



To Our Shareholders

The 73rd Business Year Interim Business Report

April 1, 2018 ▶ September 30, 2018

MinebeaMitsumi Inc.

Securities Code 6479

Business Summary

As the interim period of the 73rd Business Year (April 1, 2018 - September 30, 2018) has ended, we would like to present our business summary.

Overview of the interim period

During the first half of the fiscal year (April 1, 2018 to September 30, 2018), the Japanese economy continued to gradually recover against a backdrop of solid employee compensation and corporate earnings despite a short-term drop in consumer spending and corporate production activities due to the aftermath of natural disasters, including heavy rainfall in western Japan and The Hokkaido Eastern Ibari Earthquake. Despite concern over trade friction with China resulting from the launch of additional tariffs, the U.S. economy remained firm against a backdrop of improved employment conditions and domestic revenue. In Europe, corporate exports were down against a backdrop of stagnation in emerging economies, but overall the economy continued to expand due to improvements in employee compensation. In Asia, there was increasing uncertainty about the future course of the

Chinese economy. Consumer spending remained robust in response to favorable employment and income conditions, but there were signs of cutbacks in corporate production and investment against a backdrop of trade friction with the U.S.

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 16,590 million yen (3.8%) year on year to 449,368 million yen, the highest ever for the second quarter. Operating income was down 7,483 million yen (-18.1%) year on year to 33,915 million yen, profit before income taxes was down 6,383 million yen (-15.7%) to 34,276 million yen, and profit for the period attributable to owners of the parent was down 4,658 million yen (-14.8%) to 26,856 million yen.

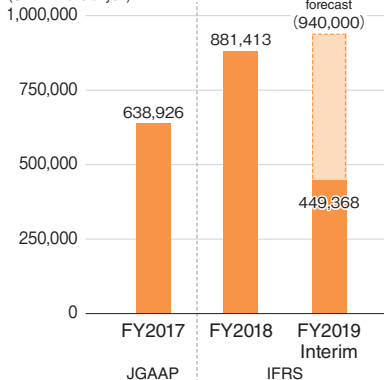
Outlook for the current fiscal year

It is difficult to get a clear picture of where the global economy is headed from the third quarter of this fiscal year due to the trade

Financial Highlights (Consolidated)

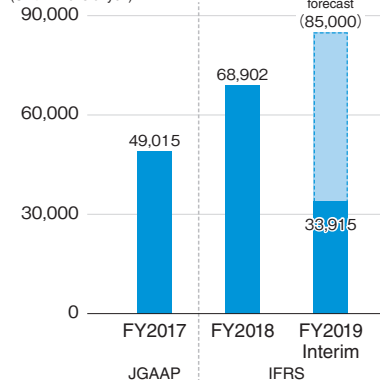
Net Sales

(Unit: millions of yen)



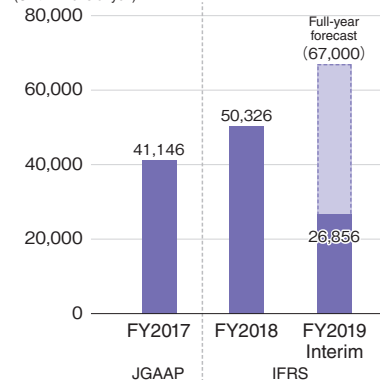
Operating Income

(Unit: millions of yen)



Profit for the Period Attributable to Owners of the Parent

(Unit: millions of yen)



* Our Group have adopted International Financial Reporting Standards (IFRS) from the first quarter of the fiscal year ending March 31, 2019. In addition, financial results for the previous fiscal year are also represented under the IFRS.

policies of each country, fluctuating exchange rates and geopolitical risks.

Given this backdrop, we have reviewed our consolidated full-year forecast and made the following revisions based on our best estimate of current market conditions as well as our performance during the first six-month period.

	Net sales (millions of yen)	Operating income (millions of yen)	Profit for the period attributable to owners of the parent (millions of yen)
Previous forecast (A) (announced on August 3, 2018)	940,000	85,000	66,000
Revised forecast (B)	940,000	85,000	67,000
Difference (B-A)	—	—	1,000

In light of the performance for this fiscal year, the interim dividend is 14 yen per share. The Company plans to pay a 28 yen per share annual dividend (14 yen for the interim dividend and 14 yen for the fiscal year-end dividend).

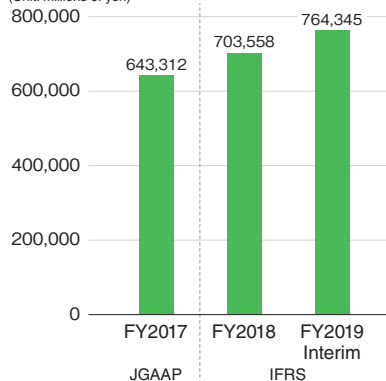
We look forward to your continuous support and guidance.



Yoshihisa Kainuma
Representative Director
December 2018

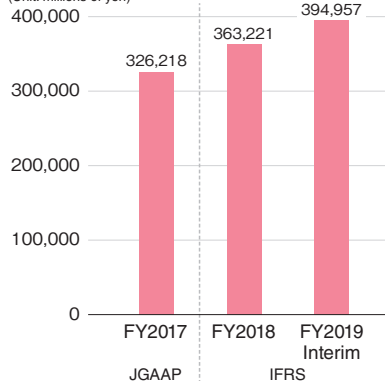
Total Assets

(Unit: millions of yen)



Total Equity

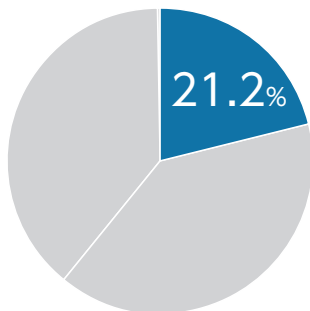
(Unit: millions of yen)



Overview by Business Segment

Machined Components Business

Net Sales 95,435 million yen  Up 14.7%



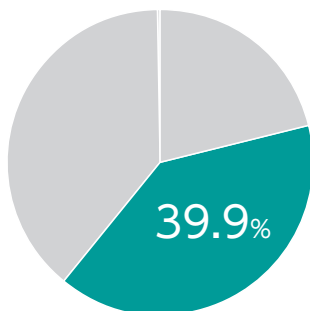
Net Sales Composition
21.2%

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. External sales quantity of ball bearings reached a record high on a monthly basis in July, reaching 215 million units as demand for energy-efficiency and safety devices in the automobile market soared and as demand for fan motors soared. Rod-end bearing sales increased in response to a recovery in orders in the small and medium aircraft market despite a continued decline in production of large models in the civil aircraft market. Pivot assembly sales were also up as our market share remained steady despite the negative impact of the shrinking HDD market.

As a result, net sales were up 12,254 million yen (14.7%) year on year to 95,435 million yen, and operating income was up 3,897 million yen (19.2%) to 24,205 million yen.

Electronic Devices and Components Business

Net Sales 179,142 million yen  Down 24.7%



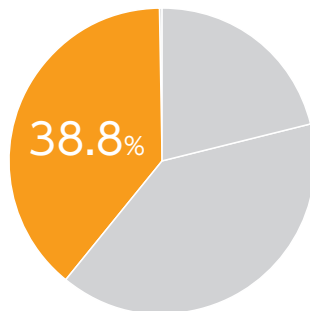
Net Sales Composition
39.9%

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 (fan motors), precision motors, and special devices. Sales of stepping motors and other motors were up owing to favorable trends primarily in the automobile market. Demand for our LED backlights for LCDs that offer a technological advantage in thin devices remained strong, but sales were down due to the slowdown of smartphone market growth as a whole.

As a result, net sales were down 58,775 million yen (-24.7%) year on year to 179,142 million yen, and operating income was down 12,231 million yen (-67.4%) to 5,914 million yen.

MITSUMI Business

Net Sales 174,482 million yen  Up 56.7%

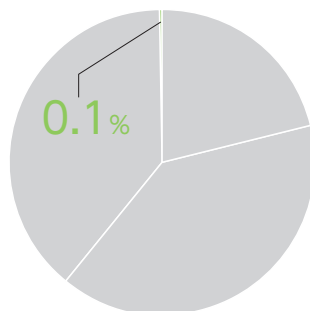


Net Sales Composition
38.8%

The main products in the MITSUMI business segment are semiconductor devices, optical devices, mechanical components, high frequency components and power supply components. Almost all products performed well, including game console and other mechanism components, switches, products for smartphones such as protection IC, antennas, communication modules and connectors. On the other hand, sales of camera actuators were down due to the slowdown of smartphone market growth as a whole. As a result, net sales were up 63,166 million yen (56.7%) year on year to 174,482 million yen, and operating income was up 616 million yen (6.2%) to 10,484 million yen.

Other Business

Net Sales 309 million yen  Down 15.3%



Net Sales Composition
0.1%

Machines produced in-house are the main products in our Other business segment. Net sales were down 55 million yen (-15.3%) year on year to 309 million yen, and the operating loss increased 8 million yen year on year to total 159 million yen.

Note: In addition to the figures noted above, 6,529 million yen in corporate expenses, etc., not belonging to any particular segment is indicated as adjustments. The total amount of adjustments was 6,772 million yen for the second quarter of the previous fiscal year.

New Kosice Plant in Slovakia Started Production of Automotive Motors

On June 15, 2018, MinebeaMitsumi held the opening ceremony of a newly completed plant in Kosice, Slovakia, constructed for production of motors for automotive applications.

The new plant is 100,000 m² in land area and 26,000 m² in building area. MinebeaMitsumi will invest 100 million euro (approx. 12.7 billion yen) in this new plant by 2022, and we plan to have about 2,000 employees involved in production.

The start of production at the new plant enables us to make a full scale entry into the European supply chain and we will work on expanding automotive and industrial machinery business further in the European market taking advantage of the reduction in foreign exchange risk and tariff, savings in logistics, and speeding-up product delivery.



New plant in Kosice, Slovakia

Bed Sensor System for Nursing Care Market Went on Sale



Bed Sensor System

On July 30, 2018, Ricoh Co., Ltd. (“Ricoh”) started sales of “Ricoh Mimamori Bed Sensor System,” the bed sensor system for the nursing care market jointly developed by MinebeaMitsumi and Ricoh.

The Bed Sensor System places high-precision sensors on the four casters of the bed, enabling monitoring of the user’s activity with a PC or mobile device without touching the user on the bed. This sensor can reduce stress on the user and at the same time contribute to reducing the workload of nursing care workers.

With the advent of the IoT era, we will continue to apply IoT technologies to create a society friendly to people.

Social Contribution Activities –Cooperating for the Construction of New Overpass in Thailand

NMB-Minebea Thai Ltd., a subsidiary of MinebeaMitsumi in Thailand, built a new overpass in front of the Lopburi Plant in cooperation with a nearby shopping mall as a commemorative project for King Bhumibol, who passed away two years ago. The overpass connects the Lopburi Plant area and the shopping mall, reducing the risk of plant employees and local residents crossing a six-lane major road.

MinebeaMitsumi will continue to make active contributions to local communities.



The overpass in front of Lopburi Plant in Thailand

Consolidated Financial Statements

●Condensed Quarterly Consolidated Statements of Financial Position (unit: millions of yen)

	Fiscal year 2019 Interim (as of September 30, 2018)	Fiscal year 2018 (as of March 31, 2018)
Assets		
Current assets		
Cash and cash equivalents	86,725	88,777
Trade and other receivables	174,512	160,350
Inventories	176,791	150,774
Other financial assets	22,614	21,818
Other current assets	11,733	9,018
Total current assets	472,375	430,737
Non-current assets		
Property, plant and equipment	244,439	224,016
Goodwill	8,664	8,509
Intangible assets	9,822	9,997
Other financial assets	14,380	16,546
Deferred tax assets	14,353	13,505
Other non-current assets	312	248
Total non-current assets	291,970	272,821
Total assets	764,345	703,558

	Fiscal year 2019 Interim (as of September 30, 2018)	Fiscal year 2018 (as of March 31, 2018)
Liabilities		
Current liabilities		
Trade and other payables	122,036	107,027
Bonds and borrowings	91,561	80,738
Other financial liabilities	2,572	1,748
Income taxes payable	8,512	7,458
Provisions	302	391
Other current liabilities	43,711	42,230
Total current liabilities	268,694	239,592
Non-current liabilities		
Bonds and borrowings	75,491	75,733
Other financial liabilities	5,103	5,393
Net defined benefit liabilities	16,569	16,092
Provisions	437	411
Deferred tax liabilities	1,668	1,709
Other non-current liabilities	1,426	1,407
Total non-current liabilities	100,694	100,745
Total liabilities	369,388	340,337
Equity		
Common stock	68,259	68,259
Capital surplus	135,341	134,615
Treasury stock	(9,342)	(9,496)
Retained earnings	176,182	154,778
Other components of equity	16,934	7,935
Total equity attributable to owners of the parent	387,374	356,091
Non-controlling interests	7,583	7,130
Total equity	394,957	363,221
Total liabilities and equity	764,345	703,558

* Our Group have adopted International Financial Reporting Standards (IFRS) from the first quarter of the fiscal year ending March 31, 2019.
In addition, financial results for the second quarter of the previous fiscal year and for the previous fiscal year are also represented under the IFRS.

Note: Amounts less than one million yen have been rounded.

●Condensed Quarterly Consolidated Statements of Income
(unit: millions of yen)

	Fiscal year 2019 Interim (Apr. 2018 thru Sept. 2018)	Fiscal year 2018 Interim (Apr. 2017 thru Sept. 2017)
Net sales	449,368	432,778
Cost of sales	368,342	343,946
Gross profit	81,026	88,832
Selling, general and administrative expenses	47,973	47,818
Other income	1,377	1,001
Other expenses	515	617
Operating income	33,915	41,398
Finance income	875	685
Finance expenses	514	1,424
Profit before income taxes	34,276	40,659
Income taxes	7,218	9,070
Profit for the period	27,058	31,589
Profit for the period attributable to:		
Owners of the parent	26,856	31,514
Non-controlling interests	202	75
Profit for the period	27,058	31,589

Note: Amounts less than one million yen have been rounded.

●Condensed Quarterly Consolidated Statements of Cash Flows
(unit: millions of yen)

	Fiscal year 2019 Interim (Apr. 2018 thru Sept. 2018)	Fiscal year 2018 Interim (Apr. 2017 thru Sept. 2017)
Cash flows from operating activities	23,075	34,329
Cash flows from investing activities	(31,909)	(22,599)
Cash flows from financing activities	5,318	(11,827)
Effect of exchange rate changes on cash and cash equivalents	1,464	1,690
Increase (decrease) in cash and cash equivalents	(2,052)	1,593
Cash and cash equivalents at beginning of period	88,777	78,950
Cash and cash equivalents at end of period	86,725	80,543

Note: Amounts less than one million yen have been rounded.

Corporate Data

Trade Name :	MinebeaMitsumi Inc.	Registered Head Office :	4106-73, Oaza Miyota, Miyota-machi, Kitasaku-gun, Nagano 389-0293, Japan Phone: 81-267-32-2200
Established :	July 16, 1951		
Capital :	68,259 million yen	Tokyo Headquarters :	3-9-6 Mita, Minato-ku, Tokyo 108-8330, Japan Phone: 81-3-6758-6711
Number of Employees :	4,015	Headquarters and Plants :	Tokyo Head Office, Karuizawa Plant, Matsuida Plant, Hamamatsu Plant, Fujisawa Plant, Yonago Plant

▶▶ The MinebeaMitsumi Group Integrated Report 2018 is now available

We have started to issue the “Integrated Report” since the year ended March 31, 2018.

Through publishing this report, we aim to create new opportunities for dialogue with our shareholders, investors, and our other stakeholders by communicating our initiatives to expand the corporate value of the MinebeaMitsumi Group.

Please visit our website to read the report. We hope that many of our stakeholders read it and deepen their understanding of the MinebeaMitsumi Group.
(http://www.minebeamitsumi.com/english/corp/environment/integrated_report/index.html)



Share Information (as of September 30, 2018)

Overview of Shares

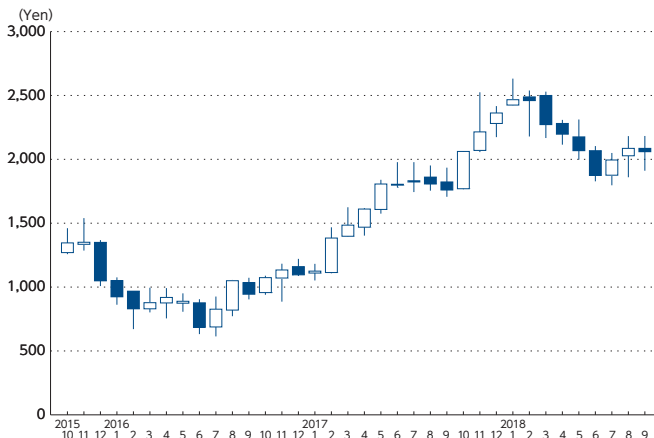
Total Number of Shares Authorized	1,000,000,000	shares
Number of Shares Issued	427,080,606	shares
Number of Shareholders	37,287	

Major Shareholders (Top 10)

	Number of Shares (shares)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	35,470,100	8.42
Japan Trustee Services Bank, Ltd. (Trust Account)	20,908,500	4.96
Takahashi Industrial and Economic Research Foundation	15,447,330	3.67
Sumitomo Mitsui Trust Bank, Limited	15,413,900	3.66
Japan Trustee Services Bank, Ltd. (Trust Account 4)	13,851,100	3.29
THE CHASE MANHATTAN BANK 385036	12,789,505	3.03
SSBTC CLIENT OMNIB US ACCOUNT	10,651,358	2.53
Sumitomo Mitsui Banking Corporation	10,223,597	2.43
MUFG Bank, Ltd.	10,181,739	2.42
Keiaisha Co., Ltd.	10,100,000	2.40

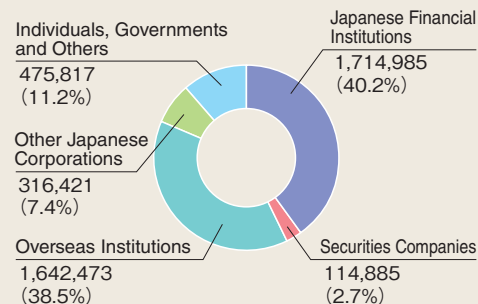
Note: Shareholding ratio is calculated exclusive of treasury stock (5,648,030 shares).

Stock Price on Tokyo Stock Exchange



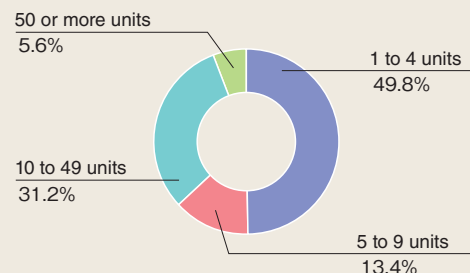
Distribution of Shareholders by Investor Type

(1 unit = 100 shares)



*The figure in () indicates the shareholding ratio.

Distribution of Number of Shareholders by Number of Shares Held



Information for Shareholders

Business Year	From April 1 to March 31 of next year
Ordinary General Meeting of Shareholders	June every year
Shares per Unit	100 shares
Record Date	Ordinary General Meeting of Shareholders March 31 every year
To Be Eligible to Receive a Dividend	Year-end Dividends March 31 every year Interim Dividends September 30 every year
Stock Transfer Agent and Account Management Institution for Special Accounts (Mailing Address)	Sumitomo Mitsui Trust Bank, Limited 1-4-1, Marunouchi, Chiyoda-ku, Tokyo, Japan Sumitomo Mitsui Trust Bank, Limited Stock Transfer Agency Business Planning Department 2-8-4, Izumi, Suginami-ku, Tokyo 168-0063, Japan
(Telephone Inquiries)	☎ 0120-782-031 (Weekdays 9 a.m. to 5 p.m.)
Public Notice	Public notice by the Company shall be carried out by way of electronic public notice. (http://www.minebeamitsumi.com/) Provided, however, when the Company is unable to carry out public notice by way of electronic public notice due to an accident or unavoidable reason, it shall be given in the Nihon Keizai Shimbun.
Common Stock Listings	Tokyo and Nagoya

[Shareholders' Inquiries and Notifications Concerning Matters Such as Change of Address]

Shareholders whose shares are recorded in the account at a securities company	Please contact the securities company.
Shareholders whose shares are recorded in the special account	<p>For each of the shareholders who did not use the Japan Securities Depository Center (JASDEC) prior to share certificate dematerialization, the Company opened a special account at Sumitomo Mitsui Trust Bank, Limited, stock transfer agent.</p> <p>*Shares registered in our special accounts cannot be traded. To sell or buy shares in a special account, shareholders are requested to open an account with a securities company and transfer such shares from our special account to their account.</p> <p>For details of the procedures, please contact the Stock Transfer Agency Business Planning Department of Sumitomo Mitsui Trust Bank, Limited. ☎ 0120-782-031 (Weekdays 9 a.m. to 5 p.m.)</p>

MinebeaMitsumi Inc.

Tokyo Headquarters

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URL: <http://www.minebeamitsumi.com/english/>