealth of experience and keen insight as an attorney-at-law and a justice of The Supreme Court of Japan. She was appointed to provide supervision and advice that utilizes her knowledge and experience.



Attendance at the Board of Directors Meeting  
100% (13/13)

Outside Director  
**Yuko Haga**

Apr. 1989 Senior Consultant, Tokyo Office, Price Waterhouse Consultants  
Apr. 1991 Representative, Haga Management Consulting Office (Present)  
Apr. 2008 Executive Officer, Sampo Japan Healthcare Services Inc.  
Feb. 2010 Director, Social Welfare Corporation Fujikenikukai (Present)  
Apr. 2010 Visiting Professor, Department of Policy Management, Faculty of Policy Management, Shobi University  
Apr. 2017 Associate Professor, Graduate School of Management, NUCB Business School  
Jun. 2017 Board Member, Non-Profit Organization Japan Abilities Association (Present)  
Mar. 2019 Outside Director of the Board, Kyowa Hakko Kirin Co., Ltd. (currently Kyowa Kirin Co., Ltd.) (Present)  
Apr. 2020 Professor, Graduate School of Management, NUCB Business School (Present)  
Jun. 2020 Outside Director of the Company (Present)  
Member of the Nomination and Compensation Committee (Present)

**Reason for appointment**  
Ms. Yuko Haga has expertise in corporate strategy as well as broad knowledge and experience accumulated as a management consultant. She was appointed to provide supervision and advice that utilizes her knowledge and experience.



Attendance at the Board of Directors Meeting  
100% (13/13)

Outside Director  
**Takashi Matsuoka**

Apr. 2003 General Manager of Planning Division, KEIAISHA Co., Ltd.  
Jun. 2003 Director, KEIAISHA Co., Ltd.  
Jun. 2004 Managing Director, KEIAISHA Co., Ltd.  
Jun. 2005 Outside Director of the Company (Present)  
Jun. 2007 Senior Managing Director, KEIAISHA Co., Ltd.  
Jun. 2011 Director and Senior Managing Executive Officer, KEIAISHA Co., Ltd.  
Jun. 2014 Director, Vice President Executive Officer, KEIAISHA Co., Ltd. (Present)

**Reason for appointment**  
Mr. Takashi Matsuoka has been in charge of the Planning Division, etc. of KEIAISHA Co., Ltd. for many years, and he has broad insight and experience in business operation. He was appointed to provide supervision and advice that utilizes his insight and experience.



Attendance at the Board of Directors Meeting  
100% (13/13)

Outside Director  
**Atsuko Matsumura**

Apr. 1978 Joined Japan Center for Economic Research  
Apr. 1981 Visiting research fellow, Economic Research Institute, Economic Planning Agency (currently Economic and Social Research Institute)  
Apr. 1987 Part-time Lecturer, Jissen Women's Junior College  
Apr. 1988 Full-time Lecturer, OTSUKA WOMEN'S UNIVERSITY  
Apr. 1991 Full-time Lecturer, Faculty of Economics, Tokyo International University  
Apr. 1999 Associate Professor, Faculty of Economics, Tokyo International University  
Apr. 2006 Professor, Faculty of Economics, Tokyo International University (Present)  
Apr. 2010 Part-time Lecturer, Department of Social and Family Economy, Faculty of Human Sciences and Design, Japan Women's University (Present)  
Apr. 2015 Part-time Lecturer, Department of Politics, Faculty of Law, Keio University  
Jun. 2016 Outside Director, RENESAS EASTON Co., Ltd. (currently Glosel Co., Ltd.) (Present)  
Jun. 2018 Outside Director of the Company (Present)  
Dec. 2018 Member of the Nomination and Compensation Committee (Present)  
Apr. 2022 Part-time Lecturer, Faculty of Economics, Kanagawa University (Present)

**Reason for appointment**  
Ms. Atsuko Matsumura has expertise in international economics as well as broad knowledge and experience. She was appointed to provide supervision and advice that utilizes her knowledge and experience.



Attendance at the Board of Directors Meeting  
100% (11/11)

Outside Director  
**Hirofumi Katase**  
(Assumed the office on June 29, 2021)

Apr. 1982 Joined Ministry of International Trade and Industry  
Oct. 2000 Director, Economic Policy Unit, Minister's Secretariat, Ministry of International Trade and Industry  
Jul. 2002 Director, Petroleum and Natural Gas Division, Agency for Natural Resources and Energy  
Jul. 2006 Director, Aerospace and Defense Industry Division, Manufacturing Industries Bureau, Ministry of Economy, Trade and Industry  
Aug. 2008 Director for International Industry Research, Minister's Secretariat, Trade Policy Bureau, Ministry of Economy, Trade and Industry  
Jul. 2009 Deputy Director-General for Trade and Economic Cooperation Bureau and International Exhibitions, Minister's Secretariat, Ministry of Economy, Trade and Industry  
Jul. 2010 Deputy Director-General, Secretariat of the Space Development Strategy Headquarters, Councilor, Cabinet Secretariat  
Jul. 2012 Deputy Director-General for International Trade Policy, Minister's Secretariat, Ministry of Economy, Trade and Industry  
Jun. 2013 Director-General, Industrial Science and Technology Policy and Environment Bureau, Ministry of Economy, Trade and Industry  
Jul. 2015 Director-General, Trade Policy Bureau, Ministry of Economy, Trade and Industry  
Jun. 2016 Vice-Minister for International Affairs  
Jul. 2017 Special Advisor to the Ministry of Economy, Trade and Industry  
Dec. 2017 Executive Vice Chairman & Director, I-Pulse Inc. (Present)  
Jun. 2021 President and Chief Executive Officer, I-Pulse Japan Inc. (Present)  
Jun. 2022 Outside Director of the Company (Present)  
Member of the Nomination and Compensation Committee (Present)

**Reason for appointment**  
Mr. Hirofumi Katase has expertise in economy, industry, technological development, international trading, energy, environment, and space development, as well as broad knowledge and experience nurtured through holding important posts in government agencies. He was appointed to provide supervision and advice that utilizes his knowledge and experience.

Audit & Supervisory Board Member



Attendance at the Board of Directors Meeting  
100% (13/13)

Attendance at the Audit & Supervisory Board Meeting  
100% (14/14)

Standing Audit & Supervisory Board Member  
**Naoyuki Kimura**

Apr. 1983  
May 2008  
Sep. 2011  
Jul. 2012  
Jun. 2019

Joined the Company  
Deputy General Manager of Personnel & General Affairs Department at Karuizawa Plant, Personnel & General Affairs Division  
General Manager of Personnel & General Affairs Department at Operation and Planning Division  
General Manager of Personnel Department and General Affairs Department at Personnel & General Affairs Division  
Audit & Supervisory Board Member (Present)

**Reason for appointment**  
Mr. Naoyuki Kimura has a wide range of business experience, including in personnel, labor affairs and overall general affairs, from serving at Personnel & General Affairs Division for many years. He is appointed so that his abundant experience and accumulated knowledge will be reflected in audits of the Company.

Independent Outside Audit & Supervisory Board Members



Attendance at the Board of Directors Meeting  
100% (13/13)

Attendance at the Audit & Supervisory Board Meeting  
100% (14/14)

Standing Outside Audit & Supervisory Board Member  
**Koichi Yoshino**

Apr. 1985  
Apr. 2000  
Apr. 2002  
Apr. 2007  
Apr. 2010  
Oct. 2010  
Apr. 2015  
Jul. 2018  
Jun. 2019

Joined Marubeni Corporation  
General Manager of Consumer Products Division, Marubeni (Shanghai) Co., Ltd.  
General Manager of Textile Materials Division, Marubeni Textile (Hong Kong) Co. Ltd.  
Vice President, Marubeni Textile (Shanghai) Co., Ltd.  
Assistant to President, SUPER TOOL CO., LTD. (Temporary transferred)  
President, Super Tool (Shanghai) Co., Ltd. (Temporary transferred)  
Chief Examiner of Audit Department, Marubeni Corporation  
Joined Kyoto Robotics Corporation, Acting CFO and General Manager of Internal Audit Office, Kyoto Robotics Corporation  
Outside Audit & Supervisory Board Member of the Company (Present)

**Reason for appointment**  
Mr. Koichi Yoshino has a wealth of overseas experience and practical management experience at a general trading company and in the manufacturing industry, as well as a qualification as a Certified Internal Auditor and considerable knowledge of finance and accounting. He was appointed so that his abundant experience and broad knowledge would be reflected in audits of the Company.

Independent Outside Audit & Supervisory Board Members



Attendance at the Board of Directors Meeting  
100% (13/13)

Attendance at the Audit & Supervisory Board Meeting  
100% (14/14)

Outside Audit & Supervisory Board Member  
**Shinichiro Shibasaki**

Apr. 1989  
Apr. 1993  
Oct. 2010  
Apr. 2012  
Jun. 2014  
Apr. 2015  
Dec. 2018

Registered as attorney-at-law, joined Inami and Ota (currently Law Office Juricom)  
Partner, Inami, Ota and Shibasaki (currently Law Office Juricom) (Present)  
Member of Dispute Resolution Committee of The General Insurance Association of Japan (Present)  
Part-time Professor, Tokai University School of Medicine  
Outside Audit & Supervisory Board Member of the Company (Present)  
Visiting Professor, Tokai University School of Medicine (Present)  
Member of the Nomination and Compensation Committee of the Company (Present)

**Reason for appointment**  
Mr. Shinichiro Shibasaki is well-versed in corporate legal affairs as an attorney-at-law. He was appointed so that his abundant experience and keen insight would be reflected in audits of the Company.



Attendance at the Board of Directors Meeting  
100% (13/13)

Attendance at the Audit & Supervisory Board Meeting  
100% (14/14)

Outside Audit & Supervisory Board Member  
**Makoto Hoshino**

Apr. 1980  
Jul. 2009  
Jul. 2010  
Jul. 2012  
Jul. 2013  
Jul. 2014  
Jul. 2016  
Jul. 2017  
Jul. 2018  
Aug. 2018  
Jun. 2019

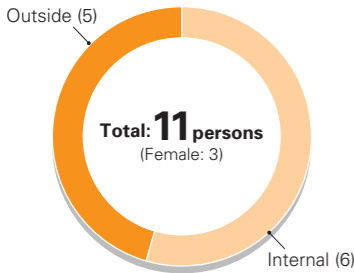
Joined Kantoshinetsu Regional Taxation Bureau  
District Director, Fukagawa Tax Office  
Senior Internal Inspector, Kantoshinetsu Regional Taxation Bureau, Commissioner's Secretariat of the National Tax Agency  
District Director, Ota Tax Office  
Director, Planning Division, Management and Co-ordination Department, Kantoshinetsu Regional Taxation Bureau  
Chief Internal Inspector, Kantoshinetsu Regional Taxation Bureau, Commissioner's Secretariat of the National Tax Agency  
Chief Internal Inspector, Osaka Regional Taxation Bureau, Commissioner's Secretariat of the National Tax Agency  
Deputy Commissioner, Large Enterprise Examination and Criminal Investigation Department, Kantoshinetsu Regional Taxation Bureau  
Retired from Kantoshinetsu Regional Taxation Bureau  
Registered as a certified tax accountant, Representative of Makoto Hoshino Certified Tax Accountant Office (Present)  
Outside Audit & Supervisory Board Member of the Company (Present)

**Reason for appointment**  
Mr. Makoto Hoshino has considerable knowledge of finance and accounting as well as abundant experience with tax services. He was appointed so that his abundant experience and keen insight would be reflected in audits of the Company.

Overview of organizational bodies (As of June 29, 2022)

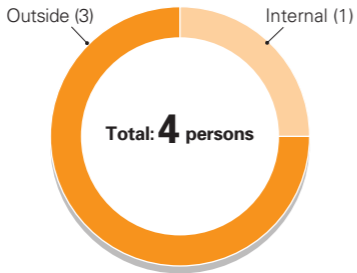
Organization form: Company with Audit & Supervisory Board  
(established the voluntary Nomination and Compensation Committee)

Board of Directors



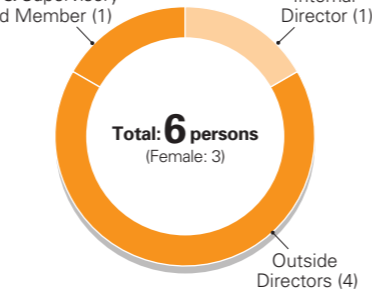
- Chairperson of Board of Directors  
Yoshihisa Kainuma, Representative Director, Chairman & President (CEO & COO)

Audit & Supervisory Board



- Chairperson of Audit & Supervisory Board  
Naoyuki Kimura, Standing Audit & Supervisory Board Member

Nomination and Compensation Committee



- Chairperson of the Nomination and Compensation Committee  
Yuko Miyazaki, Outside Director

Compliance

Basic approach

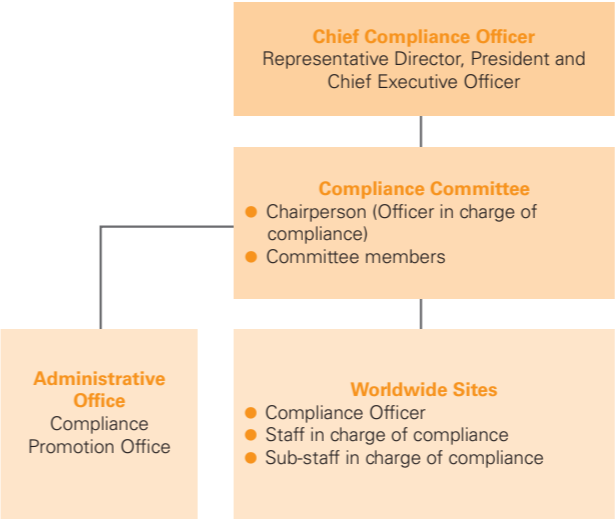
To continue to act appropriately as a corporate citizen, the Company has established the “MinebeaMitsumi Group Code of Conduct” and “MinebeaMitsumi Group Officer and Employee Compliance Guidelines,” and on the basis of these policies, we strive to achieve fair, appropriate and highly transparent management.

Compliance promotion structure

The President and Chief Executive Officer of the MinebeaMitsumi Group has ultimate responsibility for compliance. He is supported directly by the Compliance Committee. Meeting twice a year, the committee ensures implementation of the Code of Conduct and makes decisions on emergency response measures in the event of significant violations of the code. The Compliance Promotion Office, the administrative body for the Compliance Committee, implements policies for the promotion of compliance.

Additionally, we appoint a compliance officer as well as staff and sub-staff in charge of compliance at each of the Group's bases, including those overseas, to strengthen management of the Group overall.

Compliance framework



The details on initiatives for compliance promotion can be viewed from here.



Internal reporting system

In order to prevent and detect at an early stage any compliance violations, whistleblowing contact points have been established both internally and externally within our Group. These can be used by any officer and employee (including fixed term contract employees and dispatched employees) to report any of their or other officers' and employees' decisions or actions that could potentially violate laws and regulations or internal rules, including the MinebeaMitsumi Group Code of Conduct, or that lacks corporate ethics, or related suspicions. Reports can be filed either by using one's real name or anonymously. To ensure the independence of the whistleblowing contact point, all whistleblowing reports are received by Standing Audit & Supervisory Board Members, and the operation and maintenance of the system are monitored.

The “MinebeaMitsumi Group Code of Conduct” prohibits disadvantageous treatment on the grounds of whistleblowing, and requires maintaining confidentiality and anonymity of information providers. If after a thorough investigation a whistleblowing report is found to be true, appropriate measures are taken. In Japan we have established and operate Internal Reporting Rules based on the Whistleblower Protection Act.

To assure use of the whistleblowing system, we provide awareness raising activities, such as through internal databases, internal reports, internal training sessions, and the distribution of business card-sized guidance.

Anti-corruption initiatives

In order to strengthen its response to the prevention of corruption at a global scale, the Group has supplemented the “MinebeaMitsumi Group Anti-Corruption Policy,” which applies to the entire Group, with the “Anti-Corruption/Anti-Bribery Rules,” which prohibit acts of bribery (including the acceptance of small sum facilitation payments) in all countries and regions where it is engaged in business. The Group has established and implemented the “Internal Standards and Procedures Relating to Entertainment and Gifts, Etc., for Public Officials” for the Asia region, where business practices are particularly complicated. We give utmost attention to risk management to ensure that there is no involvement in corruption, and we do not engage in any entertainment or gift-giving, perceived to carry risk. Furthermore, we have established the “CSR Procurement Guidelines,” and require our business partners to prohibit bribery.

In addition, the Internal Auditing Office conducts regular checks on these initiatives from the perspective of the prevention of corruption.

It should be noted that in fiscal 2021 there were no officers or employees who committed corruption prevention violations, and there were no fines, surcharges, or settlements paid in relation to corruption.

Risk management

Basic approach

Because our response to risk could profoundly affect the MinebeaMitsumi Group's business fundamentals, we believe that risk management is vital to the management of the company. We are prepared for various risks based on the "MinebeaMitsumi Group Basic Rules for Risk Management" which define preventive measures we should have in place, our response in crisis situations, and the type of system the Group should put in place.

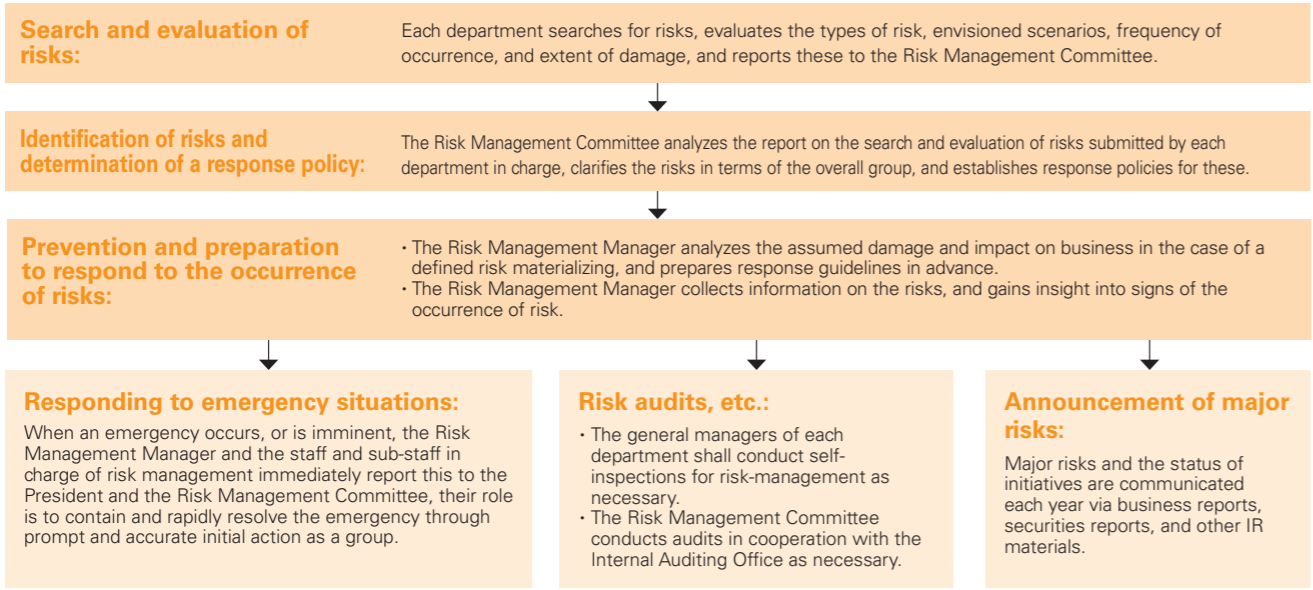
Risk management system

The President and Chief Executive Officer of the MinebeaMitsumi Group is the Chief Risk Management Officer and makes important decision regarding risk management at the Risk Management Committee. As a precautionary measure, MinebeaMitsumi attempts to predict and classify tangible risks in advance, and remains vigilant against such risks. In the unlikely event that an incident occurs, a management headquarters and local countermeasures office will be established in accordance with the severity category stipulated in the Rules to respond rapidly and effectively to the situation. MinebeaMitsumi has established a system under which, depending on the nature of the risk, a supervisory division can be appointed to handle a situation and to draft and implement risk prevention measures.

Risk management system diagram



Method of Identification and response to risks



Risk management example 1 BCP

In the event of a major disaster, infectious diseases, act of terrorism or other emergency, we believe that our social responsibility includes confirming the safety of our employees and their families with top priority, as well as ensuring that, as a components manufacturer of products with world-leading market shares, we continue to supply our customers and minimize the impact to our business. For that reason, we have formulated business continuity plans (BCP) for major business sites in and outside Japan and are implementing training drills, etc. In order to reduce risks relating to climate change, the "Aqueduct Water Risk Atlas," published by the World Resources Institute

(WRI), and other sources are used to identify sites with high levels of water-related risk such as floods and droughts, and efforts are made to expand BCP. In Thailand, which has the MinebeaMitsumi Group's core plants, we acquired certification to the international standard ISO 22301 for our business continuity management system (BCMS) at the Bang Pa-in Plant, Lop Buri Plant, Rojana Plant and Navanakorn Plant, followed by the Ayutthaya Plant and Ban Wa Plant. In the future, we will strengthen our measures against water-related risks in Southeast Asian bases other than China and Thailand, and will work to further reduce and minimize risks.

Risk management example 2 Information security

The utilization of information has become a management issue for survival and sustainable growth of the company. The company is working on the use of information to achieve growth with the promotion of DX as its focal point, and not only it collects and analyzes data, but also it promptly responds to market changes by utilizing the results of such analysis. On the other hand, cyberattacks against companies have continued to increase both in terms of quantity and technical sophistication, and the development of a system to prevent such attacks is an urgent issue. In order to strengthen the information security promotion system, the Company uses

specialists in ICT as CISO, and has established the Security Promotion Office. Furthermore, a system for identifying and assessing security measures has been put in place at the Information Security Committee, which is chaired by the CISO, and includes a company-wide security task force. In addition, annual information security training is provided for all employees who use information devices. Our security system for responding to cyberattacks constantly monitors terminals and networks, and can respond rapidly to accidents. We will continue to reinforce our system in anticipation of increasing threats.

Risk management example 3 Security trade control

Due to international tension and military actions, economic sanctions and export control regulations are being changed and strengthened on a daily basis globally. In these circumstances, the Group, which has a global production system, will need to engage in strategic business development, and remain focused on the economic and political situation in each country. This will allow us to fulfill our social responsibilities as a company, and maintain an international competitive advantage. Our Group, which has expanded globally, engages in thorough security trade control at each base in accordance with the laws and regulations of the respective country. In order to further

enhance the security trade control system, and to manage risks relating to economic security for the Group as a whole, this year we formulated the "Group Company Policy on Economic Security" and the "Economic Security Risk Management Manual." Based on this policy, in order to engage in strategic and steady business development, we established the "Transaction Validity Judgment Subcommittee" as a subordinate body to the Risk Management Committee (refer to page 79), and have established a system for appropriately and promptly determining the validity of transactions based on economic security risks.

# Major Financial and Non-financial Data for 11 Years

		FY3/2012	FY3/2013	FY3/2014	FY3/2015		FY3/2016	FY3/2017 <sup>1</sup>	FY3/2018	FY3/2018	FY3/2019 <sup>2</sup>	FY3/2020 <sup>3</sup>	FY3/2021 <sup>4</sup>	FY3/2022
Profit and Loss		JGAAP								IFRS				
Net sales	Millions of yen	251,358	282,409	371,543	500,676		609,814	638,926	879,139	881,413	884,723	978,445	988,424	1,124,140
Operating income	Millions of yen	8,599	10,169	32,199	60,101		51,438	49,015	79,162	68,902	72,033	58,647	51,166	92,136
Operating margin	%	3.4	3.6	8.7	12.0		8.4	7.7	9.0	7.8	8.1	6.0	5.2	8.2
Profit before income taxes	Millions of yen	5,551	4,882	26,811	51,773		46,963	48,473	71,230	66,855	71,321	58,089	49,527	90,788
Profit before income taxes ratio	%	2.2	1.7	7.2	10.3		7.7	7.6	8.1	7.6	8.1	5.9	5.0	8.1
Profit for the year attributable to owners of the parent	Millions of yen	5,922	1,804	20,878	39,887		36,386	41,146	59,382	50,326	60,142	45,975	38,759	68,935
Profit for the year attributable to owners of the parent ratio	%	2.4	0.6	5.6	8.0		6.0	6.4	6.8	5.7	6.8	4.7	3.9	6.1
Per Share														
Earnings per share, basic	Yen	15.63	4.83	55.94	106.73		97.26	107.33	141.14	119.61	143.90	111.11	94.95	170.08
Earnings per share, diluted	Yen	15.54	4.65	53.14	101.32		92.35	105.64	137.80	117.02	140.75	108.68	92.87	166.61
Dividends per share	Yen	7.00	7.00	8.00	12.00		20.00	14.00	26.00	26.00	28.00	28.00	36.00	36.00
Equity attributable to owners of the parent per share (BPS)	Yen	288.74	351.65	422.62	604.83		616.43	759.15	872.66	849.15	962.83	965.64	1,109.38	1,326.15
Performance Indicators														
ROE (Profit to equity attributable to owners of the parent ratio)	%	5.5	1.5	14.4	20.8		15.9	14.9	17.3	14.8	15.9	11.6	9.2	13.9
ROA (Profit before income taxes to total assets ratio)	%	2.0	0.5	5.6	9.2		7.7	7.5	8.8	9.9	9.9	7.2	5.4	8.7
ROIC	%	2.6	2.1	7.9	11.8		10.9	10.4	13.1	10.7	12.4	8.8	6.6	10.0
Interest-bearing debt	Millions of yen	142,543	170,411	148,498	138,461		137,109	164,010	157,414	156,471	162,042	221,712	268,621	270,711
Net interest-bearing debt	Millions of yen	114,213	136,229	109,883	93,134		97,515	70,885	52,520	51,505	21,673	75,175	84,368	86,931
Net debt equity (D/E) ratio	Times	1.0	1.0	0.7	0.4		0.4	0.2	0.1	0.1	0.1	0.2	0.2	0.2
Equity ratio attributable to owners of the parent	%	35.7	36.2	41.4	46.1		50.2	50.0	51.7	50.6	53.9	45.6	46.2	48.8
Cash flows from operating activities	Millions of yen	20,233	22,990	49,173	59,864		43,582	83,125	96,606	92,201	100,722	86,486	93,763	78,417
Cash flows from investing activities	Millions of yen	(29,018)	(37,813)	(24,957)	(35,326)		(44,642)	(46,800)	(59,453)	(54,853)	(54,190)	(43,540)	(70,581)	(63,605)
Cash flows from financing activities	Millions of yen	4,761	17,409	(25,233)	(19,627)		(4,200)	(17,339)	(27,026)	(27,026)	(13,334)	(28,758)	9,257	(25,547)
Free cash flows	Millions of yen	(8,785)	(14,823)	24,216	24,538		(1,060)	36,325	37,153	37,348	46,532	42,946	23,182	14,812
Investments, etc.														
Depreciation and amortization	Millions of yen	19,588	20,800	23,740	28,775		34,787	28,164	31,596	30,491	36,398	46,245	48,628	45,231
CAPEX	Millions of yen	27,306	43,687	20,679	37,557		43,878	31,847	54,171	50,789	54,199	50,144	45,522	73,504
Research and development expenses	Millions of yen	7,490	7,743	8,561	8,972		9,680	12,347	24,381	24,381	25,453	28,886	32,154	37,065
Ratio of R&D expenses to net sales	%	3.0	2.7	2.3	1.8		1.6	1.9	2.8	2.8	2.9	3.0	3.3	3.3
Non-financial Data														
Greenhouse gas emissions	Tons	505,012	484,288	510,766	543,254		518,013	522,812	756,589	756,589	744,731	805,611	852,152	927,362
Environmental accounting	Billions of yen	3.9	4.1	4.9	5.2		6.2	5.7	5.7	5.7	4.8	5.8	5.5	7.4
Investment	Billions of yen	0.5	0.7	0.8	0.8		1.4	0.9	1.3	1.3	1.1	1.3	1.4	2.7
Expense	Billions of yen	3.4	3.4	4.1	4.4		4.8	4.8	4.4	4.4	3.7	4.5	4.1	4.7
Use of water	Thousand m <sup>3</sup>	3,992	3,986	4,089	4,630		4,525	4,883	7,694	7,694	7,542	8,141	8,744	9,684
Number of employees	Persons	51,406	53,327	54,768	63,967		62,480	78,957	78,351	78,351	77,957	82,617	83,011	81,659

\*1 MITSUMI ELECTRIC was included in the scope of consolidation on January 27, 2017.  
\*2 From the fiscal year ended March 2019, we have adopted IFRS, and account titles are shown in accordance with IFRS.  
\*3 U-Shin was included in the scope of consolidation on April 10, 2019.  
\*4 ABLC was included in the scope of consolidation on April 30, 2020.

## Consolidated Financial Statements

# Consolidated Statements of Financial Position

As of March 31, 2022 and 2021

	(Millions of yen)	
<b>Assets</b>	2021	2022
<b>Current assets</b>		
Cash and cash equivalents	165,479	163,588
Trade and other receivables	203,614	240,822
Inventories	171,368	219,308
Other financial assets	19,970	23,320
Other current assets	14,844	19,084
Total current assets	575,275	666,122
<b>Non-current assets</b>		
Property, plant, and equipment	293,079	336,385
Goodwill	41,439	42,865
Intangible assets	18,666	17,790
Other financial assets	23,506	21,627
Deferred tax assets	16,892	12,844
Other non-current assets	7,914	6,559
Total non-current assets	401,496	438,070
<b>Total assets</b>	<b>976,771</b>	<b>1,104,192</b>

(Millions of yen)

<b>Liabilities</b>	2021	2022
<b>Current liabilities</b>		
Trade and other payables	142,673	170,854
Bonds and borrowings	137,141	164,866
Other financial liabilities	8,798	14,342
Income taxes payable	6,689	11,129
Provisions	4,445	2,648
Other current liabilities	46,026	51,318
Total current liabilities	345,772	415,157
<b>Non-current liabilities</b>		
Bonds and borrowings	131,480	105,845
Other financial liabilities	14,408	14,395
Net defined benefit liabilities	23,122	21,100
Provisions	4,518	1,892
Deferred tax liabilities	1,603	1,605
Other non-current liabilities	1,870	2,763
Total non-current liabilities	177,001	147,600
<b>Total liabilities</b>	<b>522,773</b>	<b>562,757</b>
<b>Equity</b>		
Common stock	68,259	68,259
Capital surplus	139,456	140,102
Treasury stock	(39,166)	(43,964)
Retained earnings	265,417	320,755
Other components of equity	17,175	53,458
Total equity attributable to owners of the parent	451,141	538,610
Non-controlling interests	2,857	2,825
<b>Total equity</b>	<b>453,998</b>	<b>541,435</b>
<b>Total liabilities and equity</b>	<b>976,771</b>	<b>1,104,192</b>

## Consolidated Financial Statements

# Consolidated Statements of Income

Fiscal years ended March 31, 2022 and 2021

	(Millions of yen)	
	2021	2022
<b>Net sales</b>	988,424	1,124,140
<b>Cost of sales</b>	820,832	908,556
<b>Gross profit</b>	167,592	215,584
Selling, general and administrative expenses	107,785	125,276
Other income	5,689	4,497
Other expenses	14,330	2,669
<b>Operating income</b>	51,166	92,136
Finance income	1,482	1,497
Finance expenses	3,121	2,845
<b>Profit before income taxes</b>	49,527	90,788
Income taxes	10,740	21,862
<b>Profit for the year</b>	38,787	68,926
<b>Profit (loss) for the year attributable to:</b>		
Owners of the parent	38,759	68,935
Non-controlling interests	28	(9)
<b>Profit for the year</b>	38,787	68,926
<b>Earnings per share (EPS)</b>		
Basic (Yen)	94.95	170.08
Diluted (Yen)	92.87	166.61

# Consolidated Statements of Cash Flows

Fiscal years ended March 31, 2022 and 2021

	(Millions of yen)	
	2021	2022
<b>Cash flows from operating activities:</b>		
Profit before income taxes	49,527	90,788
Depreciation and amortization	48,628	45,231
Interest income and dividends income	(1,225)	(1,294)
Interest expenses	1,614	1,521
Net loss (gain) on sale and disposal of property, plant and equipment	(102)	(381)
Decrease (increase) in trade and other receivables	(11,877)	(24,237)
Decrease (increase) in inventories	13,121	(35,839)
Increase (decrease) in trade and other payables	(10,993)	20,955
Other	14,469	(5,447)
Subtotal	103,162	91,297
Interest received	888	870
Dividends received	345	371
Interest paid	(1,544)	(1,479)
Income taxes paid	(9,088)	(12,642)
Net cash flows provided by operating activities	93,763	78,417
<b>Cash flows from investing activities:</b>		
Net decrease (increase) in time deposits	(1,287)	610
Purchase of property, plant and equipment	(44,195)	(68,476)
Proceeds from sales of property, plant and equipment	1,373	874
Purchase of intangible assets	(1,308)	(1,632)
Purchase of securities	(1,581)	(735)
Proceeds from sale and redemption of securities	1,412	5,416
Proceeds from sale of investments in subsidiaries resulting in change in scope of consolidation	–	502
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	–	364
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(24,160)	–
Other	(835)	(528)
Net cash flows used in investing activities	(70,581)	(63,605)
<b>Cash flows from financing activities:</b>		
Net increase (decrease) in short-term borrowings	40,297	9,200
Proceeds from long-term borrowings	–	500
Repayments of long-term borrowings	(5,340)	(2,964)
Acquisition of non-controlling interests	(5,377)	–
Proceeds from disposal of treasury stock	240	3
Purchase of treasury stock	(4,941)	(10,775)
Dividends paid	(11,435)	(16,236)
Dividends paid to non-controlling interests	(43)	–
Repayments of lease liabilities	(4,144)	(5,275)
Net cash flows provided by (used in) financing activities	9,257	(25,547)
Effect of exchange rate changes on cash and cash equivalents	2,294	8,844
Net increase (decrease) in cash and cash equivalents	34,733	(1,891)
Cash and cash equivalents at beginning of year	130,746	165,479
Cash and cash equivalents at end of year	165,479	163,588

Corporate Data

Corporate Information (As of August 2022)

<b>Tokyo Headquarters</b> 3-9-6, Mita, Minato-ku, Tokyo 108-8330, Japan Tel: 81-3-6758-6711 Fax: 81-3-6758-6700 <a href="https://www.minebeamitsumi.com/english/">https://www.minebeamitsumi.com/english/</a>	<b>Registered Head Office</b> 4106-73, Oaza Miyota, Miyota-machi, Kitasaku-gun, Nagano 389-0293, Japan Tel: 81-267-32-2200 Fax: 81-267-31-1350	<b>Established</b> July 16, 1951  <b>Independent Auditors</b> KPMG AZSA LLC
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Overview of Shares (As of March 31, 2022)

**Common Stock**  
Authorized: 1,000,000,000 shares  
Issued: 427,080,606 shares  
Capital: ¥68,259 million  
Shares per unit: 100

**Common Stock Listings**  
Listed on the first section of the Tokyo Stock Exchange

**American Depositary Receipts**  
Ratio (ADR : ORD): 1 : 2  
Exchange: Over-the-Counter (OTC)  
Symbol: MNBEY  
CUSIP: 602725301  
Depository: The Bank of New York Mellon  
240 Greenwich Street  
New York, NY 10286, U.S.A.  
Tel: 1-201-680-6825  
U.S. toll-free:  
888-269-2377 (888-BNYADRS)  
URL: <https://www.adrbnymellon.com/>

**Agent to Manage Shareholders’ Registry**  
Sumitomo Mitsui Trust Bank, Limited  
Tel: 0120-782-031 (toll-free, available only in Japan)  
URL: <https://www.smtb.jp/personal/agency/>

Overview of Shareholders

Classification by Ownership of Shares

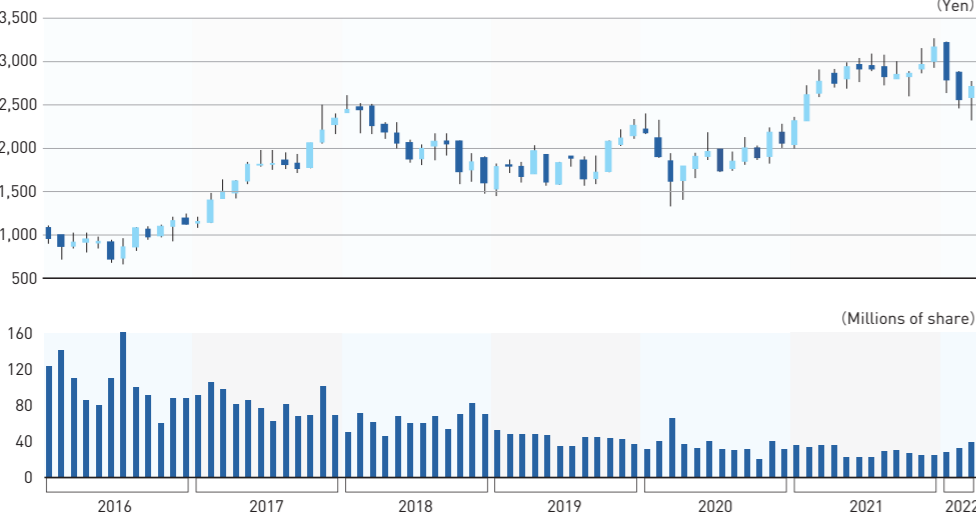
	Number of share-holders	Percentage of shares outstanding (%)	Number of shares held (Hundreds of shares)	Percentage of shares outstanding (%)
Japanese financial institutions	109	0.4	1,943,480	45.5
Overseas institutions	695	2.6	1,495,479	35.1
Other Japanese corporations	301	1.1	313,714	7.3
Individuals and others	20,235	76.3	513,605	12.0
Subtotal	21,340	80.5	4,266,279	99.9
Others	5,183	19.5	4,527	0.1
Total	26,523	100.0	4,270,806	100.0

Top Ten Major Shareholders

	Number of shares (Thousands of shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	73,673	18.13
Custody Bank of Japan, Ltd. (Trust account)	29,025	7.14
Takahashi Industrial and Economic Research Foundation	15,447	3.80
Sumitomo Mitsui Trust Bank, Limited	15,413	3.79
SSBTC CLIENT OMNIBUS ACCOUNT	11,379	2.80
Custody Bank of Japan, Ltd. (Trust account 4)	10,955	2.69
Sumitomo Mitsui Banking Corporation	10,223	2.51
MUFG Bank, Ltd.	10,181	2.50
KEIAISHA Co., Ltd.	10,100	2.48
STATE STREET BANK CLIENT OMNIBUS OM04	9,608	2.36

Notes: 1. The Company holds 20,812,499 shares of treasury stock, and is excluded from the major shareholders list above.  
2. Shareholding ratio is calculated exclusive of treasury stock. The number of shares and shareholding ratio are rounded down to the nearest unit of presentation.

Stock Prices on the Tokyo Stock Exchange



Status of MinebeaMitsumi as a constituent of certain indexes (As of August 2022)

FTSE Blossom Japan Sector Relative Index

MSCI Japan Empowering Women Index (WIN)

**2022 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)**

\* The inclusion of MinebeaMitsumi in any MSCI index, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement or promotion of MinebeaMitsumi by MSCI or any of its affiliates.

Summary of information available on the MinebeaMitsumi Group website

On the MinebeaMitsumi Group website we make available on an ongoing basis more detailed information and reports on the most recent activity, that could not be included in these printed materials. A variety of other corporate information is also available, which we recommend you view at your leisure.

- Corporate information website** — <https://www.minebeamitsumi.com/english/>
- Information for investors** — <https://www.minebeamitsumi.com/english/corp/investors/>
- Sustainability information** — <https://www.minebeamitsumi.com/english/csr/>
- Corporate governance information** — <https://www.minebeamitsumi.com/english/corp/company/aboutus/governance/>

For further information, please contact us listed below.

**Product purchasing and catalog requests:**

**Sales Headquarters**  
Tel: 81-3-6758-6746  
Fax: 81-3-6758-6760

**IR information:**  
**Corporate Communications/ Investor Relations Office (Investor Relations)**  
Tel: 81-3-6758-6720  
Fax: 81-3-6758-6710

**CSR information:**

**CSR Promotion Office**  
Tel: 81-3-6758-6724  
Fax: 81-3-6758-6700

Other inquiries:  
**Corporate Communications/ Investor Relations Office (Corporate Communications)**  
Tel: 81-3-6758-6703  
Fax: 81-3-6758-6718

**Employment opportunities:**

**Human Resources Development Dep.**  
Tel: 81-3-6758-6712  
Fax: 81-3-6758-6700

**Editorial Policy**

This report is designed to create new opportunities for dialogue with our shareholders, investors, and other stakeholders by communicating the Company's efforts to expand its corporate value. Additional financial information and reports on CSR activities not included in this report can be found on the Company's website.  
MinebeaMitsumi website <https://www.minebeamitsumi.com/english/>

**Scope of report** — MinebeaMitsumi and 120 group companies

**Period covered by this report** — Fiscal year ended March 2022 (April 1, 2021–March 31, 2022) However, this includes some activities before this period and from fiscal year ending March 2023.  
Published September 2022 (next edition planned for September 2023)

**Publishing information** —

**Referenced guidelines** — Value Reporting Foundation (VRF), "International Integrated Reporting Framework" Ministry of Economy, Trade and Industry, "Guidance for Collaborative Value Creation" Japanese Standards Association, "ISO 26000:2010 (Guidance on social responsibility)" Global Reporting Initiative (GRI), "Sustainability Reporting Standards" Ministry of the Environment, "Environmental Reporting Guidelines" (2018 edition) Final Report of the Task Force on Climate-related Financial Disclosures (TCFD)

**Supported initiatives** — United Nations Global Compact

**Disclaimer Regarding Future Projections**  
In this report, all statements that are not historical facts are future projections made based on certain assumptions and our management's judgement drawn from currently available information. Accordingly, when evaluating our performance or value as a going concern, these projections should not be relied on entirely.  
Please note that actual performance may vary significantly from any particular projection, owing to various factors, including: (i) changes in economic indicators surrounding us, or in demand trends; (ii) fluctuation of foreign exchange rates or interest rates; and (iii) our ability to continue R&D, manufacturing and marketing in a timely manner in the electronics business sector, where technological innovations are rapid and new products are launched continuously. Please note, however, this is not a complete list of the factors affecting actual performance.  
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"QCESS" is a registered trademark in Japan of MinebeaMitsumi Inc. Its registration No. is 6538154.  
"Bed Sensor System" is a registered trademark in Japan of MinebeaMitsumi Inc. Its registration No. is 6152256.  
"MINEGE" is a registered trademark in Japan of MinebeaMitsumi Inc. Its registration No. is 6069512.