

# MinebeaMitsumi

*Passion to Create Value through Difference*



## To Our Shareholders

The 74th Business Year Interim Business Report

April 1, 2019 ▶ September 30, 2019

MinebeaMitsumi Inc.

Securities Code 6479

## Business Summary

As the interim period of the 74th Business Year (April 1, 2019 - September 30, 2019) 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, 2019 to September 30, 2019), the Japanese economy continued to slow as a result of such factors as sluggish exports caused by intensified trade friction between the United States and China and appreciation of the yen against major currencies. In the United States, despite strong employment and consumer spending, business confidence waned as a result of such factors as a decrease in external demand in response to China's launch of retaliatory tariffs. In Europe, economic conditions were sluggish, especially in the manufacturing sector, due to concern over a no-deal Brexit despite favorable consumer spending. As for the Asian region, government-led infrastructure investment accelerated in China, but the economy slowed as exports to the United States slumped due to tariff increases by the United States.

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 34,530 million yen (7.7%) year on year to 483,898 million yen. Operating income was down 10,880 million yen (-32.1%) year on year to 23,035 million yen, profit before income taxes was down 11,215 million yen (-32.7%) to 23,061 million yen, and profit for the period attributable to owners of the parent was down 10,643 million yen (-39.6%) to 16,213 million yen.

U-Shin Ltd. was made a subsidiary through a tender offer and the business was integrated on April 10, 2019. As a result, the company has been included in the scope of consolidation as of the date of the business integration. This includes the company's profits and losses from the date of the business integration and thereafter.

### Outlook for the current fiscal year

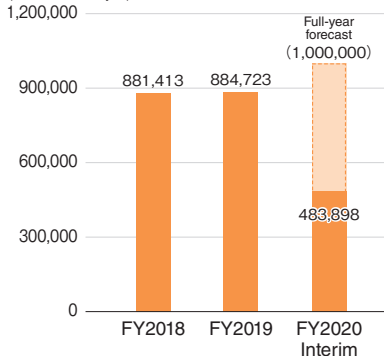
It is difficult to get a clear picture of where the global economy is headed from the third quarter of this fiscal year due to the trade policies of each country, fluctuating exchange rates, and geopolitical risks.

Given this backdrop, we have reviewed our consolidated full-year

## Financial Highlights (Consolidated)

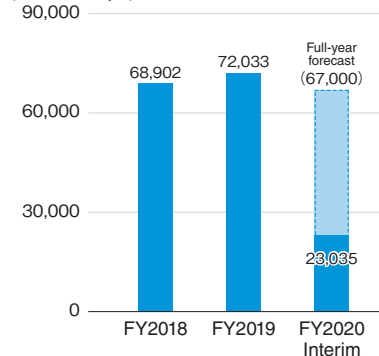
### Net Sales

(Unit: millions of yen)



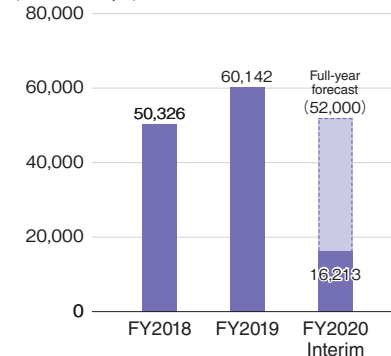
### Operating Income

(Unit: millions of yen)



### Profit for the Period Attributable to Owners of the Parent

(Unit: millions of yen)



\* Our Group has adopted International Financial Reporting Standards (IFRS) from the first quarter of FY2019. In addition, financial results for FY2018 are also represented under the IFRS.

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.

Full-year consolidated business forecast for the fiscal year ending March 31, 2020 (From April 1, 2019 to March 31, 2020)

	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 2, 2019)	1,030,000	77,000	62,000
Revised forecast (B)	1,000,000	67,000	52,000
Difference (B-A)	(30,000)	(10,000)	(10,000)

In light of the performance for this fiscal year, the interim dividend is 14 yen per share. We will finalize the amount of the year-end dividend in light of our performance for this fiscal year with the aim of achieving a consolidated-basis dividend payout ratio of around 20%.

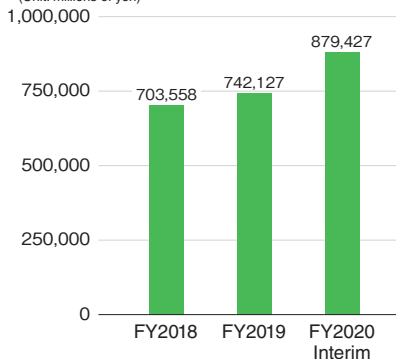
We look forward to your continuous support and guidance.



Yoshihisa Kainuma  
Representative Director  
December 2019

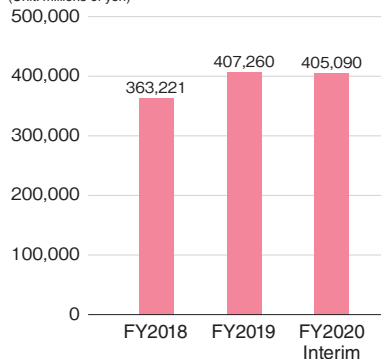
### Total Assets

(Unit: millions of yen)



### Total Equity

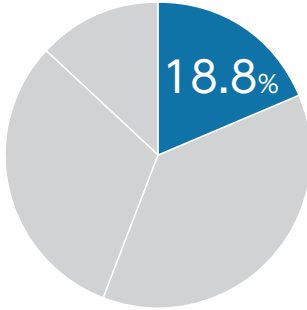
(Unit: millions of yen)



## Overview by Business Segment

### Machined Components Business

Net Sales 91,187 million yen  Down 4.5%



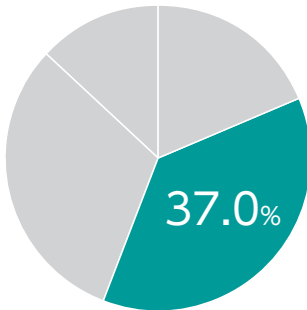
Net Sales Composition  
18.8%

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 down both in volume and amount due to decreased demand from fan motors despite solid demand in the automobile market. Rod-end bearing sales increased owing to favorable orders in the small and medium aircraft market. Pivot assembly sales were down both in volume and amount due to shrinking of the HDD market. The exchange rate also had an impact as the yen appreciated against major currencies compared to the corresponding period of the previous year.

As a result, net sales were down 4,248 million yen (-4.5%) year on year to 91,187 million yen, and operating income was down 3,298 million yen (-13.6%) to 20,907 million yen.

### Electronic Devices and Components Business

Net Sales 178,919 million yen  Down 3.2%



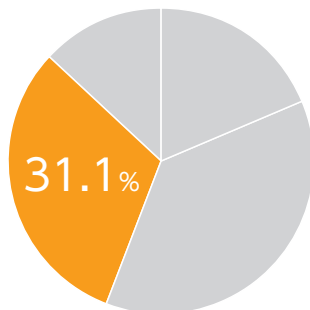
Net Sales Composition  
37.0%

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. Sales of stepping motors and other motors were down due to decreased demand associated with sluggishness in the automobile market. Demand for our LED backlights for LCDs that offer a technological advantage in thin devices remained strong, resulting in an increase in sales. The exchange rate also had an impact as the yen appreciated against major currencies compared to the corresponding period of the previous year.

As a result, net sales were down 5,939 million yen (-3.2%) year on year to 178,919 million yen, while operating income was up 18 million yen (0.3%) to 6,076 million yen.

## MITSUMI Business

Net Sales 150,578 million yen  Down 10.8%



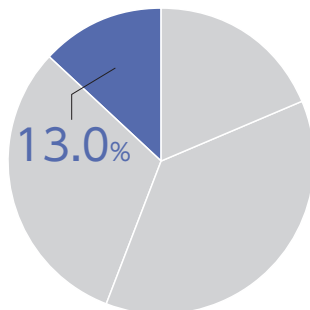
Net Sales Composition  
31.1%

The main products in the MITSUMI business segment are semiconductor devices, optical devices, mechanical components, high frequency components and power supply components. Although camera actuators, switches, protection IC, and other products performed well, sales were down due to the decrease in game consoles and other mechanical components. The exchange rate also had an impact as the yen appreciated against major currencies compared to the corresponding period of the previous year.

As a result, net sales were down 18,188 million yen (-10.8%) year on year to 150,578 million yen, and operating income was down 3,191 million yen (-30.8%) to 7,149 million yen.

## U-Shin Business

Net Sales 62,792 million yen



Net Sales Composition  
13.0%

The main products in the U-Shin business segment are key sets, door latches, door handles, and other automotive components as well as industrial machinery components and housing equipment components (such as building and house locks). Sales of automotive components were sluggish as operations were substantially reduced due to the impact of deceleration in the automobile market, primarily in China but also in Europe and other areas. Demand for industrial machinery components for use in agricultural and construction equipment was strong.

As a result, net sales were 62,792 million yen, and operating income was 1,542 million yen.

- Notes: 1. Machines produced in-house are the main products in our Other business segment. Net sales were up 113 million yen (36.6%) year on year to 422 million yen, and the operating loss increased 535 million yen year on year to total 694 million yen.  
2. In addition to the figures noted above, 11,945 million yen in corporate expenses, etc. not belonging to any particular segment is indicated as adjustments. The total amount of adjustments was 6,529 million yen for the corresponding period of the previous fiscal year.

## Conclusion of Sponsorship Agreement as Official Partner of Cambodia National Football Team

In June 2019, Minebea (Cambodia) Co., Ltd., a local subsidiary of MinebeaMitsumi in Cambodia, became an official partner of the Cambodia National Football Team and signed a sponsorship agreement with the Football Federation of Cambodia. MinebeaMitsumi will support Cambodia's potential for further growth through this sponsorship agreement by supporting the Cambodia National Team, such as by holding official sponsorship games.



Uniform of Cambodia National Football Team

## Acquisition of a German Manufacturer of Precision Molded Parts by a European Subsidiary



Factory of Mast Kunststoff GmbH & Co. KG

In September 2019, MinebeaMitsumi Technology Center Europe GmbH<sup>(\*)</sup>, a European subsidiary of MinebeaMitsumi, acquired 100% of the voting rights of both Mast Kunststoffe GmbH & Co. KG (hereinafter "Mast KG") and Mast Verwaltungsgesellschaft mbH (hereinafter "Mast mbH"), and made them its subsidiaries.

Mast KG is a German company that engages in the design and analysis of precision molded parts (gears, gearboxes, etc.), the design and manufacturing of molds, and the manufacturing and sales of parts. Meanwhile, Mast mbH is a German company that takes on management services.

The MinebeaMitsumi Group has successfully developed factory operations entailing mass production on a large scale particularly in Asia, backed by its strengths in carrying out vertically integrated production encompassing everything from manufacture of molds to assembly of parts. Meanwhile, we

have been further expanding our business in the European region, having newly integrated business with U-Shin Ltd. in April 2019. Through these acquisitions, we will strengthen our vertically integrated production system for precision molded components in the European region, from mold designing to machining and mass production, thereby realizing speedy local support and productivity improvement. By combining the mold and molding technology of Mast KG and ours, we will leverage the synergy of the entire Group encompassing not only Europe but also Asia, where we have mass production plants, to further improve quality and productivity.

(\*) The name of Precision Motors Deutsche Minebea GmbH was changed to MinebeaMitsumi Technology Center Europe GmbH upon establishment of the new European technology center.

## Exhibit at the 46th Tokyo Motor Show 2019

In October 2019, MinebeaMitsumi Group company U-Shin Ltd.<sup>(\*)</sup> exhibited at the 46th Tokyo Motor Show 2019.

At this exhibition, we demonstrated a new smart lock system which enables users to lock and unlock doors of their vehicles and homes simply by holding a smartphone near the system, and an automatic opening and closing system for vehicle doors.

We exhibited touch sensor type door handles (e-Handle), in addition to electric latches that automatically disengage doors (e-Latch), power door actuators that automatically open doors and electric door opening-closing systems (e-Access) such as mobile access for homes and visitors experienced the latest technology suitable for the CASE (Connected, Autonomous, Shared & Service, Electric) era.

(\*) On August 7, 2019, U-Shin Ltd. became a wholly owned subsidiary of MinebeaMitsumi.



The 46th Tokyo Motor Show 2019

# Consolidated Financial Statements

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

	Fiscal year 2020 Interim (as of September 30, 2019)	Fiscal year 2019 (as of March 31, 2019)		Fiscal year 2020 Interim (as of September 30, 2019)	Fiscal year 2019 (as of March 31, 2019)
<b>Assets</b>			<b>Liabilities</b>		
<b>Current assets</b>			<b>Current liabilities</b>		
Cash and cash equivalents	102,656	122,432	Trade and other payables	157,814	109,344
Trade and other receivables	201,042	151,349	Bonds and borrowings	139,255	86,642
Inventories	181,444	141,385	Other financial liabilities	6,189	1,983
Other financial assets	19,389	21,045	Income taxes payable	5,876	5,448
Other current assets	15,811	9,343	Provisions	4,367	200
			Other current liabilities	42,386	31,848
<b>Total current assets</b>	<b>520,342</b>	<b>445,554</b>	<b>Total current liabilities</b>	<b>355,887</b>	<b>235,465</b>
<b>Non-current assets</b>			<b>Non-current liabilities</b>		
Property, plant and equipment	288,164	244,388	Bonds and borrowings	78,512	75,400
Goodwill	15,297	8,284	Other financial liabilities	14,702	5,138
Intangible assets	9,473	9,375	Net defined benefit liabilities	20,897	14,577
Other financial assets	21,654	14,635	Provisions	982	1,196
Deferred tax assets	19,747	16,650	Deferred tax liabilities	1,612	1,754
Other non-current assets	4,750	3,241	Other non-current liabilities	1,745	1,337
<b>Total non-current assets</b>	<b>359,085</b>	<b>296,573</b>	<b>Total non-current liabilities</b>	<b>118,450</b>	<b>99,402</b>
<b>Total assets</b>	<b>879,427</b>	<b>742,127</b>	<b>Total liabilities</b>	<b>474,337</b>	<b>334,867</b>
			<b>Equity</b>		
			Common stock	68,259	68,259
			Capital surplus	135,945	137,464
			Treasury stock	(19,449)	(19,448)
			Retained earnings	212,602	202,172
			Other components of equity	91	11,256
			Total equity attributable to owners of the parent	397,448	399,703
			Non-controlling interests	7,642	7,557
			<b>Total equity</b>	<b>405,090</b>	<b>407,260</b>
			<b>Total liabilities and equity</b>	<b>879,427</b>	<b>742,127</b>

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

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

	Fiscal year 2020 Interim (Apr. 2019 thru Sept. 2019)	Fiscal year 2019 Interim (Apr. 2018 thru Sept. 2018)
Net sales	483,898	449,368
Cost of sales	408,221	368,342
Gross profit	75,677	81,026
Selling, general and administrative expenses	54,132	47,973
Other income	2,238	1,377
Other expenses	748	515
Operating income	23,035	33,915
Finance income	961	875
Finance expenses	935	514
Profit before income taxes	23,061	34,276
Income taxes	6,131	7,218
Profit for the period	16,930	27,058
<b>Profit for the period attributable to:</b>		
Owners of the parent	16,213	26,856
Non-controlling interests	717	202
Profit for the period	16,930	27,058

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

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

	Fiscal year 2020 Interim (Apr. 2019 thru Sept. 2019)	Fiscal year 2019 Interim (Apr. 2018 thru Sept. 2018)
Cash flows from operating activities	13,892	23,075
Cash flows from investing activities	(27,017)	(31,909)
Cash flows from financing activities	(1,481)	5,318
Effect of exchange rate changes on cash and cash equivalents	(5,170)	1,464
Increase (decrease) in cash and cash equivalents	(19,776)	(2,052)
Cash and cash equivalents at beginning of period	122,432	88,777
Cash and cash equivalents at end of period	102,656	86,725

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 :	4,255	Headquarters and Plants :	Tokyo Head Office, Karuizawa Plant, Matsuida Plant, Hamamatsu Plant, Fujisawa Plant, Yonago Plant

## ▶ The MinebeaMitsumi Group Integrated Report 2019 is now available

We issued the “Integrated Report 2019”. 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. ([https://www.minebeamitsumi.com/english/corp/environment/integrated\\_report/index.html](https://www.minebeamitsumi.com/english/corp/environment/integrated_report/index.html))



# Share Information (as of September 30, 2019)

## Overview of Shares

Total Number of Shares Authorized	1,000,000,000	shares
Number of Shares Issued	427,080,606	shares
Number of Shareholders	35,393	

## Major Shareholders (Top 10)

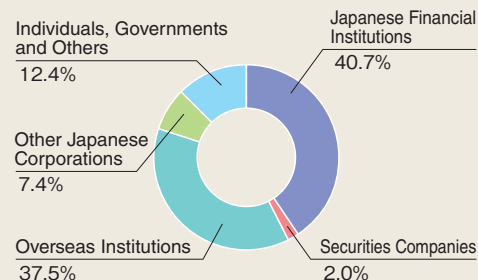
	Number of Shares (shares)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	37,923,300	9.14
Japan Trustee Services Bank, Ltd. (Trust Account)	22,441,400	5.41
SSBTC CLIENT OMNIBUS ACCOUNT	18,561,137	4.47
Takahashi Industrial and Economic Research Foundation	15,447,330	3.72
Sumitomo Mitsui Trust Bank, Limited	15,413,900	3.71
Japan Trustee Services Bank, Ltd. (Trust Account 4)	13,938,500	3.36
Sumitomo Mitsui Banking Corporation	10,223,597	2.46
MUFG Bank, Ltd.	10,181,739	2.45
Keiaisha Co., Ltd.	10,100,000	2.43
THE CHASE MANHATTAN BANK 385036	9,528,085	2.30

Notes: 1. The Company holds 11,949,629 shares of treasury stock, which are excluded from the major shareholders.  
2. Shareholding ratio is calculated exclusive of treasury stock.

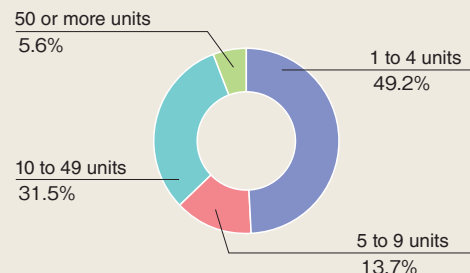
## Stock Price on Tokyo Stock Exchange




## Distribution of Shareholders by Investor Type




## 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. ( <a href="https://www.minebeamitsumi.com/">https://www.minebeamitsumi.com/</a> ) 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 <b>the account at a securities company</b>	Please contact the securities company.
Shareholders whose shares are recorded in <b>the special account</b>	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. *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. 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.)

MinebeaMitsumi Inc.

**Tokyo Headquarters**

3-9-6 Mita, Minato-ku, Tokyo 108-8330, Japan

Phone: 81-3-6758-6711 Fax: 81-3-6758-6700

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