(Translation)

The following is an English translation of the Notice of the 75th Ordinary General Meeting of Shareholders of MinebeaMitsumi Inc., to be held on June 29, 2021.
The Company provides this translation for your reference and convenience only and without any guarantee as to its accuracy or otherwise.

Securities Code 6479

June 1, 2021

To the Shareholders

4106-73, Oaza Miyota, Miyota-machi, Kitasaku-gun, Nagano Prefecture

MINEBEA MITSUMI Inc.
Yoshihisa Kainuma
Representative Director

Notice of the 75th Ordinary General Meeting of Shareholders

We express our sincere sympathy to those affected by the novel coronavirus disease (COVID-19) and those related to them, as well as to those who have faced severe circumstances by the spread of the disease, and hope for a speedy recovery.

The 75th Ordinary General Meeting of Shareholders of MinebeaMitsumi Inc. (the “Company”) (hereinafter the “Meeting”) will be held as indicated below.

To prevent the spread of COVID-19, the Company strongly advises that shareholders do their utmost to exercise voting rights in advance in writing (by mail) or via the Internet for this General Meeting of Shareholders, and refrain from attending on the day of the General Meeting of Shareholders regardless of the status of your health as an individual.

Please examine the contents of the reference documents attached herein and vote in accordance with the guidance on pages 3 and 4 by 5:30 p.m., Monday, June 28, 2021.

Shareholders considering to attend this General Meeting of Shareholders in person are requested to check the situation regarding the spread of infections on the date of the meeting and carefully take note of your own health condition. Please maximally take measures to protect yourself from infection, such as wearing a face mask, when you attend.

If future developments such as a situation of the spread of COVID-19 up to the date of the meeting necessitate a major change in the way the General Meeting of Shareholders will be run, shareholders will be informed via the corporate website (https://www.minebeamitsumi.com/).

(Translation)

Particulars of the Meeting

1. Date and Time:

10:00 a.m., Tuesday, June 29, 2021 (reception starts at 9:00 a.m.)

2. Place:

Convention Hall Asama
Karuizawa Prince Hotel West
Karuizawa, Karuizawa-machi, Kitasaku-gun, Nagano Prefecture

- To prevent the spread of COVID-19, we will take temperature of shareholders near the reception of the venue. Those who are found to have symptoms such as fevers and coughs, and those who appear to be unwell may be refused entry and be asked to leave.
- Note that shareholders will be seated at a sufficient distance from each other at the venue, and we will have significantly fewer chairs as was done for last year's meeting. As a result, it is possible that not everyone who comes to the meeting will be able to enter the venue.

3. Purpose:

To report on:

1) The Business Report and the Consolidated Financial Statements for the 75th fiscal year (April 1, 2020 to March 31, 2021), and the Audit Report on the Consolidated Financial Statements by the Independent Auditors and the Audit & Supervisory Board
2) The Non-Consolidated Financial Statements for the 75th fiscal year (April 1, 2020 to March 31, 2021)

To vote on:

First Proposal:

Appropriation of Surplus

Second Proposal:

Election of Twelve (12) Directors

Third Proposal:

Amendment of Remuneration for Outside Directors

Information on Disclosure on the Internet

1. This notice of the Meeting is also posted on our website.
2. For any revisions to the contents of the reference documents for the Meeting, the business report or the consolidated and non-consolidated financial statements prior to the day before the Meeting, we will notify you of the revisions either by mail or via our website.

MinebeaMitsumi website: (https://www.minebeamitsumi.com/)

(Translation)

Guidance on Exercising Voting Rights

Voting rights at the General Meeting of Shareholders are an important right of shareholders.
The Company strongly requests that shareholders exercise their voting rights in advance in writing (by mail) or via the Internet to the best of their ability and refrain from attending on the day of the General Meeting of Shareholders.

Exercise of your voting rights by attending the Ordinary General Meeting of Shareholders	**Exercise of your voting rights in writing (by sending the voting card by mail)**	**Exercising Voting Rights via the Internet**
Please refrain from attending this year also, if at all possible. Upon attendance, you need to bring the enclosed voting card.	Please indicate your vote for or against each proposal on the enclosed voting card and post it to the Company.	Please vote for or against each proposal in accordance with the guidance on the next page.
Date and time of the General Meeting of Shareholders	Exercise due date	Exercise due date
10:00 a.m., Tuesday, June 29, 2021	To be received no later than 5:30 p.m. on Monday, June 28, 2021	To be input no later than 5:30 p.m. on Monday, June 28, 2021

(Translation)

Guidance on Exercising Voting Rights via the Internet

How to scan QR Code "Smart voting"	How to enter the voting code and password

How to scan QR Code "Smart voting"

You can log in to the voting rights exercise site without entering your code and password.

1. Scan the QR Code printed on the right side of voting card (front).
   * QR Code is a registered trademark of DENSO WAVE INCORPORATED.
2. Then follow the guidance on the screen and vote for or against each proposal.

"Smart voting" can only be used once to exercise your voting rights.

In the event that you wish to modify the details of your vote after exercising your voting rights, please access the PC version of the website, enter the voting code printed on the voting card (back) together with your password, log in, and exercise your voting rights once again.

* If the QR Code is read a second time, you will be transferred to the PC version of the website.

How to enter the voting code and password

Voting Rights Exercise Site:
https://www.web54.net

1. Please access the Voting Rights Exercise Site and click "次へすすむ (Next)."
2. Enter the voting code printed on voting card (back) and click "ログイン (Log in)."
3. Enter the password printed on the voting card (back).
   Enter "Initial password"
   Set a new password that you will actually use.
   Click "Register"
4. Then follow the guidance on the screen and vote for or against each proposal.

If you have questions about the operation of your PC, smartphone or mobile phone regarding the exercise of voting rights via the Internet, please contact the following:	Stock Transfer Agency Website Support help desk, Sumitomo Mitsui Trust Bank, Limited. Phone: 0120-652-031 (9:00 a.m. to 9:00 p.m., toll free (only within Japan))

To exercise voting rights, institutional investors can use the Internet voting rights exercise platform for institutional investors operated by ICJ, Inc.

(Translation)

Reference Documents for the General Meeting of Shareholders

First Proposal:
Appropriation of Surplus

Comprehensively taking into account the business environment and maintaining a continuous, stable profit distribution, the Company will set the basic policy under which it gives top priority to improving the efficiency of shareholders' equity and distributing more profit to shareholders, thereby returning its profits to shareholders commensurate with its business performance.
In accordance with this policy, the year-end dividends for the 75th business period shall be 14 yen per share of an ordinary dividend, plus 8 yen per share to express our gratitude to shareholders at our 70th anniversary; therefore, the total dividend shall be 22 yen per share.

Matters concerning year-end dividend:

(1) **Type of dividend**
Cash

(2) **Matters concerning the allocation of dividend and total amount**
Total 22 yen per share (dividend per common share of the Company: 14 yen; plus the anniversary dividend: 8 yen)
In this case, total dividends are 8,949,272,266 yen.

(3) **Effective date for surplus dividend**
June 30, 2021

Since the interim dividend in the amount of 14 yen per share has been distributed, the annual dividend for the 75th business period would be 36 yen per share, which is 8 yen higher compared with the previous fiscal year.

(Translation)

Second Proposal:
Election of Twelve (12) Directors

The terms of office of all twelve (12) Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, it is hereby proposed that twelve (12) Directors including five (5) Outside Directors be elected.

The candidates for Director of the Company are as follows. This proposal has been determined after consulting the Nomination and Compensation Committee, which has an independent Outside Director as Chairman and independent Outside Directors comprising at least half of its members, and considering the committee’s report.

No.		Name	Current position at the Company	Status of attendance at the Board of Directors Meeting
1	Reelection	Yoshihisa Kainuma	Representative Director, Chairman & President (CEO & COO)	100% (12/12)
2	Reelection	Shigeru Moribe	Representative Director, Vice Chairman	100% (12/12)
3	Reelection	Ryozo Iwaya	Director, Vice President Executive Officer	100% (12/12)
4	Reelection	Shigeru None	Director, Senior Managing Executive Officer	100% (12/12)
5	Reelection	Michiya Kagami	Director, Senior Managing Executive Officer	100% (12/12)
6	Reelection	Katsuhiko Yoshida	Director, Senior Managing Executive Officer	100% (10/10)
7	Reelection	Hiroshi Aso	Director, Managing Executive Officer	100% (12/12)
8	Reelection Outside Independent	Kohshi Murakami	Outside Director	100% (12/12)
9	Reelection Outside Independent	Atsuko Matsumura	Outside Director	100% (12/12)
10	Reelection Outside Independent	Yuko Haga	Outside Director	100% (10/10)
11	New election Outside Independent	Hirofumi Katase	–	–
12	Reelection Outside Independent	Takashi Matsuoka	Outside Director	100% (12/12)

New election	Candidate for Director to be newly elected
Reelection	Candidate for Director to be reelected
Outside	Candidate for Outside Director
Independent	Independent officer as defined by Tokyo Stock Exchange, Inc.

(Translation)

<table>
<tr><th>No.</th><th>Name (Date of Birth)
<Attendance at the Board of Directors Meeting></th><th>Career Summary, Position and Responsibilities at the Company, and significant concurrent positions outside the Company</th><th>Number of shares of the Company held</th></tr>
<tr><td>1</td><td>
Yoshihisa Kainuma
(February 6, 1956)
(Reelection)
<100% (12/12)></td><td>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)
Aug. 2019 Representative Director, Chairman of the Board of Directors, U-Shin Ltd. (Present)
Apr. 2020 Representative Director, Chairman, ABLIC Inc. (Present)</td><td>74,700</td></tr>
<tr><td colspan="4">(Reason for nomination as candidate for Director)
Mr. Yoshihisa Kainuma has been in command of management of the entire Group as Representative Director since 2009, with a track record of tackling business challenges from a medium- to long-term perspective, expanding the Group’s operations, and steadily implementing and achieving an improvement in corporate value under his strong leadership. We continuously propose him as a candidate for Director, considering that his management skills backed by such abundant experience and achievements will contribute to a further sustainable growth of the Group.</td></tr>
<tr><td>2</td><td>
Shigeru Moribe
(October 27, 1956)
(Reelection)
<100% (12/12)></td><td>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)</td><td>188,587</td></tr>
<tr><td colspan="4">(Reason for nomination as candidate for Director)
Mr. Shigeru Moribe served as Representative Director, President of MITSUMI ELECTRIC CO., LTD. for many years until the business integration between the Company and the said company in 2017, and he has a wealth of experience and keen insight as a corporate manager. We continuously propose him as a candidate for Director since he properly oversees the management of the Group as Representative Director, Vice Chairman at present.</td></tr>
</table>

(Translation)

<table>
<tr><th>No.</th><th>Name (Date of Birth)
<Attendance at the Board of Directors Meeting></th><th colspan="3">Career Summary, Position and Responsibilities at the Company, and significant concurrent positions outside the Company</th><th>Number of shares of the Company held</th></tr>
<tr><td>3</td><td>
Ryozo Iwaya
(April 24, 1958)
(Reelection)
<100% (12/12)></td><td>Apr.
Dec.
Jun.

Jun.
Jun.
Jan.

Apr.

Jun.

Aug.
Oct.

Apr.
Apr.</td><td>1981
1989
2009

2013
2015
2017

2017

2017

2019
2019

2020
2021</td><td>Joined the Company
Head of Tokyo Sales Division at Tokyo Branch
Executive Officer, Head of Lighting Device Business Unit at Electronic Device & Component Business Headquarters
Managing Executive Officer
Director (Present), Senior Managing Executive Officer
Chief of MITSUMI Business Headquarters (Present), Representative Director, Vice President and Chief Executive Officer, MITSUMI ELECTRIC CO., LTD.
Representative Director, President and Chief Executive Officer, MITSUMI ELECTRIC CO., LTD. (Present)
Chief of Electronic Device & Component Manufacturing Headquarters
Director, U-Shin Ltd. (Present)
Vice President Executive Officer, Officer in charge of Electronic Device & Component related Business (Present)
Director, ABLIC Inc. (Present)
Chief of Electronic Device & Component Business Headquarters (Present)</td><td>4,000</td></tr>
<tr><td colspan="6">(Reason for nomination as candidate for Director)
Mr. Ryozo Iwaya has held important positions in the Sales Division, the electronic devices & components manufacturing business, etc. for many years, and he has a wealth of experience and keen insight. We continuously propose him as a candidate for Director since he, as Director, Officer in charge of Electronic Device & Component related Business supervises Electronic Device & Component Business Headquarters, MITSUMI Business Headquarters, and U-Shin Business Headquarters and properly fulfills his role at present.</td></tr>
<tr><td>4</td><td>
Shigeru None
(August 23, 1959)
(Reelection)
<100% (12/12)></td><td>Apr.
Sep.
Jun.
Apr.
Jun.
Jun.
Jun.
Jun.
May</td><td>1982
1999
2007
2011
2012
2015
2016
2017
2018</td><td>Joined the Company
Manager of Osaka Branch
Executive Officer
Deputy Officer in charge of Sales Division
Managing Executive Officer
Director (Present)
Senior Managing Executive Officer (Present)
Officer in charge of Sales Division
Chief of Sales Headquarters (Present)</td><td>11,200</td></tr>
<tr><td colspan="6">(Reason for nomination as candidate for Director)
Mr. Shigeru None has held important positions in the Sales Division for many years, and he has a wealth of experience and keen insight. We continuously propose him as a candidate for Director since he mainly oversees the entire sales division as Director, Chief of Sales Headquarters and properly fulfills his role at present.</td></tr>
</table>

(Translation)

<table>
<tr><th>No.</th><th>Name (Date of Birth)
<Attendance at the Board of Directors Meeting></th><th>Career Summary, Position and Responsibilities at the Company, and significant concurrent positions outside the Company</th><th>Number of shares of the Company held</th></tr>
<tr><td>5</td><td>
Michiya Kagami
(September 11, 1957)
(Reelection)
<100% (12/12)></td><td>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)</td><td>11,200</td></tr>
<tr><td colspan="4">(Reason for nomination as candidate for Director)
Mr. Michiya Kagami has held important positions in the development branches of the electronic devices & components business for many years, and he has a wealth of experience and keen insight in research and development. We continuously propose him as a candidate for Director since he properly fulfills his role as Director and Chief of Engineering Headquarters at present.</td></tr>
<tr><td>6</td><td>
Katsuhiko Yoshida
(January 15, 1962)
(Reelection)
<100% (10/10)></td><td>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, ABLIC 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)</td><td>6,100</td></tr>
<tr><td colspan="4">(Reason for nomination as candidate for Director)
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. We continuously propose him as a candidate for Director since he oversees the entire administration division, including corporate planning and investor relations, and properly fulfills his role as Director and Chief of Tokyo Head Office at present.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name (Date of Birth)
<Attendance at the Board of Directors Meeting></th><th>Career Summary, Position and Responsibilities at the Company, and significant concurrent positions outside the Company</th><th>Number of shares of the Company held</th></tr>
<tr><td>7</td><td>
Hiroshi Aso
(April 3, 1957)
(Reelection)
<100% (12/12)></td><td>Mar. 1981 Joined Kyushu MITSUMI CO., LTD.
Oct. 2007 Head of Power Supply Business Unit, MITSUMI ELECTRIC CO., LTD.
Jun. 2010 Director, General Manager of Semiconductor Business Headquarters, MITSUMI ELECTRIC CO., LTD.
Apr. 2016 Director, Managing Executive Officer (Present), General Manager of Development Headquarters and Semiconductor Business Headquarters, Officer in charge of Automotive Devices Business Unit, MITSUMI ELECTRIC CO., LTD.
Jan. 2017 Deputy Chief of MITSUMI Business Headquarters, Officer in charge of Engineering Development Division (Present), Officer in charge of Semiconductor Business Division, Officer in charge of Automotive Devices Business Division of the Company
Jun. 2017 Director, Managing Executive Officer
Deputy Chief of Engineering Headquarters (Present)
Apr. 2020 Officer in charge of Semiconductor Division
Director, ABLIC Inc. (Present)
Aug. 2020 Chief of INTEGRATION Promotion Headquarters (Present)
Apr. 2021 Head of Semiconductor Division (Present)</td><td>9,067</td></tr>
<tr><td colspan="4">(Reason for nomination as candidate for Director)
Mr. Hiroshi Aso held important positions in the development division, the power supply business, the semiconductor business, etc. of MITSUMI ELECTRIC CO., LTD. until the business integration between the Company and the said company in 2017, and he has a wealth of experience and keen insight. We continuously propose him as a candidate for Director since he properly fulfills his role as Director, Deputy Chief of Engineering Headquarters, Head of Semiconductor Division, and Chief of INTEGRATION Promotion Headquarters at present.</td></tr>
<tr><td>8</td><td>
Kohshi Murakami
(February 8, 1940)
(Reelection)
(Outside)
(Independent)
<100% (12/12)></td><td>Apr. 1967 Assistant Judge, Tokyo District Court
Apr. 1999 Presiding Justice of the Division (Acting Chief Justice, Specialized Economic and Financial Affairs Department), Tokyo High Court
Apr. 2005 Professor, Graduate School of Law, Kyoto University
Jun. 2005 Joined TMI Associates as Advisor Attorney (Present)
Nov. 2005 Outside Corporate Auditor of SANEI-INTERNATIONAL CO., LTD.
Apr. 2008 Visiting Professor, Yokohama National University
Jun. 2008 Outside Director of the Company (Present)
Apr. 2010 Professor, Juris Doctor Program, Daito Bunka University
Dec. 2018 Chairman of the Nomination and Compensation Committee (Present)</td><td>10,000</td></tr>
<tr><td colspan="4">(Reason for nomination as candidate for Outside Director and expected roles)
Although Mr. Kohshi Murakami has never been involved in corporate management, he has a wealth of experience and keen insight as a former Presiding Justice of the Division of the Tokyo High Court and as an attorney-at-law. He has been fulfilling his duties appropriately as Outside Director since June 2008. We continuously propose him as a candidate for Outside Director since we believe that he will continue to supervise and provide advice in his role based on such insight and experience if he is elected as Outside Director.</td></tr>
</table>

(Translation)

<table>
<tr><th>No.</th><th>Name (Date of Birth)
<Attendance at the Board of Directors Meeting></th><th>Career Summary, Position and Responsibilities at the Company, and significant concurrent positions outside the Company</th><th>Number of shares of the Company held</th></tr>
<tr><td>9</td><td>
Atsuko Matsumura
(December 7, 1955)
(Reelection)
(Outside)
(Independent)
<100% (12/12)></td><td>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, OTSUMA 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)</td><td>200</td></tr>
<tr><td colspan="4">(Reason for nomination as candidate for Outside Director and expected roles)
Although Ms. Atsuko Matsumura has never been involved in corporate management, she has expertise in international economics as well as broad knowledge and experience accumulated as a university professor. She has been fulfilling her duties appropriately as Outside Director since June 2018. We continuously propose her as a candidate for Outside Director since we believe that she will continue to supervise and provide advice in her role based on such insight and experience if she is elected as Outside Director.</td></tr>
<tr><td>10</td><td>
Yuko Haga
(December 8, 1955)
(Reelection)
(Outside)
(Independent)
<100% (10/10)></td><td>Apr. 1989 Senior Consultant, Tokyo Office, Price Waterhouse Consultants
Apr. 1991 Representative, Haga Management Consulting Office (Present)
Apr. 2008 Executive Officer, Sompo 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)</td><td>100</td></tr>
<tr><td colspan="4">(Reason for nomination as candidate for Outside Director and expected roles)
Ms. Yuko Haga has expertise in corporate strategy as well as broad knowledge and experience accumulated as a management consultant. She has been fulfilling her duties appropriately as Outside Director since June 2020. We continuously propose her as a candidate for Outside Director since we believe that she will continue to supervise and provide advice in her role based on such insight and experience if she is elected as Outside Director.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name (Date of Birth)
<Attendance at the Board of Directors Meeting></th><th>Career Summary, Position and Responsibilities at the Company, and significant concurrent positions outside the Company</th><th>Number of shares of the Company held</th></tr>
<tr><td>11</td><td>
Hirofumi Katase
(June 15, 1959)
(New election)
(Outside)
(Independent)
< – ></td><td>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, Councillor, 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)
President and Chief Executive Officer, I-Pulse Japan Inc. (Present)</td><td>–</td></tr>
<tr><td colspan="4">(Reason for nomination as candidate for Outside Director and expected roles)
Mr. Hirofumi Katase has expertise in economy, industry, technological development, international trading, energy, environment, space development, etc. as well as broad knowledge and experience nurtured through holding important posts in the government agencies. We propose him as a candidate for Outside Director since we believe that he will supervise and provide advice in his role based on such insight and experience if he is elected as Outside Director.</td></tr>
<tr><td>12</td><td>
Takashi Matsuoka
(January 17, 1964)
(Reelection)
(Outside)
(Independent)
<100% (12/12)></td><td>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)</td><td>93,765</td></tr>
<tr><td colspan="4">(Reason for nomination as candidate for Outside Director and expected roles)
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 has been fulfilling his duties appropriately as Outside Director since June 2005. We continuously propose him as a candidate for Outside Director since we believe that he will continue to supervise and provide advice in his role based on such insight and experience if he is elected as Outside Director.
The Company has conducted constant commercial transactions with KEIAISHA Co., Ltd. where Mr. Takashi Matsuoka serves as Director and Vice President Executive Officer, including purchase of machinery and equipment, components and grease and other materials from the said company. However, because the value of transactions with the said company is insignificant in terms of transaction size of the Company, we have concluded that there is no possibility that these transactions affect decision-making of the Company.</td></tr>
</table>

Notes:

1. *Special relationship between respective candidates and the Company is as follows:*
   (1) *Mr. Takashi Matsuoka concurrently holds a post as Director and Vice President Executive Officer of KEIAISHA Co., Ltd. The Company purchases machinery and equipment, components and grease and other materials from KEIAISHA Co., Ltd.*
   (2) *There are no conflicts of interest existing between other candidates and the Company.*
2. *Mr. Kohshi Murakami, Ms. Atsuko Matsumura, Ms. Yuko Haga, Mr. Hirofumi Katase, and Mr. Takashi Matsuoka, candidates for Outside Directors, meet the requirements for independent officers stipulated by the Tokyo Stock Exchange, Inc. If this proposal is approved as drafted, the Company will continue to notify Mr. Kohshi Murakami, Ms. Atsuko*

Matsumura, Ms. Yuko Haga, and Mr. Takashi Matsuoka as independent officers, and newly notify Mr. Hirofumi Katase as an independent officer.

3. *The Company concluded agreements with Outside Directors for limiting their liabilities under Article 423, paragraph (1) of the Companies Act so that the Outside Directors may fully perform their roles as expected. The amount subject to the limitation of liabilities of damages shall be the minimum liability amount set forth by laws and regulations. If this proposal is approved as drafted, the Company will continue the said liability limitation agreement with Mr. Kohshi Murakami, Ms. Atsuko Matsumura, Ms. Yuko Haga, and Mr. Takashi Matsuoka, and plans to conclude the said liability limitation agreement with Mr. Hirofumi Katase.*
4. *The Company has entered into a directors and officers liability insurance ("D&O insurance") policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company, thereby covering losses and costs incurred by the Company's Directors, Audit & Supervisory Board Members and/or certain others in cases where they are liable for damages arising from their performance of duties (unless a coverage exclusion in the insurance policy is applied). The full amount of the insurance premiums for D&O insurance is borne by the Company. If this proposal is approved as drafted, Mr. Hirofumi Katase will be added as an insured in the D&O insurance policy in addition to all of the reelected Directors. The Company plans to renew this D&O insurance policy with the same details during the term of office of Directors and Audit & Supervisory Board Members.*
5. *The number of years since the candidates for outside directors assumed the office:*
   - *(i) Mr. Kohshi Murakami would have been in office for 13 years at the conclusion of the Meeting since he assumed the post of Outside Director.*
   - *(ii) Ms. Atsuko Matsumura would have been in office for three years at the conclusion of the Meeting since she assumed the post of Outside Director.*
   - *(iii) Ms. Yuko Haga would have been in office for one year at the conclusion of the Meeting since she assumed the post of Outside Director.*
   - *(iv) Mr. Takashi Matsuoka would have been in office for 16 years at the conclusion of the Meeting since he assumed the post of Outside Director.*
6. *Candidate for Outside Director, Ms. Yuko Haga's registered name under the family registration system is Yuko Hayashi.*

(Translation)

[Reference] Skills Matrix of Directors and Audit & Supervisory Board Members

The following indicates the composition, expected expertise, and the background (skills matrix) of Directors and Audit & Supervisory Board Members if the Second Proposal is approved as drafted in this Meeting.

The list does not represent every single item of knowledge and experience possessed by each candidate.

Name		Position	Gender	Expertise and background especially expected										
				Corporate management	M&A	Global	Manufacturing	Sales	Technological development	Environment and social	Legal affairs	Finance and accounting	Tax affairs	Government agencies
Directors	Yoshihisa Kainuma	Representative Director, Chairman & President (CEO & COO)	Male	○	○	○	○	○			○		○	
Directors	Shigeru Moribe	Representative Director, Vice Chairman	Male	○		○		○						
Directors	Ryozo Iwaya	Director, Vice President Executive Officer	Male	○		○	○	○						
Directors	Shigeru None	Director, Senior Managing Executive Officer	Male	○		○		○						
Directors	Michiya Kagami	Director, Senior Managing Executive Officer	Male	○		○			○					
Directors	Katsuhiko Yoshida	Director, Senior Managing Executive Officer	Male	○	○	○						○		
Directors	Hiroshi Aso	Director, Managing Executive Officer	Male	○			○		○					
Directors	Kohshi Murakami	Outside Director	Male								○		○	
Directors	Atsuko Matsumura	Outside Director	Female			○				○				
Directors	Yuko Haga	Outside Director	Female	○	○	○								
Directors	Hirofumi Katase	Outside Director	Male	○		○				○				○
Directors	Takashi Matsuoka	Outside Director	Male	○						○				
Audit & Supervisory Board Members	Naoyuki Kimura	Standing Audit & Supervisory Board Member	Male			○								
Audit & Supervisory Board Members	Koichi Yoshino	Standing Outside Audit & Supervisory Board Member	Male	○	○	○						○		
Audit & Supervisory Board Members	Shinichiro Shibasaki	Outside Audit & Supervisory Board Member	Male								○			
Audit & Supervisory Board Members	Makoto Hoshino	Outside Audit & Supervisory Board Member	Male									○	○	

(Translation)

Third Proposal:
Amendment of Remuneration for Outside Directors

1. Reasons for the Proposal and Details of the Amendment
The Company resolved that the amount of the annual remuneration for Directors shall be not more than 1.5 billion yen (including remuneration of up to 50 million yen per year for Outside Directors and not including salaries paid to Directors who are concurrently employed by the Company) at the 71st Ordinary General Meeting of Shareholders held on June 29, 2017. There are currently four (4) Outside Directors in the Company. The Company requests an increase of the remuneration for Outside Directors in consideration of various circumstances, including the fact that the number of Outside Director will be increased by one (1) to five (5) if the Second Proposal “Election of Twelve (12) Directors” is approved as drafted.
The annual remuneration for Directors remains the same as no more than 1.5 billion yen.

Current remuneration	Proposed amendment (Amended portion is underlined)
Up to 1.5 billion yen per year (Including up to 50 million yen per year for Outside Directors)	Up to 1.5 billion yen per year (Including up to <u>70 million yen</u> per year for Outside Directors)

2. Reasons for Adequacy of the Amendment of the Remuneration for Outside Directors
The Company believes that it is necessary to increase the number of Outside Directors in order to further enhance corporate governance for sustained improvement of corporate value. To increase the number of Outside Directors, the Company recognizes the importance of continuing to secure and retain excellent personnel from outside the Company with diverse backgrounds who possess abundant knowledge and experience in various specialized fields. Accordingly, the Company thinks it is necessary to increase the amount of remuneration for Outside Directors.
This proposal has been deliberated by the Nomination and Compensation Committee prior to submitting to shareholders. In addition, the Company has confirmed that the proposal is in accordance with “Policy on determining remuneration to individual Directors and Audit & Supervisory Board Members” on page 26 of this notice and judges it to be appropriate.

(Translation)

(Attached Documents)

Business Report

(April 1, 2020 to March 31, 2021)

1. Status of the MinebeaMitsumi Group

(1) Operating performance of the fiscal year

During the consolidated fiscal year, the future of the Japanese economy remained uncertain. Although exports and consumption declined substantially due to the spread of COVID-19, the worst appears to be behind us as exports to the U.S. and China have rebounded. The U.S. economy slowed down due to COVID-19, but economic activity has since been recovering, including increased production in a wide range of industries. The European economy remains stagnant. Although the manufacturing industry is slowly recovering, lockdowns have been extended in conjunction with additional waves of COVID-19. In the Chinese economy, domestic demand recovered. For instance, automobile sales in China were back to a level prior to the spread of COVID-19, and exports also remained robust, particularly to the U.S. In Southeast Asia, the future remains uncertain due to the impact of restrictions on economic activities to curb infections of COVID-19.

Working against this backdrop, the MinebeaMitsumi Group concentrated on cutting costs, creating high-value-added products, developing new technologies, and enhancing its marketing approach to boost profitability further.

As a result, net sales were up 9,979 million yen (1.0%) year on year to 988,424 million yen, the highest since our founding. Operating income was down 7,481 million yen (-12.8%) year on year to 51,166 million yen, profit before income taxes was down 8,562 million yen (-14.7%) to 49,527 million yen, and profit for the year attributable to owners of the parent was down 7,216 million yen (-15.7%) to 38,759 million yen.

ABLIC Inc. was made a subsidiary on April 30, 2020. The company has been included in the scope of consolidation in conjunction with the business integration. This includes the company’s profits and losses from the date of the business integration on.

The four main businesses of the MinebeaMitsumi Group as of March 31, 2021, are the Machined Components Business, the Electronic Devices and Components Business, the MITSUMI Business, and the U-Shin Business. The business results of each segment are as follows.

Machined Components Business

The main products in our Machined components segment include our anchor product line, ball bearings, in addition to mechanical components such as rod-end bearings used primarily in aircraft and hard disk drive (HDD) pivot assemblies, etc. as well as fasteners for aircraft. Sales of ball bearings were up owing to solid demand from fan motors. Rod-end bearing sales decreased due to decreased aircraft-related demand. Pivot assembly sales were down due to shrinking of the HDD market.

As a result, net sales were down 23,474 million yen (-13.0%) year on year to 157,411 million yen, and operating income was down 8,656 million yen (-21.7%) to 31,218 million yen.

Electronic Devices and Components Business

The core products of our Electronic devices and components segment include electronic devices (devices such as LED backlights for LCDs, sensing devices (measuring components), etc.), HDD spindle motors, stepping motors, DC motors, air movers, and special devices. Net sales of LED backlights for LCDs were down due to decreased demand associated with a decrease in the number of smartphone models using them.

As a result, net sales were down 15,575 million yen (-4.1%) year on year to 363,847 million yen, and operating income was up 82 million yen (0.5%) to 17,634 million yen.

MITSUMI Business

The main products in the MITSUMI business segment are semiconductor devices, optical devices, mechanical components, high frequency components and power supply components. Semiconductor devices performed well as did mechanical components such as game consoles, resulting in an increase in net sales. Profit and loss of ABLIC Inc. are included in the MITSUMI business segment in conjunction with its acquisition.

As a result, net sales were up 68,761 million yen (23.5%) year on year to 361,004 million yen, and operating income was up 1,105 million yen (5.9%) to 19,761 million yen.

U-Shin Businesses

The main products in the U-Shin business segment are key sets, door latches, door handles, and other automotive components as well as industrial components and housing equipment components (such as building and house locks). Sales of automotive components were down substantially due to deceleration of the automotive market.

As a result, net sales were down 20,012 million yen (-16.0%) year on year to 105,133 million yen, and the operating profit or loss was down 4,448 million yen to the loss of 1,850 million yen.

Notes:
1. Machines produced in-house are the main products in our Other businesses segment other than the above. Net sales were up 279 million yen (37.1%) year on year to 1,029 million yen, but the operating loss grew 407 million yen to 1,909 million yen.
2. In addition to the figures noted above, 13,688 million yen is recorded as adjustments on corporate expenses, etc. not belonging to any particular segment. Adjustments in the previous fiscal year came to 18,531 million yen.

(2) Capital expenditures, financing, and major lenders

(i) Capital expenditures

During the fiscal year under review, capital expenditures were 4,652 million yen for the Machined components business, 20,377 million yen for the Electronic devices and components business, 10,625 million yen for the MITSUMI business, 2,569 million yen for the U-Shin business, 45 million yen for the Other businesses, and 7,254 million yen for the whole company (common), totaling 45,522 million yen. The main capital expenditures for the machined components business were equipment to increase production of medical devices, etc. in North America. The main capital expenditures for the electronic devices and components business were equipment for motor-related facilities, etc. in Thailand. The main capital expenditures for the MITSUMI business were equipment for optical devices related facilities, etc. in the Philippines. The main capital expenditures for the U-Shin business were equipment for automotive related facilities in Europe and China.

Capital expenditures included 1,309 million yen for intangible assets and an increase of 1,590 million yen in right-of-use assets in line with new lease agreements under the application of IFRS 16 “Leases.”

(ii) Financing

Own funds and borrowings were applied to capital expenditures and operating funds during the fiscal year under review.

At the end of the fiscal year under review, borrowings including bonds stood at 268,621 million yen.

(iii) Major lenders (As of March 31, 2021)

Lenders	Outstanding borrowing (millions of yen)
Sumitomo Mitsui Banking Corporation	67,203
MUFG Bank, Ltd.	64,115
Sumitomo Mitsui Trust Bank, Limited	59,721
Syndicate loans	20,000

Notes:
1. *Outstanding borrowing from MUFG Bank, Ltd. includes 15,000 million yen for corporate bonds.*
2. *The syndicate loans are organized by Sumitomo Mitsui Trust Bank, Limited. Of these, the main source of funds was a 17,500 million yen syndicated loan organized by Sumitomo Mitsui Trust Bank, Limited.*

(3) Acquisition or disposition of shares, other equity or subscription rights to shares, etc. of other companies

On April 30, 2020, the Company acquired 100% of the voting rights of ABLIC Inc. and made it a subsidiary of the Company.

(4) Financial position and profit/loss in recent 3 years

	Fiscal 2018 (4/17–3/18)		Fiscal 2019 (4/18–3/19)	Fiscal 2020 (4/19–3/20)	Fiscal 2021 (4/20–3/21)
	Japanese GAAP	IFRS	IFRS	IFRS	IFRS
Net sales (millions of yen)	879,139	881,413	884,723	978,445	988,424
Operating income (millions of yen)	79,162	68,902	72,033	58,647	51,166
Income attributable to owners of the parent / Profit for the year attributable to owners of the parent (millions of yen)	59,382	50,326	60,142	45,975	38,759
Net income per share / Earnings per share, basic (yen)	141.14	119.61	143.90	111.11	94.95
Total assets (millions of yen)	707,844	703,558	742,127	864,481	976,771
Net assets / Total equity (millions of yen)	373,253	363,221	407,260	402,276	453,998

Notes:

1. *The Company has adopted International Financial Reporting Standards (IFRS) from the 73rd fiscal year (Fiscal 2019) for the preparation of its consolidated financial statements.*
2. *Net income per share under Japanese GAAP and earnings per share under IFRS are calculated on the basis of the average number of issued shares during the relevant fiscal year excluding treasury stock.*
3. *Amounts less than 1 million yen are rounded up or down to the nearest million yen under IFRS, and rounded down under Japanese GAAP.*

(5) Significant parent company and subsidiaries

(i) Parent company

Not applicable.

(ii) Significant subsidiaries

Name	Location	Common stock	Voting rights ratio	Main business lines
MITSUMI ELECTRIC CO., LTD.	Japan	JPY 20,000 million	100.0%	Manufacture and sales of electrical appliances and communication devices
U-Shin Ltd.	Japan	JPY 15,206 million	100.0%	Manufacture and sales of components for automotive, industrial machinery and housing equipment
ABLIC Inc.	Japan	JPY 9,250 million	100.0%	Manufacture and sales of semiconductor products
NMB-Minebea Thai Ltd.	Thailand	BAHT 15,305,363 thousand	100.0%	Manufacture and sales of machined components and electronic devices
NMB (USA) Inc.	U.S.A.	USD 24,645 thousand	100.0%	Holding company
NMB Technologies Corporation	U.S.A.	USD 0.38 thousand	100.0% (100.0%)	Sales of machined components, electronic devices, and MITSUMI products
New Hampshire Ball Bearings, Inc.	U.S.A.	USD 10 thousand	100.0% (100.0%)	Manufacture and sales of bearings
NMB-Minebea-GmbH	Germany	EUR 11,274 thousand	100.0%	Sales of machined components, electronic devices, and MITSUMI products
MINEBEA ELECTRONICS & HI-TECH COMPONENTS (SHANGHAI) LTD.	China	USD 239,060 thousand	100.0%	Manufacture and sales of machined components and electronic devices
MINEBEA (HONG KONG) LIMITED	Hong Kong	HKD 100,000 thousand	100.0%	Sales of machined components, electronic devices, and MITSUMI products
NMB SINGAPORE LIMITED	Singapore	SGD 38,000 thousand	100.0%	Manufacture of bearings and sales of machined components and electronic devices
MINEBEA (CAMBODIA) Co., Ltd.	Cambodia	USD 120,050 thousand	100.0%	Manufacture and sales of machined components and electronic devices

Notes:

1. *Figures in parentheses for the voting rights ratio in the above table show the ratio of indirect ownership.*
2. *The number of consolidated subsidiaries of the Company as of March 31, 2021 is 122, including 12 significant subsidiaries shown in the above table.*
3. *The Company acquired 100.0% of the voting rights of ABLIC Inc., which mainly manufactures and sells analog semiconductor products, on April 30, 2020, making it a consolidated subsidiary.*

(6) Tasks to be accomplished

1) Corporate Philosophy and basic management policies

Based on the Corporate Philosophy, which aims to contribute to society by "producing better products, in faster speed, in larger numbers, in lower cost and by smarter means," the MinebeaMitsumi Group has established the following three basic management policies.

(i) Transparent management based on our company credo "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

Based on these company credos, the MinebeaMitsumi Group will aim to fulfill its social responsibility and to maximize the corporate value for its various stakeholders, such as shareholders, business partners, local communities, global society and employees.

Aiming at concentrating its management resources on the fields where it has the collective and comprehensive strengths of the corporate group, the MinebeaMitsumi Group has worked proactively on "the development of high-value-added products" and "the advancement of the quality of the products." In addition, we strive to reinforce our corporate management centering on "the strengthening of our financial standing" as well as to implement "the company management having a high-degree of transparency" in a comprehensive manner both internally and externally.

(ii) Create new value through "difference" that transcends conventional wisdom

It will be necessary for the manufacturing of the future to deliver new value propositions to society. In 2017, the Company established the slogan "Passion to Create Value through Difference," and going forward we will continue to create new value through "difference" that transcends conventional wisdom, demonstrating strengths that cannot be found in other companies.

(iii) Approach manufacturing with an attitude of sincerity

To share our attitude to manufacturing, how we think about manufacturing, and how we pursue best practices for implementing manufacturing across the MinebeaMitsumi Group is of the utmost importance. The MinebeaMitsumi Group will continue to pursue the thoroughgoing "sincere attitude to manufacturing."

2) Basic strategy

Based on the above basic management policies, which are specific policies for the corporate growth and continuity, the Group believes that the core of the management is sustainability; therefore, the Group aims at establishing diversified business portfolio around its "Eight Spears" strategy and reinforcing the risk distribution system.

To be specific, we will work to develop new products for a new generation and expand the Electro Mechanics Solutions (EMS) business by blending the machined components technology and electronic device and component technology of the MinebeaMitsumi Group with the in-vehicle technology held by U-Shin Ltd. and the semiconductor technology held by MITSUMI ELECTRIC CO., LTD. and ABLIC Inc. Also, by leveraging our integrated strength in manufacturing, sales, engineering and development, we will bolster our ability to meet customer requests and provide flexibility in pricing.

Furthermore, while taking regional risk into consideration, we will roll out large-scale overseas mass production facilities and global research and development structures, using M&A and alliances to actively boost profitability and increase corporate value, with the aim of achieving 2.5 trillion yen in net sales or 250 billion yen in operating income in the fiscal year ending March 31, 2029.

In order to move forward with the above and achieve sustainable growth for the MinebeaMitsumi Group, we will, by fusing "financial capital" with the "non-financial capital" types of intellectual capital, human capital, manufacturing capital and other capital, create new value through the INTEGRATION rather than simply gathering these separate elements, in addition to reinforcing our core businesses and promoting diversification. An outline of the business strategies follows.

i) Reinforcing core businesses

By further reinforcing the ultra-precision machining technology, vertically integrated manufacturing system and the global network that are the source of the underlying strengths of all its products, the MinebeaMitsumi Group will work to capture an overwhelming majority of the market share with its core businesses, including bearings and motors, and boost the profitability.

ii) Diversified niches (the "Eight Spear products")

By taking the lead over its competitors in the bearing industry by specializing in the niche field of miniature bearings with an external diameter of 22 mm or less, the Company has built a high market share and profitability. In addition, through the process of business diversification from the viewpoints of market sizes and permanence, the Company has evolved the "Eight Spear products" (bearings, motors, access products, analog semiconductors, sensors, connectors/switches, power sources and wireless/communications/software) which are core products in its business. As for the analog semiconductors, especially, management integration with ABLIC perfected the growth foundation. Based on this, the Company aims to further improve the quality of integration efforts with other businesses around the "Eight Spear products." The Company will continue its efforts to win high market share in specialized areas (niches) and sustain its growth.

iii) Generating synergies through the INTEGRATION

The Company blends its core technologies, namely, ultra-precision machining, mass production, sensors (load, pressure, etc.), optical, MEMS, high-frequency, electronic circuits, and semiconductor design, mechanism design and system design technologies, for the further evolution of the "Eight Spear products." By combining the evolved products, we will generate synergies in such fields as automotive, aircraft, robotics, nursing care and medicine, industrial, information and communications, infrastructure and home security equipment to deliver new value to customers.

In addition, in terms of initiatives to support sustainable growth, the MinebeaMitsumi Group will place a high priority on ESG management that takes into account environmental, social and governance. Almost all our products are environmentally friendly products such as "MinebeaMitsumi Green Products," therefore, the Group is contributing to energy and space saving by sending out into society a variety of products that reduce energy consumption, etc. We will promote a reduced burden on the environment and environmental conservation activities, with the goal of becoming a company that society cannot do without. At the same time, we will use our business to contribute to the environment and society by observing laws and regulations faithfully, practicing fair and appropriate business management in compliance with business ethics, and performing a variety of initiatives to maintain good relationships with stakeholders.

We look forward to the continued support and guidance of our shareholders.

(7) Major offices (As of March 31, 2021)

(i) The Company's major offices

Head Office	Miyota-machi, Kitasaku-gun, Nagano Prefecture	Tokyo Head Office	Minato-ku, Tokyo
Plants	Karuizawa Plant (Miyota-machi, Kitasaku-gun, Nagano Prefecture) Hamamatsu Plant (Fukuroi-shi, Shizuoka Prefecture) Fujisawa Plant (Fujisawa-shi, Kanagawa Prefecture) Yonago Plant (Yonago-shi, Tottori Prefecture) Matsuida Plant (Annaka-shi, Gunma Prefecture)	Sales Offices	Tokyo Office (Minato-ku, Tokyo) Nagoya Office (Nagoya-shi, Aichi Prefecture) Osaka Office (Osaka-shi, Osaka Prefecture)

(ii) Major subsidiaries' offices

Indicated in "(5) Significant parent company and subsidiaries, (ii) Significant subsidiaries."

(8) Employees (As of March 31, 2021)

(i) Employees of the MinebeaMitsumi Group

Classification	Number of employees	Increase (decrease) from the end of the previous year
Machined components business	16,455	(1,076)
Electronic devices and components business	37,263	(296)
MITSUMI business	22,246	1,893
U-Shin business	5,959	(232)
Other businesses	306	3
Whole company (common)	782	102
Total	83,011	394

Notes:
1. *The number of employees is the number that is at work.*
2. *The "Whole company (common)" refers to employees in the administration department, etc. but not under any business segment.*

(ii) Employees of the Company

Number of employees	Increase (decrease) from the end of the previous year	Average age	Average of working years
4,412	134	44.7	16.3

Note: The number of employees is the number that is at work.

(9) Policy on deciding cash dividend, etc. from surplus

The Company recognizes shareholder return as the important management issue. Comprehensively taking into account the business environment and maintaining a continuous, stable profit distribution, the Company will set the basic policy under which it gives top priority to improving the efficiency of shareholders' equity and distributing more profit to shareholders, thereby returning its profits to shareholders commensurate with its business performance. Moreover, the Company will conduct repurchases of its treasury stock as necessary to improve return to shareholders and capital efficiency, and to implement agile capital policy according to the business environment.

Based on the above basic policy, the year-end dividend for this fiscal year shall be 14 yen per share, plus 8 yen per share to express Company's gratitude to the shareholders at its 70th anniversary. As a result, the dividend shall be 22 yen per share. Since the interim dividend in the amount of 14 yen per share has been distributed, the annual dividend for this fiscal year would be 36 yen per share, which is 8 yen higher compared with the previous fiscal year (total annual dividends: 14,668,638,394 yen).

In addition to the above, during the fiscal year under review, the Company acquired 1,738,500 shares of treasury stock (total purchase amount: 4,691,398,903 yen) based on the resolution of the Board of Directors.

2. Shares of the Company

(1) Overview of shares (As of March 31, 2021)

(i) Total number of shares authorized: 1,000,000,000 shares

(ii) Number of shares issued: 427,080,606 shares

(iii) Number of shareholders: 24,240 persons

(iv) Major shareholders:

Name of shareholders	Number of shares (thousands)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	45,682	11.23
Custody Bank of Japan, Ltd. (Trust account)	23,011	5.66
Takahashi Industrial and Economic Research Foundation	15,447	3.80
Sumitomo Mitsui Trust Bank, Limited	15,413	3.79
Custody Bank of Japan, Ltd. (Trust account 4)	13,954	3.43
SSBTC CLIENT OMNIBUS ACCOUNT	10,873	2.67
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	9,065	2.23

Notes:

1. *The Company holds 20,295,503 shares of treasury stock, and is excluded from the major shareholders list above.*
2. *Shareholding ratio is calculated exclusive of treasury stock. The numbers of shares and shareholding ratios are rounded down to the nearest unit of presentation.*
3. *Japan Trustee Services Bank, Ltd. changed its trade name to Custody Bank of Japan, Ltd. after its merger on July 27, 2020.*

(2) Other important matters concerning shares

Introduction of the performance-linked stock compensation system was resolved at the Board of Directors meeting on May 8, 2020 and approved in the 74th Ordinary General Meeting of Shareholders on June 26, 2020. The aim of the system was to help improve corporate earnings over the medium and long term and to enhance an awareness of contributions to corporate value gains by more clearly linking the remuneration for Company’s Directors (excluding Outside Directors) to corporate earnings and share value of the Company. This will expose the Company’s Directors to the same benefits and risks associated with share price fluctuations as shareholders.
The number of shares owned by the trust account, which was opened for the Board Benefit Trust established following the introduction of the performance-linked stock compensation system, is not included in the above number of treasury stock because they are not owned by the Company. The number of shares owned by the given trust account is 122,800 shares, and they are recorded as treasury stock in the consolidated financial statements and non-consolidated financial statements.

(3) Matters relating to subscription rights to shares, etc.

(i) Subscription rights to shares held by the Company’s officers which were granted as consideration for their performance of duties at the end of the fiscal year under review

Name (Date of issuance)	Resolution date of issuance	Number of subscription rights to shares	Class and number of shares underlying the exercise of subscription rights to shares	Issue price per one subscription right to share	Exercise value per one subscription right to share	Exercise period for subscription rights to shares	Number of subscription rights to shares held by Directors (Number of holders)
Series I subscription rights to shares of Minebea Co., Ltd. issued in 2012 (July 17, 2012)	June 28, 2012	470	47,000 shares of common stock	25,200 yen	100 yen	From July 18, 2012 to July 16, 2042	100 (1)
Series II subscription rights to shares of Minebea Co., Ltd. issued in 2013 (July 16, 2013)	June 27, 2013	420	42,000 shares of common stock	36,700 yen	100 yen	From July 17, 2013 to July 15, 2043	100 (1)
Series III subscription rights to shares of Minebea Co., Ltd. issued in 2014 (July 18, 2014)	June 27, 2014	252	25,200 shares of common stock	117,400 yen	100 yen	From July 19, 2014 to July 17, 2044	60 (1)

Notes:

1. *The number of shares to be issued upon exercise of subscription rights to shares is 100 shares as per one subscription right to share.*

2. *The issue prices represent the sum total of the fair value of subscription rights to shares as of the allotment date and the payment amount at the time of exercise of subscription rights to shares (1 yen per share).*
   Any person who receives an allotment of subscription rights to shares (hereinafter, a "holder of subscription rights to shares") may offset debts for payment for the subscription rights to shares with compensations receivable due to them in lieu of direct payment.
3. *Shares delivered to holders of subscription rights to shares when they exercise subscription rights to shares are exclusively shares of treasury stock, hence no new shares will be issued in the context of this transaction.*
   If any shares of treasury stock are delivered, no capitalization will be made.
4. *(i) During the exercise period, any director who is a holder of subscription rights to shares may exercise all of his or her subscription rights to shares at one time within a 10-day period following the date of termination of his or her directorship (when the 10th day following the date of termination falls on holiday, the period up to the following business day).*
   (ii) When any holder of subscription rights to shares passes away, his or her heirs may exercise all the subscription rights to shares, only in a single transaction, within the six-month period following the date of death.
   (iii) Other terms and conditions for the exercise of subscription rights to shares are as specified in the "Subscription Rights to Shares Agreement" entered into by and between the Company and the holders of subscription rights to shares.
5. *Subscription rights to shares have not been allotted to Outside Directors and Audit & Supervisory Board Members.*

(ii) Subscription rights to shares granted to employees, etc. as consideration for their performance of duties during the fiscal year under review

Not applicable.

(iii) Other important matters concerning subscription rights to shares, etc.

There follows a summary of the subscription rights to shares attached to the "Euro-Yen Denominated Convertible Bonds with Stock Acquisition Rights due 2022 issued by MinebeaMitsumi Inc." that was inherited by the Company as a result of the business integration with MITSUMI ELECTRIC CO., LTD. on January 27, 2017.

Total issuance	20,000 million yen
Price per bond	10 million yen (one type)
Issue date	January 27, 2017
Redemption and term of the bond	The bonds shall be redeemed at the full par value of 10 million yen per 10 million yen amount on August 3, 2022.

Details of the subscription rights to shares

Total number of subscription rights to shares attached to the bond	2,000
Class and number of shares to be issued upon exercise of subscription rights to shares	Common stock of the Company The number of common stock of the Company is the number obtained by dividing the face value of the total issuance of the Bonds in respect to exercise requests by the conversion price provided below. However, fractions less than one share that arise due to such exercise are rounded down and amounts thereof will not be adjusted in cash.
Conversion price for subscription rights to shares	2,068 yen
Exercise period for subscription rights to shares	From January 27, 2017 to July 20, 2022

(Translation)

3. Corporate Officers

(1) Directors and Audit & Supervisory Board Members (As of March 31, 2021)

Title	Name	Responsibilities in the Company and significant concurrent positions outside the Company
Representative Director, Chairman & President (CEO & COO)	Yoshihisa Kainuma	Member of the Nomination and Compensation Committee Representative Director, Chairman of the Board of Directors, U-Shin Ltd. Representative Director, Chairman, ABLIC Inc.
Representative Director, Vice Chairman	Shigeru Moribe	Director, Chairman of the Board of Directors of MITSUMI ELECTRIC CO., LTD.
Director, Vice President Executive Officer	Ryozo Iwaya	Officer in charge of Electronic Device & Component related Business, Chief of Electronic Device & Component Manufacturing Headquarters, Chief of MITSUMI Business Headquarters, Representative Director, President and Chief Executive Officer of MITSUMI ELECTRIC CO., LTD. Director, U-Shin Ltd. Director, ABLIC Inc.
Director, Senior Managing Executive Officer	Tetsuya Tsuruta	Deputy Chief of Sales Headquarters
Director, Senior Managing Executive Officer	Shigeru None	Chief of Sales Headquarters
Director, Senior Managing Executive Officer	Michiya Kagami	Chief of Engineering Headquarters, Officer in charge of Engineering Development Division at Electronic Device & Component Manufacturing Headquarters
Director, Senior Managing Executive Officer	Katsuhiko Yoshida	Chief of Tokyo Head Office, Officer in charge of Business Administration and Corporate Planning Division, Officer in charge of Sustainability Management Division Director, Vice President Executive Officer of MITSUMI ELECTRIC CO., LTD. Director, U-Shin Ltd. Director, ABLIC Inc.
Director, Managing Executive Officer	Hiroshi Aso	Chief of INTEGRATION Promotion Headquarters, Deputy Chief of Engineering Headquarters, Deputy Chief of MITSUMI Business Headquarters, Officer in charge of Engineering Development Division, Officer in charge of Semiconductor Division Director, Managing Executive Officer of MITSUMI ELECTRIC CO., LTD. Director, ABLIC Inc.
Outside Director	Kohshi Murakami	Chairman of the Nomination and Compensation Committee Advisor Attorney, TMI Associates
Outside Director	Atsuko Matsumura	Member of the Nomination and Compensation Committee Professor, Faculty of Economics, Tokyo International University Outside Director, Glosel Co., Ltd.
Outside Director	Yuko Haga	Member of the Nomination and Compensation Committee Representative, Haga Management Consulting Office Professor, Graduate School of Management, NUCB Business School Outside Director, Kyowa Kirin Co., Ltd.
Outside Director	Takashi Matsuoka	Director, Vice President Executive Officer, KEIAISHA Co., Ltd.
Standing Audit & Supervisory Board Member	Naoyuki Kimura	
Standing Outside Audit & Supervisory Board Member	Koichi Yoshino	

Title	Name	Responsibilities in the Company and significant concurrent positions outside the Company
Outside Audit & Supervisory Board Member	Shinichiro Shibasaki	Member of the Nomination and Compensation Committee Partner, Law Office Juricom
Outside Audit & Supervisory Board Member	Makoto Hoshino	Representative, Makoto Hoshino Certified Tax Accountant Office

Notes:

1. *The Company has filed a notification with the Tokyo Stock Exchange, Inc. to the effect that Outside Directors Mr. Kohshi Murakami, Ms. Atsuko Matsumura, Ms. Yuko Haga, and Mr. Takashi Matsuoka, and Outside Audit & Supervisory Board Members Mr. Koichi Yoshino, Mr. Shinichiro Shibasaki, and Mr. Makoto Hoshino are independent officers pursuant to the provisions prescribed by the exchange.*
2. *The Company and each Outside Director and each Audit & Supervisory Board Member have entered into an agreement to limit liabilities of damages under Article 423, paragraph (1) of the Companies Act pursuant to the provisions of Article 427, paragraph (1) of the same Act. The amount subject to the limitation of liabilities of damages shall be the amount set forth by the laws and regulations.*
3. *The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The policy will supplement compensation payment for damages that is borne by the Company's Directors and Audit & Supervisory Board Members in cases where a claim for damages is brought by shareholders or third parties. The full amount of the insurance premiums for all the insured persons is borne by the Company. To ensure the proper performance of duties of officers, etc., the policy contains an exclusion clause that excludes coverage for the insured's liability for damages resulting from intentional and criminal acts, etc.*
4. *Audit & Supervisory Board Members Mr. Koichi Yoshino and Mr. Makoto Hoshino have considerable knowledge of finance and accounting as follows.*
   (i) Standing Outside Audit & Supervisory Board Member Mr. Koichi Yoshino has a wealth of experience in practical management and internal audit at a general trading company, etc.
   (ii) Outside Audit & Supervisory Board Member Mr. Makoto Hoshino has experience of tax administration over many years and is well acquainted with tax affairs as a Certified Tax Accountant.
5. *Outside Director Ms. Yuko Haga's registered name under the family registration system is Yuko Hayashi.*
6. *Directors' assignments have changed during the fiscal year under review as follows:*

Name / Date of change	Before change	After change
Katsuhiko Yoshida (As of June 26, 2020)	Deputy Chief of Tokyo Head Office, 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	Chief of Tokyo Head Office, Officer in charge of Business Administration and Corporate Planning Division, Officer in charge of Sustainability Management Division
Hiroshi Aso (As of August 1, 2020)	Deputy Chief of Engineering Headquarters, Deputy Chief of MITSUMI Business Headquarters, Officer in charge of Engineering Development Division, Officer in charge of Semiconductor Division	Chief of INTEGRATION Promotion Headquarters, Deputy Chief of Engineering Headquarters, Deputy Chief of MITSUMI Business Headquarters, Officer in charge of Engineering Development Division, Officer in charge of Semiconductor Division

7. *Directors' assignments have changed after the end of the fiscal year under review as follows:*

Name / Date of change	Before change	After change
Ryozo Iwaya (As of April 1, 2021)	Officer in charge of Electronic Device & Component related Business, Chief of Electronic Device & Component Manufacturing Headquarters, Chief of MITSUMI Business Headquarters	Officer in charge of Electronic Device & Component related Business, Chief of Electronic Device & Component Business Headquarters, Chief of MITSUMI Business Headquarters
Michiya Kagami (As of April 1, 2021)	Chief of Engineering Headquarters, Officer in charge of Engineering Development Division at Electronic Device & Component Manufacturing Headquarters	Chief of Engineering Headquarters, Head of Engineering Development Division at Electronic Device & Component Business Headquarters
Katsuhiko Yoshida (As of April 1, 2021)	Chief of Tokyo Head Office, Officer in charge of Business Administration and Corporate Planning Division, Officer in charge of Sustainability Management Division	Chief of Tokyo Head Office, Head of Business Administration and Corporate Planning Division, Head of Sustainability Management Division
Hiroshi Aso (As of April 1, 2021)	Chief of INTEGRATION Promotion Headquarters, Deputy Chief of Engineering Headquarters, Deputy Chief of MITSUMI Business Headquarters, Officer in charge of Engineering Development Division, Officer in charge of Semiconductor Division	Chief of INTEGRATION Promotion Headquarters, Deputy Chief of Engineering Headquarters, Deputy Chief of MITSUMI Business Headquarters, Head of Engineering Development Division, Head of Semiconductor Division

(2) Remuneration to Directors and Audit & Supervisory Board Members

(i) Policy on determining remuneration to individual Directors

(a) Determination of the policy

The policy on determining remuneration to individual Directors was deliberated in the Nomination and Compensation Committee, and the Board of Directors determined it after giving careful considerations to recommendations from the committee.

(b) Overview of the policy

In order to enhance the transparency and objectivity of processes for determining the remuneration of Directors, the Company has established a Nomination and Compensation Committee, which has an independent Outside Director as Chairman, and independent Outside Directors comprising at least half of its members. The remuneration to individual Directors is determined by a resolution of the Board of Directors after deliberation by the Nomination and Compensation Committee, based on the following remuneration composition and calculation methods and within the maximum amount authorized by the General Meeting of Shareholders.

Remuneration to Directors consists of performance-linked bonuses for Directors and incentive remuneration (hereinafter, collectively referred to as “performance-linked monetary compensation”), as well as performance-linked stock compensation and basic remuneration, which is paid in a fixed amount on a monthly basis.

Basic remuneration is determined according to each Director’s duties, performance, the performance of the Company, and other factors. Policies concerning performance-linked monetary compensation and performance-linked stock compensation are described in “(ii) Matters related to performance-linked compensation” below.

As for remuneration of Outside Directors, a fixed monthly amount is set as the basic remuneration, taking into consideration expected roles played by each Outside Director, etc. However, Outside Directors are not subject to the performance-linked monetary compensation and performance-linked stock compensation.

(ii) Matters related to performance-linked compensation

(a) Performance indicators and the reason for selection thereof

Performance indicators for the performance-linked compensation of the Company are the consolidated results (mainly the profit for the year), the stock price levels, etc. The reason for selection of these indicators is to include in the Directors’ evaluations corporate value represented by stock prices, while emphasizing the final result of each fiscal year in the form of profit for the year.

Whereas performance indicators for the incentive remuneration are net sales, operating income, and the market capitalization of the Company. The reason for the selection of these indicators is to enhance the incentive to increase the Company’s performance and corporate value by achieving the medium-term business plan.

(b) Method of calculation of the monetary amount and number of shares for performance-linked compensation

The amount of bonuses for Directors is calculated based on the bonus calculation table, which is based on the consolidated results (mainly the profit for the year), stock price levels, etc.

The amount of the incentive remuneration is calculated based on the calculation table, which is based on the achievement level of net sales and operating income targets at the end of the term, and the market capitalization of the Company.

The Company introduced the performance-linked stock compensation for Directors (excluding Outside Directors) in the 74th Ordinary General Meeting of Shareholders held on June 26, 2020. Under this system, the Company pays cash through a trust to acquire the Company’s shares. The Company’s Directors are granted a number of the Company’s shares equivalent to points conferred to them according to the level of contribution to business performance, etc. and the consolidated results (mainly the profit for the year). The goals of adopting the system are to help improve corporate earnings over the medium and long term and to enhance an awareness of contributions to corporate value gains by more clearly linking the Company’s Director’s compensation to corporate earnings and share value of the Company. This will expose the Company’s Directors to the same benefits and risks associated with share price fluctuations as shareholders. Points calculated by adding individual’s level of contribution to the achievement level of the consolidated profit for the year are granted every June, and shares, etc. equivalent to the accumulated points is paid upon retirement. Details of handling are stipulated in the “Share Grant Regulations,” which is deliberated by the Nomination and Compensation Committee and determined in the Board of Directors meeting.

(c) Results concerning performance indicators

Performance indicators for Directors' bonuses are the consolidated results (mainly the profit for the year), stock price levels, etc. The consolidated profit for the year was 38.7 billion yen, the growth of the consolidated net sales was +1%, consolidated operating income was 51.1 billion yen, and Company's stock price performance was +14% compared to the Nikkei stock average. The payment was duly made according to the calculation method in the above (b).

The targets for the incentive remuneration in this fiscal year were consolidated net sales of 900 billion yen, consolidated operating income of 80 billion yen, and market capitalization of the Company of 1,000 billion yen. Whereas the results were consolidated net sales of 988.4 billion yen, consolidated operating income of 51.1 billion yen, and market capitalization of the Company of 1,208.2 billion yen. The payment was duly made according to the calculation method in the above (b).

The performance indicator for the stock compensation is the consolidated profit for the year, and the result was 38.7 billion yen. Points to be granted were calculated according to the calculation method in the above (b), while taking into consideration each Director's contribution to the business performance, etc.

(iii) Stock compensation (non-monetary compensation)

Details of the Company's performance-linked stock compensation system are as described in the above "(ii) (b) The amount of performance-linked compensation or the calculation method thereof." The total points granted to eight Directors (excluding Outside Directors) for this fiscal year were 8,192 points (equivalent to 8,192 shares of the Company).

(iv) The provision of the Articles of Incorporation or resolutions at the General Meeting of Shareholders concerning remuneration to Directors and Audit & Supervisory Board Members

The maximum amount of remuneration to Directors and Audit & Supervisory Board Members was approved as follows.

Payee	Approved date	Remuneration type	Approved contents	Number of applicable persons at the time of approval
Directors	71st Ordinary General Meeting of Shareholders on June 29, 2017	Basic remuneration Performance-linked monetary compensation	Up to 1.5 billion yen per year (Including up to 50 million yen per year for Outside Directors)	12 (Including 2 Outside Directors)
Directors (Excluding Outside Directors)	66th Ordinary General Meeting of Shareholders on June 28, 2012	Stock options	Up to 30 million yen per year within the above remuneration amount for Directors	8
Directors (Excluding Outside Directors)	74th Ordinary General Meeting of Shareholders on June 26, 2020	Performance-linked stock compensation	Up to 100,000 points per fiscal year separate from the above remuneration amount for Directors	8
Audit & Supervisory Board Members	61st Ordinary General Meeting of Shareholders on June 28, 2007	Basic remuneration	Up to 100 million yen per year	5

(v) Reason that the Board of Directors considered remuneration to individual Directors conforms to the policy on determining remuneration

The original proposal of remuneration to individual Directors was comprehensively reviewed by the Nomination and Compensation Committee for its consistency with the policy and other matters, and the Board of Directors respected its recommendations. Therefore, the Company considers the remuneration complies with the above policy under (i).

(vi) Total amount paid as remuneration to Directors and Audit & Supervisory Board Members

Categories	Number of payees	Amount of remuneration, etc. (thousands of yen)			
		Basic remuneration	Performance-linked monetary compensation	Performance-linked stock compensation	Total
Directors (Outside Directors)	13 (4)	314,464 (42,766)	388,934 (Not applicable)	16,000 (Not applicable)	719,398 (42,766)
Audit & Supervisory Board Members (Outside Audit & Supervisory Board Members)	4 (3)	48,800 (33,400)	Not applicable (Not applicable)	Not applicable (Not applicable)	48,800 (33,400)
Total	17	363,264	388,934	16,000	768,198

Notes:

1. *The above table includes amounts paid to Mr. Shuji Uehara who retired from the position as Director at the conclusion of the 74th Ordinary General Meeting of Shareholders held on June 26, 2020.*
2. *The remuneration for Directors excludes the salary to be paid for service as employee for Directors who concurrently hold a post of officer or employee of the Company.*
3. *During the fiscal year under review, 388,934 thousand yen in accrued bonuses for directors was posted for performance-linked monetary compensation for Directors, including anticipated payments under the incentives remuneration system introduced in 2017. Also, 16,000 thousand yen in accrued bonuses for directors was posted in this fiscal year for performance-linked stock compensation for Directors.*
4. *The amount of remuneration, etc. is shown with fractions of 1 thousand yen rounded down.*

(3) Matters relating to outside officers

(i) Significant concurrent positions outside the Company and relation between the Company and such other corporations

Outside Director Mr. Takashi Matsuoka holds a post of Vice President Executive Officer of KEIAISHA Co., Ltd concurrently. The Company purchases machinery and equipment, components and grease and other materials from KEIAISHA Co., Ltd.

No relationships of special interest exist between any other outside officer and the Company.

(ii) Main activities during the fiscal year under review (including an overview of the duties related to the roles expected to be fulfilled by Outside Directors)

Name	Main activities
Outside Director Kohshi Murakami	He attended all 12 Board of Directors meetings held in this fiscal year. He posed questioned and presented opinions concerning business execution of the Company's Group as a whole from his expert viewpoint as an attorney-at-law and also based on his experience as the Company's Outside Director over many years. His remarks and action provoked substantial and appropriate supervision of the Board of Directors. Also, he played a proactive role in all six Nomination and Compensation Committee meetings held in this fiscal year as the chairperson, ran the committee in a fair and transparent manner, and lead the formulation of recommendations to the Board of Directors. Furthermore, as a Compliance Committee member, he attended all two meetings in this fiscal year and participated in discussions concerning reinforcement of the internal control system, etc. He also had a talk (engagement) with institutional investors as an Outside Director, thereby contributing to improvement of mutual understanding with shareholders and improvement of Company's corporate governance.
Outside Director Atsuko Matsumura	She attended all 12 Board of Directors meetings held in this fiscal year. She posed questioned and presented opinions concerning business execution of the Company's Group as a whole from her expert viewpoint as an international economist. Her remarks and action provoked substantial and appropriate supervision of the Board of Directors. Also, she played a proactive role in all six Nomination and Compensation Committee meetings held in this fiscal year as a member, and presented her opinions and proposals based on her discernment in diversity issues, global viewpoint, and experience as outside officer of other enterprises. In addition, she contributed to promoting the empowerment of female employees and raising the morale by giving a lecture in the diversity seminar for employees as an advisory member of the Company's "Promoting the Empowerment of Women Project."
Outside Director Yuko Haga	She attended all 10 Board of Directors meetings held after her appointment as Outside Director on June 26, 2020. She posed questions and presented opinions concerning business execution of the Company's Group as a whole from her expert viewpoint as a management consultant. Her remarks and action provoked substantial and appropriate supervision of the Board of Directors. Also, she played a proactive role as a member in all three Nomination and Compensation Committee meetings held after her appointment as Outside Director on June 26, 2020, and presented her opinions and proposals based on her discernment in corporate governance and experience as outside officer of other enterprises. She also had a talk (engagement) with institutional investors as an Outside Director, thereby contributing to improvement of mutual understanding with shareholders and improvement of Company's corporate governance.
Outside Director Takashi Matsuoka	He attended all 12 Board of Directors meetings held in this fiscal year. He posed questions and presented opinions concerning business execution of the Company's Group as a whole from his expert viewpoint as a business executive and also based on his experience as Outside Director of the Company over many years. His remarks and action provoked substantial and appropriate supervision of the Board of Directors.
Standing Outside Audit & Supervisory Board Member Koichi Yoshino	He attended all 12 Board of Directors meetings and all 16 Audit & Supervisory Board meetings held in this fiscal year. He supervised performance of duties by the Directors while posing questions and presenting opinions concerning business execution of the Company's Group as a whole as a Standing Audit & Supervisory Board Member based on his abundant experience in overseas and practical management experience nurtured at a general trading company and the manufacturing industry.
Outside Audit & Supervisory Board Member Shinichiro Shibasaki	He attended all 12 Board of Directors meetings and all 16 Audit & Supervisory Board meetings held in this fiscal year. He supervised performance of duties by the Directors while posing questions and presenting opinions concerning business execution of the Company's Group as a whole from his expert viewpoint as an attorney-at-law. Also, he played a proactive role in all six Nomination and Compensation Committee meetings held in this fiscal year, and presented his opinions and proposals based on his experience as an attorney-at-law with thorough understanding in the Companies Act.

Name	Main activities
Outside Audit & Supervisory Board Member Makoto Hoshino	He attended all 12 Board of Directors meetings and all 16 Audit & Supervisory Board meetings held in this fiscal year. He supervised performance of duties by the Directors while posing questions and presenting opinions concerning business execution of the Company's Group as a whole from his expert viewpoint as a Certified Tax Accountant.

4. Matters relating to Independent Auditors

(1) Name KPMG AZSA LLC

(2) Amount of remuneration, etc.

	Amount paid
Amount of remuneration, etc. of Independent Auditors for the fiscal year under review	148 million yen
Total amount of money and other property benefit to be paid from the Company and its subsidiaries to Independent Auditors	259 million yen

Notes:

1. *In the audit agreement by and between the Company and the Independent Auditors, the Company does not keep accounts by each category of the amount of audit fee, etc. for auditing services under the Companies Act and under the Financial Instruments and Exchange Act, furthermore, the amount of auditing services cannot be distinguished between the two categories practically. Therefore, the Company states the total amount thereof in the amount of remuneration, etc. of Independent Auditors for the fiscal year under review.*
2. *The Audit & Supervisory Board decided to agree on the amount of remuneration, etc. of Independent Auditors after making necessary examination of whether the content of Independent Auditors' audit plan, performance of duties and a basis for calculation of estimated remuneration, etc. are appropriate.*

(3) Non-auditing services

Consideration was paid for its financial due diligence and tax due diligence.

(4) Policy regarding determination of removal or refusal of reappointment of Independent Auditors

The Audit & Supervisory Board shall make the agenda regarding removal or refusal of reappointment of Independent Auditors purpose of the General Meeting of Shareholders if the Audit & Supervisory Board believes that it is necessary due to causes including the Independent Auditors' difficulty in performing their duties.

When an Independent Auditor is deemed to fall under the items set forth in items of Article 340, paragraph (1) of the Companies Act, the Audit & Supervisory Board removes the Independent Auditor based on the consent of all Audit & Supervisory Board Members. In this case, the Audit & Supervisory Board Member appointed by the Audit & Supervisory Board will report the removal of Independent Auditors and its reasons at the first General Meeting of Shareholders after the removal thereof.

(5) Audit of consolidated subsidiaries

Some consolidated subsidiaries of the Company have been audited by of certified public accountants or auditing firms (including those who have equivalent qualifications in foreign countries) other than the Company's Independent Auditor, and the material ones are NMB-Minebea Thai Ltd., NMB (USA) Inc., NMB Technologies Corporation, New Hampshire Ball Bearings, Inc., NMB-Minebea-GmbH, MINEBEA ELECTRONICS & HI-TECH COMPONENTS (SHANGHAI) LTD., MINEBEA (HONG KONG) LIMITED, NMB SINGAPORE LIMITED, MINEBEA (CAMBODIA) Co., Ltd.

(Translation)

5. System to Ensure the Proper Business and Status of Its Operation

Based on the Companies Act, the Company enacted its Basic Policy for the Formulation of an Internal Control System by a resolution of the Meeting of the Board of Directors in an effort to ensure the sound management of the Company. A summary of this resolution and status of operation is provided below.

I. System to Ensure the Proper Business

(1) Structure to assure that Directors', Executive Officers' & Technical Officers' and employees' execution of duties conform to laws and regulations and Articles of Incorporation (Compliance system)

1) The MinebeaMitsumi Group has set up a management structure regarding compliance and established the MinebeaMitsumi Group Code of Conduct (hereafter the "Code of Conduct"), the MinebeaMitsumi Group Officer and Employee Compliance Guidelines (hereafter the "Compliance Guidelines") and Compliance Management Rules (hereafter the "Rules") in order to have group company Directors, Executive Officers & Technical Officers and Employees follow laws and regulations, the Company's Articles of Incorporation and the Company Credo.
2) These Code of Conduct and Compliance Guidelines have set the specific guidelines and standards that have to be observed for labor, safety and health, environment protection, and ethical management. In order to enforce this, the Compliance Committee was established to control the MinebeaMitsumi Group's compliance efforts in a cross-sectional manner, as well as educating officers and staff members. In the Rules, the basic policy, such as a basic policy of the compliance in our group, organization, and management rules are defined, and the various measures regarding maintenance of organization and compliance are implemented appropriately.
3) The MinebeaMitsumi Group will have nothing to do with anti-social forces and organizations that threaten social order or safety. It will not acquiesce to unreasonable demands, and it will work uncompromisingly in cooperation with external authorized institutions such as police and lawyers. Moreover, it is also written in the Code of Conduct and the Compliance Guidelines.
4) Activities of the Compliance Committee are reported to the Board of Directors regularly, or whenever necessary.
5) Outside directors in the Board of Directors will be appointed in order to have the check-and-balance system that assures the legality of the Directors' execution of duties.

(2) Storage and management of information related to execution of duties by Directors and Executive Officers & Technical Officers (Information Storage and Management System)

1) The MinebeaMitsumi Group has established the MinebeaMitsumi Group Document Management Rules for maintaining documents (including electronic records) and other relevant materials.
2) If the documents should be kept for a certain period of time or at a certain location, the preservation period and location must follow these rules except in cases where there are specific provisions in any law. The documents are stored by a method as it can be viewed within 2 days, if there is an inspection request from a Director or Audit & Supervisory Board Member.

(3) Rules for risk of loss management and other structures (Risk Management Structure)

1) The MinebeaMitsumi Group established "MinebeaMitsumi Group Basic Rules for Risk Management" that systematically sets up risk management. The Chief Officer of the risk management of the MinebeaMitsumi Group shall be the Representative Director, President and Chief Executive Officer, and the Risk Management Committee is under his direct control.
2) Based on these Rules, the individual risks will be monitored continuously by each responsive organization, and we also assume and classify specific risks in advance, and develop a quick, adequate communication and emergency structure in case of an emergency.
3) The Risk Management Committee will regularly review above structure, verify specific items and report the status of risk management including such verification results to the Board of Directors regularly, or whenever necessary.

(4) Structure to assures that the execution of duties by the Directors and Executive Officers & Technical Officers are efficiently performed (system for an Efficient Execution of Duties)

1) The MinebeaMitsumi Group makes rapid and highly strategic management judgments by limiting the number of Directors to 12 or less. At the same time, the Company makes significant transfer of the authority for business execution from Directors to Executive Officers by introducing an Executive Officer System to facilitate a clear distinction between management and supervisory functions and business executing functions and speed up the business execution.
2) The MinebeaMitsumi Group sets group-wide goals that are shared by Directors, Executive Officers & Technical Officers and employees and spreads those goals across the group. In addition, to achieve the goals, chiefs of headquarters and officers in charge of divisions and chiefs of business units determine specific objectives to be implemented by each headquarters, division or business unit and efficient methods

of achieving the objectives. Their performance results are converted into verifiable data via an IT system and are regularly reviewed by the Board of Directors after being analyzed by each relevant headquarters, division and business unit. Leveraging the inherent strength of this process, enables us to sweep away obstacles to efficiency, bring everyone closer to achieving their goals, and lay a solid foundation upon which we can build a more efficient organization.

(5) Structures to ensure that the operations of the Company's and its subsidiaries are adequate (Management of Group Companies)

1) MinebeaMitsumi's headquarters, divisions and business units take all necessary steps to provide effective guidance on group company business operations.
2) Our common commitment to legal and ethical standards is reflected in the "MinebeaMitsumi Group Code of Conduct" and the "Compliance Guidelines."
3) "Rules for Management of Group Companies" that are common to our group are established in order to, establish the management standards and management procedures for its group companies located domestically in Japan and overseas as well, and to facilitate business development of the corporate group consisting of the Company and the group companies, strengthen its corporate governance structure and enhance its corporate value.
4) In order to increase the effects of the internal control system audits for group companies currently done by the Audit & Supervisory Board Members, we maintain a cooperative posture toward the Audit & Supervisory Board Members.
5) We set numerical goals for each group company, review them regularly, and provide relevant organizations with feedback after performing a thorough performance review.
6) The Internal Auditing Office regularly audits the group companies.

(6) Structures to ensure that the Audits by the Audit & Supervisory Board Members are effective (Audit System matters)

1) **Issues concerning when an Audit & Supervisory Board Member requests for an employee to assist him/her and issues concerning such employee's independence from Directors**
   (i) When such employee is required, he/she is properly set, and we assist the audit.
   (ii) When an employee in charge of work to assist duties of an Audit & Supervisory Board Member receives directions on the work from the Audit & Supervisory Board Member, a system that allows such employee to concentrate on following commands and orders is established.
   (iii) The audit support by such employee is done under the Audit & Supervisory Board Member's directions and orders.
   (iv) The Audit & Supervisory Board's opinion is respected on the personnel changes and personnel evaluation regarding such employee.

2) **Structure of Directors', Executive Officers' & Technical Officers' and employees' report to the Audit & Supervisory Board Member, and other reporting structure to the Audit & Supervisory Board Member**
   (i) The Directors report the following to the Audit & Supervisory Board
      a. Matters discussed at the Senior Executive Officers Council
      b. Matters that might cause the Company a significant loss
      c. Monthly business conditions that is important
      d. Important matters regarding internal audit status and risk management
      e. Significant violations of law or Articles of Incorporation
      f. Status of calls to the compliance hotline and its contents
      g. Other important matters related to compliance
      h. Matters related to request for approval decided by Directors or Executive Officers & Technical Officers
      i. Agreements executed by Directors or Executive Officers & Technical Officers
      j. Matters related to litigations
   (ii) Executive Officers & Technical Officers directly report b. or e. in the previous paragraph (i) hereof to the Audit & Supervisory Board. Also, if the employee discovers a significant fact related to b. and e. in the previous paragraph (i) hereof, he/she may directly report it to the Audit & Supervisory Board.
   (iii) Group companies' Directors, Audit & Supervisory Board Members or employees who execute business operations or any person who receives a report from them may report a matter concerning b. or e. of (i) above directly to the Audit & Supervisory Board.
   (iv) Executives and employees of the Company and group companies shall not to be treated disadvantageously by reason of their reporting on each item listed above.

3) **Other matters in order to ensure the efficiency of the Audit & Supervisory Board Member's audit**

(i) The Audit & Supervisory Board Member has an opportunity to interview Directors, Executive Officers & Technical Officers and important employees, as well as hold informal meetings regularly with Representative Director, President and Chief Executive Officer and the Independent Auditor respectively.

(ii) The Internal Auditing Office carries out the internal audit items requested by the Audit & Supervisory Board Members based on discussions with the Audit & Supervisory Board and reports those results to the Audit & Supervisory Board.

(iii) As a general rule, costs arising from execution of duties by Audit & Supervisory Board Members are expensed based on the annual budget planned by the Audit & Supervisory Board. When an Audit & Supervisory Board Member asks for advance payment of costs, etc. required for execution of his or her duties by necessity, the costs or obligations are processed promptly.

Based on the policies above, the Company is promoting in unison the establishment of the Internal Control System.

II. Overview of Operation of the System to Ensure the Proper Business

(1) Compliance system

The Company holds meetings of the Compliance Committee that one independent Outside Director attends, considers various measures regarding compliance, and reports these measures to the Board of Directors. In addition, the compliance consultation center for which the internal responsible department and an external outsourced company act as a contact point has been set up, and the provided information shall also be notified to Audit & Supervisory Board Members.

In the fiscal year under review, the Company implemented training and education programs such as seminars on compliance for officers and those for new employees, junior employees, experienced employees who newly joined the Company, and newly appointed assistant managers and managers. The Company also provided those in management positions with training programs for preventing power harassment, and junior employees with programs for sexual harassment. The Company continues its efforts to increase awareness about compliance, including regular "Employee Compliance Awareness Survey" to measure the extent of awareness of compliance.

(2) Information storage and management system

Based on the "MinebeaMitsumi Group Document Management Rules," the Company has appropriately stored significant minutes of meetings, various written decisions, financial statements and other documents.

(3) Risk management structure

The Risk Management Committee develops the risk management structure in the MinebeaMitsumi Group and promotes the development of business continuity plans (BCP) that provide for remediation activities in case any risk occurs at major production sites.

In the fiscal year under review, with the aim for further enhancement and strengthening of the Group's risk management structure, the Company established risk management structures at business sites in coordination with persons responsible for or in charge of risk management who were placed in each region and business site of the MinebeaMitsumi Group in addition to the Risk Management Committee, and carried out various initiatives related to risk management. In addition, the results of examinations were reported to the Board of Directors. In order to prepare for risks that are diversified further in line with the expansion of the Group, the Company will examine and understand risks for each business site and strive to effectively promote preventive and control activities tailored to characteristics of each business site.

(4) System for an efficient execution of duties

Based on the "Board of Directors' Rules" and other regulations, necessary resolutions are made at the Board of Directors meetings. The Company made significant transfer of the authority to Executive Officers by an Executive Officer System to ensure efficient execution of duties.

With the Company's goals as the company credo, the Board of Directors formulates medium-term and annual business plans and gives direction strategically. When plans are considered, constructive discussions are made at a business plan review meeting that all Directors, Audit & Supervisory Board Members, Executive Officers & Technical Officers, chiefs of business units, etc. attend, a Top Meeting held around the end of the first half where achievement of the plans is confirmed and deliberations are conducted for the future and other meetings. Based on the results of these discussions, the Company makes decisions on business execution through deliberations at the Board of Directors after discussions at the Senior Executive Officers Council, which is an advisory body for President and Chief Executive Officer.

The progress of plans is reported at the Board of Directors on a quarterly basis and monitored.

(5) Management of group companies

Based on the “Rules for Management of Group Companies,” group companies are managed and operated while each headquarters, division and business unit of the Company provide effective guidance on group company business operations.

The status of operations is confirmed through audits by Audit & Supervisory Board Members and internal audits. A periodic audit is made for particularly important business sites.

(6) Audit system matters

Audit & Supervisory Board Members attend the Board of Directors’ meetings and other important meetings, interview the Company’s Directors and Executive Officers & Technical Officers and review important written decisions while visiting domestic and overseas group companies for audits and interviewing directors and other persons concerned of group companies. Due to COVID-19, in this fiscal year, on-site audit was limited, and interviews with people in charge at domestic and overseas offices were performed remotely.

Audit & Supervisory Board Members periodically have a meeting with the Internal Auditing Office, hear an annual audit plan and its objectives, etc., discuss the key points in audit in advance, and receive a report about all internal audit results. They also hold regular meetings with the Independent Auditor to confirm the audit system and an audit plan, receive an explanation on implementation of an audit, etc. and exchange opinions.

Furthermore, Audit & Supervisory Board Members periodically interview Representative Director, President and Chief Executive Officer, and set a liaison council with Outside Directors to periodically exchange views.

An employee to assist Audit & Supervisory Board Members on a full-time basis has been assigned to the Audit & Supervisory Board Members Office. Directions and orders to and personnel evaluations of such employee are given by Audit & Supervisory Board Members.

An annual budget is appropriated by the Audit & Supervisory Board, and relevant costs are expensed based on the annual budget.

(Translation)

6. Basic Policy relating to Control of the Company

(1) Contents of Basic Policy

The Company believes that the persons who control decisions on the Company's financial and business policies need to be persons who fully understand the details of the Company's financial and business affairs and the source of the MinebeaMitsumi Group's corporate value and who will make it possible to continually and persistently ensure and enhance the MinebeaMitsumi Group's corporate value and, in turn, the common interests of its shareholders.

The Company believes that ultimately its shareholders as a whole must make the decision on any proposed acquisition that would involve a transfer of corporate control of the Company. Also, the Company would not reject a large-scale acquisition of the shares in the Company if it would contribute to the corporate value of the MinebeaMitsumi Group and, in turn, the common interests of its shareholders.

Nonetheless, there are some forms of corporate acquisition that benefit neither the corporate value of the target company nor the common interests of its shareholders including without limitation, those with a purpose that would obviously harm the corporate value of the target company and the common interests of its shareholders, those with the potential to substantially coerce shareholders into selling their shares, those that do not provide sufficient time or information for the target company's board of directors and shareholders to consider the details of the large-scale acquisition or for the target company's board of directors to make an alternative proposal and those that require the target company to discuss or negotiate with the acquirer in order to procure more favorable terms for shareholders than those presented by the acquirer.

In order for the MinebeaMitsumi Group to ensure and enhance the corporate value and, in turn, the common interests of its shareholders, it is necessary for the MinebeaMitsumi Group to efficiently and continuously develop new products, cultivate new markets, and revolutionize production technology over medium to long term through "integration." At the same time, the Group needs to globally roll out large-scale overseas mass production facilities and the vertically integrated production system using the advanced ultra-precision machining technology—the source of MinebeaMitsumi Group's corporate values—and to thoroughly refine and reinforce the "Eight Spears" core business.

Unless the acquirer in a proposed large-scale acquisition of the shares in the Company understands the source of the corporate value and the characteristics that are indispensable to enhance the corporate value of the MinebeaMitsumi Group, as well as the details of the financial and business affairs of the Company, and will ensure and realize these elements over the medium-to-long-term, the corporate value of the MinebeaMitsumi Group and the common interests of its shareholders would be harmed.

Therefore, the Company believes that persons who would make a large-scale acquisition of the shares in the Company in a manner that does not contribute to the corporate value of the MinebeaMitsumi Group or the common interests of its shareholders would be inappropriate to become persons who control decisions on the Company's financial and business policies. The Company believes that it is necessary to deter acquisitions that are detrimental to the corporate value of the MinebeaMitsumi Group and, in turn, the common interests of its shareholders.

(2) Special measures for realization of Basic Policy

The MinebeaMitsumi Group upholds the Corporate Philosophy, which aims to contribute to the society by "producing better products, in faster speed, in larger numbers, in lower cost and by smarter means." Under this philosophy, the Group will aim to fulfill its social responsibility and to maximize the corporate value for its various stakeholders, such as shareholders, business partners, local communities, global society and employees.

In line with the basic management philosophy described above, the MinebeaMitsumi Group will conduct a thorough review of productivity, aiming to significantly boost the profitability of existing products. In addition, we will work to develop new products for a new generation and expand the Electro Mechanics Solutions (EMS) business by blending the machined components technology and electronic device and component technology with the in-vehicle technology held by U-Shin Ltd. and the semiconductor technology held by MITSUMI ELECTRIC CO., LTD. and ABLIC Inc. We will also leverage the combined wealth of experience we have gained in manufacturing, sales, engineering and development to provide flexible prices and meet the needs of our customers. We will actively work on improving our profitability and increasing corporate value via M&As and alliances. At the same time, we will focus on establishing large-scale overseas mass production facilities as well as global R&D capabilities in light of regional risk assessment findings, while aiming to achieve either net sales of 2.5 trillion yen or operating income of 250 billion yen in the fiscal year ending March 31, 2029. In order to achieve these goals, the Company will endeavor to bolster organizations that make decisions regarding corporate management and carry out business, and promote the establishment, development and expansion of the internal control system in order to strengthen its corporate governance.

(3) Measures to prevent control over decisions on the Company's financial and business policies by persons deemed as inappropriate under the Basic Policy (after "countermeasures to large-scale acquisition of Minebea shares" (takeover defense measures) was resolved to be expired at the end of the 74th Ordinary General Meeting of Shareholders on June 26, 2020)

The Company will take timely, appropriate measures against large-scale purchases of the shares in the Company within the scope permitted by the Financial Instruments and Exchange Act, the Companies Act, and other related laws. We will request the purchaser to provide the necessary and sufficient information for shareholders to appropriately determine whether the large-scale purchase is acceptable, and will disclose opinions of the Board of Directors of the Company, securing the necessary time and information for shareholders to investigate the matter.

(4) Decisions and reasoning by the Company's Board of Directors regarding above measures

The Company has implemented various measures, such as the medium-term business plan and other initiatives for enhancing corporate value, and worked to reinforce the corporate governance in order to continually and persistently enhance the MinebeaMitsumi Group's corporate value and, in turn, the common interests of the Company's shareholders. Such efforts are completely in harmony with the Company's Basic Policy and not aimed at sustaining positions of officers of the Company.

(Translation)

Consolidated Statements of Financial Position (IFRS)

(As of March 31, 2021)

(Unit: millions of yen)

Assets	
Item	**Amount**
Current assets	
Cash and cash equivalents	165,479
Trade and other receivables	203,614
Inventories	171,368
Other financial assets	19,970
Other current assets	14,844
Total current assets	**575,275**
Non-current assets	
Property, plant, and equipment	293,079
Goodwill	41,439
Intangible assets	18,666
Other financial assets	23,506
Deferred tax assets	16,892
Other non-current assets	7,914
Total non-current assets	**401,496**
Total assets	**976,771**

Note: Amounts less than 1 million yen are rounded to the nearest million yen.

(Translation)

(Unit: millions of yen)

Liabilities and equity	
Item	**Amount**
Liabilities	
Current liabilities	
Trade and other payables	142,673
Bonds and borrowings	137,141
Other financial liabilities	8,798
Income taxes payable	6,689
Provisions	4,445
Other current liabilities	46,026
Total current liabilities	**345,772**
Non-current liabilities	
Bonds and borrowings	131,480
Other financial liabilities	14,408
Net defined benefit liabilities	23,122
Provisions	4,518
Deferred tax liabilities	1,603
Other non-current liabilities	1,870
Total non-current liabilities	**177,001**
Total liabilities	**522,773**
Equity	
Common stock	**68,259**
Capital surplus	**139,456**
Treasury stock	**(39,166)**
Retained earnings	**265,417**
Other components of equity	**17,175**
Total equity attributable to owners of the parent	**451,141**
Non-controlling interests	**2,857**
Total equity	**453,998**
Total liabilities and equity	**976,771**

Note: Amounts less than 1 million yen are rounded to the nearest million yen.

(Translation)

Consolidated Statements of Income

(From April 1, 2020 to March 31, 2021)

(Unit: millions of yen)

Item	Amount
Net sales	**988,424**
Cost of sales	**820,832**
Gross profit	**167,592**
Selling, general and administrative expenses	**107,785**
Other income	**5,689**
Other expenses	**14,330**
Operating income	**51,166**
Finance income	**1,482**
Finance expenses	**3,121**
Profit before income taxes	**49,527**
Income taxes	**10,740**
Profit for the year	**38,787**
Profit (loss) for the year attributable to:	
Owners of the parent	38,759
Non-controlling interests	28
Profit for the year	38,787

Note: Amounts less than 1 million yen are rounded to the nearest million yen.

(Translation)

Consolidated Statements of Changes in Equity

(From April 1, 2020 to March 31, 2021)

(Unit: millions of yen)

	Equity attributable to owners of the parent					
					Other components of equity	
	Common stock	Capital surplus	Treasury stock	Retained earnings	Foreign exchange differences on translation of foreign operations	Cash flow hedges
Balance as of April 1, 2020	68,259	134,707	(34,455)	234,667	(8,807)	(1,007)
Profit (loss) for the year				38,759		
Other comprehensive Income					23,348	331
Comprehensive income for the year	–	–	–	38,759	23,348	331
Purchase of treasury stock		(1)	(4,940)			
Disposal of treasury stock		11	229			
Dividends				(11,435)		
Transactions with non-controlling interests		4,739				
Transfer to retained earnings				3,426		
Total transactions with owners	–	4,749	(4,711)	(8,009)	–	–
Balance as of March 31, 2021	68,259	139,456	(39,166)	265,417	14,541	(676)

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Other components of equity			Total		
	Net changes in revaluation of equity instruments measured at fair value through other comprehensive income	Remeasurement of defined benefit plans	Subtotal			
Balance as of April 1, 2020	1,008	–	(8,806)	394,372	7,904	402,276
Profit (loss) for the year			–	38,759	28	38,787
Other comprehensive Income	2,170	3,558	29,407	29,407	114	29,521
Comprehensive income for the year	2,170	3,558	29,407	68,166	142	68,308
Purchase of treasury stock			–	(4,941)		(4,941)
Disposal of treasury stock			–	240		240
Dividends			–	(11,435)	(43)	(11,478)
Transactions with non-controlling interests			–	4,739	(5,146)	(407)
Transfer to retained earnings	132	(3,558)	(3,426)	–		–
Total transactions with owners	132	(3,558)	(3,426)	(11,397)	(5,189)	(16,586)
Balance as of March 31, 2021	3,310	–	17,175	451,141	2,857	453,998

Note: Amounts less than 1 million yen are rounded to the nearest million yen.

(Translation)

Notes to Consolidated Financial Statements

Basis of Presenting Consolidated Financial Statements

1. Standards for the preparation of consolidated financial statements

MinebeaMitsumi Inc. (the "Company") and its subsidiaries (collectively, the "Group") prepare consolidated financial statements by adopting International Financial Reporting Standards ("IFRS") based on Article 120, paragraph (1) of the Regulation on Corporate Accounting. In accordance with the provisions of the second sentence of the same paragraph, certain descriptions and notes required under IFRS are omitted.

2. Consolidated subsidiaries

Number of consolidated companies: 122 companies

The names of principal consolidated subsidiaries:

NMB-Minebea Thai Ltd.
NMB (USA) Inc.
NMB Technologies Corporation
New Hampshire Ball Bearings, Inc.
NMB-Minebea-GmbH
MINEBEA ELECTRONICS & HI-TECH COMPONENTS (SHANGHAI) LTD.
MINEBEA (HONG KONG) LIMITED
NMB SINGAPORE LIMITED
MINEBEA (CAMBODIA) Co., Ltd.
MITSUMI ELECTRIC CO., LTD.
U-Shin Ltd.
ABLIC Inc.

3. Application of the equity method

Affiliated companies under the equity method

Number of affiliated companies under the equity method: 0 company

4. Changes in scope of consolidation

(1) Increase in consolidated subsidiaries through business integration (7 companies)

ABLIC Inc.
and other 6 companies

(2) Decrease due to company liquidation (3 companies)

Langiaux Pesage Industrie S.A.R.L.
Metrologia S.A.R.L.
U-SHIN MANUFACTURING (SUZHOU) CO., LTD.

5. Fiscal years, etc. of consolidated subsidiaries

Of the consolidated subsidiaries, the settlement date of MINEBEA ELECTRONICS & HI-TECH COMPONENTS (SHANGHAI) LTD., MINEBEA (CAMBODIA) Co., Ltd. and 32 other companies is December 31, and preliminary financial statements prepared as of the consolidated closing date are used.

6. Accounting policies

Unless otherwise specified, the significant accounting policies applied by the Group to these consolidated financial statements apply to all periods referenced in the consolidated financial statements.

(1) Basis of consolidation

(i) Subsidiaries

Subsidiary refers to an entity controlled by the Group. The Group determines that it controls an entity when it is exposed to, or has rights to, variable returns arising from its involvement in the entity and also has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the scope of consolidation from the date that the Group acquires control, or the acquisition date, to the day that control is lost.

In the event that the accounting policies applied by a subsidiary differ from those applied by the Company, the financial statements of said subsidiary are adjusted as necessary. Additionally, debts and credits between consolidated companies, transactions between consolidated companies, and unrealized gains or losses arising from transactions within the Group are eliminated when preparing consolidated financial statements.

Non-controlling interests in subsidiaries are identified separately from the Company's equity therein. Non-controlling interest consists of the initial amount of equity on the date of business combination and changes in non-controlling interest since the date of business combination. Changes in the Company's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration is recognized directly in equity as equity attributable to owners of parent.

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary and any related non-controlling interests or other components of equity. Gains or losses arising from loss of control are recognized as profit or loss.

(ii) Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. When the Group holds between 20% and 50% of another entity's voting rights, it is presumed to have significant influence over that entity.

Associates are accounted for using the equity method from the day that significant influence is acquired by the Company to the day that it is lost. Investments in associates include goodwill recognized when acquired.

(2) Business combinations

The Group accounts for business combinations using the acquisition method on the day that control is acquired. The historical cost is measured as the total fair value of the assets transferred in exchange for control of the acquiree, the liabilities incurred, all non-controlling interests in the acquiree, and the equity instruments issued by the Company as of the acquisition date. When the consideration exceeds the fair value of the identifiable assets and liabilities, it is recorded as goodwill on the consolidated statement of financial position. Conversely, if it is less than same, it is immediately recognized as profit or loss on the consolidated statement of income. Any acquisition-related costs are recognized as profit or loss.

Contingent consideration is classified as either capital or financial liability, and the amount that is classified as financial liability is remeasured later at fair value through profit or loss. If the business combination is a step acquisition, the acquisition-date carrying amount of the acquirer's previously held equity interest in the acquire is remeasured to fair value at the acquisition date. Profit or loss arising from this remeasurement is recognized as profit or loss.

(3) Segment information

A business segment is a component of business activities from which it earns revenues and incurs expenses, including transactions with other business segments. The business results of all business segments are subject to regular review by the Board of Directors of the Company in order to determine allocation of management resources to each segment and evaluate performance, and separate financial information is available for each.

(4) Foreign currency translation

(i) Translation of foreign currency transactions

Foreign currency transactions are translated into the functional currency of each group entity at the exchange rate or approximate exchange rate as of the transaction date.

Foreign currency monetary assets and liabilities are translated into the functional currency at the exchange rate as of the reporting date. Foreign exchange differences, except translation differences arising from cash flow hedges and net changes in revaluation of equity instruments measured through other comprehensive income, are recognized as profit or loss.

(ii) Translation of a foreign operation

Translation of assets and liabilities of foreign operations in functional currencies other than the Japanese yen are translated into yen at the exchange rate as of the reporting date. Revenues and expenses are translated using the exchange rates as of the dates of the transactions, and unless the exchange rate fluctuates significantly, the average rate for the period is used. Translation differences arising from translation of the financial statements of foreign operations are recognized in other comprehensive income except when allocated to non-controlling interests. When control or significant influence is lost, the cumulative total of translation differences related to the foreign operation is recognized in profit or loss as partial gain or loss relating to disposition.

(5) Financial instruments

(i) Initial recognition and derecognition

The Group recognizes financial assets and financial liabilities on the consolidated statements of financial position only when it becomes a party to the contractual provisions of the financial instrument.

The Group derecognizes a financial asset when the rights to receive cash flows from the asset expire, or it transfers the rights to receive the cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset. Any interest in such derecognized financial assets that is retained by the Group is recognized as a separate asset or liability. The Group derecognizes a financial liability when its contractual obligations are discharged or canceled, or expire. Trade receivables and other financial assets are written off when the Group considers that there are no realistic prospects of recovery of

the balance. This is recognized when the Group has lost all reasonable means of recovering the receivable subject to impairment.
Purchases or sales of financial assets are recognized or derecognized using transaction date or settlement date accounting. The Group applies the following methods according to classification of the financial asset:

- Settlement date accounting for financial assets measured at amortized cost
- Transaction date accounting for financial assets measured at fair value through other comprehensive income ("FVOCI")
- Transaction date accounting for financial assets measured at fair value through profit or loss ("FVPL")

(ii) Classification and measurement ― Financial assets
The Group classifies financial assets into the following categories: at amortized cost, FVOCI, and FVPL.
i. Financial assets measured at amortized cost
A financial asset is classified as at amortized cost if it meets the following two criteria:

- The financial asset is held within a business model with the objective of holding financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

These assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method. The criteria for impairment in (v) below are also applied.

ii. Financial assets measured at FVOCI
A financial asset is classified as FVOCI if it meets the following two criteria:

- The financial asset is held for a business model that is achieved by both collecting contractual cash flows and selling
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Additionally, on initial recognition, the Group may choose to recognize changes in fair value in other comprehensive income for equity instruments measured at FVPL (irrevocable).
These assets measured at FVOCI are measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, the measurements below are used.

- Equity instruments
  Subsequent to initial recognition, these are measured at fair value without deducting costs of disposal. Except for dividend income, the related gains and losses (including the related foreign exchange portion) are recognized in other comprehensive income. The amount recognized in other comprehensive income is not transferred to profit or loss later.
- Liability instruments
  Subsequent to initial recognition, these are measured at fair value without deducting from sales or deducting costs of disposal. Subsequent measurement includes the following criteria:
  - Expected credit loss is recognized in profit or loss.
  - Exchange difference is calculated on an amortized cost basis and recognized in profit or loss.
  - Interest is calculated using the effective interest method and recognized in profit or loss.
  - Other gains and losses associated with fair value are recognized in other comprehensive income.
  - If an asset is derecognized, the past total gains or losses recognized in other comprehensive income are transferred from other comprehensive income to profit or loss.

iii. Financial assets measured at FVPL
Financial assets not classified as financial assets measured at amortized cost or FVOCI are classified as financial assets measured at FVPL. Additionally, assets may be irrevocably designated as measured at FVPL on initial recognition. Transaction costs directly attributable to purchase of the financial asset are recognized as profit or loss as incurred. Subsequent to initial recognition, they are measured at fair value, and any gains or losses are recognized in profit or loss.

(iii) Classification and measurement ― Financial liabilities
Financial liabilities are classified as subsequently measured at amortized cost or at FVPL. These classifications are determined on initial recognition.
i. Financial liabilities measured at amortized cost
These financial liabilities are initially recognized at the amount less any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method.

ii. Financial liabilities measured at FVPL

These financial liabilities include liabilities held with the objective of selling and liabilities designated on initial recognition as measured at FVPL and are initially recognized at fair value. Subsequent to initial recognition, these liabilities are measured at fair value and changes therein, including any interest expense, are recognized in profit or loss.

(iv) Compound financial instruments

The components of compound financial instruments issued by the Group (e.g. convertible bonds) are individually classified as financial liabilities or equity according to contractual arrangements and the respective definitions of financial liabilities and equity instruments.

The liability component of compound financial instruments is initially recognized at the fair value of a similar liability that does not have an equity component.

The equity component is initially recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. Interest related to the financial liability is recognized in profit or loss. When converted into shares, financial liabilities are transferred to equity and are not recognized in profit or loss. The equity component of a compound financial instrument is not remeasured.

(v) Impairment of financial assets

The Group recognizes a loss allowance based on expected credit loss for debt instruments and lease receivables at amortized cost or FVOCI. An expected credit loss is the weighted average of credit losses with the respective risks of a default occurring as the weights. The credit loss is the difference between contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The Group assesses expected credit losses at each reporting date to determine whether the credit risk has increased significantly since initial recognition. In its assessment, the group compares the risk of a default occurring through the expected life as at the reporting date with the risk of a default occurring as at the date of initial recognition. The Group considers all related information available that is reasonable and supportable on individual financial instruments, including historical information, to determine whether the credit risk has increased significantly since initial recognition.

For those financial assets for which credit risk has not increased significantly since initial recognition, a loss allowance at an amount equal to the 12-month expected credit loss is recognized. For those financial assets for which credit risk has increased significantly since initial recognition, a loss allowance at an amount equal to the lifetime expected credit loss is recognized. Regardless of the above, for those accounts receivable and lease receivables that do not include significant financial components, a loss allowance based on lifetime expected credit loss is recognized.

Measurement of expected credit loss reflects the following criteria:

- It reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes
- Time value of money
- Reasonable and supportable information available at the reporting date without undue cost or effort about past events, current conditions, and future economic conditions

(vi) Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends to either settle them on a net basis or to realize the asset and settle the liability simultaneously.

(vii) Derivatives and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Derivatives are initially recognized at fair value on the date the contract is entered into. Subsequent to initial recognition, derivatives are remeasured at fair value on each reporting date. Subsequent to initial recognition, the method of recognizing changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

i. Derivatives meeting criteria for hedge accounting

The Group designates derivatives as either of the following and documents the risk management objective and strategies for undertaking hedge transactions. The Group also conducts assessments, both at hedge inception and on an ongoing basis throughout each reporting period, of whether the hedging instrument, hedged items, nature of the hedge risks, and hedge relationship meet the criteria for hedge effectiveness. Changes in fair value after initial recognition are accounted for as described below.

Fair value hedge
(A hedge of the exposure to changes in fair value of a recognized asset or liability or unrecognized firm commitment that is attributable to a particular risk and could affect profit or loss)
Changes in the fair value of hedged items and hedging instruments are recognized in profit or loss.

Cash flow hedge
(A hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with all or a component of a recognized asset or liability or a highly probable forecast transaction, and could affect profit or loss)
Changes in fair value associated with hedging instruments are recognized as cash flow hedge reserve in other components of equity. The balance of the cash flow hedge reserve is transferred from other comprehensive income to profit or loss in the same item as the hedged item in the period when the cash flow of the hedged item affects profit or loss. If a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability or a hedged forecast transaction associated with a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the amount that has been accumulated in the cash flow hedge reserve is removed and included directly in the initial cost or other carrying amount of the asset or liability. The ineffective portion of the hedge is recognized in profit or loss.
For both fair value hedges and cash flow hedges, if the hedging instrument expires or is sold, terminated or exercised, or the hedge designation no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively.
The hedging relationship is rebalanced if the relationship still has an unchanged risk management objective but no longer meets the hedge effectiveness requirements regarding the hedge ratio. Rebalancing is a change made so that the hedge ratio reflects the anticipated changes in the relationship between the hedge item and hedging instrument and is affected by adjusting the weighting of either the hedged item or the hedging instrument.

ii. Derivatives not meeting criteria for hedge accounting
Subsequent to initial recognition, changes in the fair value of derivative instruments that do not meet the criteria for hedge accounting are immediately recognized as profit or loss.

(6) Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits, together with short-term investments that are readily convertible to cash and that are subject to an insignificant risk of changes in value, such as short-term deposits that have a maturity of three months or less.

(7) Inventories
Inventories are measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The cost of inventories includes direct material costs, direct labor costs, and overhead based on normal production capacity and is mainly calculated using the moving average method. However, certain products and works in process are calculated using specific identification of cost. Trade discounts, rebates, and other similar items are deducted when calculating costs of purchase.

(8) Property, plant and equipment (excluding right-of-use assets)
Subsequent to initial recognition, the cost model is applied to property, plant and equipment, and items are carried at their cost less any accumulated depreciation and any accumulated impairment losses. The cost of an item of property, plant and equipment includes borrowing costs and expenditures that are directly attributable to the acquisition as well as the present value of the estimated cost of dismantling and removing the item that meets the capitalization criteria.
Subsequent expenditure is added to the carrying amount of the asset only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the amount can be measured reliably. When it becomes necessary to replace parts on certain items of property, plant and equipment of high importance, the Group records the asset and depreciates it according to its useful life. All other repair and maintenance expenses are accounted for as expenses when incurred.
The Group classifies items of property, plant and equipment into the asset categories below and depreciates them according to the listed useful life. Depreciation begins when the asset is available for use. Excluding some machinery used to manufacture LED backlights for LCDs products (for which the declining-balance method is adopted), the main method of depreciation used is the straight-line method.

- Buildings and structures 5 to 50 years
- Machinery and vehicles 2 to 15 years
- Tools and equipment 2 to 20 years

On disposal of an item of property, plant and equipment or when future economic benefits are no longer expected from its use, it is derecognized. Gains or losses arising from derecognition are included in profit or loss when the asset is derecognized. Gains or losses are calculated as the difference between the asset's net disposal proceeds and its carrying amount. Depreciation methods, estimated useful lives, and residual values are reviewed at each reporting date, and if there are any changes, they are applied prospectively as changes in accounting estimates.

(9) Goodwill and intangible assets

(i) Goodwill

Goodwill is presented as cost less any accumulated impairment losses and is not amortized. An impairment test is carried out annually or more frequently where an indication of impairment exists. Impairment of goodwill is recognized in profit or loss, and no subsequent reversals are carried out.

(ii) Intangible assets (excluding right-of-use assets)

Subsequent to initial recognition, the cost model is applied to intangible assets, and items are carried at their cost less any accumulated amortization and any accumulated impairment losses. Intangible assets with finite useful lives are amortized using the straight-line method based on their estimated useful life. Amortization begins when the asset is available for use. Amortization methods, estimated useful lives, and residual values are reviewed at each reporting date, and if there are any changes, they are applied prospectively as changes in accounting estimates. The useful lives of intangible assets with finite useful lives are as follows:

- Software 2 to 10 years
- Patents 3 to 10 years
- Trademarks 7 to 10 years
- Customer-related assets 9 to 14 years
- Technology-related assets 5 to 20 years

Intangible assets whose useful lives cannot be confirmed are not amortized. Instead, the Group carries out impairment tests annually or more frequently where an indication of impairment exists.

(10) Leases

(i) Lessee

Lease liabilities in a lease transaction are measured on the commencement date of the lease at the present value of remaining lease payments, discounted by the lessee's incremental borrowing rate. Initial measurement of right-of-use assets is performed by adjusting the initial measurement of the lease liability on the commencement date by initial direct costs, etc., and by adding costs associated with the obligation to restore the asset to its original condition, as required by the lease agreement. Right-of-use assets are depreciated systematically over the lease term. The Group determines the lease term as the non-cancelable period of a lease, together with the periods covered by an option to extend a lease if it is reasonably certain that the lessee will exercise that option, and the periods covered by an option to terminate a lease if it is reasonably certain that the lessee will not exercise that option.

Lease payments are allocated between finance costs and the repayable portion of the remaining balance of the lease liability, so as to produce a constant periodic rate of interest on the remaining balance of the lease liability. Finance costs are classified and shown on the consolidated statements of income as a depreciation charge for the right-of-use asset.

With regard to whether an agreement is, or contains, a lease, even if the agreement does not have the legal form of lease, the Group arrives at a judgment based on the substance of the agreement.

Moreover, for leases in which the lease term ends within 12 months, or leases for which the underlying asset is of low value, lease payments for the lease in question are recognized as expenses on either a straight-line basis or some other systematic basis over the lease term.

(ii) Lessor

Leases are classified as either operating leases or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and economic rewards associated with ownership of the underlying asset, and as an operating lease if it does not transfer substantially all the risks and economic rewards associated with ownership of the underlying asset. The assessment of whether a lease is a finance lease or an operating lease is dependent not on the form of the agreement, but on the substance of the transaction.

Furthermore, when classifying a sublease, the intermediate lessor performs the classification with reference to the right-of-use asset arising from the head lease.

(11) Impairment of assets

The Group carries out an impairment test annually and when events or changes in circumstances indicate that impairment may be present, and does not amortize goodwill and intangible assets for which the useful life is not determined. For other assets, an impairment test is carried out when events or changes in circumstances indicate that impairment may be present.

An impairment loss is recognized for the amount of the difference if the impairment test shows that the recoverable amount is less than the carrying amount of the asset.

The recoverable amount refers to the value in use or the fair value after deducting costs of disposal of the cash-generating unit or cash-generating unit group (cash-generating unit, etc.), whichever is higher.

For impairment testing, assets are grouped together into the smallest group of identifiable assets (cash-generating units, etc.) that generates cash inflows that are largely independent of the cash flows of other assets or asset groups. For impairment losses recognized with respect to non-financial assets other than goodwill in previous periods, the Group considers reversing them on the last day of each reporting period.

(12) Employee benefits

(i) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

(iii) Defined benefit plans

The Group's liabilities or assets associated with defined benefit plans are calculated by deducting the fair value of any plan assets from the present value of the defined benefit obligations.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. The discount rate is determined based on the market yield of the high-quality bonds issued by the Company at the last day of the reporting period corresponding to the estimated maturity of the retirement benefit obligation.

Net interest on defined benefit obligations is calculated by applying the discount rate to the net amount of defined benefit obligations. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of defined benefit plans are recognized as other components of equity in the period in which they arise and immediately transferred from other components of equity to retained earnings.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs, eliminating the legal or constructive obligation.

(iv) Other long-term employee benefits

The Group's net obligation with respect to long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognized in profit or loss in the period in which they arise.

(v) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

(13) Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is likely that an outflow of economic resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are measured at the present value by discounting the expected future cash flows at a pre-tax rate that reflects the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

A provision for environmental remediation expenses is recognized when the land of a business site is contaminated, etc. A provision for restructuring is recognized when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. A provision for warranties is recognized when a defective product is sold and discovered and an outflow of economic resources is likely to compensate the customer.

(14) Revenue recognition

The Group recognizes revenue under the following five-step approach for contracts with customers, excluding interest and dividend income, etc. under IFRS 9 “Financial Instruments.”

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate transaction price to the performance obligations in the contract
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

Based on the approach above, the Group recognizes and measures revenue as set forth below.

(i) Sale of goods

Revenue is an increase in equity during the current period from an increase in economic benefits during the course of normal business activities and is measured at the amount of consideration the Group has earned the right to receive based on the transaction price allocated to the obligations that have already been fulfilled. Revenue is measured net of returns, trade discounts, volume rebates, and taxes on sales.

Revenue is recognized when the obligations are fulfilled by transferring control of the goods to the customer based on the arrangements with the customer. The timing of the transfer of control of goods varies depending on the individual terms of the sales agreement. In most cases, it is transferred when the goods are delivered to the customer’s warehouse. However, in some cases, it is transferred when the customer’s acceptance inspection is completed or when the goods are loaded at the port.

(ii) Rendering of services

The Group mainly provides maintenance services for sensing devices to customers. Maintenance services include inspection, process optimization, and improvement proposals. For maintenance services contracts, because obligations are fulfilled primarily over time, the contract amounts with customers are recognized as revenue over the relevant service period on a straight-line basis.

The amount of the promised consideration does not include important financial components. Consideration is generally paid within two months of fulfillment of obligations.

(15) Income taxes

Income tax expenses comprises current and deferred tax. It is recognized in profit or loss except for items recognized directly in equity or other comprehensive income.

Current tax is the estimated income taxes payable or income taxes receivable on the taxable income or loss for the year adjusted by the income taxes payable and income taxes receivable of previous years. It is measured using tax rates enacted or substantially enacted at the reporting date in the jurisdiction where the taxable income was generated by the Group and is recognized at the amount expected to be paid to (or received from) the taxation authority. Accrued income tax receivable and income tax payable are offset only if certain criteria are met.

When there is a possibility that uncertainty may arise with respect to the Group’s tax position, the Group recognizes the impact of the tax position in the consolidated financial statements based on its assessment of various factors, including interpretation of tax law and past experience.

Deferred tax is recognized with respect to temporary differences between the carrying amounts of assets and liabilities on the consolidated financial statements and the amounts used for taxation purposes, loss carried forward, and tax credits carried forward. Deferred tax assets and liabilities are not recorded for the following temporary differences:

- Temporary differences arising on the initial recognition of goodwill
- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss
- Taxable temporary differences related to investments in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future
- Deductible temporary differences related to investments in subsidiaries and associates that the Group probably will not reverse in the foreseeable future

Excluding the temporary differences above, deferred tax liabilities are, in principle, recognized for all taxable temporary differences. Deferred tax assets are recognized to the extent that it is probable that taxable income

will arise considering the timing of reversal of taxable temporary differences, tax planning, and other such factors.
Deferred tax assets and liabilities are measured using the statutory effective tax rate expected to be applied in the period that the assets or liabilities are settled based on the tax rate and tax law enacted or substantially enacted at the last day of the period.
Deferred tax assets and liabilities are offset only when a legally enforceable right of offset exists for the related accrued income tax receivable and income tax payable and the deferred tax assets and liabilities arose in the same tax jurisdiction and relate to the same taxable entity.

(16) Capital
(i) Common stock and capital surplus
Ordinary shares issued by the Group are classified as equity, and the issue price is recorded in common stock and capital surplus. Cost directly related to issuance of ordinary shares are deducted from equity.

(ii) Treasury stock
When the Group repurchases ordinary shares, the amount of consideration paid is recognized as a deduction from equity. Repurchased shares are classified as treasury stocks. When treasury stocks are sold or reissued subsequently, the amount received is recognized as an increase in equity. The difference between the carrying amount and the amount received is recognized as capital surplus.

(iii) Dividends
The amount available for dividends is calculated based on the Companies Act of Japan. A liability is recognized for dividends that were properly approved before the last day of the fiscal year that were not yet distributed as of the end of the fiscal year.

(17) Earnings per share
Basic earnings per share is calculated by dividing the net profit or loss attributable to owners of the parent by the adjusted weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. With regard to convertible bonds with warrants, consideration is given to the increase in profit attributable to owners of the parent arising from a decrease in interest cost associated with an increase in the number of ordinary shares and a decrease in convertible bonds with warrants on redemption.

(18) Others
Accounting method of consumption taxes
Consumption tax and other related taxes are excluded from revenue and purchases of the Company.

Adoption of consolidated taxation system
The Company, some of its domestic consolidated subsidiaries, and some consolidated overseas subsidiaries in the same region have adopted the consolidated taxation system.

7. Notes to accounting estimates
Preparing the consolidated financial statements requires determinations, estimates and assumptions by the management that affect the reported amounts of assets and liabilities on the settlement date and the reported income and costs during the reporting period. Such determinations and estimates, and assumptions that serve the basis of them, are continually reviewed taking any rationally possible factors into consideration, including past experience and possible future occurrences that may pose financial impacts on the Group. The actual results may differ from such estimates.
With regard to COVID-19, the Group has continued its business activities while taking strict measures against infection. At present, operation levels are approximately the same as the normal time except for a few subsidiaries; however, production and sales activities of the Group may be significantly impacted if business activities and movements are restricted again, such as suspension of factories, by requests of the respective government.
The following are items at serious risk of major amendment due to uncertainty of the assumptions and estimates.

(1) Measurement of the fair value of unlisted stocks
The Group determines fair values of stocks that are not exchanged in active markets by using valuation techniques. The Group deploys the approach to select various valuation methods, and sets the assumption based on the market condition mainly on each reporting date. The asset balance of unlisted stocks at the end of the fiscal year under review was 4,040 million yen. See “10. Notes relating to financial instruments” for details of valuation techniques.

(2) Impairment test of assets

The Group carries out an impairment test annually and when events or changes in circumstances indicate that impairment may be present, and does not amortize goodwill and intangible assets for which the useful life is not determined. For other assets, an impairment test is carried out when events or changes in circumstances indicate that impairment may be present. Balances of property, plant and equipment, goodwill, and intangible assets at the end of this fiscal year were 293,079 million yen, 41,439 million yen, and 18,666 million yen, respectively. The recoverable amount for each cash-generating unit or cash-generating unit group (cash-generating unit, etc.) is the fair value or the value in use that involves the use of assumption, whichever is higher. With regard to the calculation of the value in use, the Group deploys the cash flow forecast based on the business plan three or five years into the future approved by the management. Cash flow beyond the term of the business plan approved by the management is estimated by the anticipated growth rate. The anticipated growth rate is calculated based on the long-term economic growth rate and inflation rate, and kept consistent with forecasts specific to industries where each cash-generating unit, etc. conducts business operations.

For the impairment test of assets including property, plant and equipment and intangible assets except goodwill, specific estimates and assumptions are used for expected useful lives, the future cash flow, the discount rate, and long-term growth rate. The recoverable amount is calculated mainly based on the discounted cash flow model. These estimates and assumptions are based on all information and evidence that are available to the management. However, such assumptions may be influenced by uncertain changes in the future economic climate, and may greatly impact the consolidated financial statements in the following fiscal year onwards.

(3) Measurement of retirement benefit liabilities

The Group has various retirement benefit plans including the defined benefit plan. The balance of retirement benefit liabilities at the end of this fiscal year was 23,122 million yen. The present value of defined benefit liabilities of these plans and associated service costs are calculated based on actuarial assumptions. The actuarial assumptions include estimated variables such as the discount rate, pay rise rate, inflation rate, etc. The Group has obtained advice from external pension actuaries on appropriateness of actuarial assumptions including these variables. These actuarial assumptions are determined based on all information and evidence that are available to the management. However, such assumptions may be influenced by uncertain changes the future economic climate, and revisions and promulgation of related laws and regulations. The resulting review of assumptions may greatly impact the consolidated financial statements in the following fiscal year onwards.

(4) Accounting method for provisions and contingencies

The Group recognizes various provisions in the consolidated statements of financial position. The balance of provisions at the end of this fiscal year was 8,963 million yen. These provisions are recognized based on the best estimates of payments to liabilities, which take into consideration risks and uncertainty related to the liabilities on the reporting date. The payment to liabilities are calculated by comprehensively taking into consideration any possible events that may occur in the future.

The main example would be in the Group’s automotive business. The Group may conclude an agreement with an automobile manufacturer to pay a certain percentage or certain amount of the costs incurred in the event of some service campaigns or a recall issued by the automobile manufacturer. Therefore, the Group recognizes the provision for after-care of products for such costs.

The estimates may be influenced by unexpected events and changes in circumstances, and may greatly impact the consolidated financial statements in the following fiscal year onwards.

With regard to contingencies, items which may impact seriously on businesses in the future are disclosed based on all available evidence as of the reporting date as well as probability of their occurrences and associated financial impacts.

Others

The Group also carries out specific estimates and assumptions important to understand the consolidated financial statements of the Group, although the level of uncertainty of those are lower than that of the above estimates and assumptions. These estimates are related to the net realizable value of inventories and the useful lives of specific items in the property, plant and equipment.

8. Notes to consolidated statements of financial position, etc.

Contingent liabilities

Although there are possibilities that the Group may bear part of costs incurred by faults in automotive parts that the Group supplied to customers, the provision is not recorded because estimating the amount rationally is currently difficult.

9. Notes to consolidated statements of changes in equity

(1) Matters relating to class and total number of issued shares and class and total number of treasury stock

Class of shares	Shares at beginning of current FY (shares)	Increased shares in current FY (shares)	Decreased shares in current FY (shares)	Shares at end of current FY (shares)
Issued shares				
Common stock	427,080,606	–	–	427,080,606
Total	427,080,606	–	–	427,080,606
Treasury stock				
Common stock (Note)	18,676,128	1,742,368	193	20,418,303
Total	18,676,128	1,742,368	193	20,418,303

Notes:

1. *The increase of 1,742,368 shares in the number of treasury stock of common stock reflects the increase of 1,738,500 shares from acquisition of treasury stock in accordance with a resolution of the Board of Directors and the increase of 3,868 shares from the purchase of fractional shares.*
2. *The decrease of 193 shares in the number of treasury stock of common stock reflects the decrease from the additional purchase of fractional shares.*
3. *The number of treasury stock of common stock includes our shares owned by the trust account for the Board Benefit Trust (122,800 shares at the end of this fiscal year) approved in the 74th Ordinary General Meeting of Shareholders held on June 26, 2020.*

(2) Matters relating to dividends from surplus

(i) Amount of dividends paid

Matters on dividends by the resolution of the Meeting of the Board of Directors held on May 15, 2020

Total amount of dividends: 5,718 million yen
Dividend per share: 14.00 yen
Record date: March 31, 2020
Effective date: June 3, 2020

Matters on dividends by the resolution of the Meeting of the Board of Directors held on November 6, 2020

Total amount of dividends: 5,718 million yen
Dividend per share: 14.00 yen
Record date: September 30, 2020
Effective date: November 30, 2020

Note: Total amount of dividends does not include 2 million yen of dividends to the trust account for the Board Benefit Trust. This is because the Company recognizes the shares of the Company owned by the trust account for the Board Benefit Trust as its treasury stock.

(ii) Dividends with a record date that falls within the current fiscal year but an effective date in the following fiscal year

The following proposal will be submitted to the 75th Ordinary General Meeting of Shareholders to be held on June 29, 2021.

Total amount of dividends: 8,947 million yen
Source of dividends: Retained earnings
Dividend per share: 22 yen (ordinary dividend of 14 yen and commemorative dividend of 8 yen)
Record date: March 31, 2021
Effective date: June 30, 2021

Note: Total amount of dividends does not include 3 million yen of dividends to the trust account for the Board Benefit Trust. This is because the Company recognizes the shares of the Company owned by the trust account for the Board Benefit Trust as its treasury stock.

(3) Matters related to subscription rights to shares at the end of this fiscal year

Filing company (parent company)

	Series I subscription rights to shares	Series II subscription rights to shares	Series III subscription rights to shares
Class of shares underlying subscription rights to shares	Common stock	Common stock	Common stock
Number of shares underlying subscription rights to shares	10,000 shares	10,000 shares	6,000 shares
Outstanding balance of subscription rights to shares	2 million yen	3 million yen	7 million yen

10. Notes relating to financial instruments

(1) Matters relating to financial instruments

(i) Policy on handling of financial instruments

The Group procures necessary funds (primarily through bank loans and issuance of corporate bonds) in light of its capital expenditure plan. Temporary surplus funds are invested mainly in highly liquid financial assets while short-term operating funds are procured through bank loans. The Company, by policy, utilizes derivatives to evade risks described hereafter and not for the purpose of speculative transactions.

(ii) Contents of financial instruments and associated risks

Notes and accounts receivable, which are operating receivables, are exposed to the credit risk of customers. Although foreign currency-based receivables that arise in conducting business in overseas are exposed to FX rate fluctuation risk, the Company, as a general rule, hedges the risk with the use of exchange forward contracts with the exception of any receivable item within the outstanding balance of accounts payable, which are operating payables, in the same foreign currency.

Equity instruments are stocks of companies with which the Company holds business relationships, and are exposed to market price fluctuation risk. Long-term loans receivable are mainly loans to business partners.

As for notes and accounts payable, which are operating payables, most of the items are due for payment within 6 months. Though some of them are foreign currency-based and are exposed to FX rate fluctuation risk, the Company hedges the risk with the use of exchange forward contracts with the exception of any payable item within the outstanding balance of accounts receivable, which are operating receivable, in the same foreign currency.

Bank loans, corporate bonds and lease obligations relating to finance lease transactions are executed for the purpose of procuring funds primarily for capital expenditures. While these obligations, in part, are exposed to interest rate fluctuation risk, the Company hedges the risk with the use of derivative transactions (interest rate swaps).

The convertible bond-type bonds with subscription rights to shares were inherited as a consequence of the business integration with MITSUMI ELECTRIC CO., LTD., and carry a redemption date of August 3, 2022.

Derivative transactions are exchange forward contracts executed for the purpose of hedging FX rate fluctuation risk associated with foreign currency-based operating receivables and payables, interest rate swaps executed for the purpose of hedging interest rate fluctuation risk associated with bank loans, and copper price swaps to hedge price fluctuation risks for sale and purchase contracts of raw materials. With respect to hedging instruments and hedged items, hedge policy and method of assessing hedge effectiveness; please refer to “(5) Financial instruments” in “6. Accounting policies” under Basis of Presenting Consolidated Financial Statements previously described.

(iii) Risk management system relating to financial instruments

(a) Management of credit risk (risk associated with breach of contract, etc. by customer)

Credit risk is the risk that counterparties of financial assets held will default on contractual obligations, and the Group will incur a financial loss. The Group’s system is to control due dates and outstanding balance by customer, while also periodically monitoring the credit status of its major customers, in accordance with its credit management regulations. As of the end of the fiscal year, there were no specific customers with outstanding accounts receivable exceeding 10% of the Group’s outstanding accounts receivable. In regard to financial assets other than accounts receivable, credit risk is not concentrated in terms of credit rating. In addition, the Group conducts derivatives transactions only with financial institutions, etc. with a high level of creditworthiness, and these transactions’ effect on credit risk is thus limited. Furthermore, the Group is not exposed to any credit risk excessively concentrated in a specific counterparty or group to which a specific counterparty belongs. The carrying amount of the allowance for doubtful receivables for financial assets presented on consolidated financial statements is the Group’s maximum exposure to the credit risk of financial assets.

(b) Management of liquidity risk

Liquidity risk is the risk that the Group will be unable to make payments to fulfill its obligations to repay financial liabilities whose due date has arrived on the payment dates of those liabilities. The Group manages liquidity risk by preparing appropriate funds for repayment, while also securing lines of credit that may be used as needed from financial institutions, and monitoring cash flow plans and results on an ongoing basis. The Group manages liquidity risk by having the responsible department timely develop and update the funding plan based on reports from each of the departments and by maintaining short-term liquidity. Consolidated subsidiaries also exercise similar management.

(c) Management of foreign currency risk

The Group operates its businesses internationally, and is therefore exposed to foreign currency risk on operating receivables and payables. In order to manage foreign currency risk, the Group monitors fluctuations in exchange rates on an ongoing basis, and uses forward exchange contracts to reduce currency risk.

(d) Management of interest rate risk
The Group is exposed to various forms of interest rate risk in its business activities, and fluctuations in interest rates have a particularly significant effect on borrowing costs. The Group uses interest rate swaps to reduce interest rate risk.

(iv) Supplementary explanation on matters relating to the fair value of financial instruments, etc.
The fair value of financial instruments includes, in addition to the value based on market value, a value rationally computed in the absence of market value. The computation of such a value incorporates fluctuation factors, and as different preconditions, etc. are adopted, the value may be subject to fluctuation.

(2) Matters relating to the fair value of financial instruments, etc.
Amount on the consolidated statements of financial position as of March 31, 2021 and fair value are as follows.

	Carrying amount (millions of yen)	Fair value (millions of yen)
Current portion of long-term debt	2,964	2,966
Bonds	14,816	15,112
Convertible bond-type bonds with subscription rights to shares	19,974	19,975
Long-term debt	96,690	97,617

Furthermore, financial assets and financial liabilities other than bonds and borrowings are omitted as their carrying amounts are approximately equal to fair value. In addition, financial instruments measured at fair value on an ongoing basis are omitted as their carrying amounts are equal to fair value.

Computation method for fair value
The fair value of bonds and borrowings is calculated based on their present value obtained by discounting future cash flows using the expected interest rate if a similar contract was newly executed. Furthermore, the carrying amount is used for the fair value of borrowings with variable interest rates, as the interest rate is adjusted on a short-term basis and the carrying amount is approximately equal to the fair value.

11. Notes to per share information
(1) Equity attributable to owners of the parent per share 1,109.38 yen
(2) Earnings per share, basic 94.95 yen

12. Notes to business combinations
ABLIC Inc.
On April 30, 2020, the Company acquired 100% of the voting rights of ABLIC Inc. ("ABLIC") and made ABLIC a subsidiary of the Company.
The Company's basic strategy is to identify the products as its core business called the "Eight Spears" in which the Company can demonstrate its strength, such as super-precision processing technologies and mass production technologies, and which would not be easily eliminated from the market, and to provide the customers with new values by combining and integrating such products. Because analog semiconductors, one of the "Eight Spears," are important input-output components of IoT technologies, which is a business area that the Company is focusing on, the Company intends to further expand its analog semiconductor business by enhancing its product portfolio and entering new application markets.
ABLIC is a semiconductor manufacturer based on watch-related technologies with a large number of unique products that utilize low-current consumption, low-voltage operation and ultra-small packaging technologies, mainly analog ICs, such as voltage regulators / voltage detectors and lithium-ion battery protection ICs for consumer products, automotive EEPROM[*1], and ultrasound imaging ICs for medical devices. In addition, in the growing markets such as those for automotive devices, medical devices, and IoT/wearable devices[*2], ABLIC has realized a continuous design-win[*3].
ABLIC and the Company have respective product portfolios which can be complemented each other, and the acquisition of shares will enable us to achieve multiple synergistic effects. In respect of research and development, the acquisition of shares will enable the Company to develop and manufacture products with even higher performance and quality by integrating both companies' advanced technologies. In addition, when it comes to manufacturing, the Company will be able to improve quality and productivity and strengthen both companies' BCP[*4] responsiveness through joint production activities at the wafer process and assembly and testing process plants of both companies and by sharing industrial technologies and know-how seamlessly between the companies. Furthermore, the Company expects to generate synergies that are not limited to the semiconductor

field, such as the mutual use of the sales channels of the Group and ABLIC, and the application by ABLIC of the knowledge possessed by other divisions of the Company to the development of new products. Through the acquisition of shares, the Company will strengthen its efforts to expand the sales of high value-added products targeting medical devices as well as products targeting the industrial/housing device market and enhance the expansion of its market share in the car infotainment[*5] market.
Furthermore, the Company published its "Targets for the Next Decade" in May 2019, with target sales of 2.5 trillion yen and target operating income of 250 billion yen for its Group, and has been making company-wide efforts towards such targets. Specifically, for the semiconductor business, the present targets are sales of 100 billion yen and operating margin of 10%. Through the acquisition of shares, the Company has built a solid foundation for achieving these targets. The Company will contribute to the re-growth of the Japanese semiconductor industry by promptly expanding the scale of its semiconductor business and enhancing its position in the analog semiconductor market.

*1. "EEPROM" is a type of non-volatile memory whose recorded content is not deleted even after the power supply is disconnected and can be rewritten electronically.
*2. "Wearable devices" mean electronic devices that can be worn when in use.
*3. "Design-win" refers to cases where it has been determined that the company's own product will be adopted in a customer's new product.
*4. "BCP" is an abbreviation of Business Continuity Plan and means a plan to prevent the interruption of business activities in the event of natural disasters or other events, or to restore business operations at an early stage in case of such an interruption.
*5. "Car infotainment" means in-vehicle information and entertainment systems.

The fair value of consideration paid, and the fair value of assets acquired and liabilities assumed as of the date of acquisition are as follows:

(millions of yen)

	Amount
Fair value of consideration paid (cash)	35,363
Fair value of assets acquired and liabilities assumed	
Cash and cash equivalents	11,203
Other current assets	12,719
Property, plant, and equipment	10,338
Intangible assets	5,599
Other non-current assets	5,470
Current liabilities	(12,053)
Non-current liabilities	(20,590)
Fair value of assets acquired and liabilities assumed (net)	12,686
Goodwill	22,677

The full amount of acquisition-related costs of 333 million yen pertaining to this business combination has been recorded under "selling, general and administrative expenses" in the consolidated statements of income.
Goodwill acquired mainly pertains to excess earnings potential expected as a result of ABLIC's production technology and sales capabilities. Goodwill does not include any amount expected to be deductible for tax purposes.

Cash flows related to the acquisition are as follows:

(millions of yen)

	Amount
Cash and cash equivalents used in the acquisition	(35,363)
Cash and cash equivalents held by the acquired company at the time of acquisition	11,203
Payments for acquisition of subsidiary's shares	(24,160)

The Group's consolidated statements of income include 29,121 million yen and 3,096 million yen in net sales and profit for the year, respectively, from ABLIC on or after the date of the acquisition. In addition, assuming that this business combination had been conducted at the beginning of the fiscal year, it has been calculated that the amount of net sales and profit for the year attributable to the Group in the fiscal year under review (on a pro forma basis) would be 31,519 million yen and 3,013 million yen, respectively. This pro forma information has not received audit certification.

13. Notes to subsequent events
Not applicable.

(Translation)

Non-Consolidated Balance Sheet (Japanese GAAP)

(As of March 31, 2021)

(Unit: millions of yen)

Assets	
Item	**Amount**
Current assets	**162,834**
Cash and deposits	11,014
Notes receivable	4,029
Accounts receivable	100,001
Purchased goods	5,467
Finished goods	1,186
Work in process	4,891
Raw materials	1,838
Supplies	94
Goods in transit	1,361
Advance payments - trade	124
Prepaid expenses	1,001
Short-term loans receivable from affiliates	27,290
Accounts receivable - other	3,810
Advances paid	62
Other	658
Fixed assets	**414,687**
Tangible fixed assets	**43,592**
Buildings	16,166
Structures	802
Machinery and equipment	5,632
Vehicles	18
Tools, furniture and fixtures	2,784
Land	14,812
Leased assets	29
Construction in progress	3,347
Intangible assets	**2,929**
Goodwill	103
Patents	56
Design rights	18
Software	2,720
Other	30
Investments and other assets	**368,164**
Investment securities	5,109
Investment securities in affiliates	304,451
Investments in capital	0
Investments in capital in affiliates	54,417
Long-term prepaid expenses	266
Deferred tax assets	3,548
Other	390
Allowance for doubtful receivables	(18)
Deferred asset	**183**
Bond issuance expenses	183
Total assets	577,705

Note: Amounts less than 1 million yen are omitted.

(Translation)

(Unit: millions of yen)

Liabilities and equity	
Item	**Amount**
Liabilities	
Current liabilities	**198,713**
Accounts payable	83,885
Short-term debt	98,780
Current portion of long-term debt	500
Lease obligations	9
Accounts payable - other	3,855
Accrued expenses	1,897
Accrued income taxes	2,411
Deposits received	427
Deferred income	1
Accrued bonuses	5,047
Accrued bonuses for directors	404
Provision for after-care of products	59
Other	1,431
Long-term liabilities	**128,266**
Bonds	15,000
Convertible bond-type bonds with subscription rights to shares	20,124
Long-term debt	90,500
Lease obligations	21
Provision for retirement benefits	2,140
Provision for retirement benefits for executive officers	146
Provision for environmental remediation expenses	157
Other	176
Total liabilities	**326,979**
Net assets	
Shareholders' equity	**249,903**
Common stock	**68,258**
Capital surplus	**147,739**
Additional paid-in capital	126,800
Other	20,938
Retained earnings	**73,071**
Legal reserve	2,085
Other	70,986
Reserve for reduction entry	2,188
General reserve	6,500
Retained earnings carried forward	62,297
Treasury stock	**(39,165)**
Valuation, translation adjustments and others	**808**
Difference on revaluation of available-for-sale securities	**922**
Deferred gains or losses on hedges	**(114)**
Subscription rights to shares	**13**
Total net assets	**250,725**
Total liabilities and net assets	**577,705**

Note: Amounts less than 1 million yen are omitted.

(Translation)

Non-Consolidated Statement of Income

(From April 1, 2020 to March 31, 2021)

(Unit: millions of yen)

Item	Amount	
Net sales		**576,634**
Cost of sales		**537,901**
Gross profit		**38,732**
Selling, general and administrative expenses		**36,124**
Operating income		**2,608**
Non-operating income		
Interest income	160	
Dividends income	20,031	
Rent income of fixed assets	63	
Dividends from insurance	201	
Other	510	**20,966**
Non-operating expenses		
Interest expenses	740	
Interest on bonds	(41)	
Foreign exchange losses	434	
Commission for purchase of treasury stock	1	
Other	142	**1,277**
Ordinary income		**22,297**
Extraordinary gain		
Gain on sales of fixed assets	4	
Subsidy income	92	**96**
Extraordinary loss		
Loss on sales of fixed assets	34	
Loss on disposal of fixed assets	6	
COVID-19 related costs	1,253	**1,294**
Income before income taxes		**21,100**
Current income taxes (including enterprise tax)	2,117	
Deferred income taxes	(472)	**1,644**
Net income		**19,455**

Note: Amounts less than 1 million yen are omitted.

(Translation)

Non-Consolidated Statement of Changes in Net Assets

(From April 1, 2020 to March 31, 2021)

(Unit: millions of yen)

	Shareholders' equity								
		Capital surplus			Retained earnings				
						Other			
	Common stock	Additional paid-in capital	Other	Total capital surplus	Legal reserve	Reserve for reduction entry	General reserve	Retained earnings carried forward	Total retained earnings
Balance as of April 1, 2020	68,258	126,800	20,927	147,728	2,085	2,188	6,500	54,277	65,051
Changes									
Cash dividend from retained earnings				–				(11,435)	(11,435)
Net income				–				19,455	19,455
Purchase of treasury stock				–					–
Disposal of treasury stock			11	11					–
Changes (net) in non-shareholders' equity items				–					–
Total changes	–	–	11	11	–	–	–	8,019	8,019
Balance as of March 31, 2021	68,258	126,800	20,938	147,739	2,085	2,188	6,500	62,297	73,071

	Shareholders' equity		Valuation, translation adjustments and others				
	Treasury stock	Total shareholders' equity	Difference on revaluation of available-for-sale securities	Deferred gains or losses on hedges	Total valuation, translation, adjustments and others	Subscription rights to shares	Total net assets
Balance as of April 1, 2020	(34,454)	246,583	87	(0)	86	13	246,683
Changes							
Cash dividend from retained earnings		(11,435)			–		(11,435)
Net income		19,455			–		19,455
Purchase of treasury stock	(4,940)	(4,940)			–		(4,940)
Disposal of treasury stock	229	240			–		240
Changes (net) in non-shareholders' equity items		–	835	(113)	721		721
Total changes	(4,710)	3,320	835	(113)	721	–	4,041
Balance as of March 31, 2021	(39,165)	249,903	922	(114)	808	13	250,725

Note: Amounts less than 1 million yen are omitted.

(Translation)

Notes to Non-Consolidated Financial Statements

Significant Accounting Policies

(1) Standards and method of valuation of assets

Marketable securities

Investments securities in subsidiaries:

Stated at cost determined by the moving average method.

Other marketable securities:

Securities with market value

Market value method based on market prices and other conditions at the end of the term. (The revaluation differences are accounted for based on the direct net assets method and the sales costs are calculated by the moving average method.)

Securities without market value

Non listed marketable securities are stated at cost determined by the moving average method.

Derivatives

Market value method

Inventories

Purchased goods:	Stated at cost determined by the moving average method (the balance sheet amounts of the inventories are calculated at the lowered book values reflecting potential decline in profitability).
Finished goods:	Stated at cost determined by the moving average method (the balance sheet amounts of the inventories are calculated at the lowered book values reflecting potential decline in profitability).
Work in process:	Stated at cost determined by the moving average method for bearings, fasteners, and motors (the balance sheet amounts of the inventories are calculated at the lowered book values reflecting potential decline in profitability). Stated at cost determined respectively for sensing devices (measuring components), special motors and special devices (the balance sheet amounts of the inventories are calculated at the lowered book values reflecting potential decline in profitability).
Raw materials:	Stated at cost determined by the moving average method (the balance sheet amounts of the inventories are calculated at the lowered book values reflecting potential decline in profitability).
Supplies:	Stated at cost determined by the moving average method (the balance sheet amounts of the inventories are calculated at the lowered book values reflecting potential decline in profitability).

(2) Depreciation

Tangible fixed assets (excluding leased assets):

Depreciation of tangible fixed assets is made on the straight-line method.

Their major useful lives are as follows:

Buildings and structures	5 to 50 years
Machinery and equipment	2 to 15 years
Tools, furniture and fixtures	2 to 20 years

They also collectively show equal charges for small depreciable assets (whose acquisition values are not less than 100,000 yen and less than 200,000 yen) over the 3 years each fiscal year.

Intangible assets (excluding leased assets):

Depreciation of intangible fixed assets is made on the straight-line method.

The goodwill is equally amortized for 10 years.

The depreciation method of software (for internal use) is computed on the straight-line method based on our expected useful period (5 to 10 years).

Leased assets:

Lease assets related to finance lease transactions that do not transfer ownership

The Company adopts the straight-line method of making lease periods depreciable lives and salvage values zero.

Long-term prepaid expenses:

Depreciation of long-term prepaid expenses is made on the straight-line method.

(3) Translation of foreign currency assets and liabilities

Foreign currency monetary receivables and payables are translated into yen at the exchange rate on the balance sheet date. The resulting exchange differences are accounted for as an exchange gain or loss.

(4) Allowances

Allowance for doubtful receivables:

We post in the amount required for the estimated uncollectible receivables based on actual losses of trade receivables and on collectability of specific receivables with loss possibilities.

Accrued bonuses:

To make preparations for the payment of bonuses to employees, accrued bonuses are shown based on the estimated amount of payment.

Accrued bonuses for directors:

To make preparations for the payment of bonuses to directors, allowance for bonuses to directors is shown based on the amount of payment estimated in the fiscal year under review.

Provision for retirement benefits:

To provide for payment of employee retirement benefits, the Company reported a provision for retirement benefits or prepaid pension costs, based on estimated retirement benefit debts and pension assets at the end of the current term.

(i) Method of attributing expected retirement benefits to periods
We calculate retirement benefit obligations by attributing projected benefit obligations to periods up to the end of the current fiscal year on a benefit formula basis.

(ii) Method of recognizing actuarial gains and losses and past service costs in profit or loss
Unrecognized past service costs are amortized using the straight-line method over a period of 10 years as cost.
Over the 5 years from the following term after the differences accrue, the Company will charge differences in mathematical calculation to expenses in accordance with the straight-line method.

Provision for retirement benefits for executive officers:

To provide for payment of retirement allowance to executive officers, we post retirement allowances to be required for payment at the end of the current fiscal year in accordance with regulations.

Provision for after-care of products:

We post reasonably projected amounts to be incurred in the future as expenses for after-care of products.

Provision for environmental remediation expenses:

We post reasonably projected amounts to be incurred in the future as environment-related expenses.

(5) Accounting method of hedge transactions

(i) Method of hedge accounting
The Company adopts the deferred hedge method. The Company also adopts the special method to account for the interest rate swaps, which meet the requirements of special accounting.

(ii) Hedging instruments and hedged items
(Hedging instruments)
Forward exchange contracts
Interest rate swaps
(Hedged items)
Anticipated transactions in foreign currencies
Interest rates on borrowings

(iii) Hedge policy
Under the guidance of its Corporate Finance Department, the Company makes forward exchange contracts to hedge risks in foreign exchange fluctuations arising from export and import transactions. The Company also makes interest rate swaps to hedge fluctuation risks in interest rates on borrowings.

(iv) Method of assessing hedge effectiveness
Regarding forward exchange contracts, in principle, the Company allocates them to anticipated transactions in foreign currencies with same maturities and same amounts in foreign currency at closing of forward exchange contracts in accordance with the risk management policy. This completely ensures correlations reflecting subsequent exchange rate fluctuations. The Company assesses hedge effectiveness based upon such correlations.
Also, regarding interest rate swaps, the Company assesses hedge effectiveness based upon the fulfillment of the accounting requirements for special treatment.

(6) Others
   (i) Amortization of deferred asset
   Deferred asset is equally amortized over the term of bonds issued (10 years).
   (ii) Accounting method for retirement benefits
   The accounting method for the outstanding balances of unrecognized actuarial gains and losses and unrecognized past service costs is different from the accounting method for these balances in the consolidated financial statements.
   (iii) Accounting method of consumption taxes
   Consumption tax and other related taxes are excluded from revenue and purchases of the Company.
   (iv) Adoption of consolidated taxation system
   The Company and some of its domestic consolidated subsidiaries have adopted the consolidated taxation system, with the Company as the consolidated taxable parent company.
   (v) Application of tax effect accounting in relation to transition from consolidated taxation system to group tax sharing system
   In regard to the transition to the group tax sharing system created in the Act for Partial Amendment of the Income Tax Act, etc. (Act No. 8 of 2020) and accounting items for which the single-entity taxation system was revised in line with the transition to the group tax sharing system, the amounts of deferred tax assets and deferred tax liabilities are based on the provisions of the laws on taxation prior to amendment, and the provisions of paragraph (44) of the Implementation Guidance on Tax Effect Accounting (Accounting Standards Board of Japan (ASBJ) Statement No. 28, February 16, 2018) have not been applied, in accordance with the treatment provided for in paragraph (3) of the Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System (ASBJ PITF No. 39, March 31, 2020).

Notes to changes in presentation

The Accounting Standard for Disclosure of Accounting Estimates (ASBJ Statement No. 31, March 31, 2020) has been applied starting from the non-consolidated financial statements for the end of this fiscal year, and notes to accounting estimates that are critical for these financial statements are described.

Notes to accounting estimates

(1) Valuation of subsidiaries' shares and investments in capital
   For subsidiaries' shares and investments in capital, their acquisition costs are recorded in the balance sheet, but appropriate reduction is made and the valuation differences are counted in the loss for the year under review if the actual value decreases significantly due to a deterioration of the financial position of the given company unless the possibility of its recovery can be proven with ample evidence.
   Among subsidiaries' shares, the actual value of U-Shin Ltd. is calculated to reflect its excess earnings potential, and estimates and assumptions for the excess earnings potential are determined based on all information and evidence that are available to the management. However, such assumptions may be influenced by uncertain changes in the future economic climate, and may greatly impact the non-consolidated financial statements in the following fiscal year onwards.
   Among subsidiaries' shares, the balance of investments in U-Shin Ltd. at the end of this fiscal year was 33,238 million yen.

(2) Impairment test of assets
   Balances of tangible fixed assets and intangible assets at the end of this fiscal year were 43,592 million yen and 2,929 million yen, respectively. Descriptions of the estimates are the same as the descriptions under "Notes to Consolidated Financial Statements," "7. Notes to accounting estimates," "(2) Impairment test of assets" in the consolidated financial statements.

(3) Measurement of retirement benefit liabilities
   The balance of provision for retirement benefits at the end of this fiscal year was 2,140 million yen. Descriptions of the estimates are the same as the descriptions under "Notes to Consolidated Financial Statements," "7. Notes to accounting estimates," "(3) Measurement of retirement benefit liabilities" in the consolidated financial statements.

(4) Accounting method for provisions and contingencies
   The balance of provisions excluding the provision for retirement benefits at the end of this fiscal year was 5,835 million yen. Descriptions of the estimates are the same as the descriptions under "Notes to Consolidated Financial Statements," "7. Notes to accounting estimates," "(4) Accounting method for provisions and contingencies" in the consolidated financial statements.

(5) Others
Descriptions are the same as the descriptions under "Notes to Consolidated Financial Statements," "7. Notes to accounting estimates," "Others" in the consolidated financial statements.

Notes to Non-Consolidated Balance Sheet

(1) Accumulated depreciation of tangible fixed assets: 64,794 million yen

(2) Contingent liabilities
Guarantee liabilities
The Company has provided the following companies with guarantees for their bank borrowings, etc.

Guarantee	Amount (millions of yen)
NMB-Minebea-GmbH	13,398
NMB-Minebea Thai Ltd.	6,279
MINEBEA (CAMBODIA) Co., Ltd.	4,981
Minebea Intec GmbH	2,952
3 other companies	360
Total	27,972

(3) Monetary receivables from and monetary payables to affiliates:
Short-term receivables (excluding short-term loans receivables from affiliates) 66,616 million yen
Short-term payables 69,345

Notes to Non-Consolidated Statement of Income

(1) Transaction with affiliates:
Sales: 303,276 million yen
Purchase: 364,653
Amount of other operational transactions: 11,362
Amount of non-operating transactions: 20,529

(2) COVID-19 related costs
Costs for measures against COVID-19 and fixed costs during the period where operations were halted.

Notes to Non-Consolidated Statement of Changes in Net Assets

Class and number of treasury stock

Class of shares	Shares at beginning of current FY (shares)	Increased shares in current FY (shares)	Decreased shares in current FY (shares)	Shares at end of current FY (shares)
Common stock (Note)	18,676,128	1,742,368	193	20,418,303

Notes:
1. *The increase of 1,742,368 shares in the number of treasury stock of common stock reflects the increase of 1,738,500 shares from acquisition of treasury stock in accordance with a resolution of the Board of Directors and the increase of 3,868 shares from the purchase of fractional shares.*
2. *The decrease of 193 shares in the number of treasury stock of common stock reflects the decrease from the additional purchase of fractional shares.*
3. *The number of treasury stock of common stock includes our shares owned by the trust account for the Board Benefit Trust (122,800 shares at the end of this fiscal year) approved in the 74th Ordinary General Meeting of Shareholders held on June 26, 2020.*

Notes to Tax-Effect Accounting

(1) Major reasons for the accrual of deferred tax assets and deferred tax liabilities:
(Deferred tax assets)

Loss on valuation of investment securities in affiliates	5,523	million yen
Excess of allowed limit chargeable to accrued bonuses	1,545	
Excess of allowed limit chargeable to the depreciation	807	
Provision for retirement benefits	653	
Tax loss carried forward	560	
Foreign tax credit carried forward	526	
Loss on valuation of investment securities	517	
Accrued social security premiums	243	
Accrued enterprise taxes	232	
Loss on valuation of inventories	103	
Intangible assets for tax purpose	99	
Impairment loss	57	
Deferred losses on hedges	50	
Retirement benefits to directors	29	
Others	455	
Sub-total of deferred tax assets	11,407	
Valuation allowance for tax loss carried forward	–	
Valuation allowance for total deductible temporary differences, etc.	(6,748)	
Sub-total of valuation allowance	(6,748)	
Total deferred tax assets	4,659	
(Deferred tax liabilities)		
Reserve for reduction entry	990	
Difference on revaluation of available-for-sale securities	120	
Total deferred tax liabilities	1,111	
Net deferred tax assets	3,548	

(2) Major reasons for significant difference between the legal effective tax rate and the ratio of income tax burden after the application of tax effect accounting

Domestic legal effective tax rate	30.6%
(Adjustments)	
Items not tax deductible, such as entertainment expenses	0.7
Items not taxable, such as dividends income	(27.4)
Inhabitant tax levied per capita	0.2
Valuation allowance	0.4
Withholding income taxes	6.2
Tax credits for R&D expenses, etc.	(2.5)
Others	(0.4)
Ratio of income tax burden after the application of tax effect accounting	7.8

Notes to Fixed Assets Used through Lease Contracts

(1) Finance lease transactions (lessee)

Finance lease transactions that do not transfer ownership

(i) Contents of leased assets
Tangible fixed assets: Mainly computer terminals (tools, furniture and fixtures).

(ii) Depreciation method of leased assets
Indicated in (2) Depreciation, Significant Accounting Policies.

(2) Operating lease transactions

Outstanding future lease payments for noncancellable operating leases

Due within 1 year	560	million yen
Due after 1 year	909	
Total	1,470	

(Translation)

Notes to Transactions with Relevant Parties

(1) Subsidiaries etc.

Name of company, etc.	Voting rights or ownership (%)	Contents of relation		Contents of transaction	Transaction amount (millions of yen)	Account title	Year-end balance (millions of yen)
		Concurrently serving etc.	Business relations				
MITSUMI ELECTRIC CO., LTD.	100.0	Concurrently serving 4	MITSUMI ELECTRIC CO., LTD. manufactures MITSUMI products, and the Company purchases them for resale.	Purchase of MITSUMI products	140,370	Accounts payable	23,555
U-Shin Ltd.	100.0	Concurrently serving 3	Loans from the Company.	Fund loan	221,313	Short-term loans receivable	27,080
				Collection of funds	221,806	–	–
				Interest income	148	–	–
NMB Technologies Corporation	100.0	Concurrently serving 1	NMB Technologies Corporation sells the Company’s products and products purchased mainly in the U.S.	Sales of the Company’s products and products purchased	25,467	Accounts receivable	5,937
NMB-Minebea GmbH	100.0	Concurrently serving 1	NMB-Minebea GmbH sells the Company’s products and products purchased mainly in Germany.	Sales of the Company’s products and products purchased	28,507	Accounts receivable	7,217
				–	–	Debt guarantee	13,398
MinebeaMitsumi Technology Center Europe GmbH	100.0	Concurrently serving 0	MinebeaMitsumi Technology Center Europe GmbH designs and develops motors, etc.	Repayment of development costs	4,360	Accounts payable - other	473
NMB-Minebea Thai Ltd.	100.0	Concurrently serving 2	NMB-Minebea Thai Ltd. manufactures machined components, electronic devices and others, and the Company purchases them for resale.	Purchase of machined components, electronic devices and others	139,978	Accounts payable	25,917
				Sales of the Company’s products and products purchased	28,926	Accounts receivable	8,196
				Dividends income	10,453	–	–
				–	–	Debt guarantee	6,279
MINEBEA ELECTRONICS & HI-TECH COMPONENTS (SHANGHAI) LTD.	100.0	Concurrently serving 1	Receipt of dividends.	Dividends income	5,099	–	–
MINEBEA (HONG KONG) LIMITED	100.0	Concurrently serving 2	MINEBEA (HONG KONG) LIMITED sells the Company’s products and products purchased mainly in China.	Sales of the Company’s products and products purchased	156,274	Accounts receivable	24,721
				Dividends income	2,121	–	–

Notes: Terms and decision policy of the transaction

1. *Transaction amounts, etc. are negotiated and decided in consideration of market prices, etc.*
2. *Lending rate on loans is reasonably determined taking into account the market interest rate.*

(2) Directors and main individual shareholder

Attribution	Name of company, etc.	Voting rights or ownership (%)	Contents of relation		Contents of transaction	Transaction amount (millions of yen)	Account title	Year-end balance (millions of yen)
			Concurrently serving etc.	Business relations				
Companies which the Company’s directors and nearly related person have over 50% of voting rights	KEIAISHA Co., Ltd.	(Owned) Direct 2.48%	Concurrently serving 1	The Company purchases machinery and equipment, components, grease and other materials.	Purchase of machinery and equipment, components, grease and other materials	3,401	Accounts payable *2	757
					Tools, furniture and fixtures and other lease transactions, rent, etc.	601	Leased assets	20
							Lease obligations *2	22
							Accounts payable - other, current liabilities and others *2	65
					Land rent, etc.	3	Accounts receivable - other *2	3
					Other non-operating income	16		

Notes: Terms and decision policy of the transaction

1. *Transaction amounts, etc. are negotiated and decided in consideration of market prices.*

*2. *The transaction amounts do not include the consumption taxes while the year-end balance includes them.*

Notes to Per Share Information

(1) Net assets per share 616.51 yen
(2) Net income per share 47.66 yen

(Translation)

Notes to the Retirement Allowance Accounting

(1) Retirement allowance plan adopted by the Company
The Company has adopted funded and unfunded defined benefit pension plans and defined contribution pension plans to provide against retirement payments to employees.
Under the defined benefit corporate pension plan (funded plan), lump-sum money or pension benefit is paid based on salaries and service periods.

(2) Defined benefit plan

(i) Reconciliation between the opening balance and the closing balance of retirement benefit obligations

	(millions of yen)
Opening balance of retirement benefit obligations	28,318
Service costs	1,377
Interest costs	161
Actuarial gains or losses incurred during the year	449
Payment of retirement benefits	(552)
Closing balance of retirement benefit obligations	29,756

(ii) Reconciliation between the opening balance and the closing balance of pension assets

	(millions of yen)
Opening balance of pension assets	24,053
Expected returns on pension assets	481
Actuarial gains or losses incurred during the year	2,185
Contributions by the employer	1,152
Payment of retirement benefits	(552)
Closing balance of pension assets	27,320

(iii) Reconciliation of the closing balances of retirement benefit obligations and pension assets, and provision for retirement benefits and prepaid pension costs recorded in the balance sheet

	(millions of yen)
Retirement benefit obligations of funded plans	29,751
Pension assets	(27,320)
	2,431
Retirement benefit obligations of unfunded plans	5
Unfunded retirement benefit obligations	2,436
Unrecognized actuarial gains or losses	188
Unrecognized past service costs	(484)
Net amount of liabilities and assets recorded in the balance sheet	2,140
Provision for retirement benefits	2,140
Net amount of liabilities and assets recorded in the balance sheet	2,140

(iv) Amounts of retirement benefit expenses and its components

	(millions of yen)
Service costs	1,377
Interest costs	161
Expected returns on pension assets	(481)
Amortization of past service cost	60
Amortization of actuarial gains and losses	738
Retirement benefit expenses of defined benefit plans	1,857

(v) Matters concerning pension assets

(a) Major breakdown of pension assets

The ratio of each major category to total pension assets is as follows.

Bonds	41%
Stocks	29
Insurance assets (general account)	14
Insurance products	10
Others	6
Total	100

(b) Method of setting the long-term expected rate of return
To determine the long-term expected rate of return on pension assets, the Company takes into account current and expected allocation of pension assets, and current and expected long-term return rate of various types of assets constituting pension assets.

(vi) Matters concerning actuarial assumption
Major actuarial assumption at the end of the fiscal year under review (weighted average)

Discount rate	0.6%
Long-term expected rate of return	2.0%
Method of attributing expected retirement benefits to periods	Benefit formula basis

(3) Defined contribution plans
The amount of the Company's required contributions to defined contribution plans is 211 million yen.

Notes to Subsequent Events

Not applicable.

(Translation)

Audit Report on the Consolidated Financial Statements

Independent Auditor's Report

May 6, 2021

To the Board of Directors of MINEBEA MITSUMI Inc.:

KPMG AZSA LLC
Tokyo Office, Japan

Junichi Obi (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Takuju Kamiyama (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Yuhi Suzuki (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Opinion

We have audited the Consolidated Financial Statements, which comprise the Consolidated Statements of Financial Position, the Consolidated Statements of Income, the Consolidated Statements of Changes in Equity and the Notes to Consolidated Financial Statements of MINEBEA MITSUMI Inc. ("the Company") and its subsidiaries (collectively referred to as "the Group"), as at March 31, 2021 and for the year from April 1, 2020 to March 31, 2021 in accordance with Article 444-4 of the Companies Act.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position and the results of operations of the Group for the period, for which the consolidated financial statements were prepared, in accordance with the provisions of the second sentence of Paragraph 1, Article 120 of the Regulation on Corporate Accounting, which permit preparation omitting certain disclosures required under International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Corporate Auditors and the Board of Corporate Auditors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the provisions of the second sentence of Paragraph 1, Article 120 of the Regulation on Corporate Accounting, which permit preparation omitting certain disclosures required under International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with the provisions of the second sentence of Paragraph 1, Article 120 of the Regulation on Corporate Accounting, which permit preparation omitting certain disclosures required under International Financial Reporting Standards.

Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with the provisions of the second sentence of Paragraph 1, Article 120 of the Regulation on Corporate Accounting, which permit preparation omitting certain disclosures required under International Financial Reporting Standards, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with corporate auditors and the board of corporate auditors regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide corporate auditors and the board of corporate auditors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Reader of Independent Auditor's Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act for the conveniences of the reader.

(Translation)

Audit Report on the Non-Consolidated Financial Statements

Independent Auditor's Report

May 6, 2021

To the Board of Directors of MINEBEA MITSUMI Inc.:

KPMG AZSA LLC
Tokyo Office, Japan

Junichi Obi (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Takuju Kamiyama (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Yuhi Suzuki (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Opinion

We have audited the Non-Consolidated Financial Statements, which comprise the Non-Consolidated Balance Sheet, the Non-Consolidated Statement of Income, the Non-Consolidated Statement of Changes in Net Assets and the Notes to Non-Consolidated Financial Statements, and the supplementary schedules ("the financial statements and the supplementary schedules") of MINEBEAMITSUMI Inc. ("the Company") as at March 31, 2021 and for the 75th fiscal year from April 1, 2020 to March 31, 2021 in accordance with Article 436-2-1 of the Companies Act.

In our opinion, the financial statements and the supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of the Company for the period, for which the financial statements and the supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements and the supplementary* schedules section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Corporate Auditors and the Board of Corporate Auditors for the Financial Statements and the Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the supplementary schedules, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements and the Supplementary Schedules

Our objectives are to obtain reasonable assurance about whether the financial statements and the supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements and the supplementary schedules.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and the supplementary schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the supplementary schedules or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the financial statements and the supplementary schedules are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the financial statements and the supplementary schedules, including the disclosures, and whether the financial statements and the supplementary schedules represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with corporate auditors and the board of corporate auditors regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide corporate auditors and the board of corporate auditors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Reader of Independent Auditor's Report:

This is an English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.

(Translation)

Audit Report of the Audit & Supervisory Board

AUDIT REPORT

As the results of deliberation, the Audit & Supervisory Board prepared this Audit Report in accordance with reports presented by each Audit & Supervisory Board Member with respect to the performance of duties by the Directors during the 75th fiscal year from April 1, 2020 to March 31, 2021, and report the results as follows:

1. Method and Content of Audit Conducted by Audit & Supervisory Board Members and Audit & Supervisory Board

(1) The Audit & Supervisory Board established the audit policy and audit plan, etc., received reports from each Audit & Supervisory Board Member on the implementation of audit and its results, received reports from Directors, etc. and the Independent Auditors on the performance of their duties and asked them details when necessary.

(2) Each Audit & Supervisory Board Member conformed to the auditing standards prescribed by the Audit & Supervisory Board, complies with the audit policy and audit plan, etc., maintains communication with Directors, including Outside Directors, Executive Officers and Technical Officers, the Internal Auditing Office, other employees, etc., endeavored to collect information and establish a system necessary for auditing services, and conducted audit by the following method:

1) We received reports from Directors, Executive Officers and Technical Officers, employees, etc. on the performance of their duties, asked them details when necessary, reviewed important written decisions, and investigated business and financial conditions at the head office as well as at the main business offices of the Company while we attended meetings of the Board of Directors and other important meetings and held interviews with all Directors, including the Representative Directors. For subsidiaries, we communicated and exchanged information with their Directors, Audit & Supervisory Board Members, and others and received their business reports as necessary.

2) We received reports from Directors, Executive Officers and Technical Officers, employees, etc., sought explanations as necessary and expressed opinions on the resolutions of the Board of Directors and the status of the system developed under such resolutions with regard to the establishment and management of the system stipulated in Article 100, paragraphs (1) and (3) of the Regulation for Enforcement of the Companies Act (Internal Control System) necessary to ensure the conformity of the performance of duties described in the business report by Directors with laws and regulations and the Articles of Incorporation and also to ensure the appropriateness of business in the corporate group that consists of a joint stock company and its subsidiaries.

3) The Basic Policy of Item 3 (a), Article 118 of the Regulation for Enforcement of the Companies Act and each approach of Item 3 (b), Article 118 of the same described in the business report were reviewed.

4) We monitored and verified that the Independent Auditors have maintained their independence and conducted appropriate audits. Also, we received reports from the Independent Auditors regarding the execution of their duties and requested explanations as needed. We received a notice from the Independent Auditors purporting to the formulation of a "System to ensure proper performance of its duties" (provided in each item of Article 131 of the Regulation on Corporation Accounting) in accordance with the "Quality Control Standards for Audits" (Business Accounting Council, October 28, 2005), among others, and requested explanations as needed.

Through the above methods, we reviewed the business report and the supplementary statements, Consolidated Financial Statements (Consolidated Statements of Financial Position, Consolidated Statements of Income, Consolidated Statements of Changes in Equity and Notes to Consolidated Financial Statements, which have been prepared omitting certain disclosures required under International Financial Reporting Standards, in accordance with the provisions of the second sentence of Article 120, paragraph (1) of the Regulation on Corporation Accounting) and Non-Consolidated Financial Statements (Non-Consolidated Balance Sheet, Non-Consolidated Statement of Income, Non-Consolidated Statement of Changes in Net Assets and Notes to Non-Consolidated Financial Statements) and the supplementary statements for the fiscal year ended March 31, 2021.

2. Results of Audit

(1) Audit Results of business report, etc.

1) We certify that the business report and their detailed statements fairly present the situation of the Company in accordance with laws and regulations and the Articles of Incorporation.

2) We found no wrongful act or material fact in violation of laws and regulations or the Articles of Incorporation with respect to the performance of duties by the Directors.

3) We certify that the resolutions of the Board of Directors with respect to the internal control system are proper and correct. In addition, we found no matter to be pointed out about the description in the business report and performance of duties by the Directors with respect to the internal control system.

Under the COVID-19 pandemic, the Company and the Group collaborated in reinforcement of the risk management system, and we confirmed that appropriate measures for business continuity, including the initial response, were taken by Directors. We therefore found no matter to be pointed out.

4) We found no matter to be pointed out about the basic policy, which is described in the business report, regarding the quality and nature of persons who control decisions on the Company's financial and business policies.
We certify that each measure stipulated in Item 3 (b), Article 118 of the Regulation for Enforcement of the Companies Act, which is described in the business report, are consistent with such basic policy, would not interfere with the shareholders' common interests and are introduced not for maintaining the positions of the Company's officers.

(2) Audit Results of Consolidated Financial Statements
We certify that the auditing method of KPMG AZSA LLC and the results of its audit are proper and correct.

(3) Audit Results of Non-Consolidated Financial Statements and the Supplementary Statements
We certify that the auditing method of KPMG AZSA LLC and the results of its audit are proper and correct.

May 7, 2021

Audit & Supervisory Board of MinebeaMitsumi Inc.

Naoyuki Kimura (seal)
Standing Audit & Supervisory Board Member

Koichi Yoshino (seal)
Standing Outside Audit & Supervisory Board Member

Shinichiro Shibasaki (seal)
Outside Audit & Supervisory Board Member

Makoto Hoshino (seal)
Outside Audit & Supervisory Board Member