

Chapter II Financial Strategy and Capital Policy



CFO's Message

We will promote an appropriate and agile financial strategy that entails reforming our portfolio in a manner that puts more weight on highly profitable core businesses while also carrying out highly effective M&As

Shuji Uehara

Director, Senior Managing Executive Officer
Chief of Tokyo Head Office, Officer in charge of Accounting & Corporate Finance Division, Officer in charge of Sustainability Management Division

Operating results for the fiscal year ended March 2019 and outlook for the fiscal year ending March 2020

During the fiscal year, MinebeaMitsumi was subject to effects of a drastic downturn in order receipts during the fourth quarter brought about by drastic changes in the external environment such that included trade friction between the United States and China. Working against this backdrop, we concentrated on cutting costs, creating high value-added products, developing new technologies, and enhancing our marketing approach to boost profitability further. As a result, net sales increased by 0.4% year on year to 884.7 billion yen, the highest since our founding. Operating income increased by 4.5% year on year to 72 billion yen, and profit for the year attributable to owners of the parent increased by 19.5% to 60.1 billion yen, both exceeded previous record highs.

In the next fiscal year, we expect net sales to be higher overall at a level topping 1 trillion yen as a result of achieving growth in business involving applications for automobiles and aircraft, and due to our business integration with U-Shin. We expect operating income to increase to 77 billion yen despite a strong sense of uncertainty largely with respect to trends in the foreign exchange and smartphone markets, amid the previously mentioned growth in business involving applications for automobiles and aircraft, in conjunction with increasing profitability primarily with respect to ball bearings.

Furthermore, we have voluntarily adopted International Financial Reporting Standards (IFRS) from the fiscal year.

Financial strategy for the next 10 years

Under our vision for the next ten years, we set new targets for net sales and operating income of 2.5 trillion yen and 250 billion yen, respectively. With its Eight Spear products newly including U-Shin's access products with the aim of achieving those targets, we are accordingly poised to strengthen its position as the world's mightiest INTEGRATION manufacturer of precision components by enhancing our ultra-precision and ultra-high quality core businesses. Meanwhile, we are considering options for flexibly allocating cash generated by these numerous highly-profitable No. 1 products to initiatives that involve carrying out M&As and enhancing shareholder returns with top priority placed on achieving organic growth, premised on the notion of maintaining financial discipline.

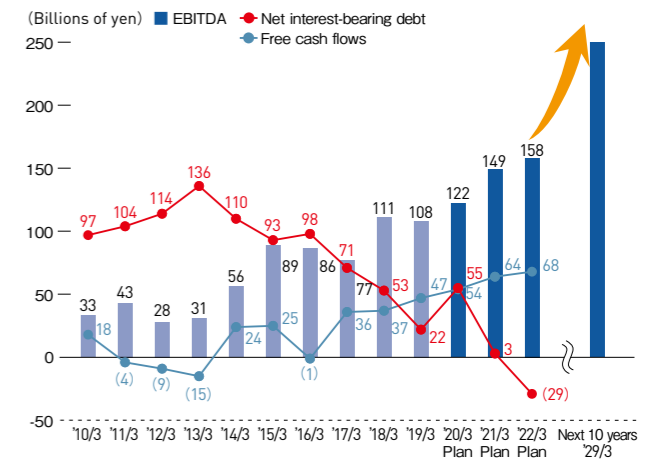
Vision over the next 10 years (fiscal year ending March 2029)



Approach to allocating capital backed by ability to generate cash

Having made "strengthening our financial position" a key management policy, the MinebeaMitsumi Group now functions as an enterprise that is capable of generating cash amounting to approximately 100 billion yen on an EBITDA basis by taking various steps that include efficiently engaging in capital investment, managing assets, and reducing interest-bearing debt. It is worth noting that increases in cash flow are being driven by substantive profit gains, rather than capital investment. This seems to be due to our strategy of creating new added value by actively investing profits derived from our cash cow, sub-core businesses, into strengthening our core businesses. Moreover, the source of the Company's ability to generate cash flows rests with its non-financial strengths in terms of its employees and technologies that enable generating synergies through INTEGRATION that combines its core technologies and products among its Eight Spear products. We consider the notions of how such cash flows might be put to use in bringing about growth, and how they might be returned to our shareholders. This stands as the next challenge that the Company must address.

Results and plans: EBITDA/net interest-bearing debt/free cash flows



* Figures are subject to change upon implementation of large-scale M&As.
* Figures for periods up through the fiscal year ended March 2018 are based on JGAAP, and figures from the fiscal year ended March 2019 onward are based on IFRS.

Investment for growth

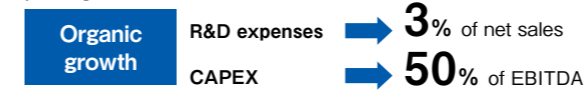
Under the current Midterm Business Plan (FY3/2020 - FY3/2022), we intend to generate a cumulative total of 370 billion yen in operating cash flow over three years and a cumulative total of between 800 billion yen and 1 trillion yen in free cash flow over the next ten years. Generated operating cash flows are to be preferentially allocated to R&D and capital expenditure to act as a driver of organic growth. Moreover, we

are also considering options of carrying out effective M&As such as those we have initiated over the last ten years enlisting 50% of our free cash flows and borrowings, premised on the notion of maintaining financial discipline such that the debt/equity ratio falls within the 0.2 times range.

Allocating capital backed by ability to generate cash

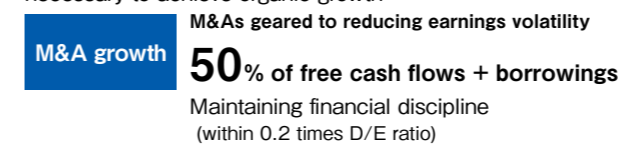
Operating cash flows

We will allocate capital with the aim of achieving organic growth, backed by our ability to generate cash accompanying profit growth



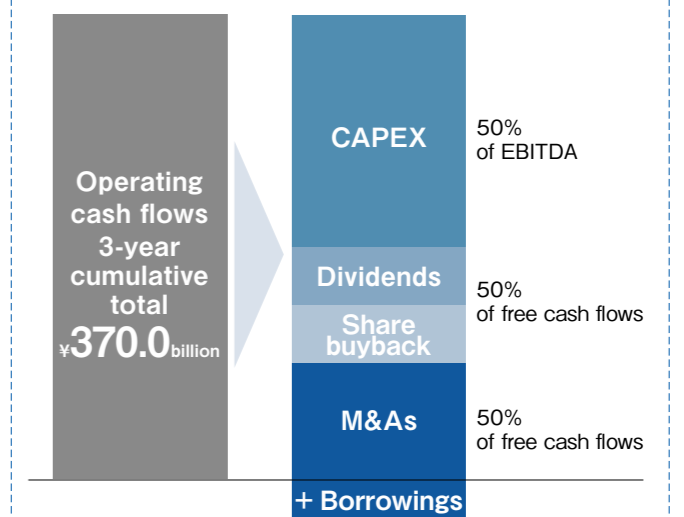
Free cash flows

We will flexibly allocate capital upon having secured resources necessary to achieve organic growth



(Adjustments made to ratio of dividends to share buybacks depending on stock price levels; Share buybacks are to involve purchasing shares at appropriate thresholds)

Cash flows for the next 3 years



Between ¥800 billion and ¥1 trillion in cumulative free cash flow over the next 10 years

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Shareholder returns

MinebeaMitsumi will take a flexible approach to buying back shares depending on stock price levels and paying out dividends aiming for a dividend payout ratio of around 20% on a consolidated basis, using around 50% of free cash generated over the medium to long term, while placing top priority on investment for growth.

We have decided to pay out 28 yen in dividends per share for the fiscal year ended March 2019, an increase of 2 yen per share, upon having placed consideration on factors such as our current financial standing and continuity of dividends, underpinned

by our policy of enhancing returns to our shareholders. In addition to our 10.6 billion yen buyback of shares executed in November 2018, we also newly announced a share buyback amounting to a maximum of 15 billion yen in May 2019.

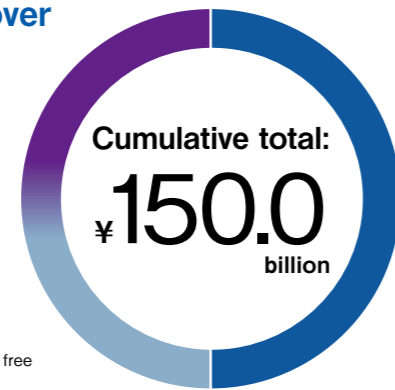
Going forward, while maintaining a continuous, stable profit distribution, MinebeaMitsumi gives top priority to improving the efficiency of shareholders' equity and distributing more profit to shareholders, thereby returning its profits to shareholders commensurate with its business performance.

Uses of free cash flows

Cumulative free cash flow over the next 3 years*

(Depending on stock price levels)

Share buyback
+
dividends
50%



M&A
50%
+ borrowings

*Between 800 billion yen and 1 trillion yen in cumulative free cash flow over the next 10 years

Financial Position

Backed by a strong performance and thanks to the ability to generate cash flow, the balance sheet has been growing and improving steadily for the past ten years.

Even with different accounting standards, comparing the results of the fiscal year ended March 2009, when Japanese GAAP was applied, to the ones of the fiscal year ended March 2019, when IFRS was applied, total assets increased by 456.7 billion yen to 742.1 billion yen over the span of ten years ago.

The main reasons for this were increases in cash and cash equivalents and property, plant, and equipment. Total liabilities were up 156.2 billion yen from ten years ago to 334.9 billion yen. The main reason for this was an increase in bonds and borrowings.

Total net assets came to 407.3 billion yen, and equity ratio attributable to owners of the parent was up 16.8 percentage points from ten years ago to 53.9%.

As of March 31, 2009 (JGAAP) (Billions of yen)

Cash and deposits	27.9	Notes and accounts payable	9.7
Notes and accounts receivable	43.4	Other liabilities	31.1
Inventories	38.7	Interest-bearing debt	137.9
Other assets	11.7		
Fixed assets	163.7		
		Total net assets	106.8
Total assets		285.4	

As of March 31, 2019 (IFRS) (Billions of yen)

Cash and deposits	122.4	Notes and accounts payable - trade	109.3
Notes and accounts receivable - trade	151.3	Other liabilities	63.5
Inventories	141.4	Interest-bearing debt	162.0
Other assets	30.4		
Non-current assets	296.6		
		Total net assets	407.3
Total assets		742.1	

Financial base

It is our belief that securing a stable financial foundation is of the utmost importance when it comes to ensuring that we continuously provide returns to our shareholders. We have very favorable credit ratings, having been assigned an "A" rating from Rating and Investment Information, Inc. (R&I; up from an "A-" rating in October 2017) and an "A+" rating from Japan Credit Rating Agency, Ltd. (JCR; unchanged since December 2015). Although our equity ratio is subject to change in the short-term as a result of M&As, we aim to achieve a stable financial foundation by accordingly maintaining an equity ratio of at least 50% over the medium to long term.

Rating and Investment Information, Inc. (R&I) **A**

Japan Credit Rating Agency, Ltd. (JCR) **A+**

Initiatives for increasing corporate value

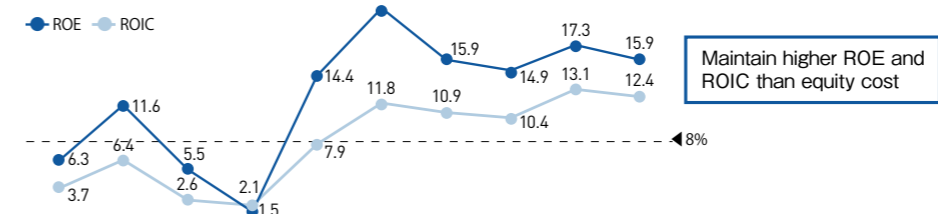
We maintain ROE and ROIC levels exceeding the upper limit of 8% of the expected capital cost, and heighten corporate value while increasing capital efficiency. We have defined as main KPIs to achieve in the next ten years an EPS CAGR (annual average growth rate) of at least 15% and an ROE of at least 15% by strengthening the core business of ultra-precision and ultra-high quality and by expanding sales of our top high-profit products.

From the fiscal year ended March 2010, we strengthened the portfolio while making appropriate decisions on development, M&As, and business withdrawals. As a result,

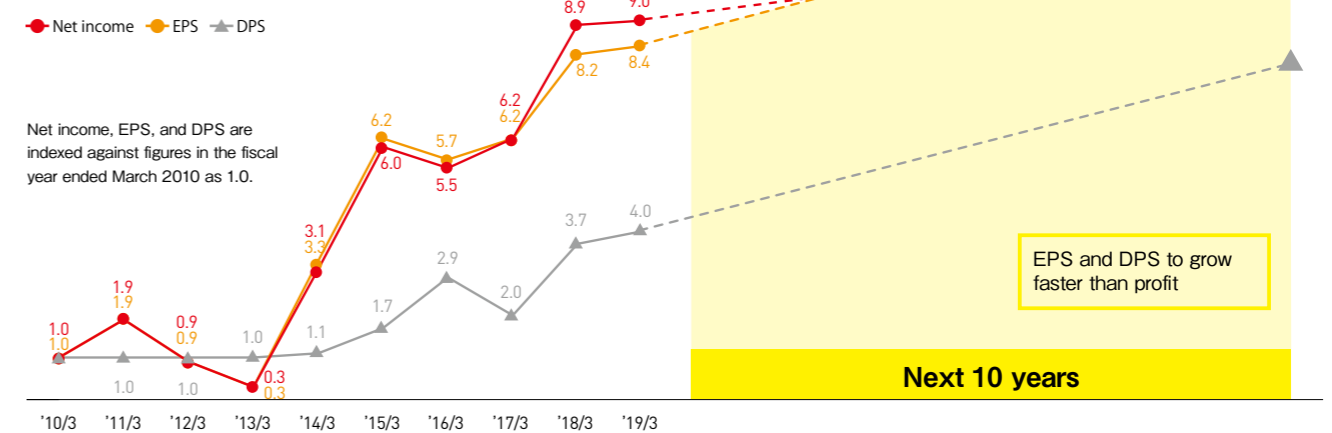
both ROE and ROIC have significantly improved with both levels exceeding the capital cost of 8%. During the same period, financial leverage decreased from 2.6 times to 1.9 times, however net income to net sales ratio rose from 2.9% to 6.9%, which led to the improvement of both profitability indicators.

Going forward, we will continue to improve our corporate value by implementing risk management to achieve sustainable ROE and ROIC that exceed expected capital costs and by reducing capital costs, while also tackling ESG issues.

ROE and ROIC



Trends in and targets of net income, EPS and DPS



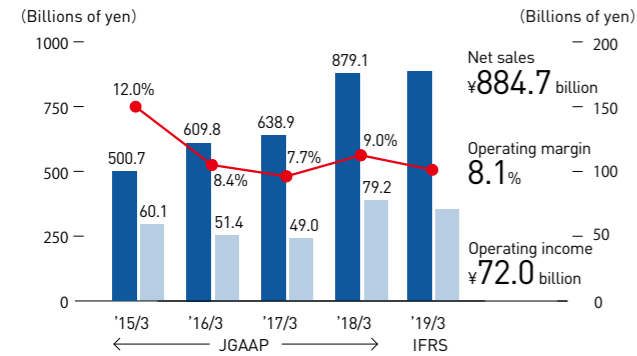
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Financial and Non-financial Highlights

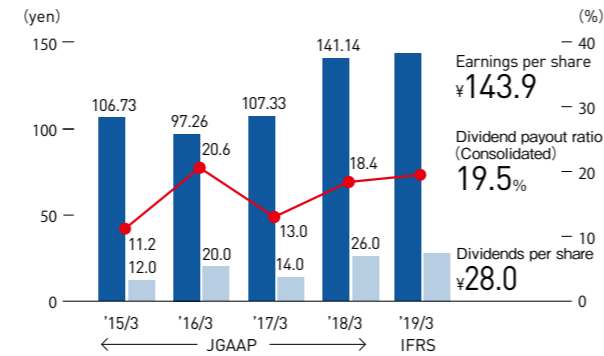
Financial highlights

Net sales, operating income and operating margin



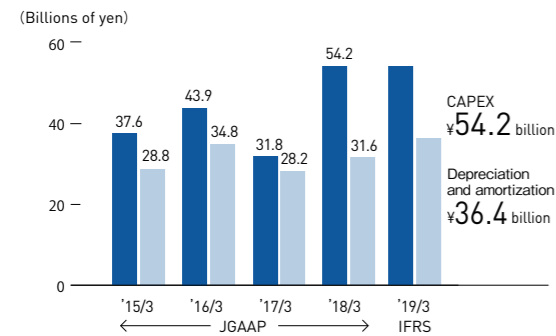
In order to realize a further increase in profitability, we have been concentrating on cutting costs, creating high-value-added products, developing new technologies, and enhancing our marketing approach, and as a result reached historic highs in both net sales and operating income.

EPS and dividends



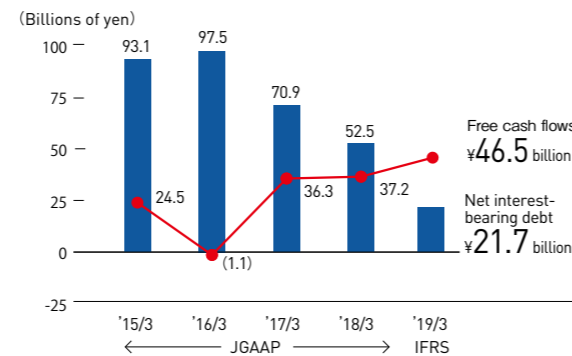
Dividends for the fiscal year ended March 2019 were increased to 28 yen, an increase of 2 yen in comparison with the previous fiscal year, as a result of efforts to provide shareholder returns at levels that better reflect business performance.

CAPEX, depreciation and amortization



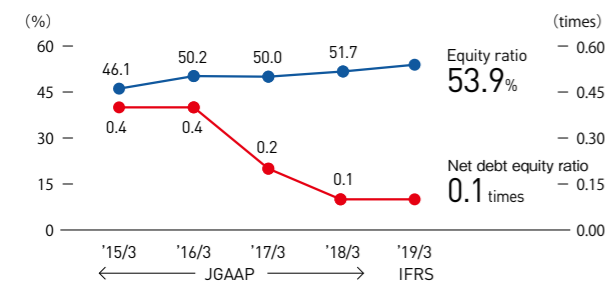
Capital expenditure increased particularly due to investment undertaken to strengthen operations of the Electronic Devices and Components business, and was also accompanied by an increase in depreciation and amortization.

Net interest-bearing debt and free cash flows



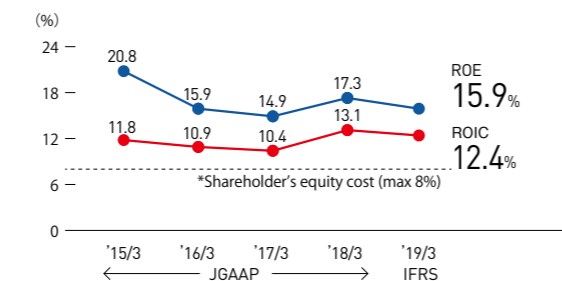
Free cash flows held to high levels and net interest-bearing debt further decreased, despite increasing capital expenditure and other negative factors.

Equity ratio and net debt equity ratio



Financial position was bolstered by year-on-year improvement with respect to the equity ratio and a net debt equity ratio in line with the previous fiscal year.

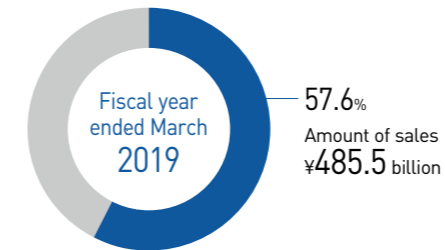
ROE and ROIC



Primarily due to profit growth, both ROE and ROIC have been maintained at high levels. ROIC has stayed above our shareholder's equity cost (max 8%), and we have been raising our corporate value while increasing capital efficiency.

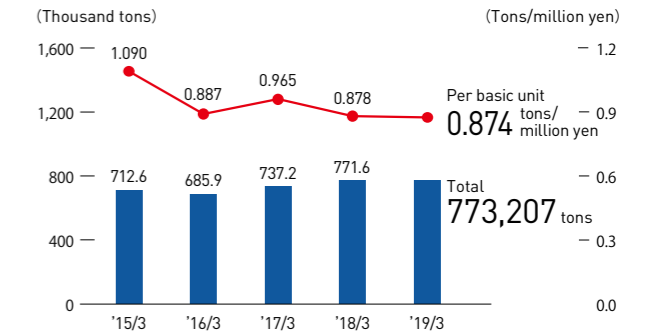
Non-financial highlights

Percentage of net sales of Green Products



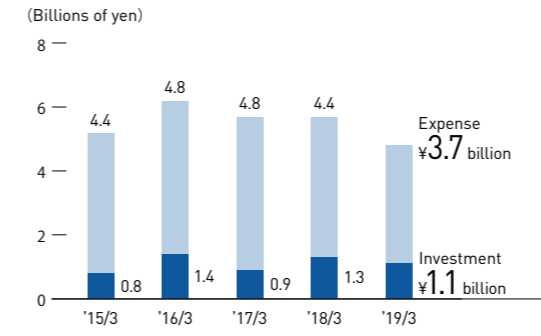
The "MinebeaMitsumi Green Products Certification Program" was introduced for products produced and sold from the fiscal year ended March 2019. The amount of green products sold in the fiscal year ended March 2019 totaled 485.5 billion yen, which was 57.6% of the total sales amount.

CO₂ emissions



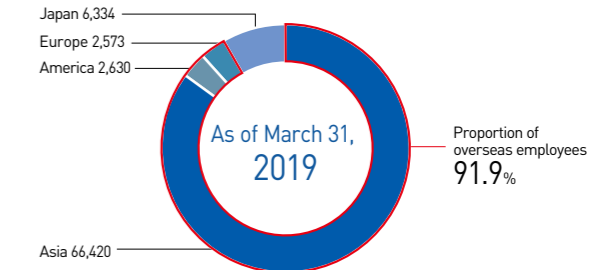
We address the matter of CO₂ emissions related to global warming both in terms of total volume and per basic unit of output. Our CO₂ emissions per basic unit of output have been trending lower over the medium to long term, although in the short-term such initiatives may be affected by foreign exchange. In the fiscal year ended March 2019, our CO₂ emissions amounted to 0.874 tons/million yen, on a per basic unit of output basis.

Environmental conservation costs



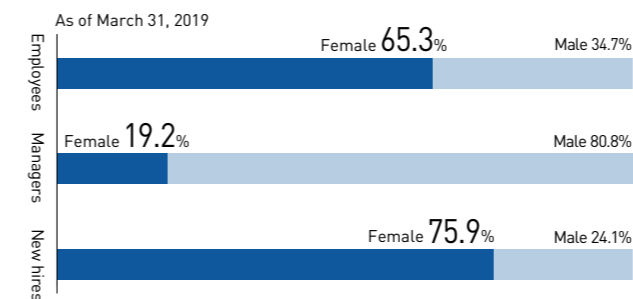
Environmental conservation costs are calculated as the total of investment and expense on the basis of the "Environmental Accounting Guidelines 2005" published by Japan's Ministry of the Environment. We incurred 4.8 billion yen in environmental conservation costs which encompassed investment and expense combined in the fiscal year ended March 2019.

Number of employees by region



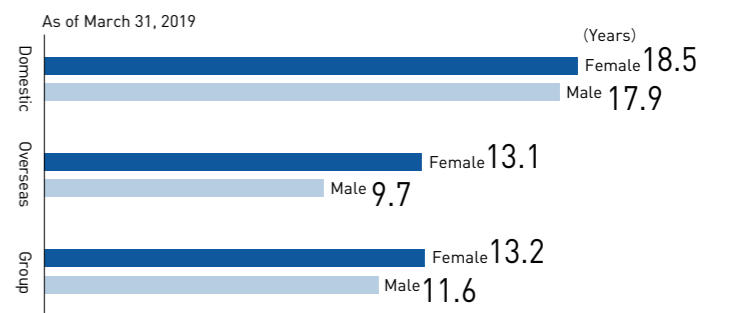
The Group's proportion of employees based overseas is high at 91.9% given that some 60% of its net sales are generated outside of Japan and roughly 90% of its production takes place abroad.

Proportion of female employees (employees, managers, and new hires)



We have been creating workplace environments where our diverse group of employees is able to maximize their talents. This involves promoting the empowerment of our female employees with the aims of creating new values and competitiveness. Female accounted for 65.3% of our employees and 19.2% of our managers as of March 31, 2019.

Average of working years by gender



The average years of service for female employees of the overall Group is high, and there are no substantial gender differences in that regard. As such, we are taking steps to develop workplace environments where it is possible for employees to continue working after having taken childcare leave.

Chapter III Initiatives for Value Creation

Strategies by Business



* The ratios were calculated exclusive of other adjustments.

Adding to our other three segments – the Machined Components, the Electronic Devices and Components, and the MITSUMI business segments – we newly introduced the U-Shin business segment in April 2019.

We originally embarked on business as a manufacturer specializing in ball bearings, but later applied our capabilities in ultra-precision technologies developed through machining operations to our Electronic Devices and Components business.

As a result, our Electronic Devices and Components business now outperforms our Machined Components business in terms of percentage of net sales.

Machined Components Business

Income up **16.4%** YoY

Annual external sales of ball bearings recorded the highest ever. Sales and income increased due to dual factors of organic growth and M&As.

SWOT analysis

- Strengths**
 - Ultra-precision machining technology
 - High-quality and mass production technologies
 - Product supply speed
 - High market share in niches
- Weaknesses**
 - Relatively low profitability for some products
- Opportunities**
 - Innovation of products
 - More sophisticated and advanced products
 - Demand for greater energy efficiency
- Threats**
 - Substitution with new technology (Certain products including those for HDDs)
 - Shift to low-priced products

Future growth strategy

- Response to increasing demand
- Improvements in productivity
- Enhancement of aerospace area and entry into new area
- Development of new technologies
- Expansion of portfolio

Electronic Devices and Components Business

Income down **29.8%** YoY

Sales and income decreased largely due to a slowdown in China demand particularly for household electrical appliances and office automation.

SWOT analysis

- Strengths**
 - High-quality and mass production technologies
 - Product supply speed
 - High market share in niches
 - Extensive product lineup
- Weaknesses**
 - Low profitability for some products
 - Insufficient sales channels for new products
- Opportunities**
 - Innovation of products
 - More sophisticated and advanced products
 - Demand for greater energy efficiency
- Threats**
 - Substitution with new technology
 - Intensifying competitive environments
 - Rising raw materials and parts prices

Future growth strategy

- Core business centered on motors and sensing devices
- Expansion of automotive product lineup
- INTEGRATION with former MITSUMI ELECTRIC's technologies
- Development of new technologies

MITSUMI Business

Income up **11.0%** YoY

Sales and income increased despite substantial production adjustments for certain products in the second half of the fiscal year.

SWOT analysis

- Strengths**
 - R&D capability/proposal-based sales capability
 - Capability for handling mass production
 - Product supply speed
 - Connectivity (IoT) related technologies
- Weaknesses**
 - Low profitability for some products
 - Susceptibility to demand trends
 - Product portfolio
- Opportunities**
 - Demand for greater energy efficiency
 - Increased demand for connectivity related products
 - Emergence of revolutionary products
 - Increasing digitalization of components
- Threats**
 - Substitution with new technology
 - Intensifying competitive environments
 - Change in trend of major customers

Future growth strategy

- Creation of new products utilizing development capabilities
- Expansion of automotive product lineup
- Further improvements in productivity
- Development of business focused on sales of modules rather than sales of single units

U-Shin Business

Business integration in April 2019

SWOT analysis

- Strengths**
 - Transaction results of doing business with leading OEMs worldwide/ Global manufacturing sites / Shift to in-house production of parts and development of new products
- Weaknesses**
 - Dispensing strengths and relationships in Europe/ Insufficient investment due to poor financial performance
- Opportunities**
 - Substantial growth opportunities through the business integration/ Shift to electric lock systems / Increasing business involving shift to smart house technologies
- Threats**
 - Intensifying offensives mounted by competitors
 - Stagnation of global automotive shipment

Future growth strategy

- Improvements in productivity
- Higher yield
- Implementation of clear location strategy
- Establishing competitive products

Machined Components Business

Strong growth is continuing on the back of increasing structural demand, particularly for ultra-high quality products and overwhelming competitive edge

Major products
Ball bearings Rod-end bearings Spherical bearings
Roller bearings Fasteners Bushings Pivot assemblies
Mechanical assemblies Aerospace fasteners



Overview of the fiscal year ended March 2019

Highlights of the Machined Components business

<p>Net sales and operating income</p> <p>Record highs</p>	<p>Operating margin</p> <p>25%</p>	<p>ROIC</p> <p>30%</p>	<p>External sales volume of ball bearings</p> <p>200 million units or more/month achieved (+ internal sales 70 million units/month)</p>
<p>Production volume of ball bearings</p> <p>300 million units/month achieved</p>	<p>Many products boast overwhelmingly high market shares</p>	<p>Currently expanding the product portfolio</p>	<p>Technological innovation as a driver of growth, involving shift to electric vehicles, etc.</p>

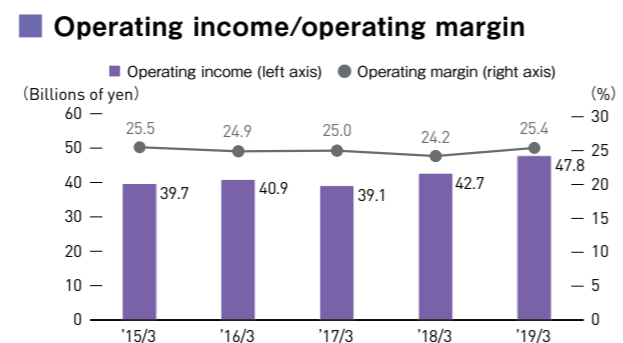
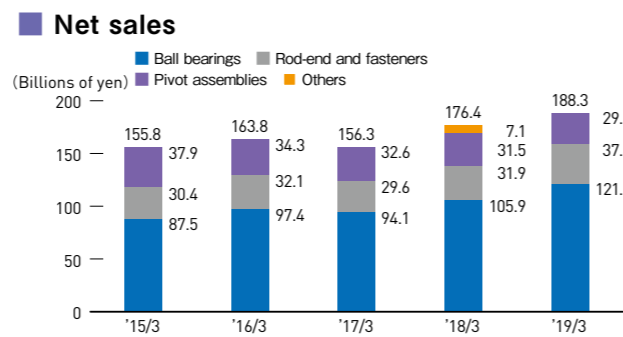
Overview of the fiscal year

Record highs with respect to both net sales and operating income

Sales of ball bearings, MinebeaMitsumi's main products, increased amid a scenario of annual external sales volume having achieved a record high of 2,347 million units due to an increase in the quantity used per vehicle accompanying growing needs with respect to enhanced functionality involving energy efficiency, safety and comfort in automobiles, despite the market-slowing effect of U.S.-China trade friction in the second half of the fiscal year.

Rod-end and fastener sales increased due to strong performance in the small and medium-sized aircraft market. Meanwhile, pivot assembly sales were down both in volume and amount due to the diminishing size of the HDD market, despite the Company having maintained a solid market share of more than 80%.

As a result, net sales and operating income for the period finished at record highs of 188.3 billion yen (up 6.7% YoY) and 47.8 billion yen (up 16.4% YoY), respectively, and operating margin was 25.4%.



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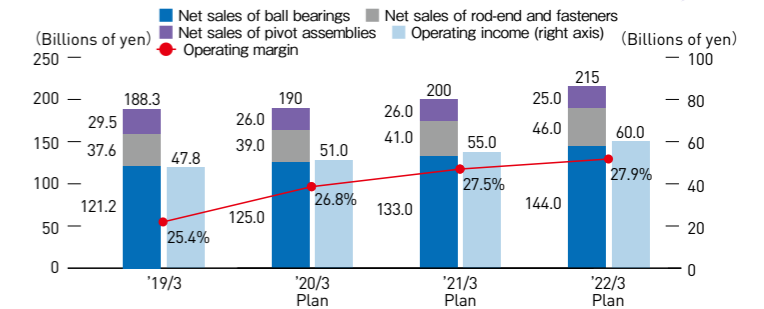
Midterm Business Plan (FY3/2020 - FY3/2022)

Key points

Demand for ultra-high quality products to keep fueling "healthy" growth

- Ball bearings external sales**
Structural demand increase for automobiles
- Ball bearings internal sales**
Ball bearings for motors making up for slowing HDD demand
- Ball bearings production**
Optimized product mix and production system to drive profit up
- Rod-end and fasteners**
Aircraft business is doing well

Numerical targets



Business involving applications for automobiles and aircraft is poised to drive growth for the next fiscal year

Prospects of the new Eight Spears strategy

Bearings

Ball bearings: continuing profit growth

Demand for bearings is being driven mainly on two fronts: by automotive applications amid a structural increase in volume due to trends of vehicle electrification and a shift to electric vehicles, and by applications entailing cooling fans for data centers amid the likelihood of growing demand involving IoT technologies. The Company's ultra-high quality, ultra-precision bearings are being used in both areas of business which have been shifting to increasingly high performance in terms of energy savings and safety.

Going forward, we will further strengthen our earnings base, leveraging our overwhelming competitive advantages in the market, particularly in terms of our quality and product supply capabilities, while also taking steps to reduce costs.

Aircraft components: becoming a driver of growth amid a robust business environment

In the aircraft market, which is anticipated to consistently grow over the long term, our sales per aircraft have been trending higher due to a scenario where we have captured greater market share by leveraging our price competitiveness, and are also generating higher sales of high-value-added mechanical parts. Moreover, we expect to achieve sales growth exceeding that of the market due to efforts that involve creating technological synergies with C&A and Mach Aero, acquired last year, and expanding business in Asia.

Going forward, we will continue to develop a stronger industry presence by drawing on our ability to provide ultra-high quality and enhancing our global production framework.



Pivot assemblies: cash cows and maximizing profit

We will maximize our profits going forward given that we maintain a high share of the market for high-end products and have completed our capital investment.

Creating solutions that resolve social challenges

Consistent growth and portfolio expansion to continue substantially driving results

A basic strategy of the Machined Components business, which has been the Company's core business since its founding, is to maintain consistent and permanent growth while maximizing growth areas by expanding the business portfolio. To such ends, we have been increasingly fortifying the business of miniature and small-sized ball bearings which already boasts overwhelming competitive advantages in the market, while taking steps to further strengthen the earnings base by actively arranging M&As with aims that include acquiring new technologies and expanding the business portfolio.

Going forward, we will further develop the Machined Components business, while aiming to create multifaceted synergies globally.

The ball bearing business over the next 10 years

Persistently robust growth due to increasing structural demand for ultra-high quality products and our overwhelming competitive edge

Key words are:

- Automobiles**
Shift to increasingly high functionality and shift to electric vehicles
- Data centers**
5G, ADAS (Advanced Driver-Assistance Systems) and IoT
- High-end household electrical appliances**
Low noise and energy savings
- Labor savings and automation**
Medical robots and drones

Chapter III Initiatives for Value Creation – Strategies by Business

Electronic Devices and Components Business

Develop new business areas by expanding portfolio and achieve consistent growth over the long-term

Major products

Electronics devices (LED backlights for LCDs, sensing devices, etc.) HDD spindle motors Stepping motors DC motors Air movers (fan motors) Precision motors Special components



Ryoza Iwaya
Director, Senior Managing Executive Officer, Chief of Electronic Device & Component Manufacturing Headquarters

Overview of the fiscal year ended March 2019

Highlights of the Electronic Devices and Components business

<p>Net sales composition</p> <p>44%</p>	<p>ROIC</p> <p>11%</p>	<p>Location strategy</p> <p>No.1</p> <p>share in numerous niche fields</p>	<p>Expansion of locations</p> <p>e.g. Slovakia plant</p>
<p>Promoting global R&D</p> <p>at 5 locations worldwide</p>	<p>Currently increasing</p> <p>proportion of core businesses</p>	<p>Currently expanding</p> <p>the product portfolio</p>	<p>Technological innovation</p> <p>as a driver of growth, involving shift to electric vehicles, etc.</p>

Overview of the fiscal year

Sales and income decreased due to slowing Chinese demand and a changing product mix

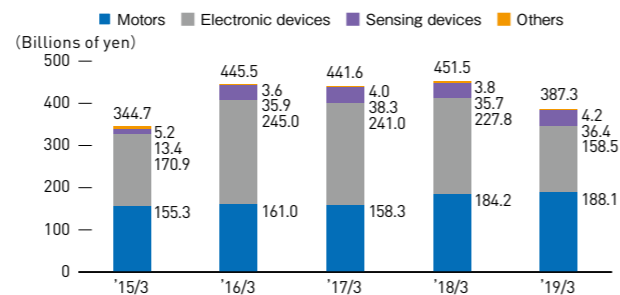
Sales of stepping motors and other motors increased amid firm results particularly from products for automobiles, despite Chinese demand slowed steeply mainly for household electrical appliances and office automation equipment.

Meanwhile, sales of electronic devices decreased due to lower sales volume of end-products for LCD models of major customers, in addition to a downturn in net sales associated with fewer parts supplied for a fee.

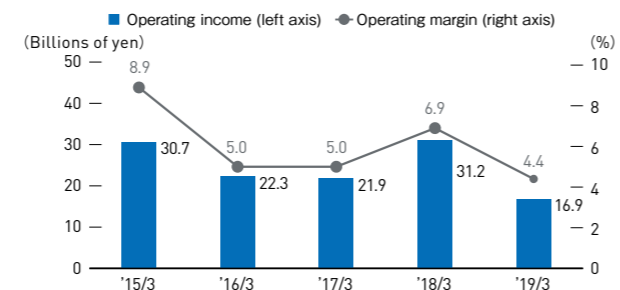
Sales of sensing devices were firm, especially for automotive applications.

As a result, net sales were 387.3 billion yen (down 14.3% YoY), operating income was 16.9 billion yen (down 29.8% YoY), and operating margin was 4.4%. On a product basis, operating income from motors were almost on par with the previous year. Operating income from electronic devices decreased significantly, while operating income from sensing devices increased.

Net sales



Operating income/operating margin



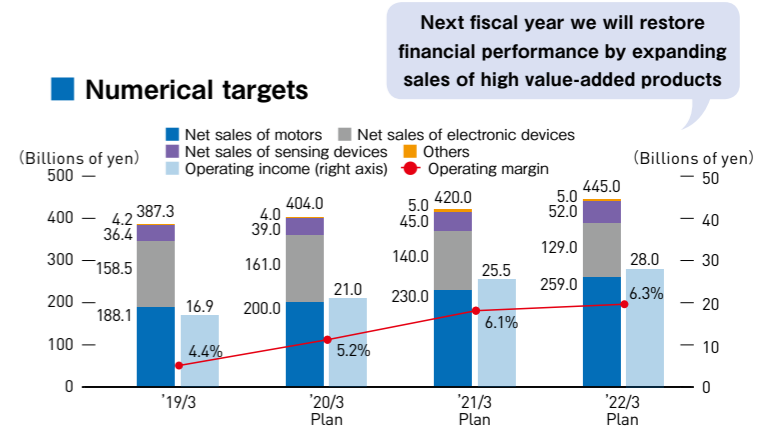
* Figures for periods up through the fiscal year ended March 2018 are based on JGAAP, and figures for the fiscal year ended March 2019 are based on IFRS.

Midterm Business Plan (FY3/2020 - FY3/2022)

Key points

Profits stabilizing due to a higher proportion of core businesses

- Motors for automobiles**
Electrification and "CASE" for automobiles
- Brushless DC motors**
Increasing high-end products to keep growth going strong
- Launching new products**
Rolling out various new products and expanding sales
- Resonant devices**
Initiating mass production of new products
- LED backlights**
Conservative forecasts



Prospects of the new Eight Spears strategy

Motors

Establishing a robust earnings base

In the massive market for motors, MinebeaMitsumi has been honing its competitive strengths by specializing in the niche areas of "miniaturization" and "precision". Having achieved substantial growth also in terms of profitability, the business has become established as a robust platform which already acts as the second pillar of the Company's operations.

We provide our major products, comprising stepping motors, DC motors, air movers, and HDD spindle motors, across a wide range of markets for automotive, office automation, household electrical appliance, and medical applications. Accordingly, our product portfolio is resilient to changes in the external environment. For instance, we have been able to make up for slowdown in sales to a specific market by shifting to other markets.

Sensors

Expanding the business centering on strain gauges and MEMS sensors

Of all the Eight Spear product lines, only the sensor products wield strengths of the respective Minebea and MITSUMI businesses. As such, we anticipate positive results from various business opportunities in areas that include wearables and robotics, in addition to mobile, automobile and other existing applications. We will accordingly work toward expanding this business given its important role in IoT technologies, centering on two types of sensors, each with differing approaches, namely, strain gauges boasting outstanding sensitivity, stability and fatigue life; and micro-electro-mechanical systems (MEMS) technologies applying semiconductor manufacturing technologies.

Creating solutions that resolve social challenges

Firmly positioning the core businesses

In the Electronic Devices and Components business, our basic strategy is to maximize profit by reinvesting cash generated from the sub-core businesses in strengthening the platform of our core businesses of motors and sensors. With the aim of achieving consistent growth over the long term, we will expand our portfolio and develop new areas of business through the INTEGRATION with other Eight Spear products.

In part of these efforts, we will expand our business operations by transferring battery protection modules of the MITSUMI business to the Electronic Device Division from the fiscal year ending March 2020, and through the INTEGRATION of such products and business expertise regarding mobile devices, such that has been accumulated by the Electronic Devices and Components business thus far. In so doing, we will lay the groundwork for future growth by pursuing inter-segment synergies.

The motor business over the next 10 years

More business opportunities created as a result of energy-saving & labor-saving technologies and digitalization

Key words are:

- Automobiles**
 - Increase in use of actuators to improve comfort in self-driving cars
 - Stricter environmental regulations → shift to xEVs → growing demand for cooling fans
- High-end household electrical appliances**
Further noise reduction and energy savings
- Medical and robotics**
Electrification against a backdrop of telemedicine and automated factories
- MINEGE®**
Use in a wide range of applications leveraging synergies with the MITSUMI business

Chapter III Initiatives for Value Creation – Strategies by Business

MITSUMI Business

Develop new products for future growth fields by taking an INTEGRATION approach of Eight Spears products and create business opportunities for the entire group

Major products
Precision components Optical devices
Power supply components Mechanical components
Automotive products Semiconductors



Overview of the fiscal year ended March 2019

Highlights of the MITSUMI business

Net sales composition 35%	ROIC 18%	5 priority fields of New Eight Spears	Further improved per capita productivity
Headcount of development engineers Approximately 50% (Percentage share from MITSUMI business overall excluding manufacturing)	Generation of synergies toward new business opportunities	Great enhancement of product portfolio	Numerous new products for the next generation are planned

Overview of the fiscal year

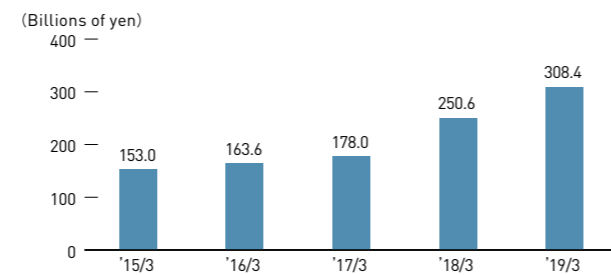
Results on par with the previous fiscal year

Firm performance was achieved across nearly all product lines; camera actuators, mechanical components including game consoles, switches, products for smartphones such as protection ICs, antennas, communication modules, connectors, etc.

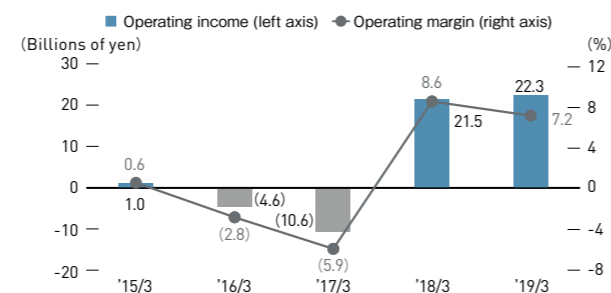
As a result, net sales were 308.4 billion yen (up 22.2% YoY), operating income was 22.3 billion yen (up 11.0% YoY), and operating margin was 7.2%. Despite the impact of the Hokkaido Earthquake, particularly for semiconductors, substantial profitability improved due to improved productivity and focus on growth areas.

Net sales would have decreased by 6% year on year if it had not been for an increase in sales arising as a result of the revised contracts with customers. Moreover, operating income includes a positive total of transient factors amounting to approximately 4.0 billion yen overall in the fiscal year, including one-off gains due to personnel system reforms including extension of the mandatory retirement age, against one-off expenses partially due to operating losses due to the Hokkaido Earthquake and expenses related to the disposal of some inventories.

Net sales



Operating income/operating margin



* Figures for periods up through the fiscal year ended March 2018 are based on JGAAP, and figures for the fiscal year ended March 2019 are based on IFRS.

Midterm Business Plan (FY3/2020 - FY3/2022)

Key points

Launch new products and make INTEGRATION of new Eight Spear products a reality in the next three years

- Optical devices**
Increase added value through innovation
- Mechanical components**
High-value added OEM using our original technology
- Automotive components**
Synergies with U-Shin
- Connectors/switches**
Focus on niche areas
- Analog semiconductors**
Focus on high value-added products



Prospects of the new Eight Spears strategy

Sensors, connectors/switches, power supply components, wireless/communications/software, analog semiconductors

Contributed to stabilizing profitability of MITSUMI business

Five of the Eight Spears belong to the MITSUMI business, and are in areas of business that will grow substantially going forward.

For instance, as for analog semiconductors regarded as a gateway to IoT technologies, those for edge devices are playing an increasingly important role in accelerating conversion from analog to digital. Accordingly, the need for analog-to-digital converters (ADC) is expected to increase, which seemingly suggests that analog semiconductors will help bring about more widespread adoption of fifth-generation wireless technology (5G). Furthermore, a wider range of business opportunities is resulting from efforts to join motor drivers with the Electronic Devices and Components segment's motor business, which is giving rise to hopes that we will be able to increase our added value and enhance our cost competitiveness.

Creating solutions that resolve social challenges

The INTEGRATION of Eight Spear products to generate business opportunities for the entire Group

MinebeaMitsumi is well aware that the key challenge of the MITSUMI business from the perspective of absolute permanence of business is to facilitate robust growth of the five areas encompassing the new Eight Spear product groups as the future core businesses. As such, the basic strategy of the MITSUMI business involves strengthening the new Eight Spear products using cash generated from sub-core businesses as a growth resource. This will be achieved through (1) organic growth, (2) development of the new products encompassing these businesses, and (3) performing M&A of companies thought to be able to effectively utilize these businesses. With respect to the new Eight Spear products, it is crucial that we create new business opportunities by enhancing our competitive strengths in the individual Spears and making progress through

Initiatives of each area

- Sensors** — Centering on strain gauge and MEMS sensor technology
 - Explore possibilities of temperature/environment sensors
 - Expand business for key IoT components employing strain gauges
- Connectors/switches** — Key words are ultra-precision/water-proof
 - Increase market share for water-proof tactile switches
 - Significantly expand portfolio centered around automotive high-speed transmission products
- Power supply components** — Gaining a commanding position in the IoT era with high reliability/high functionality
 - New markets: Develop micro converters for the electricity and power storage markets
 - Existing markets: Expand sales by pursuing smaller products and products that support higher frequencies in the areas of lighting, telecommunications, household electrical appliance, and other markets
- Wireless/communications/software** — Expand sales in the market, particularly in automotive products and respond to IoT
 - Quickly develop next-generation communication antennas for connected cars and promote sales/receive orders (TCU antennas, etc.)
 - Utilize India/Slovakia plants
- Analog semiconductors** — Analog semiconductors - the gateway to IoT
 - Expand sales of high value-added products targeting the industrial/housing equipment market
 - Increase share in the car infotainment market
 - Focus on high value-added products (ADC + IGBT)

the INTEGRATION of respective synergies.

Moreover, we expect to leverage very substantial synergies in the dual fronts of top line and costs, in conjunction with the U-Shin business which was subject to business integration in April 2019. Access products of the U-Shin business for automobiles and housing equipment require sophisticated connectivity technologies and dedicated devices closely associated with IoT technologies. This will make it possible for us to draw on our resources including the MITSUMI business segment's overriding strengths particularly involving high-frequency technology and wireless communications technology.

As such, we will engage in these sorts of innovative business initiatives that contribute to the IoT community, by leveraging synergies arising from intra-Group INTEGRATION.

Chapter III Initiatives for Value Creation — Strategies by Business

U-Shin Business

Our first priorities are to achieve a turnaround in the European business and to generate synergies, and then we will focus attention on automotive business while expanding housing equipment

Major products
Automotive components
Components for industrial equipment
Components for home security units (house and other building's locks and others)



Kanae Okabe
Senior Managing Executive Officer, and Representative Director, President and CEO of U-Shin Ltd.

Synergies of business integration

Access products newly added as the eighth spear	Enhancing presence in the automotive industry	Leveraging business sites and personnel among abundant management resources worldwide	Competitive strengths through vertical integration
New products that combine technologies of both companies	Cross-selling involving extensive product lines and expansion of sales channels	Improved productivity and quality	Cost cutting through higher rate of in-house manufacturing

Background details of business integration

MinebeaMitsumi carried out the business integration with U-Shin upon having determined that the Company would be able to tap substantial opportunities for business expansion in the automotive components market. To this end, we will draw on the wealth of experience and knowledge U-Shin has gained in doing business with automotive manufacturers, and furthermore leverage U-Shin's optimized business model as a Tier 1 manufacturer*, particularly with respect to the MinebeaMitsumi Group's efforts that involve developing products and proposing solutions to automotive manufacturers, our end customers.

The new arrangements are likely to yield substantial synergies and generate growth particularly in business areas that are significantly related to automotive components and components for home security units.

By making the most of the synergies arising from the integration, the U-Shin business aims to achieve operating income amounting to 10 billion yen within three years.

* An automotive components manufacturer which directly supplies components to automotive manufacturers



Major initiatives under the Midterm Business Plan (FY3/2020 - FY3/2022)

Achieving a quick turnaround and maximizing synergies

Accelerating rebuilding of the European business

We are taking steps to heighten financial performance of U-Shin's European business, which faces urgent challenges with respect to improving quality, raising productivity, and strengthening its managerial control framework. As such, we aim to improve profitability in the early stages while establishing competitive products through INTEGRATION of technologies, by enlisting the Group's global human resources and manufacturing expertise going forward.



- 1. Manufacturing**
 - Provide high-precision and high-functionality components
 - Increase proportion of in-house manufacturing
 - Extend automation
- 2. Managerial function**
 - Furnish support for human resources
- 3. Sales function**
 - Cross-selling



Heightening competitive strengths of automotive components

We aim to heighten our competitive strengths of automotive components by improving their quality, while also substantially lowering costs and reducing procurement risk. To such ends, we will shift to internal means of procuring items such as

10-year vision

Example synergies (1) Automotive components

Heighten added value of E-Access* by combining U-Shin and MinebeaMitsumi technologies

* A solution for safer and more comfortable access to your car

Mega trends

Progress is being made with respect to automotive electrification and autonomization amid car technology innovations underpinned by ADAS and 5G

Strengths of U-Shin's Automotive business

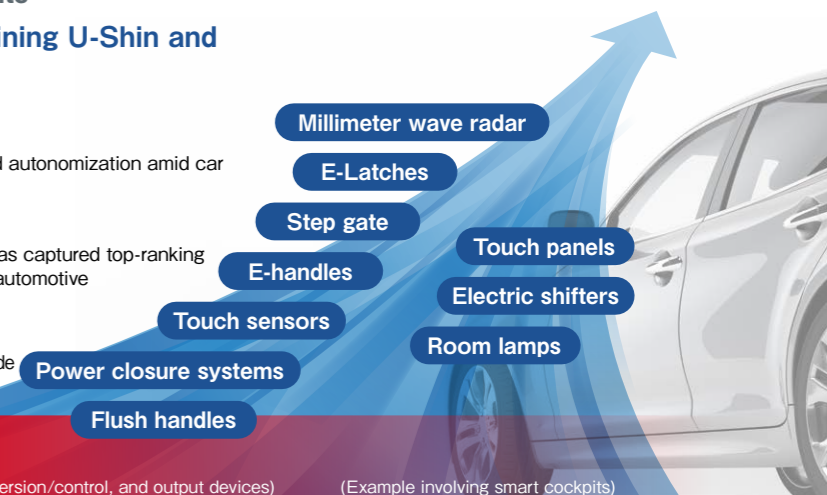
Engaging in development, production and sales worldwide, U-Shin has captured top-ranking market share globally by leveraging its strengths as an independent automotive component manufacturer

- Extensive product lineup
- Sites handling production, sales and development in 15 countries worldwide
- Transactions with leading OEMs

+ Synergies with MinebeaMitsumi technologies

(All kinds of input, conversion/control, and output devices)

(Example involving smart cockpits)



Example synergies (2) Smart homes

Hastening evolution of smart home concepts by leveraging technological synergies centered on MinebeaMitsumi's wireless and software technologies

Mega trends

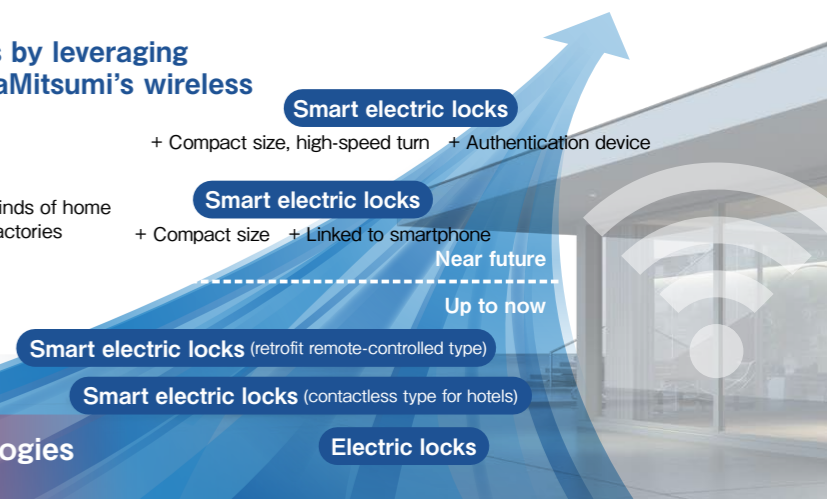
Artificial intelligence and big data are enhancing connectivity of all kinds of home security units, as well as labor-saving and automated operations in factories particularly with respect to Industry 4.0 solutions

Strengths of U-Shin's Home Security Unit business

U-Shin develops and produces sophisticated security lock devices, applying mechatronics technologies, which it has acquired in its Automotive business

+ Synergies with MinebeaMitsumi technologies

(Motors, sensors, wireless/software and various other edge devices)



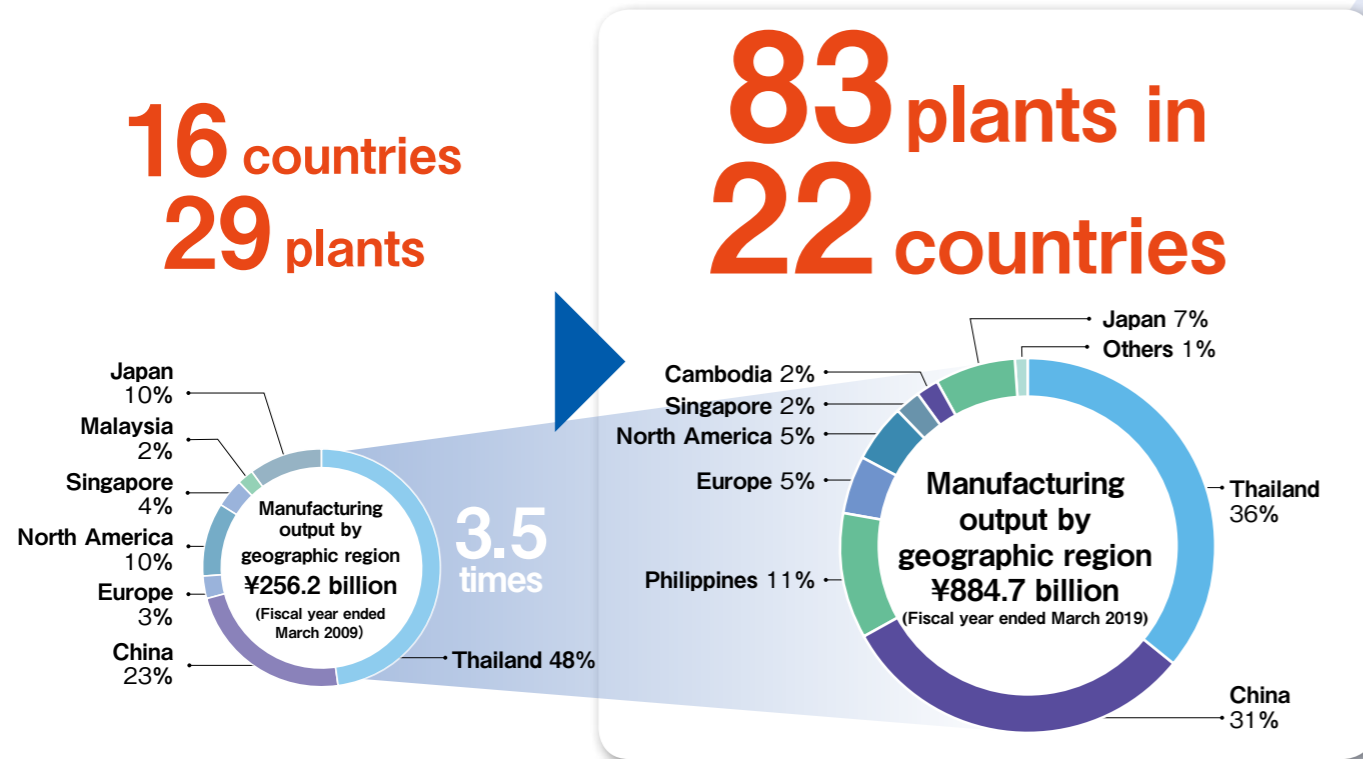
Chapter III Initiatives for Value Creation

— Strengthening of Non-financial Capital

Instrumental Capital

The MinebeaMitsumi Group optimizes production worldwide by striking a balance between **ultra-precision machining technology and mass production**, drawing on its vertically-integrated manufacturing system.

We also establish manufacturing bases around the world with the aims of shortening distances to our customers, securing the necessary workforce, and **reducing risks including currency exchange, disasters and geopolitical developments**.



Vertically-integrated manufacturing system which enables us to achieve both ultra-precision machining technology and mass production



Substantial competitive strengths made possible by MinebeaMitsumi's vertically-integrated manufacturing system

Global network



Swift and unrivalled supply capability

<p>Japan — 20 plants</p> <p>Karuzawa Plant (Registered head office) Serving as the mother plant since our founding</p> <p>MITSUMI Chitose Plant Production of semiconductors</p> <p>U-Shin Hiroshima Plant U-Shin's mother plant</p>	<p>China, Korea — 15 plants</p> <p>Shanghai Plant Our largest manufacturing plant in China</p> <p>MITSUMI Qingdao Plant Production of switches</p> <p>U-Shin Wuxi Plant Production of automotive components (started operation in 2018)</p>
<p>South Asia, Southeast Asia — 11 plants</p> <p>Chai Chee Plant (Singapore) Our first manufacturing plant in Southeast Asia</p> <p>Malaysia Plant Production of brush DC motors</p> <p>Cebu Plant (Philippines) Our largest manufacturing plant in the Philippines</p>	<p>Thailand, Cambodia — 10 plants</p> <p>Bang Pa-in Plant (Thailand) Our largest manufacturing plant in Thailand</p> <p>Lop Buri Plant (Thailand) Our main manufacturing plant for electronic devices and components</p> <p>Cambodia Plant The Group's largest and strategically important manufacturing plant</p>
<p>Europe — 18 plants</p> <p>Lincoln Plant (UK) Production of aircraft bearings</p> <p>myonic Germany Plant Production of special bearings in Germany</p> <p>Kosice Plant (Slovakia) Production of automotive motors</p>	<p>North and South America — 9 plants</p> <p>Chatsworth Plant (U.S.) Our first manufacturing plant overseas</p> <p>Peterborough Plant (U.S.) Production of aircraft bearings</p> <p>Mitsumi Automotive (Mexico) Production of automotive motors</p>

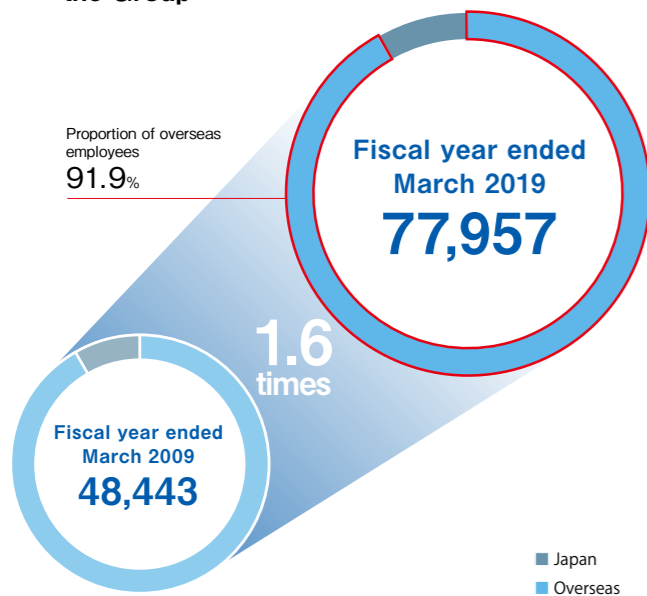
Chapter III Initiatives for Value Creation

— Strengthening of Non-financial Capital

Human Capital

As an organization that conducts global business activities, the MinebeaMitsumi Group believes it is important to strengthen human resource capabilities through **workforce diversity**. We strive to create work environments in which a diverse group of employees can maximize their talents, regardless of gender, age, nationality, or disabilities.

Trends in the number of employees of the Group



Human resources development Materiality 3

Only about 8% of the Group employees are Japanese. As a global company, it is one of the most important management issues of the Group that global human resources grow and play active roles.

In addition to recruiting diverse human resources, the Group conducts various training programs designed to develop globally qualified human resources.

Main initiatives

- Provide many employees with opportunities to work overseas
- Dispatch employees to business schools in the U.S. (training to nurture next-generation leaders)
- Organize leadership training for overseas manager-level employees
- Overseas national staff training in Japan (improving business skills, learning Japanese, building networks)

Diversity/Empowering women Materiality 4

The Company has locations in 27 countries around the world, generating 60% of net sales and over 90% of production from overseas. In addition, M&As across the globe are adding new employees to the Group.

- Proportion of overseas employees: 91.9%
- Proportion of female employees: 65.3%
- Proportion of female managers: 19.2%



The Company's starting point is the passion and commitment to "Manufacturing with Sincerity", which are its identity. We keep our sense of unity of the Group by instilling our identity in companies integrated through M&As.

Future initiatives

In anticipation of further business expansion in the future, we plan to create an environment where human resources can be discovered and which allows them to be play active roles regardless of their nationality or culture. In particular, with the aim of achieving net sales of 2.5 trillion yen and operating income of 250 billion yen over the next ten years, "human resources development worldwide and diversity promotion worldwide" are set as materialities, and we will further accelerate the creation of an environment allowing all employees to fully demonstrate their capabilities.

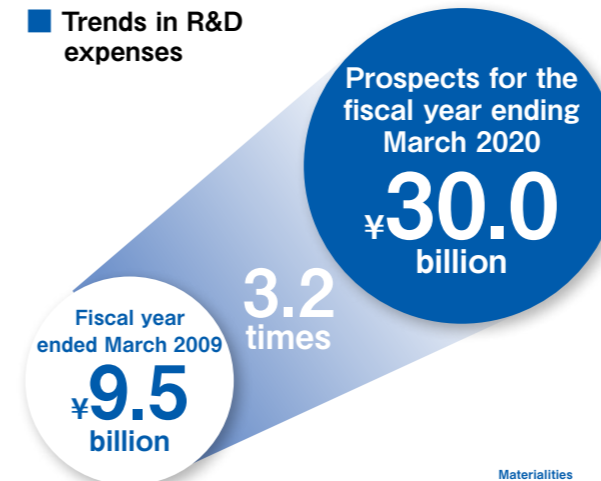
[Materialities Page 40](#)

Toward the 100th anniversary of MinebeaMitsumi, the Human Resources Development Dep. will play a central role in developing more global human resources development and, with that aim, will cooperate with locations around the world.

Intellectual Capital

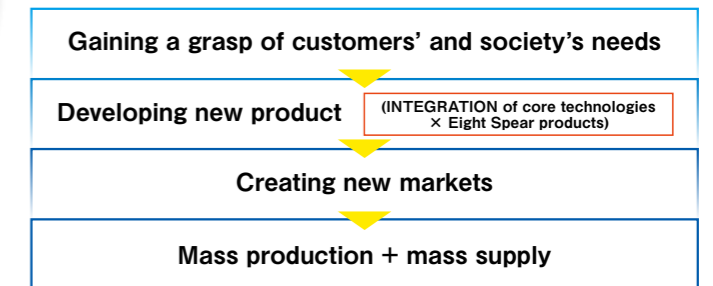
MinebeaMitsumi has been enhancing its manufacturing capital and human capital while strengthening and reviewing its business portfolio through 48 M&As in 48 years. For further sustainable growth, we will work to **develop new markets** by **developing new products** that meet the needs of customers and society.

Trends in R&D expenses



Product development through the INTEGRATION of our core technologies with our Eight Spear products

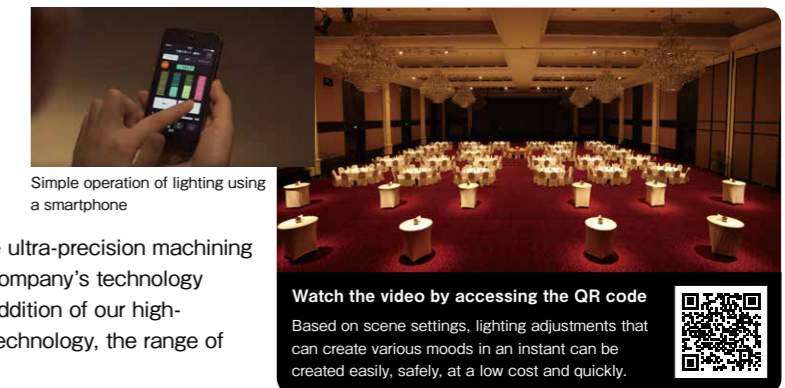
In addition to expanding R&D investment, we will also develop new markets by utilizing the comprehensive manufacturing, engineering, development and sales capabilities.



Create new value through "difference" that transcends conventional wisdom

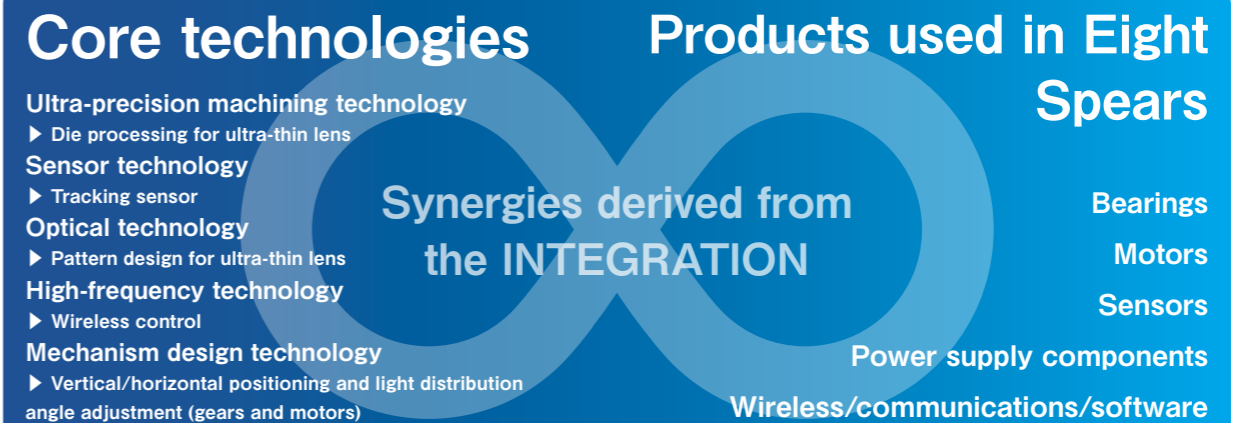
Examples of new product development Materialities 5 7

Smart LED lighting



SALIOT is a smart LED lighting that uses the ultra-precision machining technology and the optical technology, the Company's technology strengths, to skillfully control light. With the addition of our high-frequency (wireless) technology and sensor technology, the range of use has been significantly expanded.

Synergies of Eight Spear products and core technologies as seen in SALIOT Products used in Eight Spears



Chapter IV Initiatives to Support Value Creation

MinebeaMitsumi's Sustainability

The MinebeaMitsumi Group has been producing small, light, precise components since its beginning. We are proud to have products that contribute greatly to energy saving activities through downsizing. In addition to the daily corporate activities, we are working to **promote sustainability** for the global environment and sustainable development of society. In addition to **contributing to the SDGs (Sustainable Development Goals)** set by the United Nations in 2015, we will tackle **the materialities** listed here for the Company's sustainable growth. Going forward, we will set KPIs for materialities and manage them through PDCA cycles.

MinebeaMitsumi Group's stakeholders

The MinebeaMitsumi Group's stakeholders are defined as employees, customers, shareholders, local communities, and global society, which are affirmed in our company credo, The Five Principles, as well as suppliers and the environment that supports our society.



Sustainability website
<https://www.minebeamitsumi.com/english/corp/environment/>

More detailed information regarding our sustainability initiatives, including the MinebeaMitsumi Group's CSR report, is available on the MinebeaMitsumi Group website.

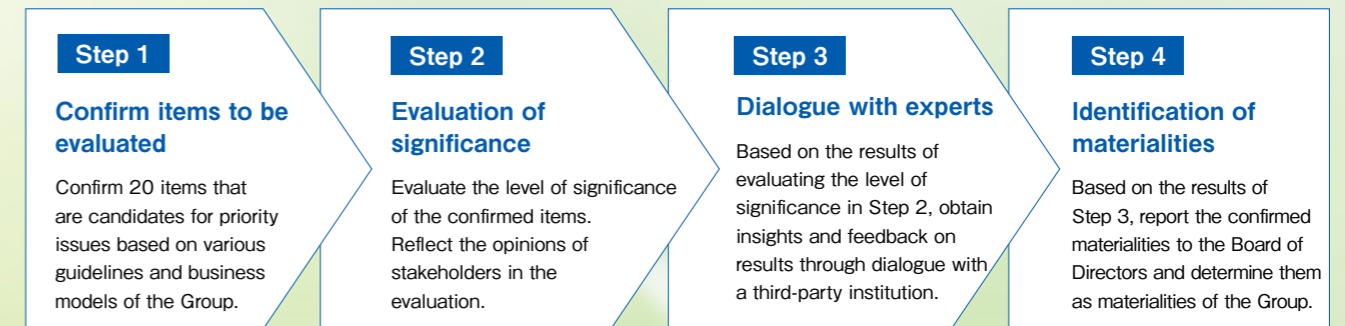
ESG topics

June 2018	Selected to the MSCI Japan Empowering Women Index (WIN)		2018 Constituent MSCI Japan Empowering Women Index (WIN)
August 2018	Responded to CDP 2018 questionnaire		
December 2018	Established the Nomination and Compensation Committee		
January 2019	CDP score release • Climate change: B • Water security: B		
March 2019	Formulated Supplier Quality Assurance Manual		
April 2019	Established Sustainability Management Division Introduced the "MinebeaMitsumi Green Products Certification Program"		
June 2019	Concluded sponsorship agreement as the official partner of Cambodia National Football Team		

Identification of the materialities

The Group identified the materialities related to sustainability in May 2019. Identified materialities and identification process are as follows.

Identification process



Evaluation result of materialities



Materialities and SDGs

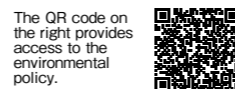
Creating environments where all employees can demonstrate their maximum capabilities		
1	Ensuring employee safety and health	S
2	Creating positive and rewarding work environments	S
3	Human resources development worldwide	S
4	Diversity promotion worldwide	S
Creating new value that contributes to the development of society		
5	Creating environmentally friendly products	E
6	Contributing to dialogue with and the development of local communities	S
7	Creating solutions to social issues	S
Ensuring stable supplies of the precision products that support society		
8	Providing safe and reliable products	S
9	Practicing responsible procurement	S
10	Reinforcing risk management	G

Please refer to the marks (1 to 10) for detailed explanations about materialities.

Chapter IV Initiatives to Support Value Creation Initiatives for the Environment

The MinebeaMitsumi Group has established an environmental management system based on the MinebeaMitsumi Group Environmental Policy.

From the fiscal year ending March 2020, we will introduce the “MinebeaMitsumi Green Products Certification Program,” which will function as a KPI for future monitoring of environmentally friendly products.



Highlights of environmental initiatives

Introduced the “MinebeaMitsumi Green Products Certification Program”	ISO 14001 acquisition rate 100% (major production facilities)	Plants with the Plant Wastewater Zero System adopted 5 plants
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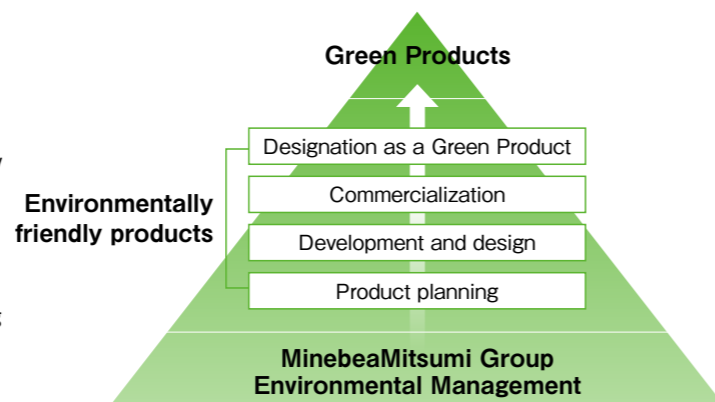
Reducing environmental loads of products

Introduced the “MinebeaMitsumi Green Products Certification Program”

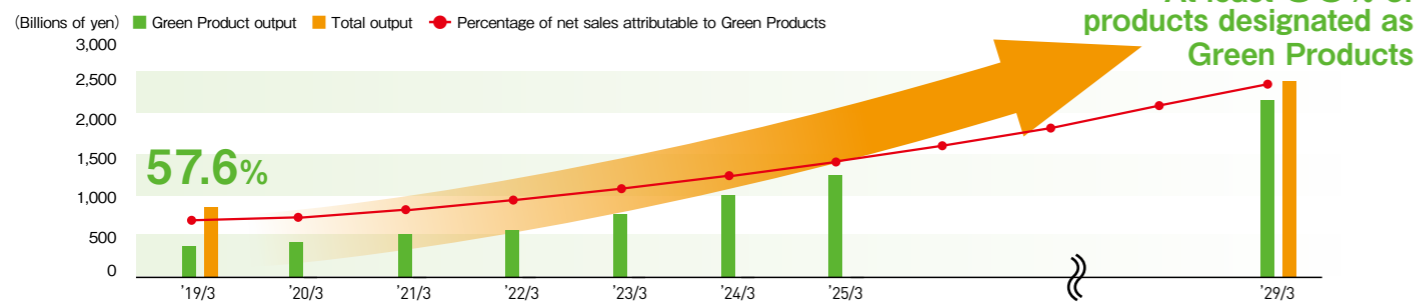
Almost all of our products are environmentally friendly, small sized and allow precise downsizing, contributing to energy and saving space.

We have introduced the “MinebeaMitsumi Green Products Certification Program” which selects products that are particularly environmentally friendly and certifies them as Minebea Mitsumi Green Products. We plan to create products that contribute to energy conservation and global environmental improvement through our corporate activities, and to increase the ratio of Green Products to over 85% of our sales in the fiscal year ending March 2029.

Green Product certification system



Green Product production targets



Certified Green Products (Below is a partial listing of our certified Green Products.)



Initiatives for reducing environmental loads

Environmental management structure

In order to carry out the MinebeaMitsumi Group Environmental Policy, the Group has an environmental management structure headed by the Board of Directors and the President and Chief Executive Officer. We also have an Environmental Management Committee, a promotion organization composed mostly of executive officers, and a Group Environmental Protection Committee, which is staffed by working-level members. This structure enables rapid implementation of environmental policy. Each work site also has a Plant General Manager of Environmental Management and a Manager of Environmental Management who promote specific environmental conservation measures at plants and offices. Moreover, the Company discloses environmental information regarding its initiatives to address climate change and water issues by furnishing responses to CDP investor questionnaires.

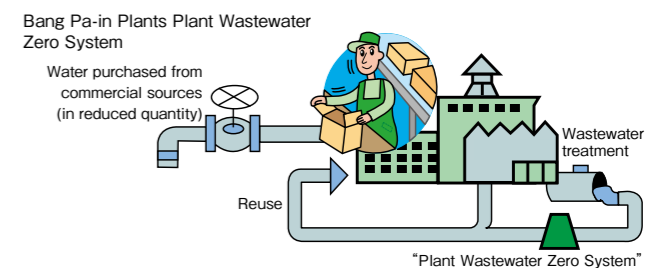
Promoting ISO 14001 certification

The Group is promoting the acquisition of ISO 14001 certification at each of its major sites worldwide. For newly constructed and recently acquired plants, we have begun environmental management activities based on the certification acquisition plans. Our sales subsidiary NMB Sales Co., Ltd. aims to acquire the certification during the fiscal year ending March 2020.

Operation of Plant Wastewater Zero System (Thailand and China)

The Group operates plants which use large amounts of water in the processing of manufactured products and take measures to reduce discharges of wastewater. Our plants purify used water to reduce the level of waste to below standards required by environmental laws and regulations of each country and locality, before releasing the water into the environment. Despite these measures, we cannot guarantee that the released water has zero impact on the surrounding environment. At our plants in Thailand and China, which use large amounts of water, we have adopted the Plant Wastewater Zero System to reduce the wastewater to be released and its impact on the environment to as close to zero as possible.

This system is introduced to the Bang Pa-in, Lop Buri and Ayutthaya Plants in Thailand, as well as the Shanghai and Xicen Plants in China.



Initiatives for preventing global warming

The Group recognizes that the international issue of global warming, along with the related issues of soaring energy prices and abnormal climatic conditions, pose a significant threat to the continuation of its business activities. In response, each office and plant in the Group is proactively promoting energy saving initiatives in order to prevent global warming.

Recognized as “Excellent Operator for Measures against Global Warming”

MinebeaMitsumi’s Karuizawa Plant has received recognition as an excellent plant from the viewpoint of actively working on reduction of greenhouse gas emissions by Nagano Prefecture. Based on the Prefecture’s “Measures against Global Warming Regulations,” companies which are larger than a certain scale are obliged to submit a greenhouse gas emissions control plan. The Prefecture evaluated the plans and specific results.



Awards ceremony

Effective use of resources

The Group recognizes that there are limits to the availability of resources used in its products, which include metals, plastics, and other raw materials, along with oil, natural gas, and other energy sources. Water is another precious global resource that is vital to life and our production activities.

We believe that the effective use of resources is critical to the continuation of our business activities, and to that end we are taking various measures.

Waste plastic reduction program (Cambodia)

In Cambodia, where social infrastructure and education systems are not fully developed, and garbage collection, separation, and disposal are a major social problem, the cafeteria of the MinebeaMitsumi Cambodia Plant is one of the first in the country to start activities to reduce plastic waste.

As part of a bottom-up program with high environmental awareness and involving approximately 9,000 local employees, in March 2019 we replaced disposable plastic bags used to sell fruits in the cafeteria of the plant with reusable plastic plates. As a result, a reduction of approximately 160,000 bags or 312 kg of plastic was achieved per month. In the future, we plan to introduce bamboo straws and reusable plastic cups to further reduce 100,000 pieces of plastic waste per month.

One of the important themes at the G20 Osaka Summit (held in June 2019), plastic waste has become a global social issue. This success story in the Cambodia Plant is shared within the entire MinebeaMitsumi Group, and approximately 100,000 employees work together to reduce plastic waste.



Selling in plastic bags

Selling in reusable plastic plates

Chapter IV Initiatives to Support Value Creation Initiatives for the Society

The MinebeaMitsumi Group aims to fully satisfy its customers in terms of quality, cost, supply capacity, and speed, working diligently to maintain and enhance its reputation as the most reliable component manufacturer, and furthermore endeavors to build sound partnerships with its suppliers.



Highlights of social initiatives

Reinforcement of quality control systems

Promotion of CSR procurement

Selected to the MSCI Japan Empowering Women Index (WIN)

Building a sustainable value chain

The Group continually aims to fulfill its social responsibilities as a corporation across its entire value chain.



Responsible procurement

Materiality

9

Promotion of CSR procurement

Considering the global scope of the Group's business activities, the Group believes it is important to promote CSR throughout its supply chain. In March 2012, we took steps to establish a framework for CSR procurement with the formulation of the MinebeaMitsumi Group CSR Procurement Guidelines, which is based on the MinebeaMitsumi Group Code of Conduct.

During the fiscal year ended March 2019, we surveyed major suppliers of the MITSUMI business in Japan using the MinebeaMitsumi Group CSR Procurement Self-assessment Checklist, which was created to help us assess the status of CSR activities at our suppliers. We accordingly received responses from 630 such suppliers. We have been meticulously verifying progress made with respect to CSR initiatives, which has involved providing feedback to our suppliers based on the survey results and otherwise communicating individually with suppliers who have encountered issues regarding some of such initiatives.

Green procurement

The Group has established and revised its guidelines and standards on chemical substances in products to ensure compliance with countries' laws and directives on chemical substances, to satisfy its customers, and to reduce the use of substances having an environmental impact. Under these guidelines, we require our suppliers to provide products (raw materials, parts, components, and packaging materials) that are free of hazardous substances, and also to submit safety certifications, reports of analysis results, and other similar documentation.

Response to conflict minerals

In August 2012, the U.S. Securities and Exchange Commission adopted a disclosure rule mandated by U.S. financial reform legislation requiring companies to disclose the use of conflict minerals. We responded by formulating a MinebeaMitsumi Group Policy on Conflict Minerals in October 2012, in which we summarized the Group's approach regarding conflict minerals from the Democratic Republic of the Congo and its neighboring countries.

Supply of safe and reliable products

Materiality

8

Quality management framework

The Group has created a Group Quality Management Rules covering the entire Group as part of our measures to ensure the safety of its products and services and prevent accidents.

The chief officer of the quality management framework is the President and Chief Executive Officer, who is supported by the Quality Management Committee. As its subordinate organization, the Quality Assurance Managers Council, comprised of managers responsible for quality in each business unit, was established. At these meetings, managers regularly share information on specific quality issues and work to implement internal measures to ensure similar problems do not reoccur. Furthermore, the Safety Regulation Council ensures compliance with the Electrical Appliance and Material Safety Act (in Japan), shares and promotes information on safety standards in each area of the world, and works to strengthen the Group's safety response.

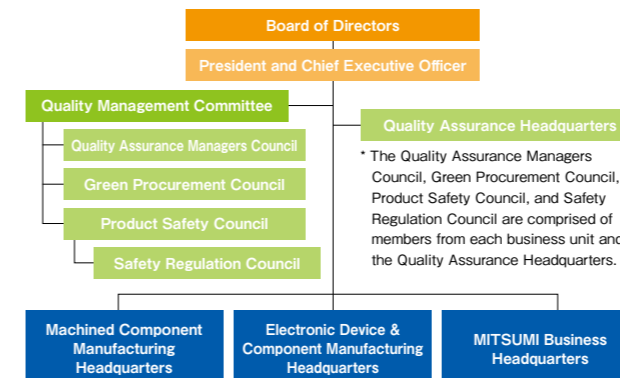
Risk assessment

The Group takes steps to mitigate the risk involving end-products in which the Group's parts are commonly used and which could pose a serious impact on society in the event of a problem. Accordingly, headquarters and the respective business units perform collaborative risk assessments to such ends.

Customer satisfaction surveys

Within the Group, individual business units conduct their own customer satisfaction surveys. The survey results are provided to the departments of each business unit. If customers should evaluate any criterion below a specific satisfaction level, we assess and implement improvements across all departments.

Quality management framework



Materialities
1 2 4

Selected to the MSCI Japan Empowering Women Index (WIN)

MSCI 2018 Constituent MSCI Japan Empowering Women Index (WIN)

MinebeaMitsumi was selected as one of the constituents of the MSCI Japan Empowering Women Index (WIN), which is composed of companies that are promoting the advancement of women in June 2018. In addition to its efforts geared to empowering the female workforce, the Group is also committed to the task of creating safe, healthy and pleasant workplace environments for its employees. Please visit the MinebeaMitsumi Group website for detailed information in that regard.

<https://www.minebeamitsumi.com/english/corp/environment/>

Chapter IV Initiatives to Support Value Creation

Corporate Governance

We are continuing to enhance and reinforce the corporate governance, which will be the basis of sustainable growth.

Highlights of corporate governance

Establishment of the Sustainability Management Division

Establishment of the Nomination and Compensation Committee

Percentage of female Director

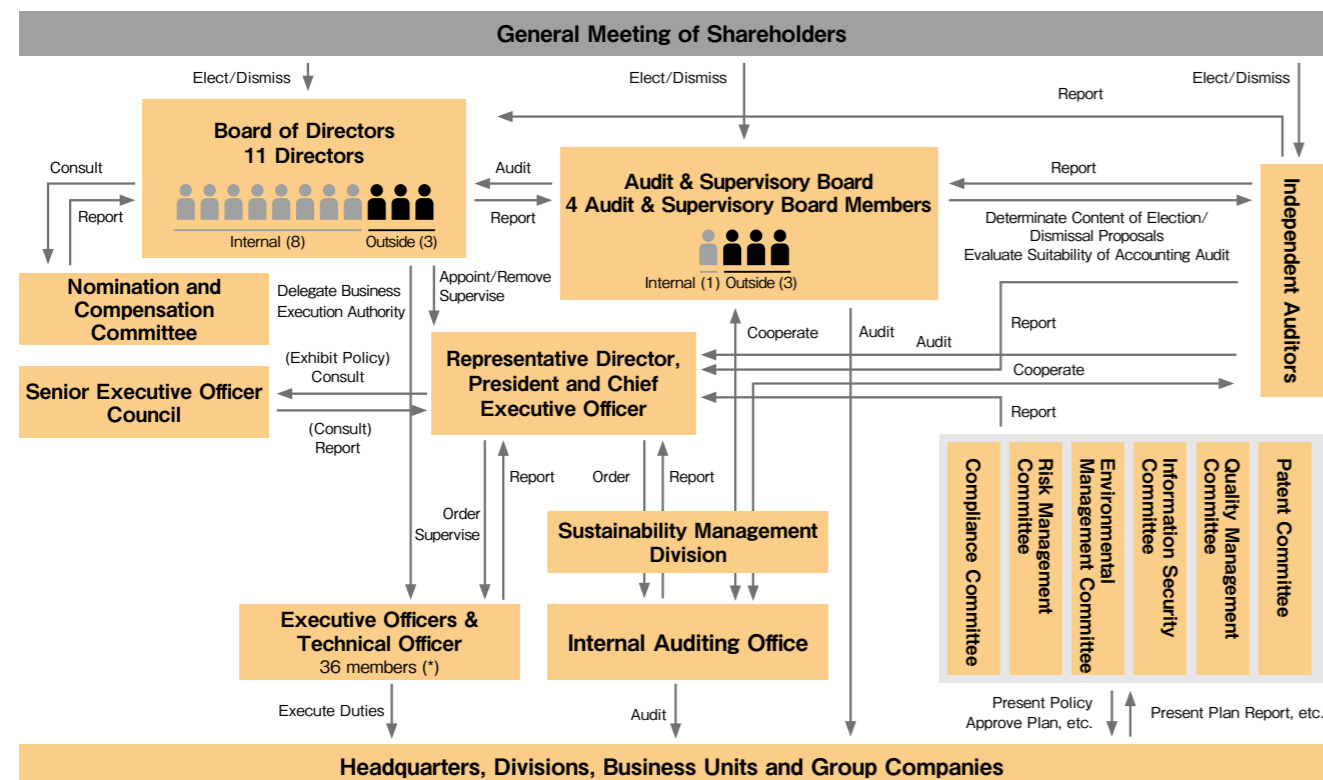
9% (1 member)

Basic approach to corporate governance

MinebeaMitsumi has adopted "The Five Principles" as our company credo. The Five Principles are; "be a company where our employees are proud to work"; "earn and preserve the trust of our valued customers"; "respond to our shareholders' expectations"; "work in harmony with the local community"; and "promote and contribute to global society." Consistent with this

company credo, the Company's basic management policy is to maximize corporate value by fulfilling its social responsibilities to its various stakeholders, including shareholders, business partners, local communities, international society and employees.

Corporate governance system



(*) Excluding seven Executive Officers who concurrently hold a post of Director of the Company

Nomination and Compensation Committee

<Composition of members>

Chairperson: Kohshi Murakami (Independent Outside Director)

Chairperson's message Page 47

Members: Yoshihisa Kainuma

(Representative Director, CEO & COO)

Atsuko Matsumura (Independent Outside Director)

Shinichiro Shibasaki

(Independent Outside Audit & Supervisory Board Member)

In order to enhance the transparency and objectivity of processes for nominating the candidates and determining the compensation for Directors, the committee has an independent Outside Director as Chairperson, and independent Outside Directors comprising at least half of its members.

<Activities of the committee>

The Company established the Nomination and Compensation Committee in December 2018 and since then, has held meetings of the committee three times. The committee deliberated and reported to the Board of Directors on the following matters.

- (1) Proposal of candidates for Director to be submitted at General Meeting of Shareholders
- (2) Proposed bonuses for Directors based on the consolidated results and stock price levels, and proposed revision of basic compensation

Processes for determining the compensation of Directors and Audit & Supervisory Board Members

(i) Compensation for Directors

In order to enhance the transparency and objectivity of processes for determining the compensation of Directors, the Company has established the Nomination and Compensation Committee, which has an independent Outside Director as Chairperson, and independent Outside Directors comprising at least half of its members. The compensation for Directors is determined by a resolution of the Board of Directors after deliberation by the Nomination and Compensation Committee, by the following compensation composition and calculation methods and within the maximum amount authorized by the General Meeting of Shareholders.

<Basic compensation>

Basic compensation comprises job responsibility compensation according to the Directors' individual positions and performance compensation revised each fiscal year in consideration of individual performance, the performance of the Company and other factors, and is determined by a predefined method.

<Bonuses for Directors> (performance-linked compensation)

Bonuses for Directors are structured to reflect the Company's performance, job responsibilities, and performance, and the amount of bonuses to be paid is determined based on the bonus calculation table, which is based on consolidated results, primarily on the profit for the year, and stock price of the Company. The reason for selection of these indicators is to include in the Directors' evaluations corporate value represented by stock prices, while emphasizing the final result of each fiscal year in the form of profit for the year. Furthermore, the standard payment amount based on the bonus calculation table is set according to the position of each Internal Director. Outside

Directors will not be paid this bonus.

<Incentive compensation> (performance-linked compensation)

The amount of incentive compensation to be paid is determined based on the degree of achievement of the Midterm Business Plan aimed at 1 trillion yen in net sales and 100 billion yen in operating income, and market capitalization of the Company, at the end of the fiscal year. The reason for the selection of these indicators is to enhance the incentive to increase the Company's performance and corporate value by achieving the Midterm Business Plan. In the fiscal year ended March 2019, the Company achieved consolidated net sales of 884.7 billion yen, consolidated operating income of 72 billion yen, and had a market capitalization of 710.2 billion yen, each result falling short its targets for consolidated net sales of 900 billion yen, operating income of 80 billion yen, and market capitalization at the end of the fiscal year of 1 trillion yen. As a result, incentive compensation was not paid. Furthermore, the amount of compensation to be paid when the targets are achieved is set according to the position of each Internal Director. Outside Directors will not be paid this compensation.

(ii) Compensation for Audit & Supervisory Board Members

Compensation for Audit & Supervisory Board Members consists solely of the basic compensation, which is paid in a fixed amount on a monthly basis, and is determined through discussions by the Audit & Supervisory Board Members, within the maximum amount of compensation, as authorized by the General Meeting of Shareholders.

Actual compensation for Directors and Audit & Supervisory Board Members (fiscal year ended March 2019)

Categories	Number of payees	Amount of compensation (millions of yen)			
		Basic compensation	Performance-linked compensation	Stock options	Total
Directors (Outside Directors)	13 (3)	330 (27)	370 (Not applicable)	- (Not applicable)	700 (27)
Audit & Supervisory Board Members (Outside Audit & Supervisory Board Members)	4 (3)	52 (36)	Not applicable (Not applicable)	Not applicable (Not applicable)	52 (36)
Total	17	382	370	-	752

(Note) The above table includes amounts paid to Mr. Tamio Uchibori and Mr. Hiromi Yoda, who retired from the position as Director at the conclusion of the 72nd Ordinary General Meeting of Shareholders held on June 28, 2018.

Chapter IV Initiatives to Support Value Creation

Corporate Governance

Message from Chairperson of the Nomination and Compensation Committee (Kohshi Murakami, Outside Director)

In December 2018, MinebeaMitsumi established the Nomination and Compensation Committee, a non-statutory committee, as an advisory body to the Board of Directors. I have been involved in the process for determining compensation for Directors since before the committee was established. It was because of my background that I was appointed to head the committee.

One characteristic of the Company's compensation system for Directors is the high proportion of performance-linked compensation within the compensation for Internal Directors. Compensation for Directors and Audit & Supervisory Board Members is determined from various indicators. Particularly, the extent of achievement of its Midterm Business Plan targets of net sales of 1 trillion yen and operating income of 100 billion yen is added as an important indicator, which is used to determine the annual compensation for Internal Directors.

We have had various discussions with the Board of Directors and divisions in charge as to whether the compensation system functions as an incentive to improve the performance of the Company, including whether the calculation process is fair. Amid a trend towards strengthening corporate governance, the Company has transferred this function to this independent committee, and adopted a process in which the results of discussion in the committee are reported to the Board of Directors.

Furthermore, over the past ten years, President Yoshihisa Kainuma has led the Company's growth with his excellent management skills and powerful leadership. For this reason, he has always been aware of the need for a system that can properly explain how the personnel matters and compensation of Directors are fairly determined, as these are matters involved with his own personal interest. The President brought this matter up with we

Directors.

The solution to this issue was the establishment of this Nomination and Compensation Committee. I believe this will enable upholding of internal and external accountability. In addition, if, by utilizing the report of the committee, the Board of Directors is able to evaluate the management that delivers expected results and to support continuation of the management, then I believe this will lead to strengthening the management foundation and providing support behind the scenes for proactive management by the President and other Directors.

While identifying the top management who are suitable to lead the Company's growth over the next ten and 20 years, we will also tackle the important issue of what to do about successor candidates for the future.

I will serve as Chairperson of the Nomination and Compensation Committee, recognizing that the committee is one of the main foundational supports of the Company's sustainable growth and its corporate governance.



Outside Director
Kohshi Murakami

Assumed office as an Outside Director of the Company in June 2008. Mr. Murakami has a wealth of experience and keen insight as a former Presiding Justice of the Division of the Tokyo High Court and as an attorney-at-law. He works on ensuring the sound management of the Company and promoting its compliance management.

Status of the Board of Directors

The Board of Directors basically holds its ordinary meeting once a month, with extraordinary meetings held as needed. The 11 Directors (including three Outside Directors) conduct swift, highly strategic decision making and supervise management.

Number of Board of Directors Meetings held: 15 times (fiscal year ended March 2019)

Major items deliberated

- M&A items (U-Shin and some other items)
- Midterm Business Plan
- Response to the revised Corporate Governance Code
- Establishment of the Sustainability Management Division

Evaluation of the effectiveness of the Board of Directors

The Company conducted a self-evaluation questionnaire on the composition, agenda, and operational status of the Board of Directors for all Directors and Audit & Supervisory Board

Members. The results of the survey are analyzed by the Secretariat of the Board of Directors and the results of the analysis are discussed by the Board of Directors. In the fiscal year ended March 2019, the survey confirmed that diversification of the Board of Directors' composition invigorated its discussion, and that the Board of Directors was functioning effectively overall.

<Status of response to issues>

As the scale of the Group continues to expand, the Company seeks to strengthen governance and risk-management initiatives throughout all Group companies. To this end, the Sustainability Management Division was established to promote strengthening of Group governance.

The CFO and an Outside Director in Conversation

Initiatives to Strengthen Management and Supervisory Functions in Order to Realize a Leap Forward over the Next 10 Years

Director Shuji Uehara, in charge of the newly established Sustainability Management Division, and Outside Director Atsuko Matsumura conducted a frank exchange of opinions on the strengthening of management and supervisory functions.

Atsuko Matsumura
Independent Outside Director

Assumed office as an Outside Director of the Company in June 2018. Ms. Matsumura has expertise in international economics as a university professor as well as extensive achievements as an educator. She is reflecting her abundant knowledge and experience in the management of the Company.

Shuji Uehara
Director, Senior Managing Executive Officer

Chief of Tokyo Head Office, Officer in charge of Accounting & Corporate Finance Division, Officer in charge of Sustainability Management Division

Regarding the fiscal year ended March 2019

— Please give your review of the year.

Uehara: The first half of the year proceeded well. Going into the second half, sales and profits didn't grow as expected due to the impact of trade friction between the United States and China. However, the overall trend was mainly in line with our plans. I feel that results were also impacted in part by our products that have higher volatility. However, partly due to accomplishing our target with the business integration with U-Shin by M&A in the second half, I think that the year saw good progress on the whole, as we built a solid foundation for achieving net sales of 1 trillion yen and operating income of 100 billion yen.

Matsumura: As even more global corporations experience negative impacts from the trade friction between the United States and China, I think it is fortunate that MinebeaMitsumi has been able to realize business integration with U-Shin, and promote a long-term vision for the next ten years under strong

leadership by the management team.

— Ms. Matsumura, it was your first year of appointment as a Director. What made a particular impression on you?

Matsumura: The MinebeaMitsumi Group holds a business plan review meeting for the executive management-level personnel from around the world each year in March at Tokyo Headquarters. Over four days, the participants discuss the business plan and management policies for the next fiscal year and onward. Then, in autumn a Top Meeting is held, at which the status of business and progress on plans for the current fiscal year are discussed over several days. This long, serious discussion was made a very strong impression on me, and I felt a strong enthusiasm for how the Group leverages its outstanding qualities while uniting as one to face various challenges.

Uehara: I think that the Company will face increasingly difficult decisions on how to allocate its management resources to each business going forward. I would like all of the Outside Directors and Audit & Supervisory Board Members to give us even more candid opinions and advice going forward.

Chapter IV Initiatives to Support Value Creation

The CFO and an Outside Director in Conversation

To achieve the long-term vision

— **What impression do you have of the targets for net sales of 2.5 trillion yen and operating income of 250 billion yen?**

Matsumura: The Company is expanding its lineup of products that contribute to comfortable, safe and secure societies, making use of its excellent technological capabilities and M&As with strong synergy effects. I think these are high targets, but considering the speed of the Company's growth thus far, I believe they will be rewarding challenges for the Company.
Uehara: I agree – these are indeed quite high targets. However, with the growth of our current Machined Components business, Electronic Devices and Components business, MITSUMI business, and U-Shin business, and M&As that promise synergies with our businesses, I think that the net sales target of 2.5 trillion yen is appropriate for us to take on challenges.

— **The management foundation must also require strengthening to achieve ambitious targets. Could you explain the aims of the recent reorganization?**

Uehara: The Company had already separated its executing and monitoring organizations, and operated them as independent bodies. However, CSR was promoted by Personnel & General Affairs Division while matters such as environment issues and trade compliance were promoted by independent organizations supervised directly by the President, so there was no overall coordination as an organization. Now we have established the Sustainability Management Division to coordinate these organizations, enabling us to respond more flexibly from a company-wide perspective. I believe the establishment of the Sustainability Management Division has paved the way for realizing net sales of 2.5 trillion yen in the future.

Matsumura: I think this reorganization is an extremely important

“ I hope to provide timely advice about what is needed for our further development ”



step in terms of promoting corporate governance going forward. Higher targets require a corresponding strengthening of internal supervision functions, and I believe the structure we have established is extremely clear even to outside observers.

— **Can we consider this reorganization to be a strengthening of existing functions?**

Uehara: With respect to governance, to counter risks such as improper accounting and so forth, the Company has previously separated the Accounting Division and the Internal Control Promotion Office and made them independent. Moreover, in addition to audits by certified public accountants and Audit & Supervisory Board Members, our Internal Auditing Office checks for malpractice in our operations throughout the world. Their reports are submitted directly to the Audit & Supervisory Board Members and Outside Directors in the form of internal audit reports for each region and company. In this way, I believe that the separation of execution and monitoring is functioning appropriately. On the other hand, stakeholders may have doubts about whether the separation of execution and monitoring will work when the business scale expands even further. Going forward, we will look at the idea of eventually expanding the Sustainability Management Division by region. I would like to further strengthen our systems to enable monitoring of whether the business execution teams in each region are executing business appropriately.

Matsumura: It is very important to strengthen the structure created by this reorganization even further in response to the demands of the times as we go forward, as you mentioned. Under the new structure, I expect the Company to take firm steps to ensure compliance with laws and regulations, while making use of experts and auditing firms. As an Outside Director, I receive detailed explanations from Internal Auditing Office staff regarding the results of internal audits, including audits of overseas locations, at the regular meetings with the Audit & Supervisory Board Members. Then, as we exchange opinions, we discuss issues and points for improvement from various viewpoints. Moreover, as measures to gain the trust of stakeholders focused on sustainability, it is also important to focus on governance over a wide range of fields, including social contributions in various forms and workstyle reforms. As we expand our business as a manufacturer, I think it is also important to take measures to prepare for risks such as soil, water, air, and other pollution.

Uehara: With regard to the environment, we are guided by part of our company credo, “Contributing to the Local Community,” and even before the current level of public attention to environmental issues, we had been promoting environmental conservation initiatives in every country and plant, such as completely abolishing environmentally harmful substances.

Looking ahead, we plan to actively promote further environmental conservation through the Sustainability Management Division.

Matsumura: Each plant conducts “environmental patrols,” which are initiatives for checking the plant. I would like the

Company to continue implementing these patrols to ensure that nothing is overlooked. Furthermore, in the fiscal year ended March 2019, I hear that the Company introduced MinebeaMitsumi Green Products Certification Program for its own products, and that it aims to expand environmentally friendly products so that they account for at least 85% of total sales in ten years' time. This initiative is highly significant for the Group's sustainable growth, and I consider it most admirable.

— **Are you constantly examining a large number of M&A prospects?**

Uehara: We have received positive evaluations on our M&A activities to date, and the number of opportunities to consider prospective M&As has increased. We narrow these down to candidates that seem to have adequate potential for synergies with our existing businesses, and then examine them thoroughly in the Board of Directors. Many prospective M&As are abandoned as a result.

— **Is the explanation from within the Company adequate?**

Matsumura: I receive detailed explanations of the background history, technological synergies, risks, and other aspects of each prospective M&A. Recently, the Company conducted an M&A with U-Shin. After receiving a detailed explanation of this project, I judged that the Company had selected a partner that would resonate with its DNA of “manufacturing with sincerity,” and that the integration could be expected to yield strong synergies.

I also received an explanation regarding the proactive human resource exchanges that proved successful in the integration with MITSUMI ELECTRIC. I think the Company would also realize benefits from the recent integration with U-Shin on the human resource front by applying this experience and using effective personnel exchange to quickly build a team with execution capabilities. With regard to the importance of human resource synergies that President Kainuma has spoken about, I think that building systems to implement these adequately is the way to achieve our long-term goals.

— **What issues do you see for the Company to address going forward?**

Uehara: I think our focus must be on developing human resources. As we expand our business on a global scale, we must step up our development of local human resources not only in Japan, but also overseas. As I mentioned before, the Sustainability Management Division could be expanded in each region in the future. Our challenge is to find ways to secure high quality human resources, or to develop them.

Matsumura: Looking from a diversity perspective, I think there is room for further development with regard to promoting women's participation in the workplace. At the same time, I think it is also important to actively introduce systems for reflecting feedback from female employees.

Increasing the number of women at the top level of management in the Company can be expected to increase performance of the Company by invigorating the work of all female employees and raising their awareness. Meanwhile, in terms of enhancing the workplace environment, to create workplaces that are easy to work in, including for men, I think it is important to reduce excessive working hours and I intend to focus on this going forward.

Uehara: I agree with you that these points need to be addressed. As for diversity, in promoting the empowerment of women we have two female Executive Officers within the Group while most of the heads of our overseas accounting divisions are women. On the other hand, in our so-called technical areas, such as machined components and electronic devices and components, we have an issue with low numbers of female graduate employees. In our plant in Thailand, we have adopted a system where many female engineers are working at production sites. We are also seeing increasing opportunities for female staff members to play a global role in our Sales Division, and I believe you can look forward to the next five and ten years.

Matsumura: I feel that the female labor force is making a significant contribution to the Group in Southeast Asia. Looking ahead, in Japan too, I hope to see a wider range of opportunities for women to participate through appropriate personnel development.

— **How do you plan to contribute in the fiscal year ending March 2020?**

Matsumura: From my outside perspective, I will monitor to ensure that the Group's management does not make the wrong decisions. As the Group's management is extremely smooth, I also plan to respond swiftly and provide accurate advice for the Group to achieve its targets in a form that is clear to stakeholders.

Uehara: We certainly hope to continue receiving your guidance from a broad perspective.

“ By establishing the Sustainability Management Division we will further strengthen governance throughout the entire Group ”



Chapter IV Initiatives to Support Value Creation

List of Officers (As of August 2019)

Directors



Attendance at the Board of Directors Meeting
100% (15/15)

Representative Director CEO & COO
Yoshihisa Kainuma

- Apr. 1983 Member of Daini Tokyo Bar Association
- Dec. 1988 Director, General Manager of Legal Department of the Company
- Sep. 1989 Member of New York State Bar Association
- Dec. 1992 Managing Director and Deputy General Manager of Operations Headquarters
- Dec. 1994 Senior Managing Director, General Manager of European and American Regional Sales Headquarters, Deputy General Manager of Operations Headquarters
- Jun. 2003 Director, Senior Managing Executive Officer
- Apr. 2009 Representative Director, President and Chief Executive Officer
- Jan. 2017 Director, Chairman of the Board of Directors, MITSUMI ELECTRIC CO., LTD.
- Jun. 2017 Representative Director CEO & COO (Present)
- Aug. 2019 Representative Director, Chairman of the Board of Directors, U-Shin Ltd. (Present)

Reason for appointment

Mr. Yoshihisa Kainuma has been in command of management of the entire Group since 2009, expanding the Group's operations and steadily implementing and achieving an improvement in corporate value. He is appointed since the Company considered that his management skills will contribute to a further sustainable growth of the Group.



Attendance at the Board of Directors Meeting
100% (15/15)

Representative Director, Vice Chairman
Shigeru Moribe

- Mar. 1980 Joined MITSUMI ELECTRIC CO., LTD.
- May 1990 General Manager of Development Headquarters, MITSUMI ELECTRIC CO., LTD.
- Apr. 1991 Director, Head of Singapore branch, MITSUMI ELECTRIC CO., LTD.
- Apr. 1994 Managing Director, MITSUMI ELECTRIC CO., LTD.
- Oct. 1999 Senior Managing Director, General Manager of Sales Headquarters, MITSUMI ELECTRIC CO., LTD.
- Apr. 2002 Representative Director, President, MITSUMI ELECTRIC CO., LTD.
- Jan. 2017 Adviser of the Company
- Apr. 2017 Director, Chairman of the Board of Directors, MITSUMI ELECTRIC CO., LTD. (Present)
- Jun. 2017 Representative Director, Vice Chairman (Present)

Reason for appointment

Mr. Shigeru Moribe served as Representative Director, President of MITSUMI ELECTRIC CO., LTD. for many years until the business integration between the Company and the said company in 2017, and he has a wealth of experience and keen insight as a corporate manager. He is appointed since he properly oversees the management of the Group as Representative Director, Vice Chairman.




Attendance at the Board of Directors Meeting
100% (15/15)

Director, Senior Managing Executive Officer
Ryozo Iwaya

- Apr. 1981 Joined the Company
- Dec. 1989 Head of Tokyo Sales Division at Tokyo Branch
- Jun. 2009 Executive Officer, Head of Lighting Device Business Unit at Electronic Device & Component Business Headquarters
- Jun. 2015 Managing Executive Officer
- Apr. 2013 Deputy Chief of Electronic Device & Component Manufacturing Headquarters, Officer in charge of Electronic Device Division at Electronic Device & Component Manufacturing Headquarters, Head of Lighting Device Business Unit
- Jun. 2015 Director, Senior Managing Executive Officer (Present)
- Jan. 2017 Chief of Mitsumi Business Headquarters (Present)
- Apr. 2017 Representative Director, President and Chief Executive Officer, MITSUMI ELECTRIC CO., LTD. (Present)
- Jun. 2017 Chief of Electronic Device & Component Manufacturing Headquarters (Present)
- Aug. 2019 Director, U-Shin Ltd. (Present)

Reason for appointment

Mr. Ryozo Iwaya has held important positions in the Sales Division, the electronic devices & components manufacturing business, etc. for many years, and he has a wealth of experience and keen insight. He is appointed since he, as Director, Chief of Electronic Device & Component Manufacturing Headquarters, and Chief of MITSUMI Business Headquarters, strategically leads these two businesses and properly fulfills his role.



Attendance at the Board of Directors Meeting
93.3% (14/15)

Director, Senior Managing Executive Officer
Tetsuya Tsuruta

- Apr. 1981 Joined the Company
- Oct. 2005 Head of Mechanical Assembly Business Unit
- Jun. 2007 Executive Officer
- Jun. 2015 Managing Executive Officer
- Jun. 2016 Deputy Chief of Machined Component Manufacturing Headquarters
- Jun. 2016 Director, Senior Managing Executive Officer (Present)
- Sep. 2017 Chief of Machined Component Manufacturing Headquarters, Officer in charge of Production Support Division
- May 2018 Deputy Chief of Sales Headquarters (Present)

Reason for appointment

Mr. Tetsuya Tsuruta has held important positions in the Sales Division and the machined components manufacturing business for many years, and he has a wealth of experience and keen insight. He is appointed since he mainly oversees sales of machined components as Director, Deputy Chief of Sales Headquarters and properly fulfills his role.



Attendance at the Board of Directors Meeting
100% (15/15)

Director, Senior Managing Executive Officer
Shigeru None

- Apr. 1982 Joined the Company
- Sep. 1999 Manager of Osaka Branch
- Jun. 2007 Executive Officer
- Apr. 2011 Deputy Officer in charge of Sales Division
- Jun. 2012 Managing Executive Officer
- Jun. 2015 Director (Present)
- Jun. 2016 Senior Managing Executive Officer (Present)
- Jun. 2017 Officer in charge of Sales Division
- May 2018 Chief of Sales Headquarters (Present)

Reason for appointment

Mr. Shigeru None has held important positions in the Sales Division for many years, and he has a wealth of experience and keen insight. He is appointed since he mainly oversees sales of electronic devices and components as Director, Chief of Sales Headquarters and properly fulfills his role.



Attendance at the Board of Directors Meeting
100% (15/15)

Director, Senior Managing Executive Officer
Shuji Uehara

- Apr. 1977 Joined the Company
- Sep. 2001 General Manager of Business Administration Department
- Jun. 2007 Executive Officer
- Jun. 2011 General Manager of Regional Affairs for South East Asia
- Jun. 2012 Managing Executive Officer
- Jan. 2013 Deputy Chief of HDD Motor Manufacturing Headquarters
- Apr. 2015 Deputy Chief of Electronic Device & Component Manufacturing Headquarters
- Jun. 2016 Senior Managing Executive Officer (Present), Chief of Business Administration Headquarters
- Jan. 2017 Officer in charge of Business Management Division at MITSUMI Business Headquarters (Present), Director, Vice President and Chief Executive Officer, MITSUMI ELECTRIC CO., LTD. (Present)
- Jun. 2017 Director (Present)
- May 2018 Chief of Tokyo Head Office (Present), Chief of Business Administration Headquarters and Accounting & Corporate Finance Headquarters
- Apr. 2019 Officer in charge of Accounting & Corporate Finance Division (Present), Officer in charge of Sustainability Management Division (Present)
- Aug. 2019 Director, U-Shin Ltd. (Present)

Reason for appointment

Mr. Shuji Uehara has held important positions in the Business Administration Department, the electronic devices and components manufacturing business, etc. for many years, and he has a wealth of experience and keen insight. He is appointed since he properly fulfills his role as Director, Chief of Tokyo Head Office.



Attendance at the Board of Directors Meeting
100% (15/15)

Director, Senior Managing Executive Officer
Michiya Kagami

- Jan. 1989 Joined the Company
- Jul. 2005 Head of Electronics Development Division at Engineering Headquarters
- Jun. 2009 Deputy Chief of Electronic Device & Component Business Headquarters
- Jun. 2011 Executive Officer
- Mar. 2013 Head of Engineering Development Department of Electronic Device Division at Electronic Device & Component Manufacturing Headquarters
- Jun. 2015 Managing Executive Officer
- Aug. 2015 Deputy Chief of Electronic Device & Component Manufacturing Headquarters, Officer in charge of Engineering Development Division at Electronic Device & Component Manufacturing Headquarters
- Jun. 2017 Director, Chief of Engineering Headquarters (Present), Officer in charge of Engineering Development Division at Electronic Device & Component Manufacturing Headquarters (Present)
- May 2018 Senior Managing Executive Officer (Present)

Reason for appointment

Mr. Michiya Kagami has held important positions in the development branches of the electronic devices & components business for many years, and he has a wealth of experience and keen insight in research and development. He is appointed since he properly fulfills his role as Director and Chief of Engineering Headquarters.



Attendance at the Board of Directors Meeting
100% (15/15)


Director, Managing Executive Officer
Hiroshi Aso

- Mar. 1981 Joined Kyushu MITSUMI CO., LTD.
- Oct. 2007 Head of Power Supply Business Unit, MITSUMI ELECTRIC CO., LTD.
- Jun. 2010 Director, General Manager of Semiconductor Business Headquarters, MITSUMI ELECTRIC CO., LTD.
- Apr. 2016 Director, Managing Executive Officer (Present), General Manager of Development Headquarters and Semiconductor Business Headquarters, Officer in charge of Automotive Devices Business Unit, MITSUMI ELECTRIC CO., LTD.
- Jan. 2017 Adviser, Deputy Chief of Mitsumi Business Headquarters (Present), Officer in charge of Engineering Development Division (Present), Officer in charge of Semiconductor Business Division, Officer in charge of Automotive Devices Business Division of the Company
- Jun. 2017 Director, Managing Executive Officer, Deputy Chief of Engineering Headquarters (Present)
- Sep. 2018 Officer in charge of IoT Business Development Department (Present)

Reason for appointment

Mr. Hiroshi Aso held important positions in the development division, the power supply business, the semiconductor business, etc. of MITSUMI ELECTRIC CO., LTD. until the business integration between the Company and the said company in 2017, and he has a wealth of experience and keen insight. He is appointed since he properly fulfills his role as Director, Deputy Chief of Engineering Headquarters, Deputy Chief of MITSUMI Business Headquarters.

Independent Outside Directors



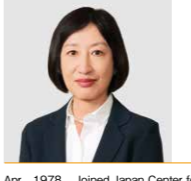
Attendance at the Board of Directors Meeting
100% (15/15)

Outside Director
Kohshi Murakami

- Apr. 1967 Assistant Judge, Tokyo District Court
- Apr. 1999 Presiding Justice of the Division (Acting Chief Justice, Specialized Economic and Financial Affairs Department), Tokyo High Court
- Apr. 2005 Professor, Graduate School of Law, Kyoto University
- Jun. 2005 Joined TMI Associates as Special Counsel (Present)
- Nov. 2005 Outside Corporate Auditor of SANEI-INTERNATIONAL CO., LTD.
- Apr. 2008 Visiting Professor, Yokohama National University
- May 2008 Member of the Independent Committee of the Company (Present)
- Jun. 2008 Outside Director of the Company (Present)
- Apr. 2010 Professor, Juris Doctor Program, Daito Bunka University

Reason for appointment

Mr. Kohshi Murakami has a wealth of experience and keen insight as a former Presiding Justice of the Division of the Tokyo High Court and as an attorney-at-law. He is appointed so that he will provide guidance to ensure the sound management of the Company and promote compliance.



Attendance at the Board of Directors Meeting
84.6% (11/13)

Outside Director
Atsuko Matsumura

- Apr. 1978 Joined Japan Center for Economic Research
- Apr. 1981 Visiting research fellow, Economic Research Institute, Economic Planning Agency (currently Economic and Social Research Institute)
- Apr. 1987 Part-time Lecturer, Jissen Women's Junior College
- Apr. 1988 Full-time Lecturer, OTSUNO WOMEN'S UNIVERSITY
- Apr. 1991 Full-time Lecturer, Faculty of Economics, Tokyo International University
- Apr. 1999 Associate Professor, Faculty of Economics, Tokyo International University
- Apr. 2006 Professor, Faculty of Economics, Tokyo International University (Present)
- Apr. 2010 Part-time Lecturer, Department of Social and Family Economy, Faculty of Human Sciences and Design, Japan Women's University (Present)
- Apr. 2015 Part-time Lecturer, Department of Politics, Faculty of Law, Keio University (Present)
- Jun. 2016 Outside Director, RENESAS EASTON Co., Ltd. (Currently Glosel Co., Ltd) (Present)
- Jun. 2018 Outside Director of the Company (Present)

Reason for appointment

Ms. Atsuko Matsumura has expertise in international economics as well as broad knowledge and experience. She is appointed so that her abundant knowledge and experience will be reflected in the management of the Company.



Attendance at the Board of Directors Meeting
100% (15/15)

Outside Director
Takashi Matsuoka

- Apr. 2003 General Manager of Planning Division, KEIAISHA Co., Ltd.
- Jun. 2003 Director, KEIAISHA Co., Ltd.
- Jun. 2004 Managing Director, KEIAISHA Co., Ltd.
- Jun. 2005 Outside Director of the Company (Present)
- Jun. 2007 Senior Managing Director, KEIAISHA Co., Ltd.
- Jun. 2011 Director and Senior Managing Executive Officer, KEIAISHA Co., Ltd.
- Jun. 2014 Director, Vice President Executive Officer, KEIAISHA Co., Ltd. (Present)

Reason for appointment

Mr. Takashi Matsuoka has been in charge of the Planning Division, etc. of KEIAISHA Co., Ltd. for many years, and he has broad insight and experience in business operation. He is appointed so that his abundant knowledge and experience will be reflected in the management of the Company.

Audit & Supervisory Board Member




Standing Audit & Supervisory Board Member
Naoyuki Kimura
(Assumed the office on June 27, 2019)

- Apr. 1983 Joined the Company
- May 2008 Deputy General Manager of Personnel & General Affairs Department at Karuzawa Plant, Personnel & General Affairs Division
- Sep. 2011 General Manager of Personnel & General Affairs Department at Operation and Planning Division
- Jul. 2012 General Manager of Personnel Department and General Affairs Department at Personnel & General Affairs Division
- Jun. 2019 Audit & Supervisory Board Member of the Company (Present)

Reason for appointment

Mr. Naoyuki Kimura has a wide range of business experience, including in personnel, labor affairs and overall general affairs, from serving at Personnel & General Affairs Division for many years. He is appointed so that his abundant experience and accumulated knowledge will be reflected in audits of the Company.

Independent Outside Audit & Supervisory Board Members



Attendance at the Board of Directors Meeting
100% (15/15)

Attendance at the Audit & Supervisory Board Meeting
100% (13/13)

Standing Outside Audit & Supervisory Board Member
Koichi Yoshino
(Assumed the office on June 27, 2019)

- Apr. 1985 Joined Marubeni Corporation
- Apr. 2000 General Manager of Consumer Products Division, Marubeni (Shanghai) Co., Ltd.
- Apr. 2002 General Manager of Textile Materials Division, Marubeni Textile (Hong Kong) Co. Ltd.
- Apr. 2007 Vice President, Marubeni Textile (Shanghai) Co., Ltd.
- Apr. 2010 Assistant to President, SUPER TOOL CO., LTD. (Temporary transferred)
- Oct. 2010 President, Super Tool (Shanghai) Co., Ltd. (Temporary transferred)
- Apr. 2015 Chief Examiner of Audit Department, Marubeni Corporation
- Jul. 2018 Joined Kyoto Robotics Corporation
- Acting CFO and General Manager of Internal Audit Office, Kyoto Robotics Corporation
- Jun. 2019 Outside Audit & Supervisory Board Member of the Company (Present)

Reason for appointment

Mr. Koichi Yoshino has a wealth of overseas experience and practical management experience at a general trading company and in the manufacturing industry, as well as a qualification as a Certified Internal Auditor and considerable knowledge of finance and accounting. He is appointed so that his abundant experience and broad knowledge will be reflected in audits of the Company.



Attendance at the Board of Directors Meeting
100% (15/15)


Attendance at the Audit & Supervisory Board Meeting
100% (13/13)

Outside Audit & Supervisory Board Member
Shinichiro Shibasaki

- Apr. 1989 Registered as attorney-at-law. Joined Inami and Ota
- Apr. 1993 Inami and Ota changed its name to Inami, Ota and Shibasaki (Partner)
- Oct. 2010 Member of Dispute Resolution Committee of The General Insurance Association of Japan (Present)
- May 2011 Inami, Ota and Shibasaki changed its name to Law Office Juricom (Partner) (Present)
- Apr. 2012 Part-time Professor, Tokai University School of Medicine
- Jun. 2014 Outside Audit & Supervisory Board Member of the Company (Present), Independent Committee Member of the Company (Present)
- Apr. 2015 Visiting Professor, Tokai University School of Medicine (Present)

Reason for appointment

Mr. Shinichiro Shibasaki is well-versed in corporate legal affairs as an attorney-at-law. He is appointed so that his abundant experience and keen insight will be reflected in audits of the Company.



Attendance at the Board of Directors Meeting
100% (15/15)

Attendance at the Audit & Supervisory Board Meeting
100% (13/13)

Outside Audit & Supervisory Board Member
Makoto Hoshino
(Assumed the office on June 27, 2019)

- Apr. 1980 Joined Kantoshinetsu Regional Taxation Bureau
- Jul. 2006 Chief Examiner, Large Enterprise Examination and Criminal Investigation Department, Kantoshinetsu Regional Taxation Bureau
- Jul. 2007 Special Officer, Management and Co-ordination Department, Kantoshinetsu Regional Taxation Bureau
- Jul. 2009 District Director, Fukagawa Tax Office
- Jul. 2010 Senior Internal Inspector, Kantoshinetsu Regional Taxation Bureau, Commissioner's Secretariat of the National Tax Agency
- Jul. 2012 District Director, Ota Tax Office
- Jul. 2013 Director, Planning Division, Management and Co-ordination Department, Kantoshinetsu Regional Taxation Bureau
- Jul. 2014 Chief Internal Inspector, Kantoshinetsu Regional Taxation Bureau, Commissioner's Secretariat of the National Tax Agency
- Jul. 2016 Chief Internal Inspector, Osaka Regional Taxation Bureau, Commissioner's Secretariat of the National Tax Agency
- Jul. 2017 Deputy Commissioner, Large Enterprise Examination and Criminal Investigation Department, Kantoshinetsu Regional Taxation Bureau
- Jul. 2018 Retired from Kantoshinetsu Regional Taxation Bureau
- Aug. 2018 Registered as a certified tax accountant
- Director, Makoto Hoshino Certified Tax Accountant Office (Present)
- Jun. 2019 Outside Audit & Supervisory Board Member of the Company (Present)

Reason for appointment

Mr. Makoto Hoshino has considerable knowledge of finance and accounting. He is appointed so that his abundant experience and keen insight will be reflected in audits of the Company.

Major Financial and Non-financial Data over 11 Years

		FY3/2009	FY3/2010	FY3/2011	FY3/2012	FY3/2013	FY3/2014	FY3/2015	FY3/2016	FY3/2017*	FY3/2018	FY3/2018	FY3/2019
Profit and Loss		JGAAP										IFRS	
Net sales	Millions of yen	256,163	228,446	269,139	251,358	282,409	371,543	500,676	609,814	638,926	879,139	881,413	884,723
Operating income	Millions of yen	13,406	12,059	22,163	8,599	10,169	32,199	60,101	51,438	49,015	79,162	68,902	72,033
Operating margin	%	5.2	5.3	8.2	3.4	3.6	8.7	12.0	8.4	7.7	9.0	7.8	8.1
Profit before income taxes	Millions of yen	6,834	9,261	18,656	5,551	4,882	26,811	51,773	46,963	48,473	71,230	66,855	71,321
Profit before income taxes ratio	%	2.7	4.1	6.9	2.2	1.7	7.2	10.3	7.7	7.6	8.1	7.6	8.1
Profit for the year attributable to owners of the parent	Millions of yen	2,441	6,662	12,465	5,922	1,804	20,878	39,887	36,386	41,146	59,382	50,326	60,142
Profit for the year attributable to owners of the parent ratio	%	1.0	2.9	4.6	2.4	0.6	5.6	8.0	6.0	6.4	6.8	5.7	6.8
Per Share													
Earnings per share, basic	Yen	6.18	17.20	32.61	15.63	4.83	55.94	106.73	97.26	107.33	141.14	119.61	143.90
Earnings per share, diluted	Yen	–	–	–	15.54	4.65	53.14	101.32	92.35	105.64	137.80	117.02	140.75
Dividends per share	Yen	7.00	7.00	7.00	7.00	7.00	8.00	12.00	20.00	14.00	26.00	26.00	28.00
Equity attributable to owners of the parent per share (BPS)	Yen	271.93	279.87	282.03	288.74	351.65	422.62	604.83	616.43	759.15	872.66	849.15	962.83
Performance Indicators													
ROE (Profit to equity attributable to owners of the parent ratio)	%	2.1	6.3	11.6	5.5	1.5	14.4	20.8	15.9	14.9	17.3	14.8	15.9
ROA (Profit before income taxes to total assets ratio)	%	0.8	2.4	4.4	2.0	0.5	5.6	9.2	7.7	7.5	8.8	9.9	9.9
ROIC	%	1.3	3.7	6.4	2.6	2.1	7.9	11.8	10.9	10.4	13.1	10.7	12.4
Interest-bearing debt	Millions of yen	137,890	123,399	133,212	142,543	170,411	148,498	138,461	137,109	164,010	157,414	156,471	162,042
Net interest-bearing debt	Millions of yen	109,995	96,892	103,622	114,213	136,229	109,883	93,134	97,515	70,885	52,520	51,505	21,673
Net debt equity ratio	Times	1.0	0.9	0.9	1.0	1.0	0.7	0.4	0.4	0.2	0.1	0.1	0.1
Equity ratio attributable to owners of the parent	%	37.1	38.5	37.1	35.7	36.2	41.4	46.1	50.2	50.0	51.7	50.6	53.9
Cash flows from operating activities	Millions of yen	37,063	30,408	24,439	20,233	22,990	49,173	59,864	43,582	83,125	96,606	92,201	100,722
Cash flows from investing activities	Millions of yen	(24,554)	(12,733)	(28,631)	(29,018)	(37,813)	(24,957)	(35,326)	(44,642)	(46,800)	(59,453)	(54,853)	(54,190)
Cash flows from financing activities	Millions of yen	(6,974)	(20,118)	7,984	4,761	17,409	(25,233)	(19,627)	(4,200)	(17,339)	(27,026)	(27,026)	(13,334)
Free cash flows	Millions of yen	12,509	17,675	(4,192)	(8,785)	(14,823)	24,216	24,538	(1,060)	36,325	37,153	37,348	46,532
Investments, etc.													
Depreciation and amortization	Millions of yen	23,987	21,140	20,805	19,588	20,800	23,740	28,775	34,787	28,164	31,596	30,491	36,398
CAPEX*2	Millions of yen	20,182	11,081	27,335	27,306	43,687	20,679	37,557	43,878	31,847	54,171	50,789	54,199
Research and development expenses	Millions of yen	9,458	8,410	7,895	7,490	7,743	8,561	8,972	9,680	12,347	24,381	24,381	25,453
Ratio of R&D expenses to net sales expenses to net sales	%	3.7	3.7	2.9	3.0	2.7	2.3	1.8	1.6	1.9	2.8	2.8	2.9
Non-financial Data													
CO ₂ emissions	Tons	429,672	423,099	508,081	505,012	484,288	510,766	543,254	515,172	552,365	771,594	771,594	772,804
Environmental accounting	Billions of yen	4.1	3.8	3.6	3.9	4.1	4.9	5.2	6.2	5.7	5.7	5.7	4.8
Investment	Billions of yen	0.7	0.9	0.3	0.5	0.7	0.8	0.8	1.4	0.9	1.3	1.3	1.1
Expense	Billions of yen	3.4	2.9	3.3	3.4	3.4	4.1	4.4	4.8	4.8	4.4	4.4	3.7
Use of water	Thousand m ³	3,057	2,301	4,032	3,992	3,986	4,089	4,630	4,522	4,878	7,687	7,687	7,518
Number of employees	Persons	48,443	49,091	53,827	51,406	53,327	54,768	63,967	62,480	78,957	78,351	78,351	77,957

*1 MITSUMI ELECTRIC CO., LTD. was included in the scope of consolidation on January 27, 2017.

*2 Investment into intangible assets and new finance leases, in addition to investment into tangible fixed assets, are included in accordance with the change in lease accounting treatment in the fiscal year ended March 2009.

*3 From the fiscal year ended March 2019, we have adopted IFRS, and account titles are shown in accordance with IFRS.

Consolidated Financial Statements

Consolidated Statements of Financial Position

As of March 31, 2019 and 2018

(Amount: millions of yen)

Assets	2018	2019
Current assets		
Cash and cash equivalents	88,777	122,432
Trade and other receivables	160,350	151,349
Inventories	150,774	141,385
Other financial assets	21,818	21,045
Other current assets	9,018	9,343
Total current assets	430,737	445,554
Non-current assets		
Property, plant, and equipment	224,016	244,388
Goodwill	8,509	8,284
Intangible assets	9,997	9,375
Other financial assets	16,546	14,635
Deferred tax assets	13,505	16,650
Other non-current assets	248	3,241
Total non-current assets	272,821	296,573
Total assets	703,558	742,127

(Amount: millions of yen)

Liabilities	2018	2019
Current liabilities		
Trade and other payables	107,027	109,344
Bonds and borrowings	80,738	86,642
Other financial liabilities	1,748	1,983
Income taxes payable	7,458	5,448
Provisions	391	200
Other current liabilities	42,230	31,848
Total current liabilities	239,592	235,465
Non-current liabilities		
Bonds and borrowings	75,733	75,400
Other financial liabilities	5,393	5,138
Net defined benefit liabilities	16,092	14,577
Provisions	411	1,196
Deferred tax liabilities	1,709	1,754
Other non-current liabilities	1,407	1,337
Total non-current liabilities	100,745	99,402
Total liabilities	340,337	334,867
Equity		
Common stock	68,259	68,259
Capital surplus	134,615	137,464
Treasury stock	(9,496)	(19,448)
Retained earnings	154,778	202,172
Other components of equity	7,935	11,256
Total equity attributable to owners of the parent	356,091	399,703
Non-controlling interests	7,130	7,557
Total equity	363,221	407,260
Total liabilities and equity	703,558	742,127

Consolidated Financial Statements

Consolidated Statements of Income

Fiscal years ended March 31, 2019 and 2018

(Amount: millions of yen)

	2018	2019
Net sales	881,413	884,723
Cost of sales	706,838	718,125
Gross profit	174,575	166,598
Selling, general and administrative expenses	98,702	94,468
Other income	1,638	2,171
Other expenses	8,609	2,268
Operating income	68,902	72,033
Finance income	1,410	1,482
Finance expenses	3,457	2,194
Profit before income taxes	66,855	71,321
Income taxes	16,292	10,619
Profit for the year	50,563	60,702
Profit (loss) for the year attributable to:		
Owners of the parent	50,326	60,142
Non-controlling interests	237	560
Profit for the year	50,563	60,702
Earnings per share (EPS)		
Basic (Yen)	119.61	143.90
Diluted (Yen)	117.02	140.75

Consolidated Statements of Cash Flows

Fiscal years ended March 31, 2019 and 2018

(Amount: millions of yen)

	2018	2019
Cash flows from operating activities:		
Profit before income taxes	66,855	71,321
Depreciation and amortization	30,491	36,398
Impairment losses	6,222	—
Loss on litigation settlement	124	—
Share-based payment expenses	2,550	(407)
Interest income and dividends income	(1,168)	(1,298)
Interest expenses	1,360	1,089
Loss (gain) on sale and disposal of property, plant and equipment	1,132	(421)
Decrease (increase) in trade and other receivables	6,588	10,353
Decrease (increase) in inventories	(23,577)	10,611
Increase (decrease) in trade and other payables	7,633	(5,786)
Other	5,460	(5,948)
Subtotal	103,670	115,912
Interest received	937	1,090
Dividends received	200	207
Interest paid	(820)	(1,540)
Income taxes paid	(12,955)	(14,947)
Income taxes refund	1,169	—
Net cash flows provided by operating activities	92,201	100,722
Cash flows from investing activities:		
Decrease (increase) in time deposits	(1,524)	(2,190)
Purchase of property, plant and equipment	(46,174)	(52,268)
Proceeds from sales of property, plant and equipment	1,339	1,587
Purchase of intangible assets	(966)	(1,122)
Purchase of securities	(1,919)	(1,866)
Proceeds from sale and redemption of securities	1,946	1,685
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(7,718)	—
Other	163	(16)
Net cash flows used in investing activities	(54,853)	(54,190)
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings	10,254	21,637
Proceeds from long-term borrowings	1,000	4,100
Repayments of long-term borrowings	(18,560)	(20,301)
Acquisition of non-controlling interests	(4,111)	(103)
Proceeds from disposal of treasury stock	1,342	3,472
Purchase of treasury stock	(8,378)	(10,700)
Dividends paid	(8,411)	(11,329)
Dividends paid to non-controlling interests	(33)	(34)
Other	(129)	(76)
Net cash flows used in financing activities	(27,026)	(13,334)
Effect of exchange rate changes on cash and cash equivalents	(495)	457
Increase (decrease) in cash and cash equivalents	9,827	33,655
Cash and cash equivalents at beginning of year	78,950	88,777
Cash and cash equivalents at end of year	88,777	122,432

Corporate Data

Corporate Information (As of August 2019)

Tokyo Headquarters

3-9-6, Mita, Minato-ku, Tokyo 108-8330, Japan
Tel: 81-3-6758-6711
Fax: 81-3-6758-6700
<https://www.minebeamitsumi.com/english/>

Registered Head Office

4106-73, Oaza Miyota, Miyota-machi, Kitasaku-gun, Nagano 389-0293, Japan
Tel: 81-267-32-2200
Fax: 81-267-31-1350

Established

July 16, 1951

Independent Auditors

KPMG AZSA LLC

Overview of Shares (As of March 31, 2019)

Common Stock

Authorized: 1,000,000,000 shares
Issued: 427,080,606 shares
Capital: ¥68,258 million
Shares per unit: 100

Common Stock Listings

Listed on the first section of the Tokyo and Nagoya Stock Exchanges

American Depositary Receipts

Ratio (ADR : ORD): 1 : 2
Exchange: Over-the-Counter (OTC)
Symbol: MNBEY
CUSIP: 602725301
Depository: The Bank of New York Mellon
101 Barclay Street, New York, NY 10286, U.S.A.
Tel: 1-201-680-6825
U.S. toll-free: 888-269-2377 (888-BNY-ADRS)
URL: <https://www.adrbnymellon.com/>

Agent to Manage Shareholders' Registry

Sumitomo Mitsui Trust Bank, Limited
Tel: 0120-782-031
(toll-free, available only in Japan)
URL: <https://www.smtb.jp/personal/agency/>

Overview of Shareholders

Classification by Ownership of Shares

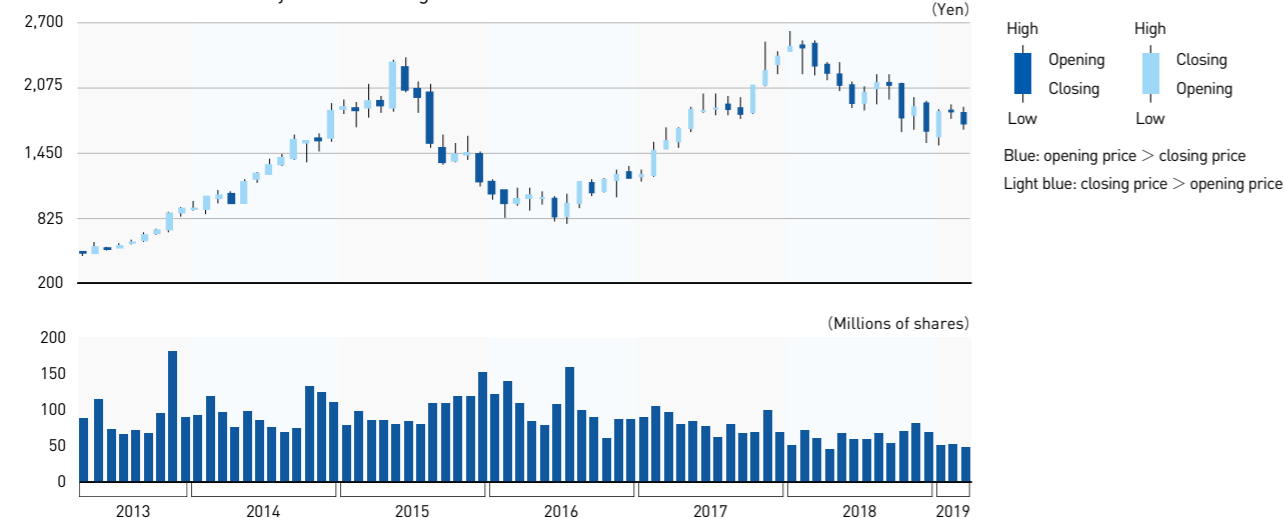
	Number of shareholders	Percentage of shareholders (%)	Number of shares held (Hundreds of shares)	Percentage of shares outstanding (%)
Japanese financial institutions	130	0.3	1,840,664	43.1
Overseas institutions	627	1.6	1,557,157	36.5
Other Japanese corporations	364	1.0	316,984	7.4
Individuals and others	31,886	82.9	549,992	12.9
Subtotal	33,007	85.8	4,264,797	99.9
Others	5,452	14.2	6,009	0.1
Total	38,459	100.0	4,270,806	100.0

Top Ten Major Shareholders

株主名	Number of shares (Thousands of shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	37,795	9.10
Japan Trustee Services Bank, Ltd. (Trust account)	20,552	4.95
SSBTC CLIENT OMNIBUS ACCOUNT	17,084	4.12
Takahashi Industrial and Economic Research Foundation	15,447	3.72
Sumitomo Mitsui Trust Bank, Limited	15,413	3.71
Japan Trustee Services Bank, Ltd. (Trust account 4)	13,924	3.35
THE CHASE MANHATTAN BANK 385036	10,391	2.50
Sumitomo Mitsui Banking Corporation	10,223	2.46
MUFG Bank, Ltd.	10,181	2.45
KEIAISHA Co., Ltd.	10,100	2.43

Notes: 1. The Company holds 11,949,033 shares of treasury stock, and is excluded from the major shareholders list above.
2. Shareholding ratio is calculated exclusive of treasury stock.
3. The number of shares and shareholding ratio are rounded down to the nearest unit of presentation.

Stock Prices on the Tokyo Stock Exchange



Status of MinebeaMitsumi as a constituent of certain indexes (As of August 2019)

MSCI Japan Empowering Women Index (WIN)

This index is built from companies selected for their superior gender diversity within their sector, based on gender diversity scores calculated by MSCI.



MinebeaMitsumi has been selected as one of the constituents of the MSCI Japan

Empowering Women Index (WIN), which is composed of companies that are promoting the advancement of women.

Summary of information available on the MinebeaMitsumi Group website

On the MinebeaMitsumi Group website we make available on an ongoing basis more detailed information and reports on the most recent activity, that could not be included in these printed materials. A variety of other corporate information is also available, which we recommend you view at your leisure.

Corporate information website — <https://www.minebeamitsumi.com/english/>

Information for investors — <https://www.minebeamitsumi.com/english/corp/investors/>

Sustainability information — <https://www.minebeamitsumi.com/english/corp/environment/>

Corporate governance information — <https://www.minebeamitsumi.com/english/corp/investors/management/governance/>

For further information, please contact us listed below.

Product purchasing and catalog requests:

Sales Headquarters
Tel: 81-3-6758-6746
Fax: 81-3-6758-6760

CSR information:

CSR Promotion Office
Tel: 81-3-6758-6724
Fax: 81-3-6758-6700

Employment opportunities:

Human Resources Development Dep.
Tel: 81-3-6758-6712
Fax: 81-3-6758-6700

IR information:

**Corporate Communications/
Investor Relations Office (Investor Relations)**
Tel: 81-3-6758-6720
Fax: 81-3-6758-6710

Other inquiries:

**Corporate Communications/
Investor Relations Office (Corporate Communications)**
Tel: 81-3-6758-6703
Fax: 81-3-6758-6718

Editorial Policy

This report is designed to create new opportunities for dialogue with our shareholders, investors, and other stakeholders by communicating the Company's efforts to expand its corporate value. Additional financial information and reports on CSR activities not included in this report can be found on the Company's website.
MinebeaMitsumi website <https://www.minebeamitsumi.com/english/>

Scope of report — MinebeaMitsumi and 95 group companies
Period covered by this report — Fiscal year ended March 2019 (April 1, 2018–March 31, 2019)
However, this includes some activities before this period and from fiscal year ending March 2020.

Publishing information — Published August 2019 (next edition planned for August 2020)

Referenced guidelines — The International Integrated Reporting Council (IIRC), "International Integrated Reporting Framework"
Ministry of Economy, Trade and Industry, "Guidance for Collaborative Value Creation"
Japanese Standards Association, "ISO 26000:2010 (Guidance on social responsibility)"
Global Reporting Initiative (GRI), "Sustainability Reporting Standards"
Ministry of the Environment, "Environmental Reporting Guidelines" (2018 edition)

Supported initiatives — United Nations Global Compact



Disclaimer Regarding Future Projections

In this report, all statements that are not historical facts are future projections made based on certain assumptions and our management's judgement drawn from currently available information. Accordingly, when evaluating our performance or value as a going concern, these projections should not be relied on entirely. Please note that actual performance may vary significantly from any particular projection, owing to various factors, including: (i) changes in economic indicators surrounding us, or in demand trends; (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. Please note, however, this is not a complete list of the factors affecting actual performance. * Information contained herein is the exclusive property of MinebeaMitsumi Inc., and may not be reproduced, modified or transmitted in any form or by any means for whatever purpose without MinebeaMitsumi's prior written permission.
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