

Looking Ahead to the Next 10 Years— Striving to be the World's Leading Integration Manufacturer of Precision Components

In FY2018, net sales, operating income, and net income all reached new record highs, and this fiscal year reaching the target of net sales of 1 trillion yen has come into site.

In the 10 years since I was appointed representative director, I have worked to make the company an unrivaled and singular presence through the integration (i.e., combined use) of various technologies. The result has been remarkable growth over these 10 years including a 3.5-fold increase in net sales and 5.4-fold increase in operating income. Moreover, I believe that we have laid a solid foundation for the next 10 years by reestablishing our portfolio.

How to create products that will always be needed by society is a major issue for achieving sustainable growth in the next 10 years.

First of all, we will capture overwhelming market shares in our core businesses including bearings, which are the company's origin, and motors, continuously increase earnings capacity, and diversify on the basis of our existing advanced technologies. U-Shin Ltd., a maker of automotive components, became a Group company in FY2019, adding access products to our business. We will further expand the "MinebeaMitsumi Seven Spears," which are our core businesses, and achieve growth through the "New Eight Spears."

With ultra-precision machining technologies as our core technologies and by integrating "New Eight Spear" products, we will generate synergy effects in new fields including healthcare, infrastructure, and housing equipment to develop new markets. By doing this, we will seek to become the world's leading integration precision parts manufacturer with a focus on niche markets.

Additionally, as the Group continues to grow, it will be essential that we share fundamental values with our employees. Keeping in mind the Five Principles, our company credo and our fundamental approach to sustainability, at all times as we conduct our business is the first step.

To achieve this, in FY2019 we established the Sustainability Management Division and identified materialities (priority issues). We set 10 issues as materialities in accordance with the following three important concepts: Creating value that contributes to the development of society, creating environments where all employees can demonstrate their maximum capabilities, and ensuring



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stable supplies of the precision products that support society (see page 7 of this report for further details).

We will continue practicing the concept of "manufacturing with sincerity," our philosophy of manufacturing higher-quality products at lower prices, faster, in greater quantities, and smarter, to achieve sustainable development as a business enterprise. We hope to continue developing as a presence needed by society in the next 10 years through the repeated practice of this concept.

Creating Value that Contributes to the Development of Society

Continuously creating value that contributes to the development of society, which we set as one of the materiality concepts, will be essential for the company's long-term development. To achieve this, it will be necessary that we actively create synergy effects through integration of the New Eight Spears, our core businesses.

Among the products created from those synergy effects, we have put particular effort into the products that we refer to as the "trio of new products"—SALIOT smart LED lighting, Smart City Solutions, and Bed Sensor System™—and all of these products have achieved steady increases in sales. With regard to smart city solutions in particular, we will expand

sales channels and, with the addition of U-Shin, which is involved in the housing equipment business, it is now possible to expand the field through the “smart house concept.”

Also in FY2019, we certified products with these types of environmental contribution functions as “MinebeaMitsumi Green Products,” and established systems for promoting development and sales. Through these efforts, we will contribute to the further development of society in the future.

* Bed Sensor System is a registered trademark of MinebeaMitsumi Inc.

Sustainable Business Management

The other priority topics of materiality, i.e., creating environments where all employees can demonstrate their maximum capabilities and ensuring stable supplies of the precision products that support society, are issues that must be overcome in consideration of the sustainability of both business and society.

In the sense that a business cannot exist without its employees, we believe that it is essential that all employees can demonstrate their maximum capabilities. We are putting particular effort into creating human resource development mechanisms and establishing a culture where diverse human resources can work to their full potential as members of the Group, sharing a corporate culture, passion for their work, and priorities in an environment with employees from various countries and with diverse cultural backgrounds.

We also place a high priority on the development of future generations of leaders so that we can increase managers with shared management principles. This is not limited to Japanese employees, and developing leaders from overseas business sites who can support the group as a whole is also important. We are reinforcing measures for the development of local leaders in Thailand, China, and other countries.

Opening Paths to the Future through Passion

As I mentioned at the opening, the Group is about to enter a new growth stage. Even as the scale of the company increases, there will be no change to the Group’s strengths, speed, or our belief that it is “passion” that shapes the future. When each employee sets high targets for himself or herself and works towards achieving them, we are able to carry out our corporate slogan: Passion to create value through difference. I believe that if we create organizations that share the passion to confidently take on challenging targets and we are able to work as one, it will be possible to achieve net sales of 2.5 trillion yen and operating income of 250 billion yen.

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

MinebeaMitsumi New Eight Spears Strategy

The core of our business has been the “Seven Spears” strategy, i.e., bearings, motors, sensors, connectors/switches, power supply components, wireless/communications/software, and analog semiconductors, which leverage our strengths and use our integrated capabilities. We will now strive to achieve continuous growth through multifaceted management with a focus on the New Eight Spears, which now also include access products such as door handles and door latches from U-Shin.

