

December 17, 2019

To whom it may concern

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Announcement of Acquisition of All Shares of ABLIC Inc.

MINEBEA MITSUMI Inc. (the “Company”) hereby announces that it has decided, by a resolution of its Board of Directors on December 17, 2019, to acquire the shares of ABLIC Inc. (“ABLIC”) (the “Acquisition of Shares”), as a result of which ABLIC will be a subsidiary of the Company, and that it entered into a share transfer agreement (the “Share Transfer Agreement”) with Development Bank of Japan Inc. and Seiko Instruments Inc. on December 17, 2019, as detailed below.

1. Reason for the Acquisition of Shares

The Company’s basic strategy is to identify the products as its core business called the “Eight Spears” in which the Company can demonstrate its strength, such as super-precision processing technologies and mass production technologies, and which would not be easily eliminated from the market and to provide the customers with new values by combining and integrating such products. Because analog semiconductors, one of the “Eight Spears”, are important components as a gateway to IoT technologies, which is a business area that the Company is focusing on, the Company intends to further expand its analog semiconductor business by enhancing its product portfolio and entering new application markets.

ABLIC is a semiconductor manufacturer based on watch-related technologies with a large number of unique products that utilize low-current consumption, low-voltage operation and ultra-small packaging technologies, mainly analog ICs, such as voltage regulators / voltage detectors and lithium-ion battery Protection ICs for consumer products, automotive EEPROM*¹, and ultrasound imaging ICs for medical devices. In addition, in the growing markets such as those for automotive devices, medical devices, and IoT/wearable devices *², ABLIC has realized a continuous design-win*³.

ABLIC and the Company have respective product portfolios which can be complemented each other, and the Acquisition of Shares will enable us to achieve multiple synergistic effects. In respect of research and development, the Acquisition of Shares will enable the Company to develop and manufacture products with even higher performance and quality by integrating both companies’ advanced technologies. In addition, when it comes to manufacturing, the Company will be able to improve quality and productivity and strengthen both companies’ BCP*⁴ responsiveness through joint production activities at the wafer process and assembly and testing process plants of both companies and by sharing industrial technologies and know-how seamlessly between the companies. Furthermore, the Company expects to generate synergies that are not limited to the semiconductor field, such as the mutual use of the sales channels of the Company’s group and ABLIC, and the application by ABLIC of the knowledge possessed by other divisions of the Company to the development of new products.

Through the Acquisition of Shares, the Company will strengthen its efforts to expand the sales of high value-added products targeting medical devices as well as products targeting the industrial/housing device market and enhance the expansion of its market share in the car infotainment^{*5} market, thereby the Company will contribute to the re-growth of the Japanese semiconductor industry by expanding the scale of its semiconductor business and enhancing its position in the analog semiconductor market.

*¹. “EEPROM” is a type of non-volatile memory whose recorded content is not deleted even after the power supply is disconnected and can be rewritten electronically.

*². “Wearable devices” mean electronic devices that can be worn when in use.

*³. “Design-win” refers to cases where it has been determined that the company’s own product will be adopted in a customer’s new product.

*⁴. “BCP” is an abbreviation of Business Continuity Plan and means a plan to prevent the interruption of business activities in the event of natural disasters or other events, or to restore business operations at an early stage in case of such an interruption.

*⁵. “Car infotainment” means in-vehicle information and entertainment systems.

2. Outline of the Company to Become a Subsidiary

(1) Company name	ABLIC Inc.		
(2) Location	8, Nakase 1-chome, Mihama-ku, Chiba-shi, Chiba, Japan		
(3) Title and name of representative	Nobumasa Ishiai, President and CEO		
(4) Business	Development, design, manufacture, and sales of analog semiconductor products		
(5) Amount of capital	9,250 million yen		
(6) Date of establishment	September 28, 2015		
(7) Major shareholders and shareholding ratio	Development Bank of Japan Inc.		70%
	Seiko Instruments Inc.		30%
(8) Relationship between the Company and ABLIC	Capital relationship	Not applicable.	
	Personnel relationship	Not applicable.	
	Business relationship	Not applicable.	
(9) Consolidated operating results and consolidated financial position of ABLIC over the past 3 years			
Fiscal Year End	Fiscal Year Ended March 31, 2017	Fiscal Year Ended March 31, 2018	Fiscal Year Ended March 31, 2019
Consolidated net assets	18,426 million yen	21,203 million yen	23,410 million yen
Consolidated total assets	42,897 million yen	45,251 million yen	45,039 million yen
Consolidated net assets per share	9,960 yen	11,457 yen	12,642 yen
Consolidated sales	28,548 million yen	32,784 million yen	32,851 million yen
Consolidated operating income	2,464 million yen	4,832 million yen	4,174 million yen
Consolidated ordinary income	1,724 million yen	4,507 million yen	3,753 million yen
Consolidated net income	811 million yen	2,798 million yen	2,165 million yen
Consolidated net income per share	438 yen	1,513 yen	1,170 yen
Dividend per share	-	-	-

3. Outline of the Companies Selling the Shares

(1) Company name	Development Bank of Japan Inc.	
(2) Location	9-6, Otemachi 1-chome, Chiyoda-ku, Tokyo, Japan	
(3) Title and name of Representative	Hajime Watanabe, President and CEO	
(4) Business	Investment and financing of business funds	
(5) Amount of capital	1,000,424 million yen	
(6) Date of establishment	October 1, 2008	
(7) Net assets	3,243 billion yen (For the fiscal year ended March 31, 2019)	
(8) Total assets	16,827.3 billion yen (For the fiscal year ended March 31, 2019)	
(9) Major shareholders and shareholding ratio	Minister of Finance (As of March 31, 2019) 100%	
(10) Relationship between the Company and the Development Bank of Japan Inc.	Capital relationship	No material capital relationship.
	Personnel relationship	No material personal relationship.
	Business relationship	The Company and the Development Bank of Japan Inc. jointly hold all shares of C&A Tool Engineering, Inc. (Headquarters located in Churubusco, Indiana, United States). The shareholding ratio is 51% for the Company and 49% for the Development Bank of Japan Inc.
	Status applicable to the related parties	Not applicable.

(1) Company name	Seiko Instruments Inc.	
(2) Location	8, Nakase 1-chome, Mihama-ku, Chiba-shi, Chiba, Japan	
(3) Title and name of representative	Tetsu Kobayashi, President	
(4) Business	Development, manufacture, and sales of watches (finished products and watch movements), electronic components, precision devices, and printing devices	
(5) Amount of capital	9,756 million yen (wholly owned by Seiko Holdings Corporation)	
(6) Date of establishment	September 7, 1937	
(7) Net assets	26,636 million yen (For the fiscal year ended March 31, 2019)	
(8) Total assets	76,394 million yen (For the fiscal year ended March 31, 2019)	
(9) Major shareholders and shareholding ratio	Seiko Holdings Corporation 100%	
(10) Relationship between the Company and Seiko Instruments Inc.	Capital relationship	No material capital relationship.
	Personnel relationship	No material personal relationship.
	Business relationship	The Company and Seiko Instruments Inc. have a business relationship in respect of sales and purchase of products.

	Status applicable to the related parties	Not applicable.
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4. Number of Shares to be Acquired, Acquisition Price, and Shareholdings Before and After the Acquisition

(1) Number of shares held by the Company before the transfer	0 shares (Number of voting rights: 0) (Percentage of voting rights held: 0.0%)
(2) Number of shares to be acquired by the Company	1,850,000 shares (Number of voting rights: 1,850,000)
(3) Acquisition price	Common stock of ABLIC Inc. (*) 34,393 million yen
(4) Number of shares to be held by the Company after the transfer	1,850,000 shares (Number of voting rights: 1,850,000) (Percentage of voting rights: 100.0%)

(*) Under the Share Transfer Agreement, the Company has agreed to adjust the consideration for the common stock of ABLIC Inc. based upon ABLIC's financial figures at the time of the implementation of the Acquisition of Shares, and to make additional payments of up to 1.5 billion yen depending on the business results of the ABLIC group during a certain period of time. Commissions, such as advisory fees, are not stated as necessary expenses related to competition law procedures in each relevant country have not been fixed.

5. Schedule

(1) Date of resolution of the Board of Directors	December 17, 2019
(2) Execution date of the Share Transfer Agreement	December 17, 2019
(3) Implementation date of the Acquisition of Shares	Expected to be around July 2020

(Note) The implementation date of this transaction may be changed depending on the status of approvals from the relevant competition authorities and regulatory authorities.

6. Future Outlook

The impact of this transaction on the Company's consolidated business results for the fiscal year ending March 31, 2020 is expected to be minimal. If any event that needs to be disclosed, we will promptly disclose the relevant information.

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