

Accelerating growth as the world's only "INTEGRATION manufacturer of precision components"

Helping to resolve social issues through
INTEGRATION of global niche top products

Conviction to achieve net sales of 2.5 trillion yen and operating income of 250 billion yen

During the fiscal year ended March 2023, we achieved record highs across the board in net sales, operating income, and profit for the year, with net sales having attained a record high for ten consecutive years. Despite unforeseen circumstances that included lagging recovery in the automotive market and slowdown in data storage-related business, we managed to achieve our 100 billion yen operating income target due in part to one-time gains associated with M&As and gain on sale of the former Tokyo Head Office.

Given that my mission was that of (1) maximizing share value and (2) laying a solid foundation for our 100th anniversary back when I assumed the position of CEO in April 2009, we set challenging targets for the fiscal year ending March 2029 of net sales and operating income of 2.5 trillion yen and 250 billion yen, respectively, which is emblematic of our commitment to growth underpinned by our belief that "sustainability is the essence of management." Net sales amounted to 230 billion yen 14 years ago and have grown to approximately 1.3 trillion yen for the fiscal year ended March 2023. Meanwhile, we anticipate sales of 1.8 trillion yen through organic growth alone under the Midterm Business Plan. We believe that achieving net sales of 2.5 trillion yen is by no means an impossible feat given our pace of growth thus far combined with M&As.

We have also striven to maximize profits and manage risk while pursuing continuous growth and sustainability. As we expanded our business, we strengthened our risk mitigation system, which is multifaceted and covers business management, human resources and production, seeking synergies by "selection and concentration" strategies. Such business portfolios have given rise to the basis for a solid management framework capable of withstanding adversity and offering room for growth.

We conducted four M&A deals in areas that include connectors, access solutions, and semiconductors during the fiscal year ended March 2023, thereby paving the way for structural reform and finishing construction of a launch pad for a big leap enlisting the "Eight Spears" of our core businesses.

Although effects of the data center market, macroeconomic uncertainty, and market volatility are unavoidable over the short term, I am confident that the Eight Spears of core businesses we have built thus far will offset such effects, thereby enabling us to achieve the medium- to long-term growth targets currently in place.

*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.

MinebeaMitsumi At a Glance
Pages 17 to 18

Representative Director, Chairman CEO
Yoshihisa Kainuma



Corporate philosophy

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"

The Five Principles

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

Corporate slogan (Measures to achieve growth and sustainability)

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

Eight Spears of our core businesses essential to worldwide growth domains underpinning society

Having identified the realms of “EVs, renewable energy, AI, and extended reality (XR)” as prominent domains of growth in the global market going forward, we believe that technologies essential in these growth domains consist of the key elements: “high voltage, high current, high frequency, and high speed,” which we refer to as the “four highs.” Meanwhile, we take pride in the “Eight Spears” of our core businesses, which entail products essential to such technologies.

For instance, applications of our IGBT, SiC and other power semiconductors with respect to EVs, include electrical control of motor rotation and charging. They are used across an extensive range of applications, including use involving EVs, given their robust design for high voltage and high current. Meanwhile, improvements we make to power semiconductor performance culminate in less power loss, thereby contributing to energy conservation. In addition, given that this technology has applications not only with EVs but also in various end products, we believe we will increasingly encounter opportunities for entry into markets with considerable potential, which aligns with our global niche top aims.

In addition to power supplies enlisting such power semiconductor technology, nearly all of the Company's Eight Spears will benefit from this in some respect, with applications such as connectors capable of handling high current and high voltage, sensors, motors and bearings used for rotation of motors, and access products. We accordingly believe that prompting INTEGRATION of such products will further heighten the value of our presence as the world's only “INTEGRATION manufacturer of precision components.”

We have established a launch pad capable of keeping up with the rapid pace of market growth. We will develop and supply components aligned with various customer requirements, while seeking to achieve our net sales and operating income targets of 2.5 trillion yen and 250 billion yen, respectively, by organic growth, M&As, and by developing products looking toward resolving social issues.

Enhancing profitability with global niche top products

Our Midterm Business Plan sets forth a new internal real operating margin target of 15%, which constitutes an operating margin excluding supplied parts and other items from sales. First off, we need to increase top-line sales to generate profits. Next, it is important that we focus on products that boost profit margins. The Company derives 50% of its net sales from products that have no less than a 50% market share in global niche fields. I would like to draw attention to our bearings, motors, analog semiconductors, and access solutions in terms of our Eight Spear products that ultimately drive our profit margin gains. Meanwhile, domains currently subject to low profit margins are a cause for concern in that they are currently generating insufficient profits due to factors including semiconductor shortages and effects of the COVID-19 pandemic. This contrasts to net sales of around 300 billion yen in access products amid a rising proportion of sales involving automotive applications due to business integration. Nevertheless, I am convinced that a turnaround is inevitable going forward considering that previously low-profit spindle motors now generate earnings and also taking into account our track record of achieving growth whilst also capturing substantial market share. In fact, we are beginning to receive orders to the tune of more than 100 billion yen in multiyear cumulative sales involving new projects in the realms of flush handles and LED backlights. Furthermore, we continued our efforts to elevate the companies we have acquired through M&As to the top positions in global niche fields while contending with the external business environment. For instance, we have brought about INTEGRATION of motors, connectors, sensors, and door handles of the MinebeaMitsumi Group amidst the accelerating electrification of automobiles. As such, we are convinced that we will not lag behind our competitors in any area if we focus on products that leverage our distinctive technologies - unmatched by our competitors - in the domain of access products such as flush handles, latches, compact spindle drives, and charge port doors. Moreover, we sense that these INTEGRATION products will give rise to a gradually increasing presence as time goes on.

Given that motors have also grown into a business capable of consistently generating revenue, the Company's profit drivers now comprise three pillars, consisting of not only bearings but also motors and analog semiconductors. It is imperative that we also prompt growth of our other businesses so that they follow suit in coming to serve as profit drivers. Although the pace at which we achieve these objectives may vary due to factors such as the external business environment and allocations of internal resources, I am confident that the Company has a lineup of very enticing products.

M&A principles

- 1 M&As that can strengthen our existing businesses and/or provide INTEGRATION
- 2 Only agree to an appropriate price (never acquiring at a high price)

Target	Characteristics of the system for promoting M&As	M&A sources of capital and financial discipline
<ul style="list-style-type: none"> ✓ Temper the Eight Spear products ✓ Focus on valuation ✓ Shared values ✓ No distinction between domestic and international ✓ No distinction between listed and unlisted 	<ul style="list-style-type: none"> ✓ Use of accumulated PMI expertise → Effectively promote PMI enlisting formulated project formation ✓ Global platform → Possibilities for simultaneous execution of multiple M&As depending on region and business segment ✓ Financially sound → Ability to generate cash backed by the earnings power of our core businesses enables substantial M&As 	<ul style="list-style-type: none"> ✓ 50% of free cash flows + Leverage ✓ Budget of 1 yen to several tens of billions of yen (Maximum of 200 billion yen/M&A) ✓ Maintaining ratings However, capital transaction options are not ruled out

PMI essential to M&A success

The Company has completed a total of 55 M&A deals thus far, 24 of which have been concluded during my tenure as CEO. They have been carried out enlisting key principles of strengthening and providing INTEGRATION with respect to the Eight Spears (existing business) and rigorously ensuring agreement to an appropriate price (up to 10 times operating income). Ensuring success of these M&As is contingent upon achieving INTEGRATION between the people of both parties and meticulously engaging in Post Merger Integration (PMI), while establishing a mutual understanding based on a general consensus amongst both parties as to their corporate aspirations.

Whereas our respective corporate cultures are not subject to drastic change, we seek to ensure that we are able to proceed down a common path with entities that become our partners through M&As by promptly determining specifics of post-integration growth policy and product focus, and by articulating targets through sharing of company-wide rules. Engaging in this process is not an easy task given that it involves actions between people of both entities. The Company's M&A approach entails forming an integration preparation committee at the pre-integration phase, which we enlist to develop camaraderie by requiring all persons involved to convene and holding dinner gatherings. We are consequently able to embark upon operations with a sense of cohesion immediately after integration given that everyone has already become well-acquainted in the course of having held engaging discussions.

I also think it is important that both sides visit on-site operations. In the spirit of seeing is believing, we have our partners visit the Company's factories in Thailand, for instance, so that they can get a first-hand look at what constitutes the Company's mass production strengths. We also have people from the Company visit on-site operations of our partners, where they thoroughly explain the Company's beliefs and rules. We believe that valuing human-to-human interaction ultimately serves as a crucial factor in achieving rapid M&A success, although it requires significant effort.

New management structure for the next generation

The Company engages in management in a manner that aligns with its corporate philosophy and implements a management strategy based on its management policy, along with a corresponding framework of executive matters, executive strategies, and executive actions for achieving such aims. I have historically engaged in all aspects of operations in that regard. Going forward, however, I will gradually hand over executive responsibilities to President and COO, Katsuhiko Yoshida, while I shift my focus to formulating management strategy. This does not mean that the CEO will immediately cease to be involved in aspects of execution. I will continue to step in with respect to executing tasks that warrant my involvement when necessary.

Our execution capabilities, rather than our structure and organization, are a cause for concern. In that regard, it is imperative our efforts that involve rallying various business units in carrying out INTEGRATION initiatives, which is an approach particularly relevant to the Company, enlist the

Post Merger Integration Interview

Pages 53 to 54

involvement of other business units. In other words, it is important that we avoid an approach that involves unilaterally compartmentalizing tasks and practising zone defense. This also holds true for the CEO, COO & CFO structure in that those capable of addressing issues at hand should be the ones who promptly take action in a manner unconstrained by their assigned positions.

COO's Message Pages 9 to 10

Developing the next generation of management

As the Company approaches its 100th anniversary, I believe that developing the next generation of management is a matter of great importance for the sake of achieving further sustainable growth into the future and continuing to serve as a company on whom society depends. I will accordingly focus on initiatives to develop the next generation of human resources while entrusting aspects of execution to the COO & CFO.

We have already embarked upon various initiatives. For instance, this includes standardized tests of logical reasoning skills for our junior employees to avoid over-reliance on workplace evaluations, and also involves assessing employee self-awareness and subsequently preparing long-term career plans spanning two decades ahead. Meanwhile, with a seminar hall having been set up in the basement floor of the Tokyo X Tech Garden upon its relocation in March 2023, I am considering to create a direct educational setting for a select group of around 50 to 80 exceptional and motivated junior employees. This will hopefully enable me to repeatedly convey my past experiences and perspectives on management. Additionally, we are using thriving companies that excel in human resources development across different industries as benchmarks in our prevailing efforts to enhance internal personnel education by steering away from the notion of achieving employee growth through OJT and moving more toward the notion of employee growth through enlisting education and HR systems.

Meanwhile, the Company upholds the "spirit of equality" when it comes to promoting employees and provides opportunities for career success to its best talent, irrespective of their former employment, whether they are new graduate or mid-career hires, and their background. I ask that individuals step forward in taking the initiative to stand out rather than resorting to a zone defense approach, as is the case in baseball where even the catcher might go after a fly ball in center field.

Human capital Pages 45 to 48

Corporate Governance
Pages 67 to 80

Significance and outcomes of the Tokyo X Tech Garden

The Tokyo X Tech Garden was established to serve as a platform for facilitating the Company's growth strategies consisting of "organic growth," "growth driven by M&A," and "developing and selling products that contribute to solving social issues," and furthermore to pursue aims that include securing talented human resources for the future, stimulating interaction in-house, tempering the "Eight Spears" of our core businesses, thoroughly pursuing technological synergy and carrying out PMI.

The task of INTEGRATION is performed by the people who work at the given entities. As such INTEGRATION among people engaged at the given entities must precede sales activities enlisting INTEGRATION of technologies and products. Given the need for a solid foundation to tap into customer data, providing feedback on R&D, and manufacturing products, we need firm tangible support (physical location) and accordingly view the Tokyo X Tech Garden as a "gateway" toward achieving net sales of 2.5 trillion yen. Amidst Japan's progressively declining birthrate and aging population, parts manufacturers are bound to increasingly encounter difficulties in acquiring talented human resources if such manufacturers downplay their roles as "unsung heroes." As such, I think this new Tokyo X Tech Garden facility will exhibit definitive strengths - particularly with regard to acquiring talented human resources. Incidentally, although it may take time for our investment in the Tokyo X Tech Garden to yield tangible results, positive changes are already emerging in that we are attracting a higher caliber of employment candidates with regard to both new graduate hires and mid-career hires. I believe that this investment will yield sufficient returns assuming that in the course of time it will enable us to attract talented human resources who go on to serve as successors to our current top management.

However, I believe that our challenge with regard to the Tokyo X Tech Garden is that of not only preparing the "vessel," but also infusing it with the proper "spirit." The Tokyo X Tech Garden serves as a venue for actively holding networking sessions and has been established as a platform for facilitating initiatives for INTEGRATION of people and knowledge, whereby employees reach out beyond divisional boundaries amid the Group's rapid expansion through M&As thus far.

Furthermore, we seek to inspire children with dreams of a future in Japan's manufacturing sector



amid the scenario of Japan's declining birthrate and aging population. With the aim of contributing to society to such ends, we plan to open a showroom which facilitates understanding of components in a way that appeals to our primary target audience of elementary school students.

Further growth through initiatives for sustainability

Our corporate philosophy expresses our intention to balance initiatives for both the Company growth and the sustainable growth of society, vigorously working on both. It 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 for environmental measures, we have been bolstering our efforts by promoting MMI Beyond Zero which aims at taking on the challenges of carbon neutrality and contributing to reduction of worldwide CO₂ emissions through our products. When it comes to renewable energy in particular, we have been engaging in new initiatives including installing extensive solar power generation facilities at our Bang Pa-in and Lop Buri plants in Thailand, arranging power purchase agreements (PPAs) in the Philippines and Europe, and generating electricity on-site in Thailand and Cambodia.

In addition, we place "employees" first in "The Five Principles" company credo. With approximately 100,000 employees in 28 countries worldwide, the diversity of our workforce serves as a strength of the Group. On a global basis, more than 60% of our employees are women, who account for approximately 18.8% of our managers. Amidst a scenario where our proportion of female managers is gradually increasing in Japan as well, we are establishing systems to offer more extensive opportunities for career success among our talented human resources - irrespective of gender.

We have been promoting members of our overseas workforce to top management positions, and there are now seven non-Japanese members in head office management. We have adopted a group executive officer system, for which executives are selected from the management of group companies, and meetings are held regularly to facilitate communication. By this we have established a system to promptly address issues identified in each region.

We will persist with our commitment to growth serving as an "INTEGRATION manufacturer of precision components" which supports manufacturing and people's lives around the world by enlisting our employees with diverse backgrounds, sharing the passion of our corporate slogan and advancing INTEGRATION initiatives. We sincerely appreciate your continued support going forward.

Initiatives for the Environment
Pages 57 to 62Initiatives for Society
Pages 63 to 66