

Business Results

First Quarter of Fiscal Year
Ending March 31, 2020

MinebeaMitsumi Inc.

August 2, 2019

Continuing slowdown in 1Q due to the US and China trade issue

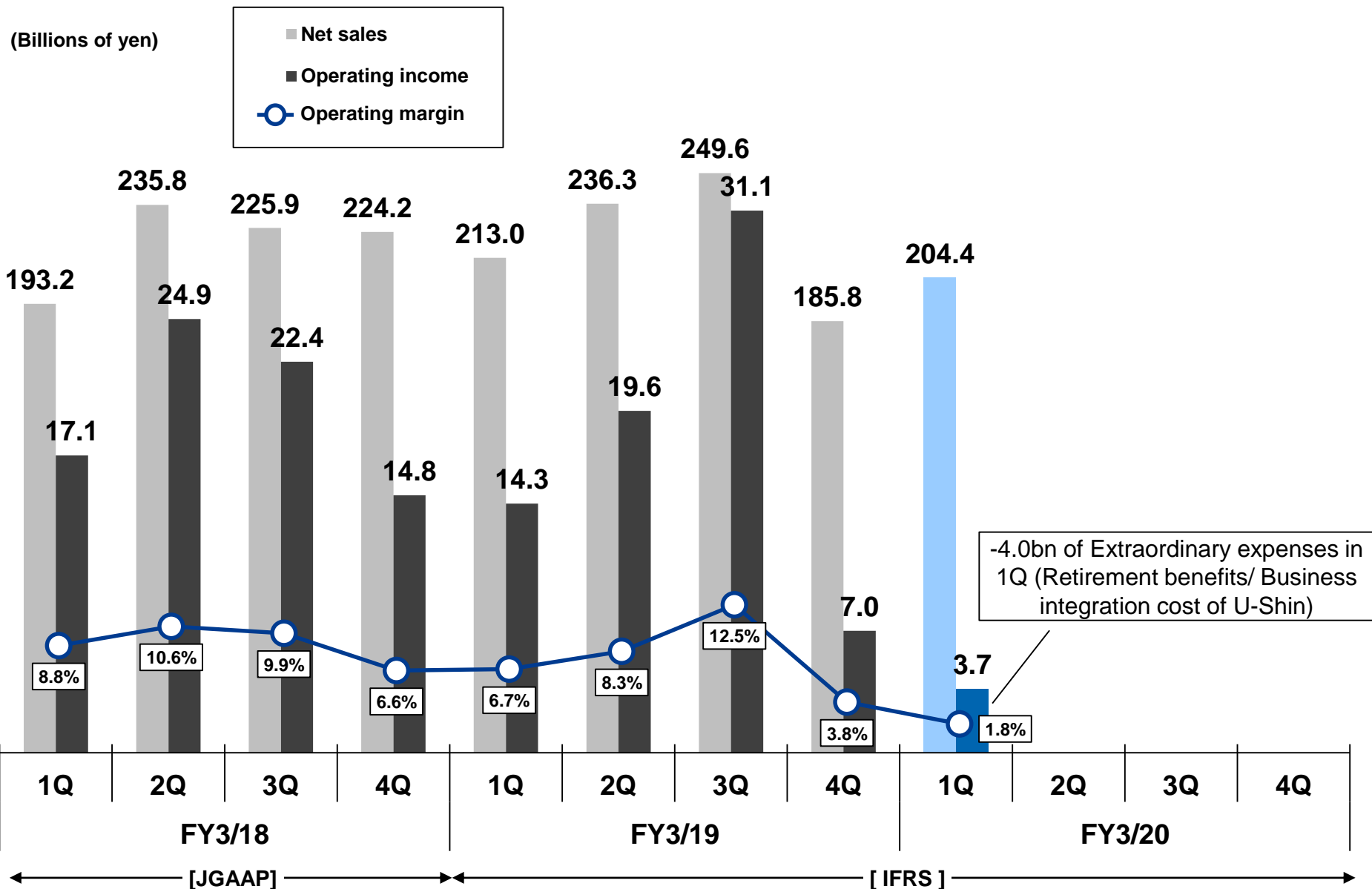
(Millions of yen)	FY3/19		FY3/20	Change	
	1Q	4Q	1Q	YoY	QoQ
Net sales	213,038	185,785	204,425	-4.0%	+10.0%
Operating income	14,291	6,994	3,663	-74.4%	-47.6%
Profit before taxes	14,170	6,712	3,680	-74.0%	-45.2%
Profit for the period attributable to owners of the parent	10,886	9,109	2,297	-78.9%	-74.8%
Earnings per share, basic (yen)	25.95	21.94	5.53	-78.7%	-74.8%

Foreign Exchange Rates	FY3/19 1Q	FY3/19 4Q	FY3/20 1Q
US\$	¥108.10	¥110.28	¥110.73
Euro	¥129.88	¥126.08	¥123.56
Thai Baht	¥3.42	¥3.47	¥3.47
Chinese RMB	¥17.02	¥16.33	¥16.28

**Includes one-time
extraordinary impact**

Net Sales, Operating Income/margin

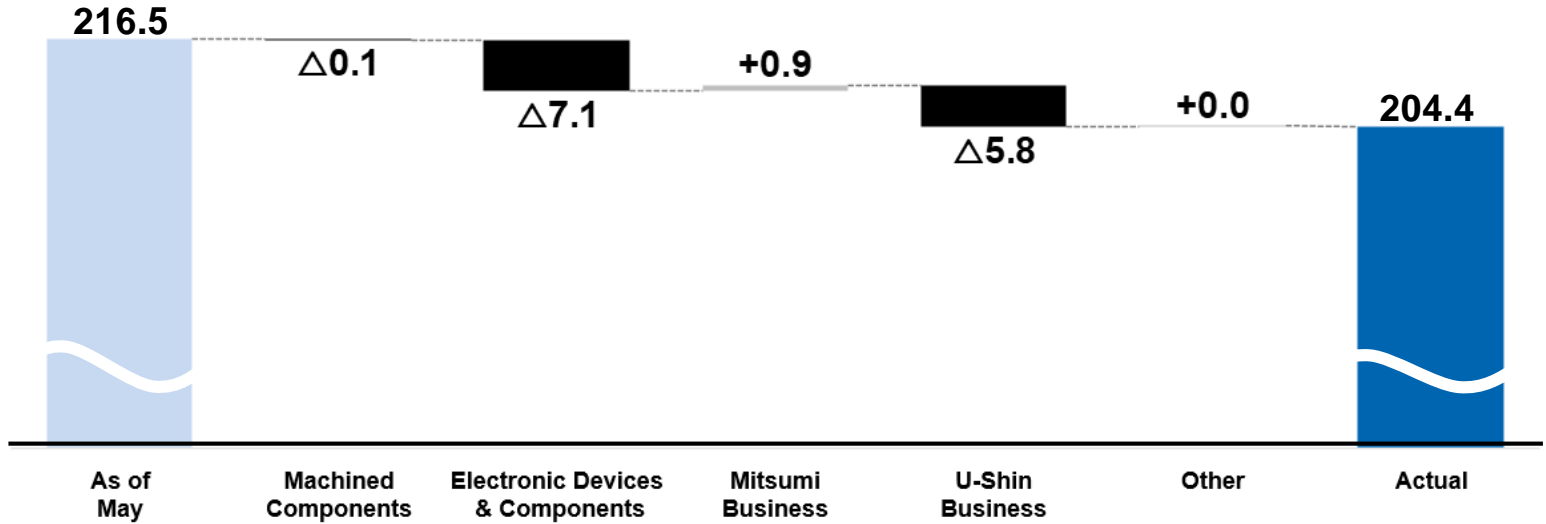
*JGAAP for FY3/18



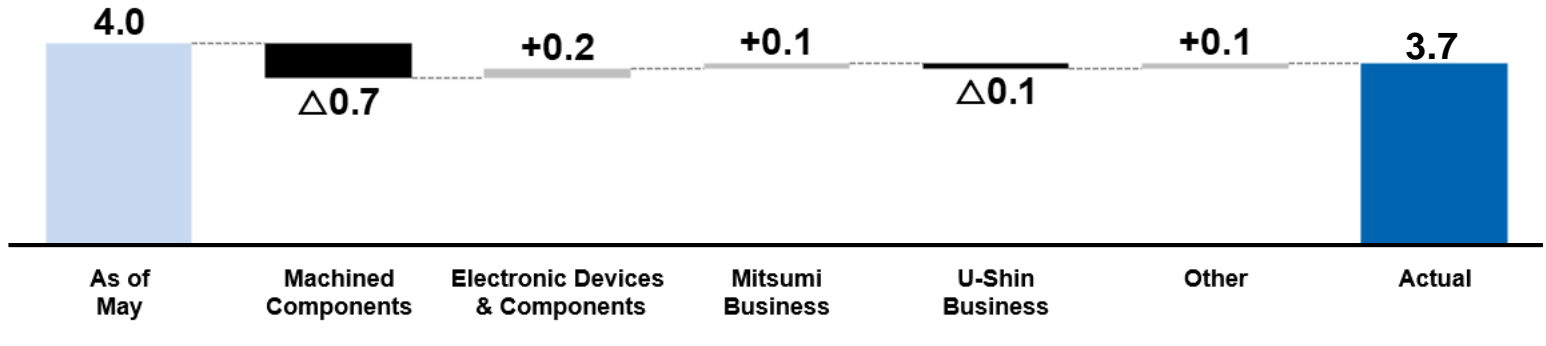
1Q Actual: Differences from the Forecast as of May

(Billions of yen)

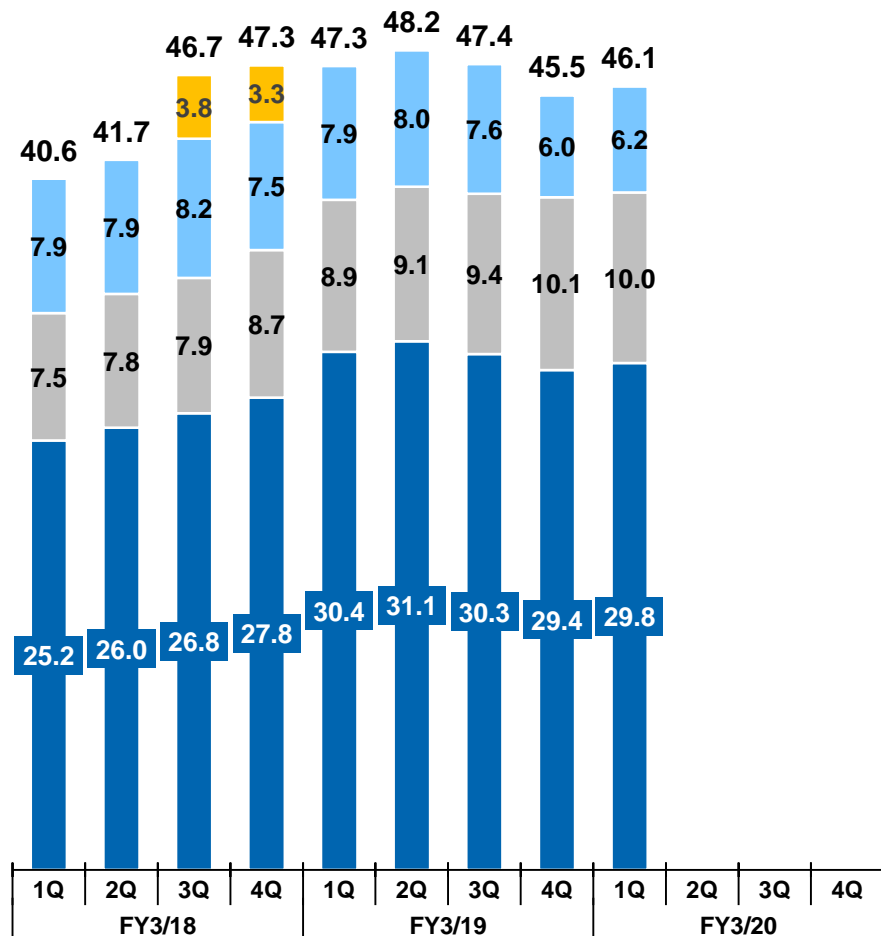
Net Sales



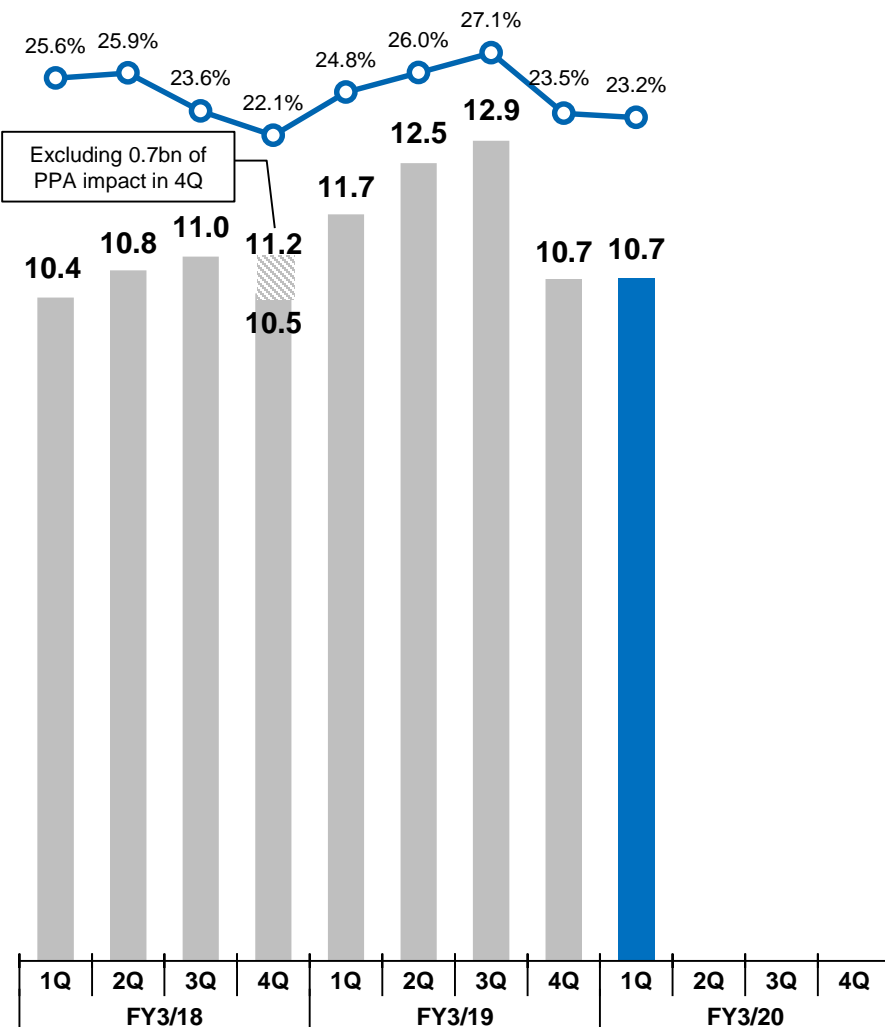
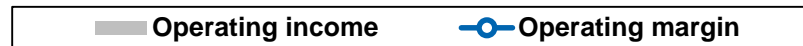
Operating Income



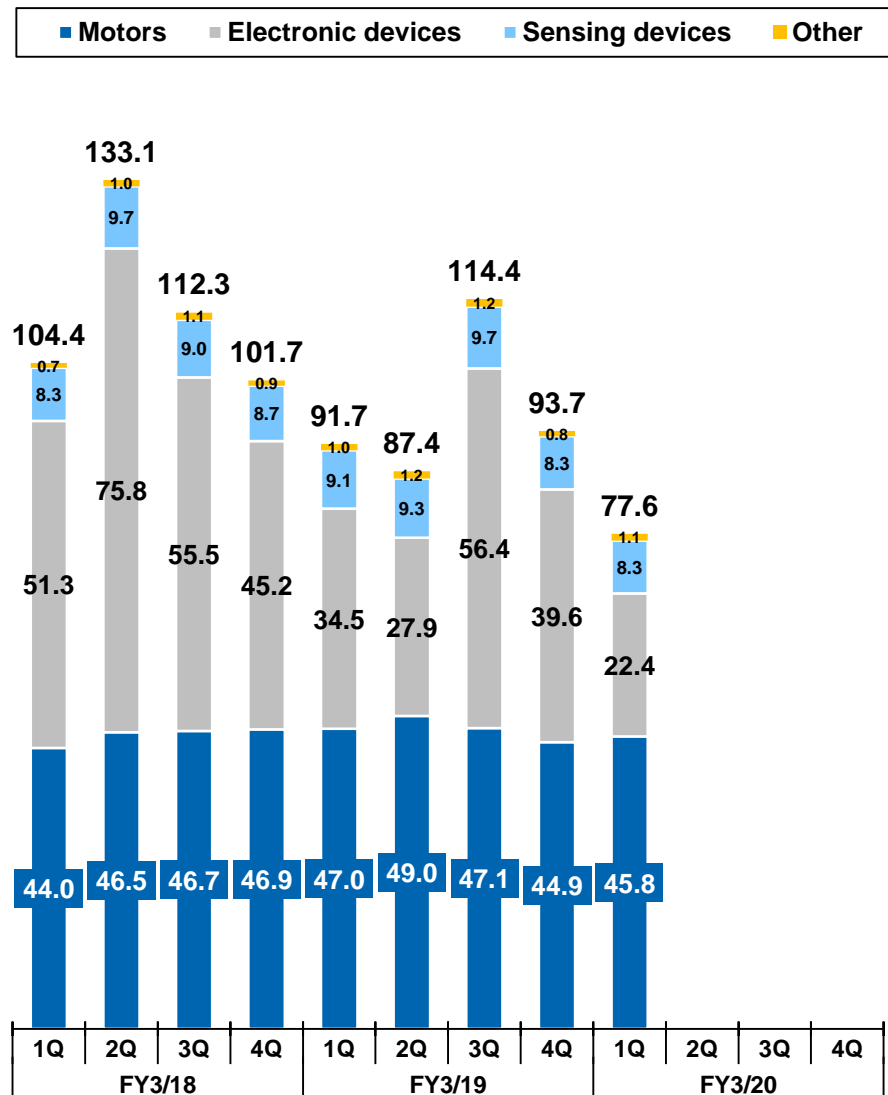
Net sales (Billions of yen)



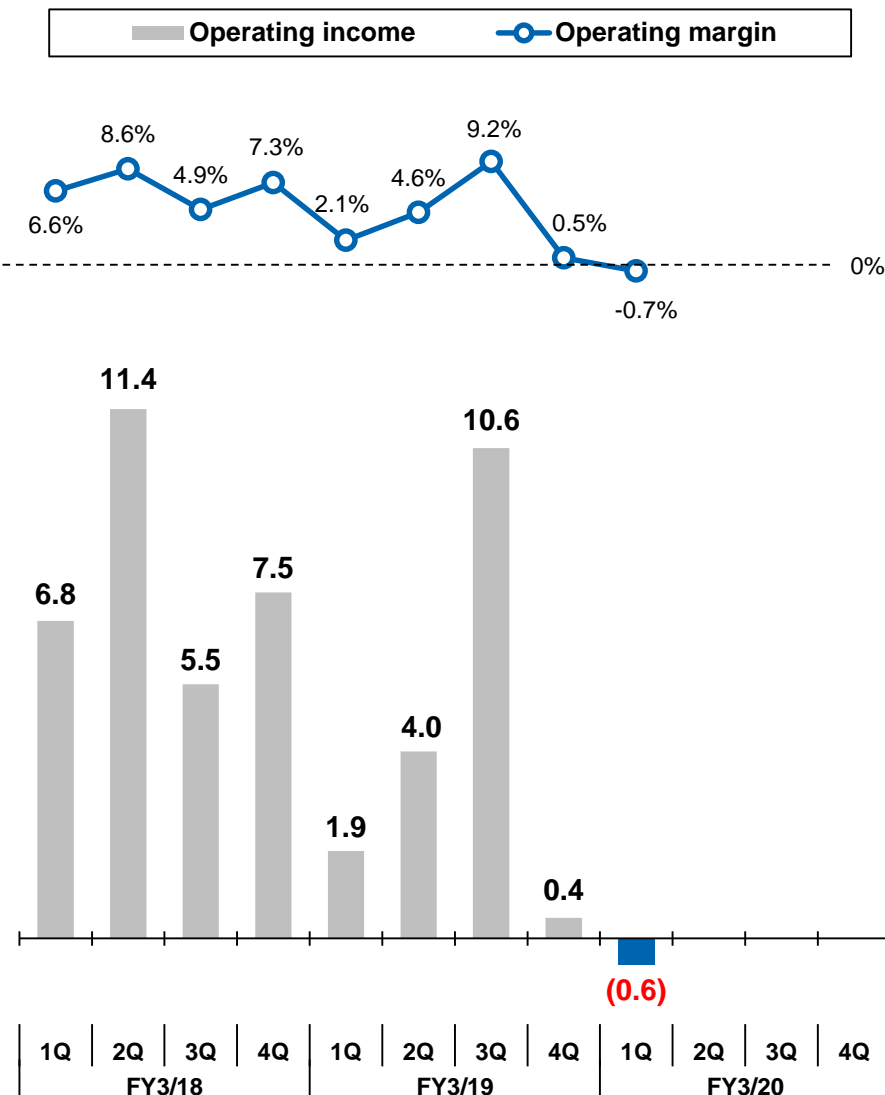
Operating income (Billions of yen)



Net sales (Billions of yen)



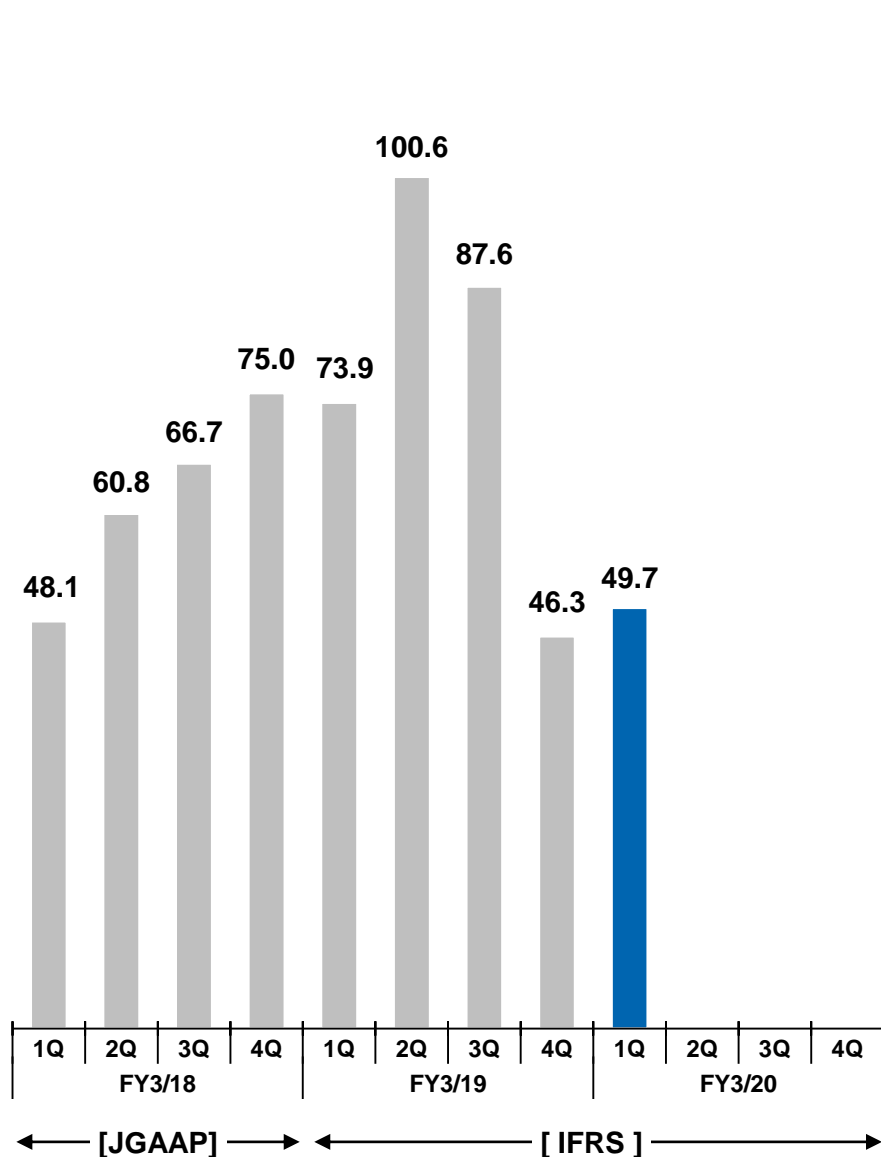
Operating income (Billions of yen)



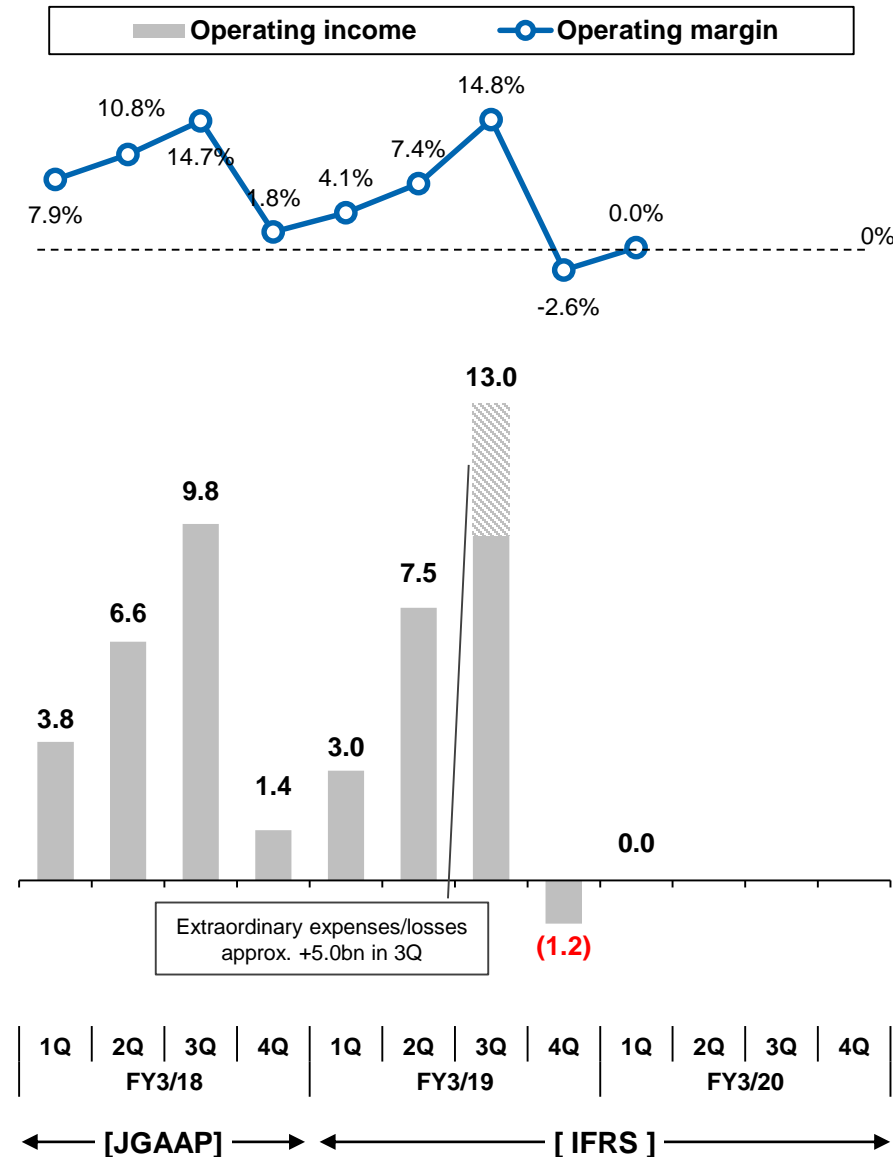
← [JGAAP] → ← [IFRS] →

← [JGAAP] → ← [IFRS] →

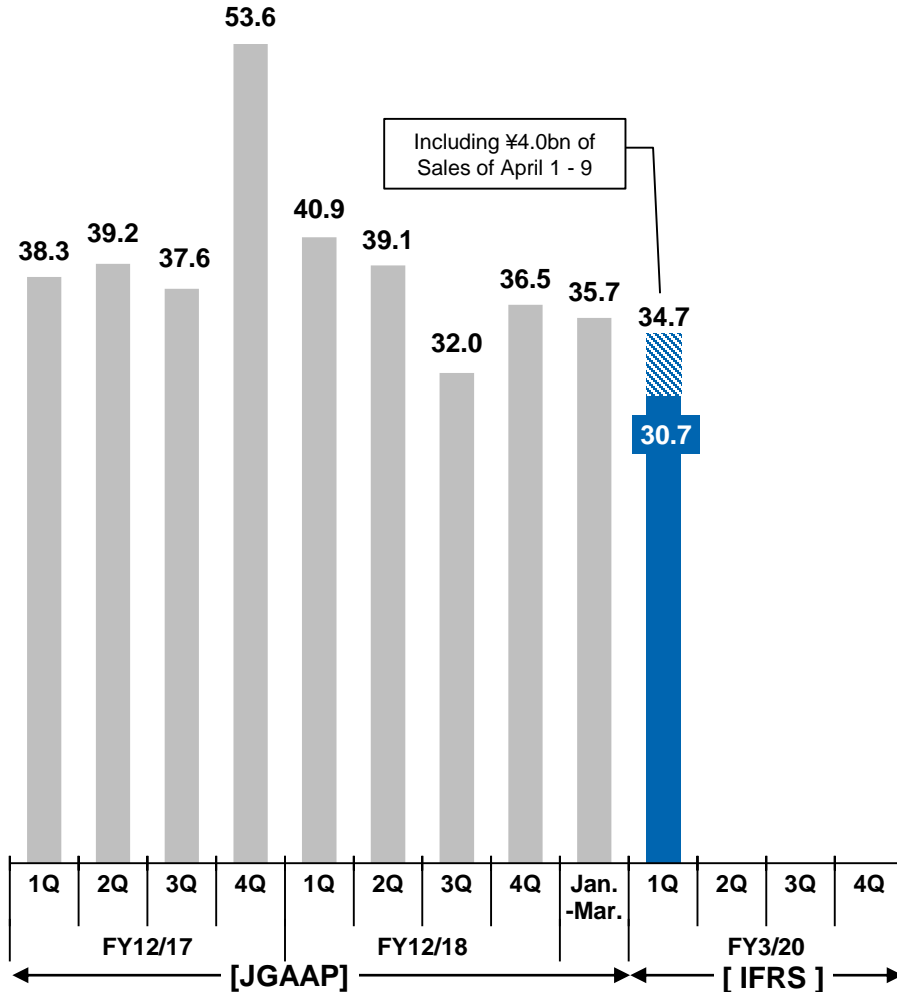
Net sales (Billions of yen)



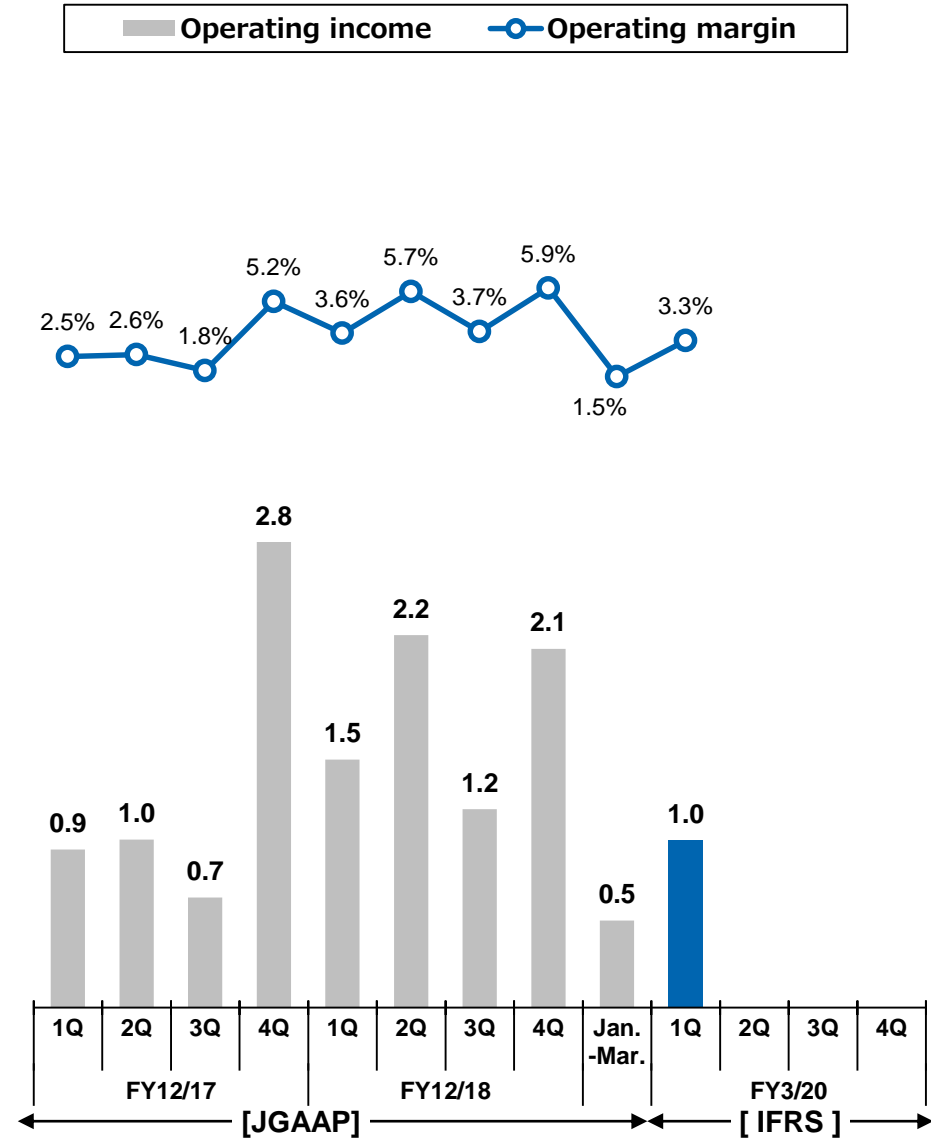
Operating income (Billions of yen)



Net sales (Billions of yen)



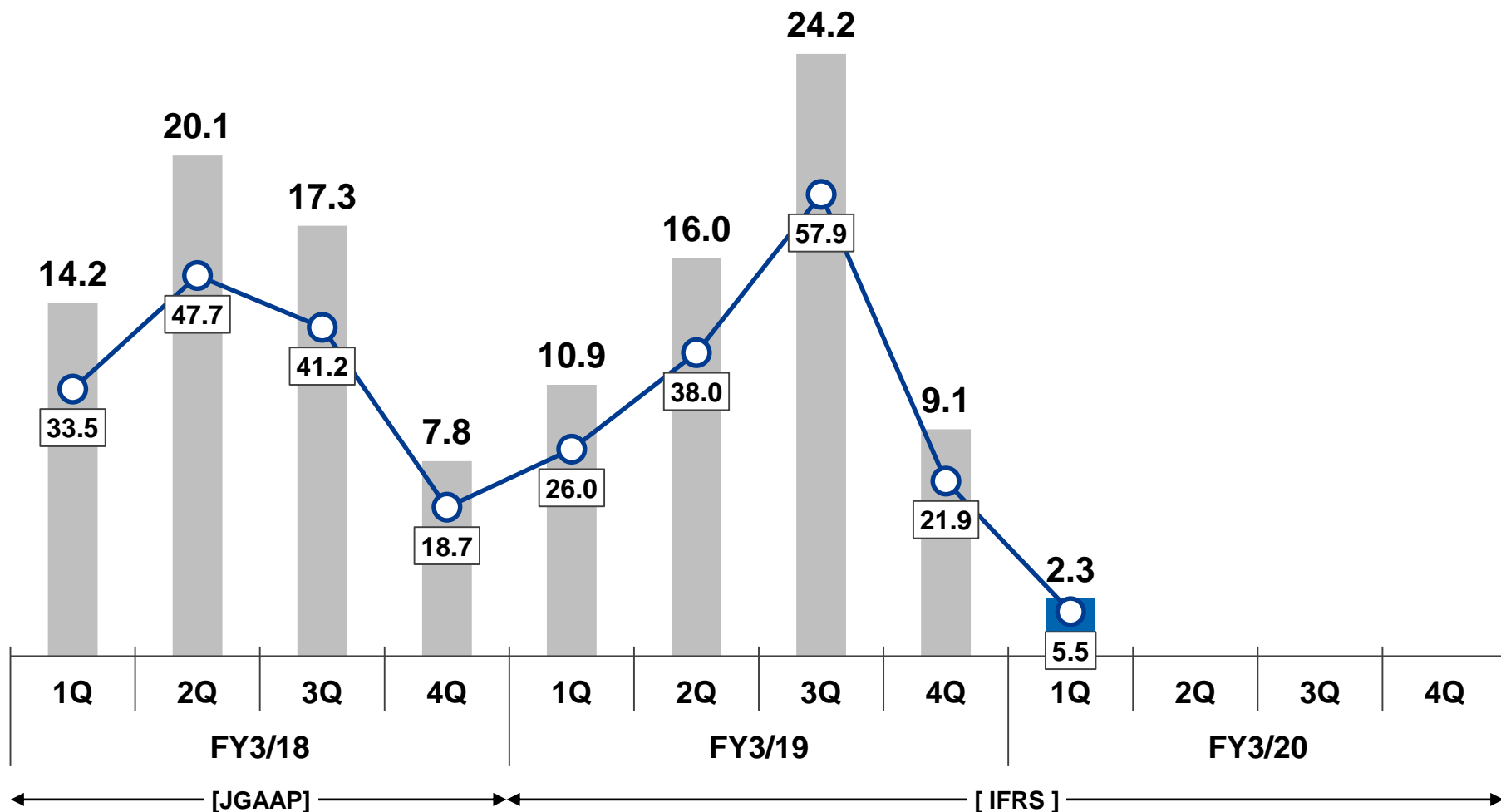
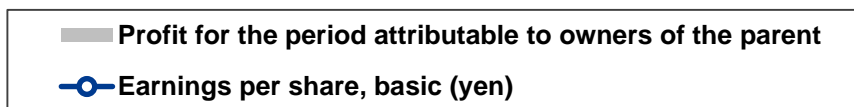
Operating income (Billions of yen)



Profit attributable to owners of the parent / EPS

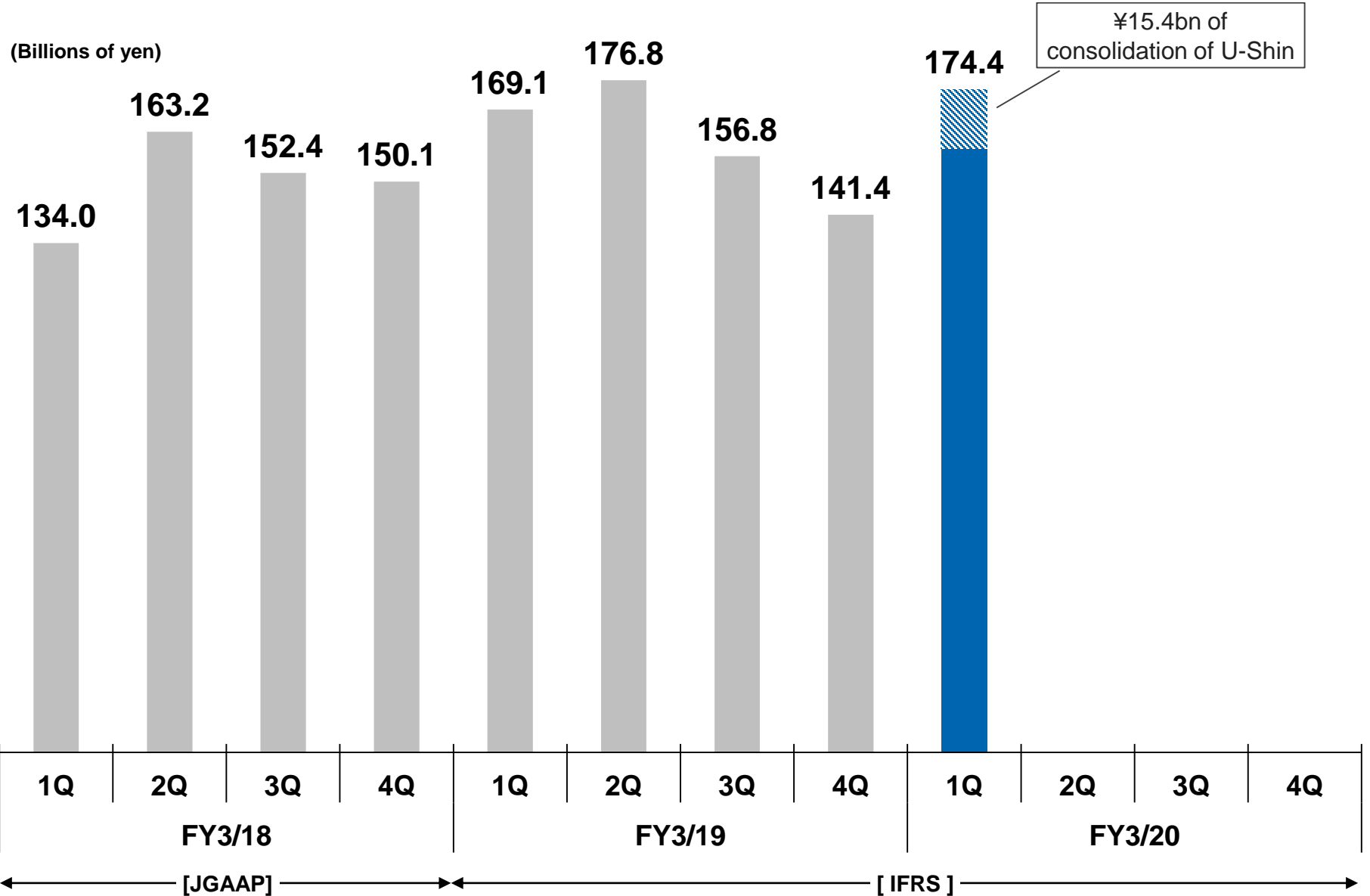
*JGAAP for FY3/18

(Billions of yen)



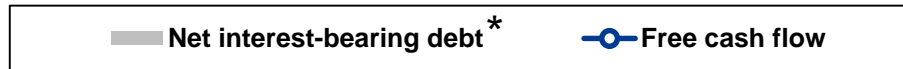
Inventory

*JGAAP for FY3/18

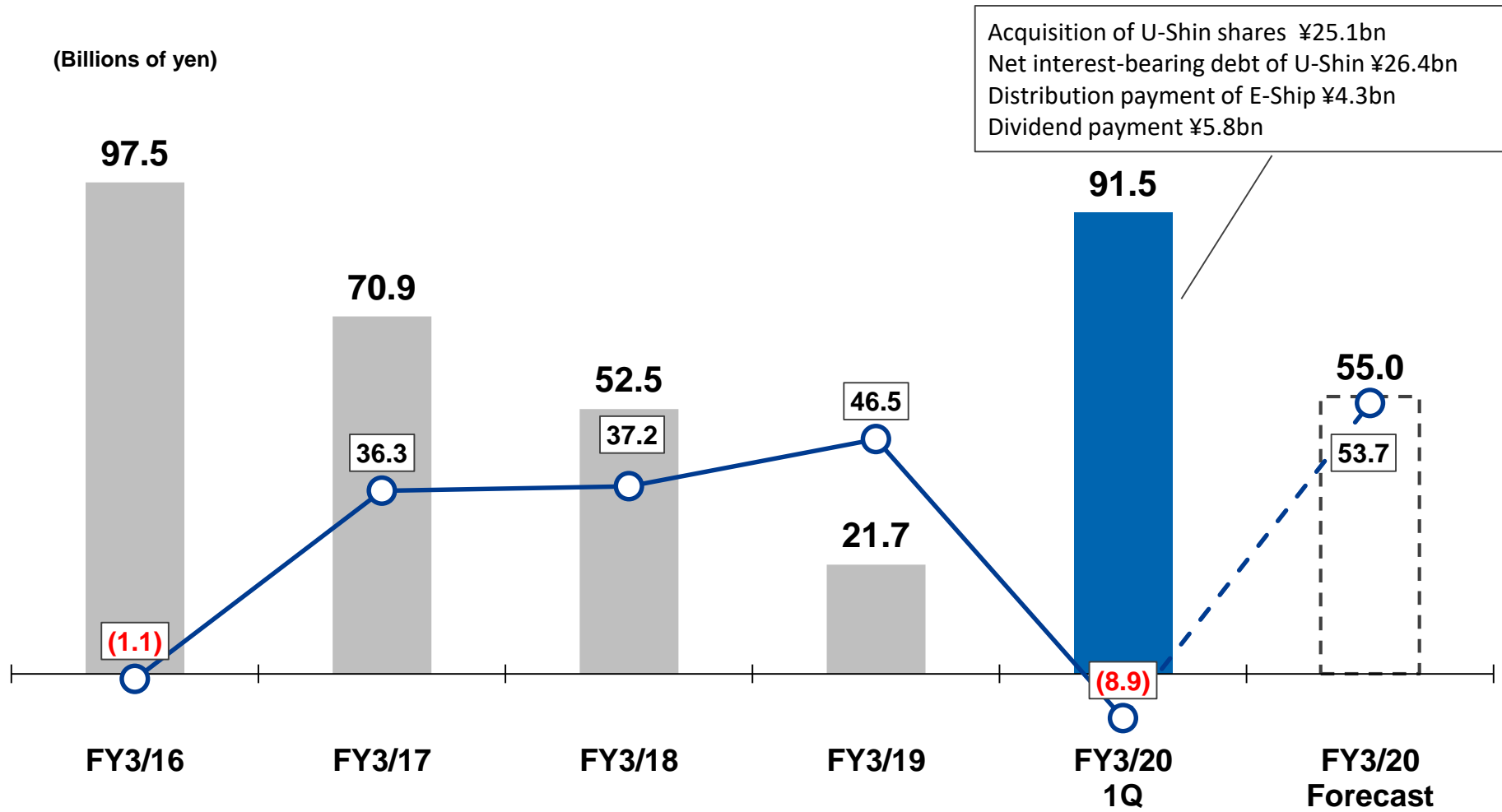


Net interest bearing debt / Free cash flow

*JGAAP for FY3/18



(Billions of yen)



Acquisition of U-Shin shares ¥25.1bn
 Net interest-bearing debt of U-Shin ¥26.4bn
 Distribution payment of E-Ship ¥4.3bn
 Dividend payment ¥5.8bn

← [JGAAP] → *Net interest-bearing debts : "Bonds and borrowings" – ("Cash and cash equivalents" + Time deposit more than 3 months) ← [IFRS] →

Keep forecast unchanged

[IFRS]

(Millions of yen)	FY3/19	FY3/20			
	Full Year	1st Half	2nd Half	Full Year	YoY
Net sales	884,723	496,500	533,500	1,030,000	+16.4%
Operating income	72,033	27,000	50,000	77,000	+6.9%
Profit before taxes	71,321	26,500	49,500	76,000	+6.6%
Profit for the period attributable to owners of the parent	60,142	21,400	40,600	62,000	+3.1%
Earnings per share, basic (yen)	143.90	51.55	97.80	149.35	+3.8%

Foreign Exchange Rates	FY3/19 Full Year	FY3/20 Assumptions
US\$	¥110.67	¥110.00
Euro	¥128.75	¥125.00
Thai Baht	¥3.42	¥3.45
Chinese RMB	¥16.52	¥16.50

Forecast for Business Segment

*Based on IFRS

[IFRS]

(Millions of yen)	FY3/19	FY3/20			
	Full Year	1st Half	2nd Half	Full Year	YoY
Net sales	884,723	496,500	533,500	1,030,000	+16.4%
Machined components	188,324	93,400	96,600	190,000	+0.9%
Electronic devices and components	387,293	189,700	214,300	404,000	+4.3%
Mitsumi business	308,423	140,900	149,100	290,000	-6.0%
U-Shin business	-	72,000	73,000	145,000	-
Other	683	500	500	1,000	+46.4%
Operating income	72,033	27,000	50,000	77,000	+6.9%
Machined components	47,750	24,500	26,500	51,000	+6.8%
Electronic devices and components	16,922	5,300	15,700	21,000	+24.1%
Mitsumi business	22,282	5,900	9,100	15,000	-32.7%
U-Shin business	-	3,100	4,900	8,000	-
Other	△ 386	△ 1,000	△ 1,000	△ 2,000	X5.2
Adjustment	△ 14,535	△ 10,800	△ 5,200	△ 16,000	+10.1%

- Overall: Macroeconomic slowdown will **continue longer than initially expected**. However, expecting **huge recovery from 2Q onwards** mainly in Electronic devices and components/Mitsumi business.
- Machined components: Current ball bearing sales are **weaker than projected** while **sales in the aircraft market remain steady**.
- Electronic devices and components/Mitsumi business: Despite the **impact from US-China trade issue**, a diversified portfolio (by market and by product) sustains performance as well as contributes to risk diversification.
- U-Shin business: Affected by **slowdown in worldwide automobile market** especially in China.

Steady progress in measures to enhance corporate value

1 Organic growth

Ball bearing

- Automobile remain solid, but fan motor slowing down.
- Medium- to long-term growth outlook remain unchanged for automobile, data center, high-end home appliance (HA), labor saving & automation (medical robots etc.)
- Expect growth in HA towards next fiscal year driven by energy saving regulations in China.

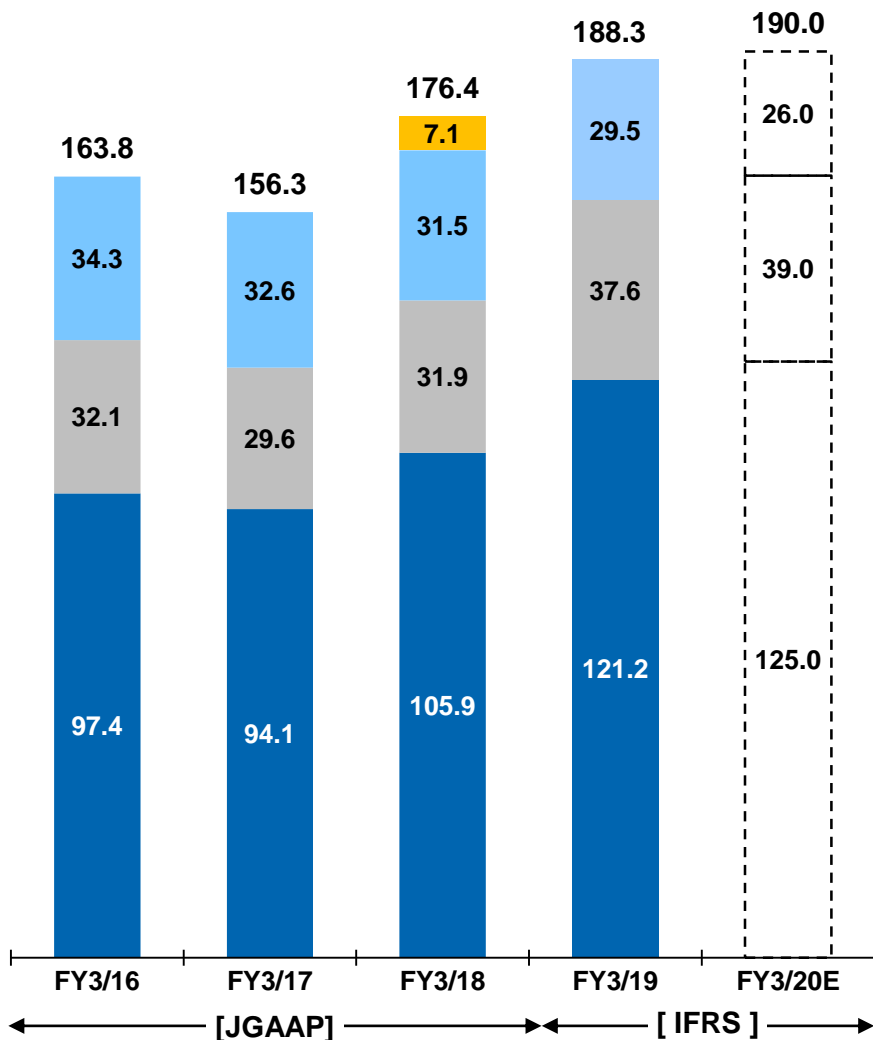
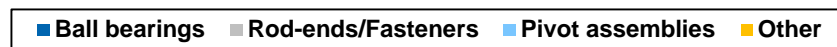
Stealth product going well

2 Various M&As of all sizes under consideration

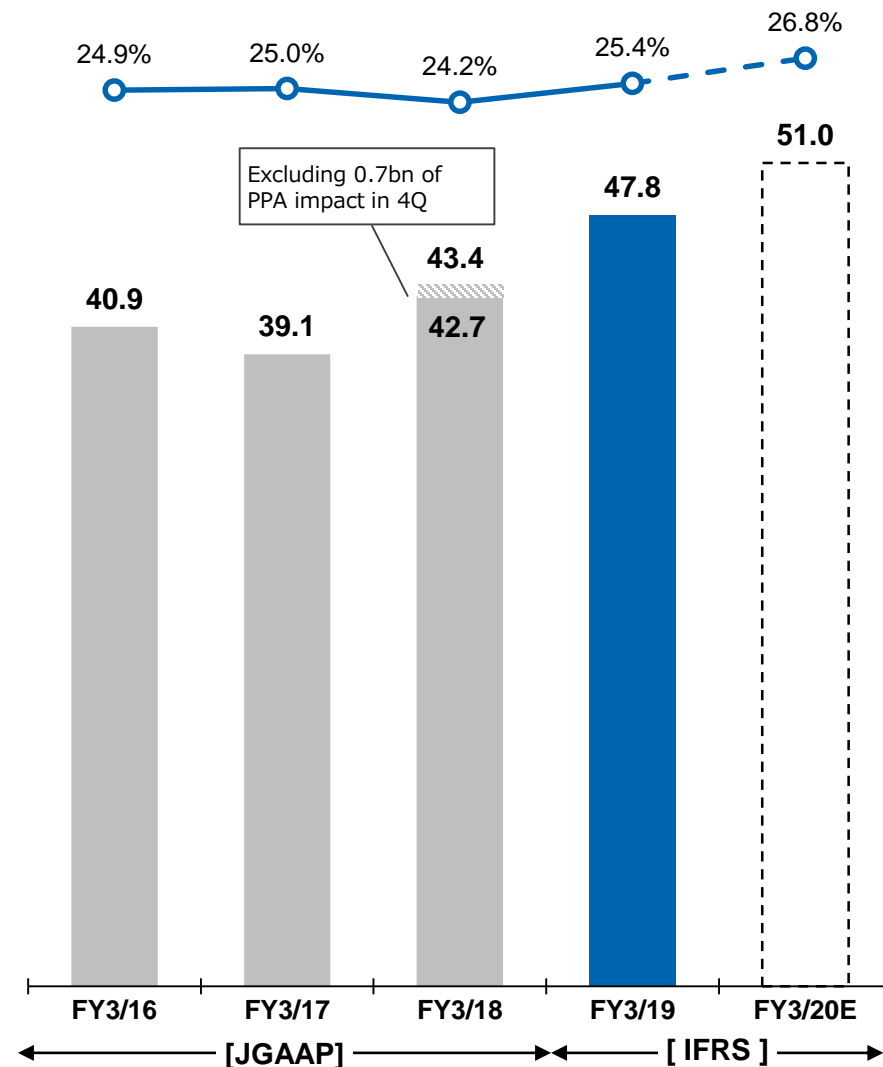
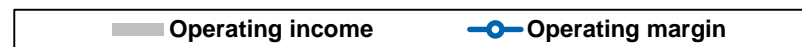
3 No progress on share buy back

Reference

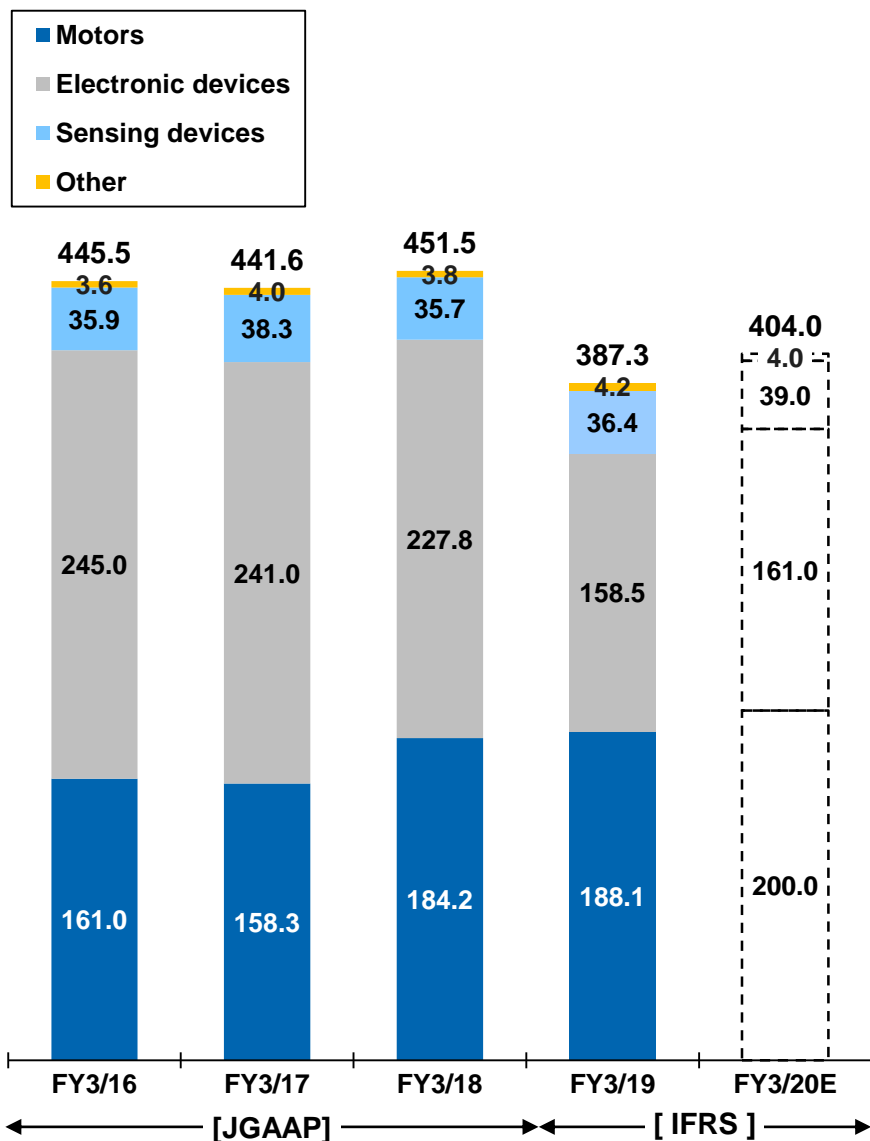
Net sales (Billions of yen)



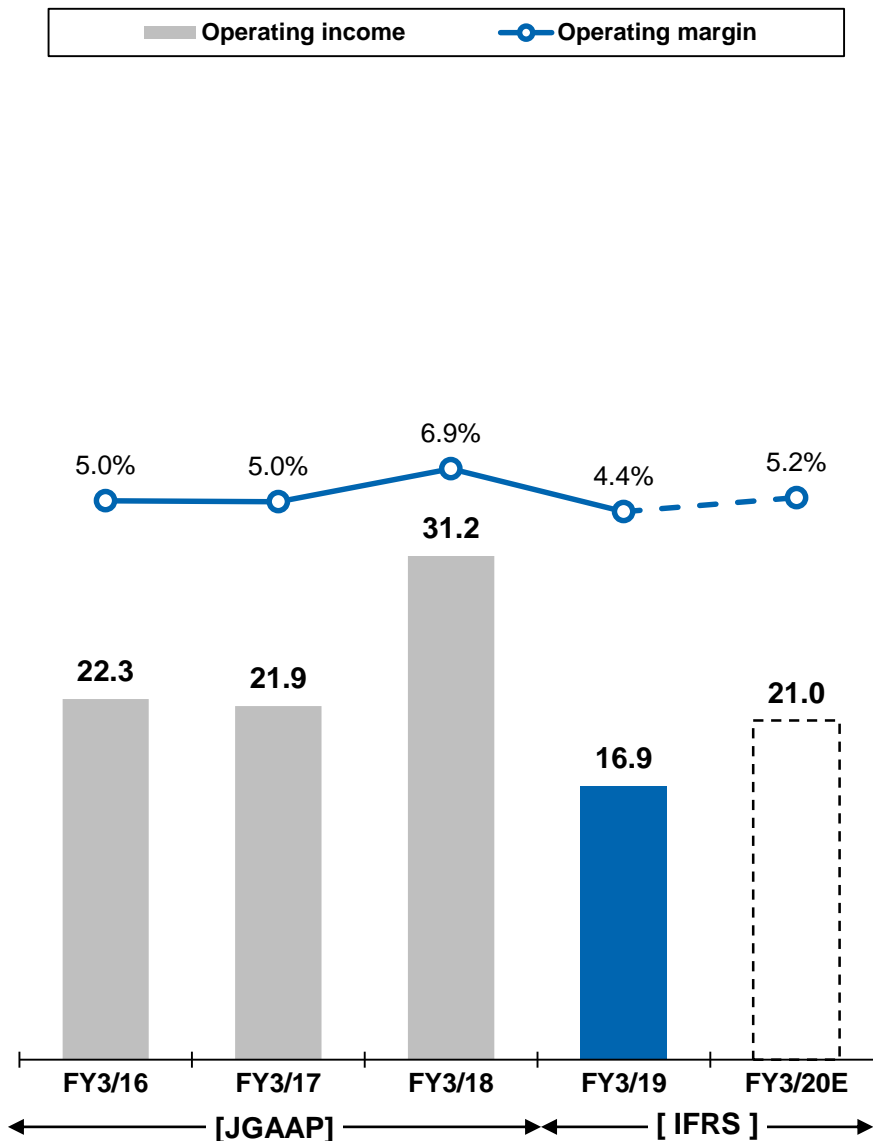
Operating income (Billions of yen)



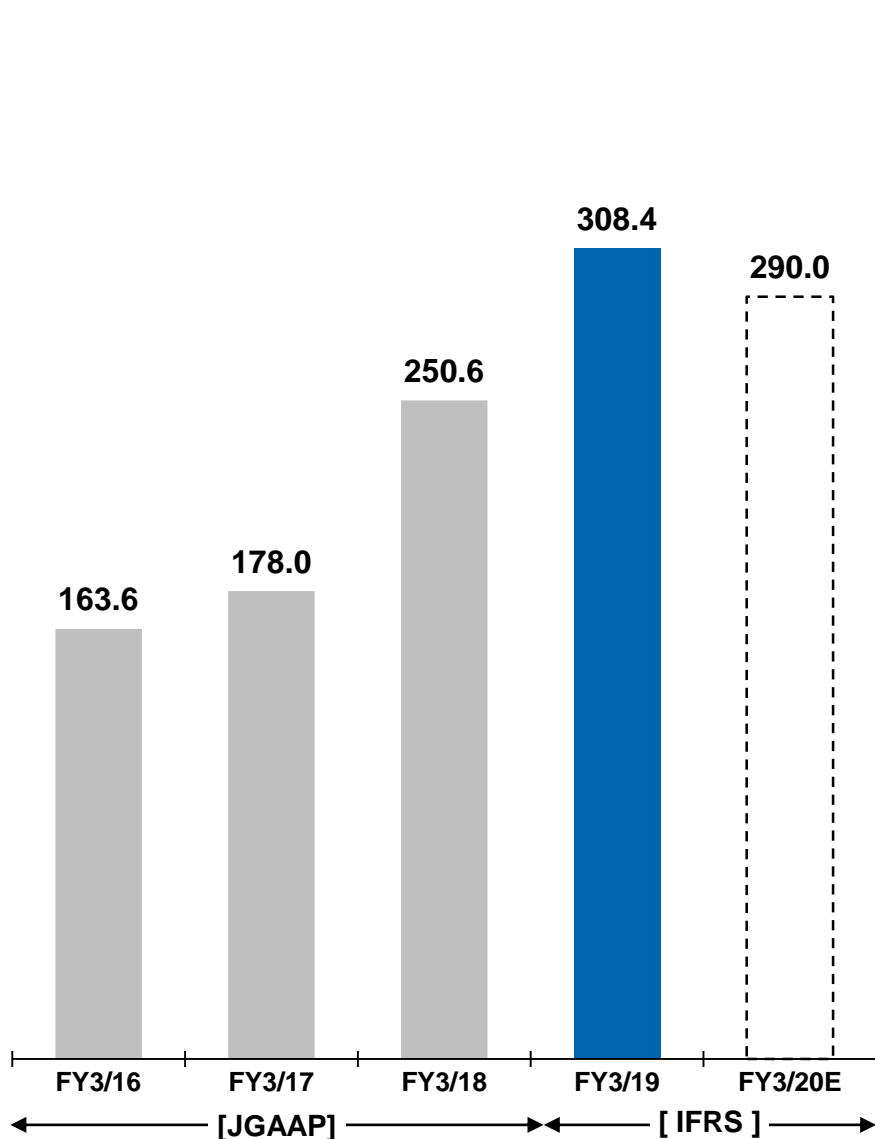
Net sales (Billions of yen)



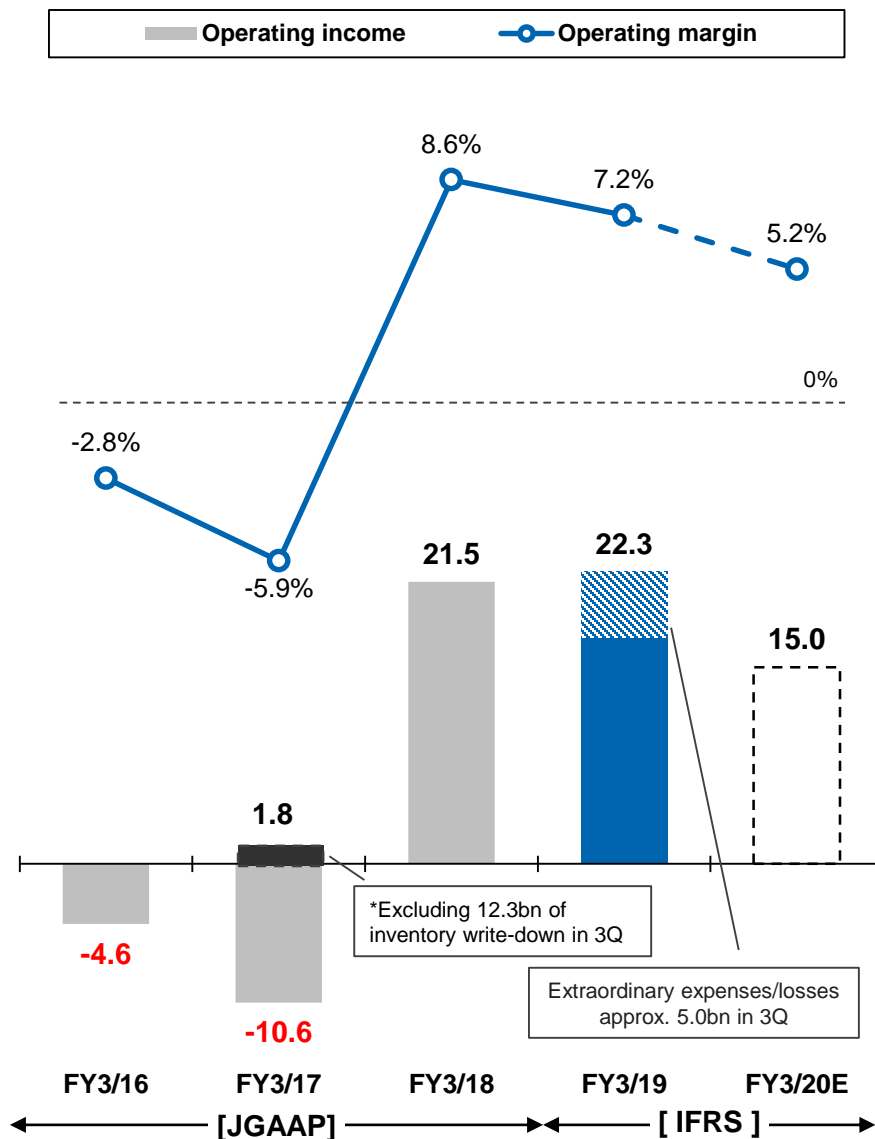
Operating income (Billions of yen)



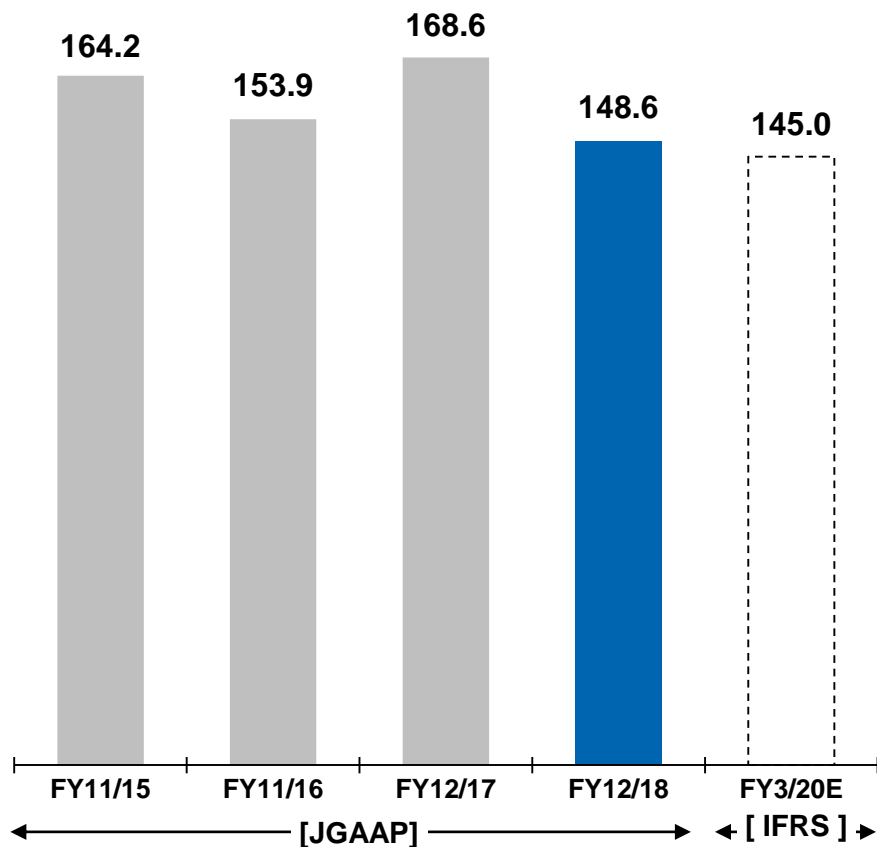
Net sales (Billions of yen)



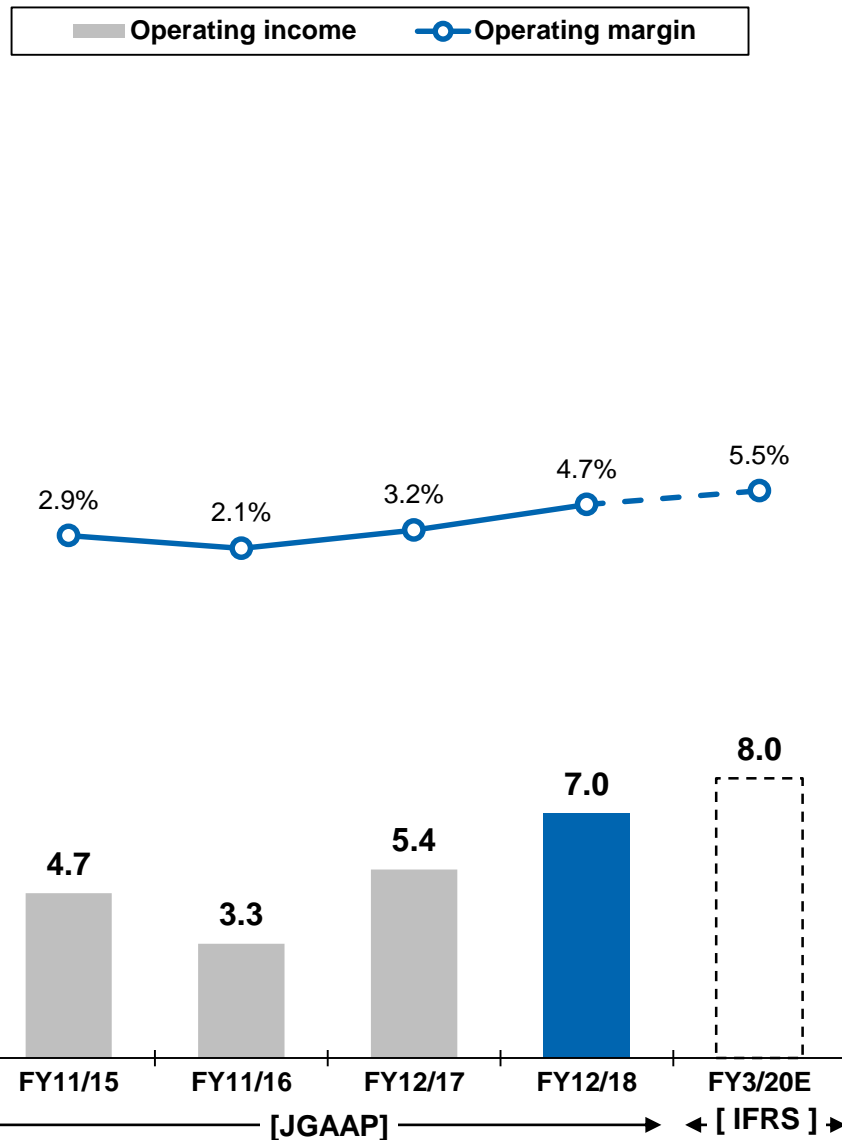
Operating income (Billions of yen)



Net sales (Billions of yen)



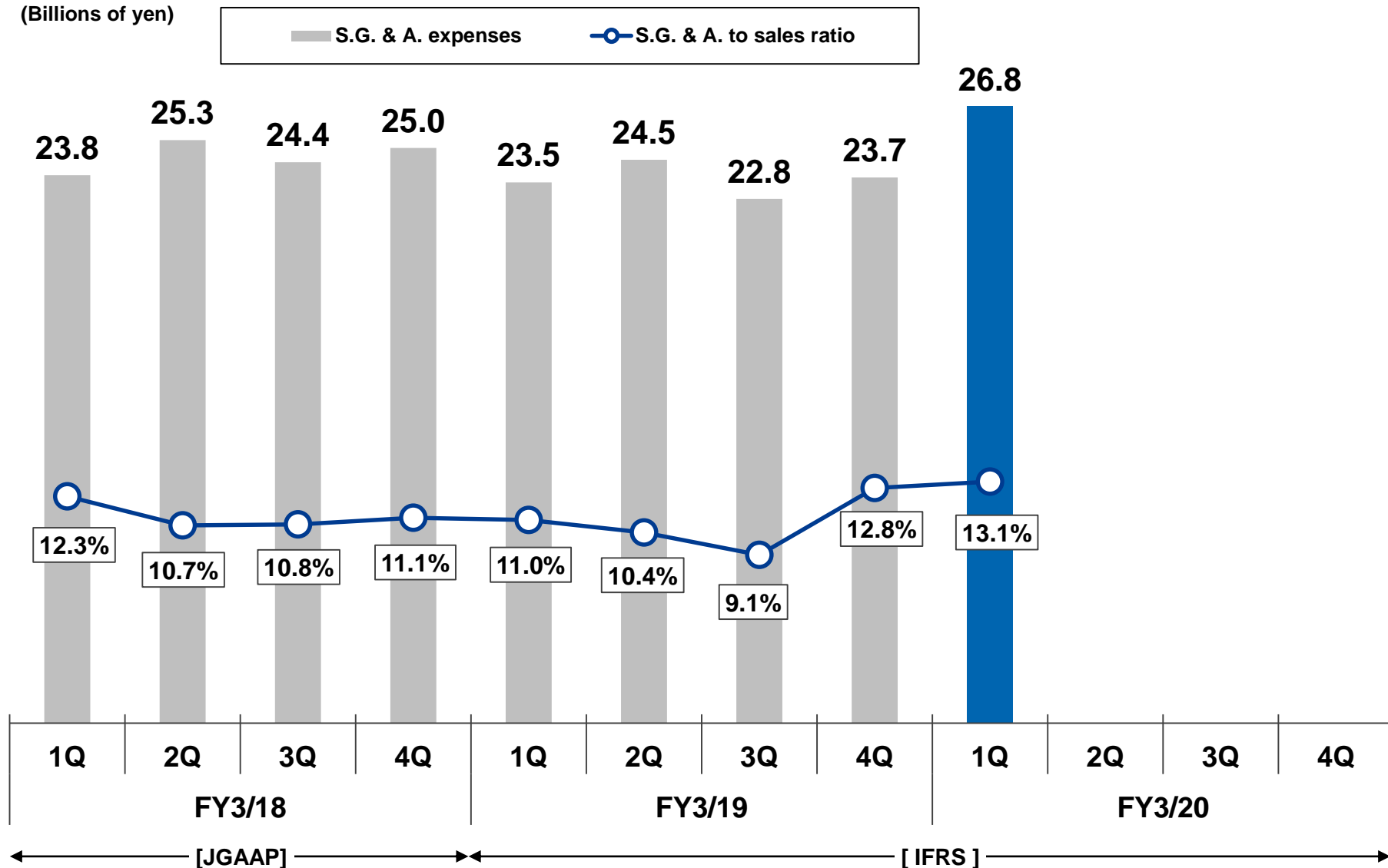
Operating income (Billions of yen)



S.G.&A. expense/ratio

*JGAAP for FY3/18

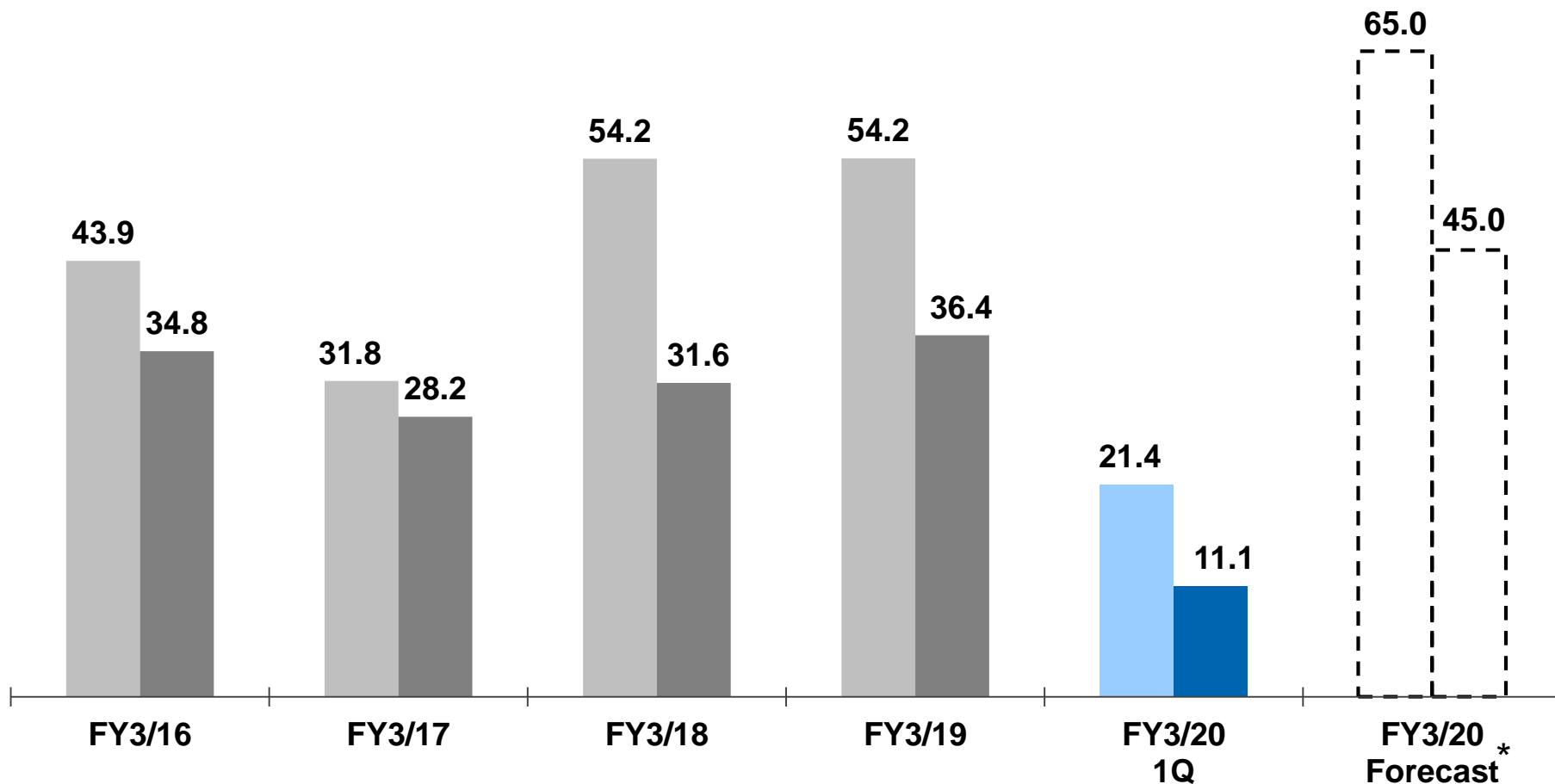
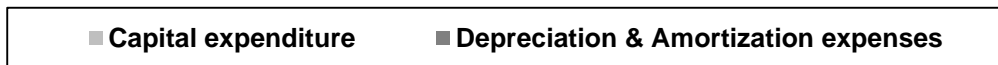
(Billions of yen)



Capital Expenditure / D&A Expense

*JGAAP until FY3/18

(Billions of yen)



← [JGAAP] →

← *FY3/20 Forecast includes 8.9bn of CAPEX and 4.5bn of D&A expenses for U-Shin [IFRS] →

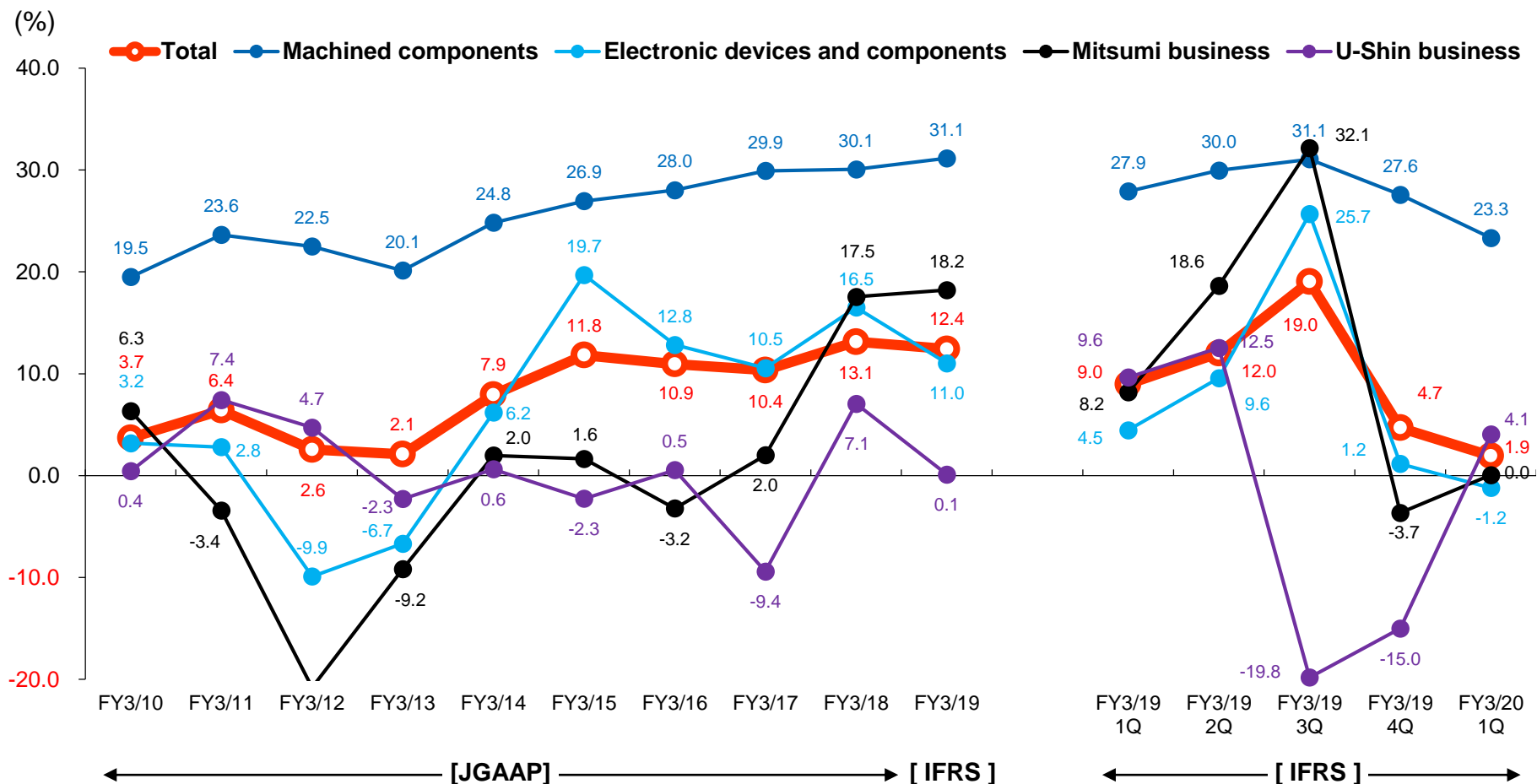
ROIC (Return On Invested Capital)

ROIC for U-Shin business are pre-merger result and based on CY / JGAAP, and are not included in the Total. JGAAP until FY3/18

MinebeaMitsumi
ROIC

$$\text{ROIC} = \frac{\text{NOPAT (Operating income + extraordinary profit/loss) x (1-tax rate)}}{\text{Invested capital (Notes receivable/accounts receivable + inventories + non-current assets - notes payable/accounts payable)}}$$

Calculated using business assets (trade receivable/payable, inventories, non-current assets) by segment





Any statements in this presentation which are not historical are future projections based on certain assumptions and executive judgments drawn from currently available information.

Please note that actual performance may vary significantly from any particular projection due to various factors.

Factors affecting our actual performance include but are not limited to: (i) changes in economic conditions or demand trends related to MinebeaMitsumi's business operations; (ii) fluctuation of foreign exchange rates or interest rates; and (iii) our ability to continue R&D, manufacturing and marketing in a timely manner in the electronics business sector, where technological innovations are rapid and new products are launched continuously.

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