

# Commitment from the CEO

## Looking Back on FY2017

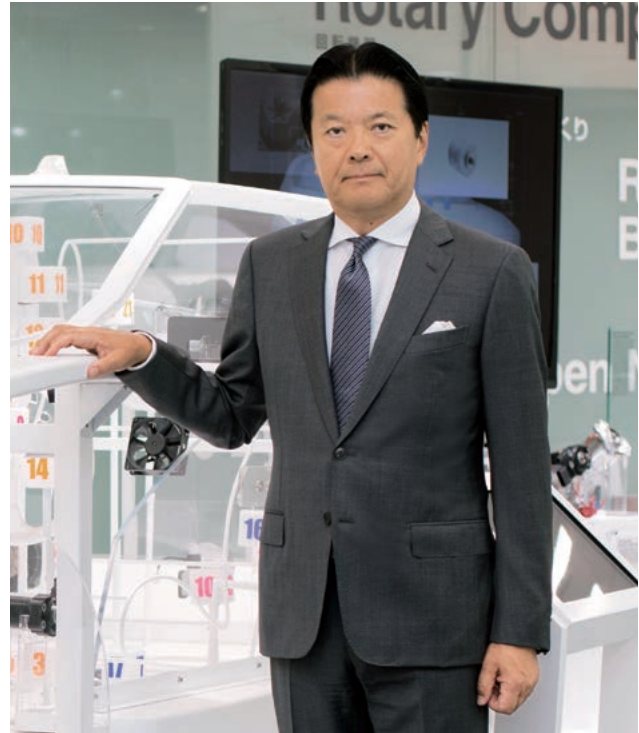
During the 2017 fiscal year, the sense of economic uncertainty increased due to the ongoing rise in the value of the yen precipitated by United States trade policies and other factors, making it a year in which surrounding circumstances became even more demanding. Despite this, profits from the Mitsumi business, with which Minebea implemented a business integration in January of last year, increased substantially, and overall, the Group achieved higher sales and profit. In FY2017, we posted consolidated net sales of 879,139 million yen, an increase of 37.6% over the previous year, consolidated operating income of 79,162 million yen, an increase of 61.5%, and consolidated net income of 59,382 million yen, up 44.3%. Consolidated net sales, operating income, ordinary income, and net income all reached record highs.

I believe that we were able to achieve these results by developing business while responding accurately to social needs at all times. The machined component business posted strong results by responding to needs such as pursuing energy savings and safety in automobiles and the growing demand for electric vehicles. In the electronic devices and components business, LED backlights performed well as a result of improvements to existing technologies, and automotive motors posted strong growth. The solid performance of the Mitsumi business was supported by strong sales of all products, and I believe that making use of the synergy effects of the entire Group and improving productivity through extensive technical guidance also made significant contributions.

Our medium-term goal of achieving either consolidated net sales of 1 trillion yen or consolidated operating income of 100 billion yen has come into sight. As a true comprehensive manufacturer of precision components unrivaled anywhere in the world, we are committed to making even further advances.

With regard to social responsibility, the entire Group is working to build structures in accordance with the spirit of the “Five Principles,” the company credo. In order to bolster CSR management, we appointed CSR officers at the Mitsumi Electric sites in Japan, which were added to the Group, to conduct educational programs and ascertain current circumstances regarding CSR activities.

In May 2018, we conducted a community dialogue at the Mitsumi Electric Chitose Business Division with the mayor of Chitose City, individuals associated with the local university, and local residents. The aim was to deepen communication so that



Yoshihisa Kainuma  
Representative Director  
CEO and COO  
MinebeaMitsumi Inc.

we can become a more essential presence in the community.

We will expand these types of initiatives throughout the entire Group and take action to put the Five Principles into practice. I believe that this is the optimal status of CSR for the MinebeaMitsumi Group.

## Tackling New Challenges Together through Integration

We are aware that in order to remain a company needed by society, it is essential that we develop products that can contribute to the sustainable development of the global environment and humanity, as set forth in our Basic CSR Policy. To do this, it is important that we accurately understand social issues including environmental problems and for the Group to integrate and use its varied strengths.

The products we refer to internally as the “trio of new products” that were generated from this stance are now starting to produce results.

First is LED lighting “SALIOT.” Users can freely control the direction of lighting up or down and left or right as well as the brightness, light distribution angle, and color temperature using a smartphone or tablet. These devices have high environmental performance, and lighting adjustments, work

that in the past was time-consuming and had to be done in exhibition halls and other such venues late at night from the top of a ladder and so on, can be made using a single smartphone and as a result, they are also leading to work style reforms for on-site workers.

Second is a bed sensor system for the nursing care market. The system, which combines high-precision weight sensors with signal analysis technology, uses sensors placed under the legs of a bed to perform high-precision, no-contact monitoring of where in the bed the user is sleeping as well as reference weight, movement, and other attributes. The system can provide support in a wide range of health care and nursing care fields such as monitoring services in facilities for the elderly.

Third are smart city solutions. For the past several years, we have been conducting a project to install high-efficiency LED streetlights that use a wireless network in Cambodia. Compared to earlier sodium lights, the LED lights cut greenhouse gas emissions by approximately 80% and received the Cambodian Environment Minister's Prize. We are also conducting demonstration trials in which various types of sensors are connected to the streetlight network. We will continue to take on challenges so that streetlights can evolve into systems that lead to increased convenience and enhance safety for urban residents.

We will of course continue to invest management resources into the "Seven Spears" of our core business (bearings, motors, sensors, connector/switches, power supplies, wireless/telecommunication/software, and analog semiconductors) and provide additional value to society.

## Sharing Our Thinking on "Manufacturing with Sincerity"

Since the establishment of the MinebeaMitsumi Group, we have built up a commitment to "manufacturing with sincerity" in order to provide higher-quality products at lower prices, faster, in greater quantities, and smarter. This commitment will remain unchanged in the future and will serve as the foundation for the entire group.

Based on our corporate slogan "Passion to Create Value through Difference," we will make use of the Group's strengths including its advanced technologies and experience in niche fields to create new value through "differences" that go beyond common practices. We will also conduct business with an emphasis on ESG management that takes the environment, society, and governance into consideration as a means of supporting sustainable growth. Specifically, we will become a company that is essential to society by providing various products that contribute to reductions in energy consumption to reduce environmental impact, undertaking environmental preservation measures, and contributing to social issues such as the sustainable development goals (SDGs) necessary for global solutions.

This report explains the MinebeaMitsumi Group's current business and CSR activities from a variety of perspectives. We will actively use the comments and requests received from readers in our future business activities, and we look forward to receiving your honest opinions.

### New product trio



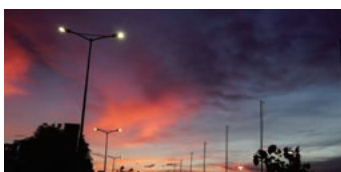
#### LED Lighting Equipment: **SALIOT**

- ▶ Extensive track record of use in art and other museums, hotels, department stores, and other facilities in Japan and overseas
- ▶ Efforts are underway to expand sales worldwide including Thailand, Cambodia, Europe, the United States, and China
- ▶ Wide product lineup including a tracking model



#### Sensors: **Bed Sensor Systems**

- ▶ Launched in July 2018 cooperation with Ricoh for nursing care facilities
- ▶ Expansion of sales to overseas regions is under consideration
- ▶ Use on home care in the future is also anticipated



#### Sensors/Lighting Equipment: **Smart City Solutions**

- ▶ Billing business launched in Cambodia
- ▶ External sales to commence in autumn 2018
- ▶ Global sales activities to be reinforced