

Business Results

Third Quarter of Fiscal Year
Ending March 31, 2020

MinebeaMitsumi Inc.

February 5, 2020

Net sales hit 3Q record highs

(Millions of yen)	FY3/19	FY3/20		Change	
	3Q	2Q	3Q	YoY	QoQ
Net sales	249,570	279,473	267,650	+7.2%	-4.2%
Operating income	31,124	19,372	23,058	-25.9% (-11.7%*)	+19.0%
Profit before taxes	30,333	19,381	23,005	-24.2%	+18.7%
Profit for the period attributable to owners of the parent	24,177	13,916	18,991	-21.5%	+36.5%
Earnings per share, basic (yen)	57.92	33.52	45.77	-21.0%	+36.5%

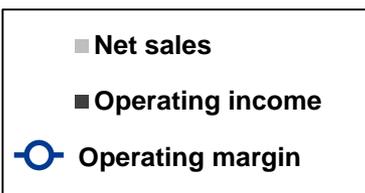
Foreign Exchange Rates	FY3/19 3Q	FY3/20 2Q	FY3/20 3Q
US\$	¥113.43	¥107.63	¥108.79
Euro	¥129.92	¥120.44	¥120.02
Thai Baht	¥3.45	¥3.50	¥3.59
Chinese RMB	¥16.35	¥15.44	¥15.37

*Excluding a one-time revenue gain of about 5.0 billion yen in 3Q of fiscal year ended March 2019

Net Sales, Operating Income/margin

*JGAAP for FY3/18

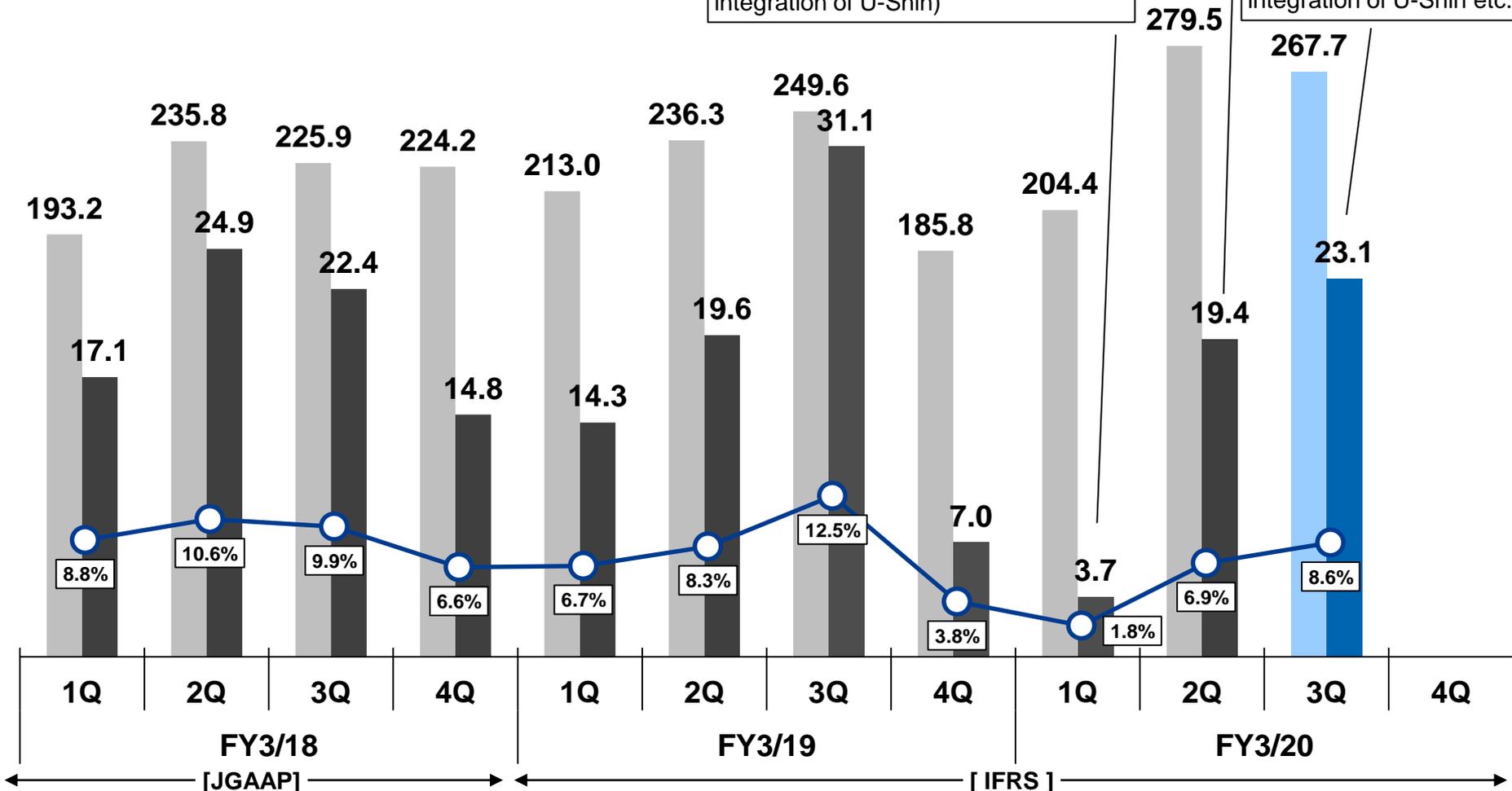
(Billions of yen)



△¥0.8bn of Extraordinary expenses in 2Q (Business integration of U-Shin etc.)

△¥4.0bn of Extraordinary expenses in 1Q (Retirement benefits/ Business integration of U-Shin)

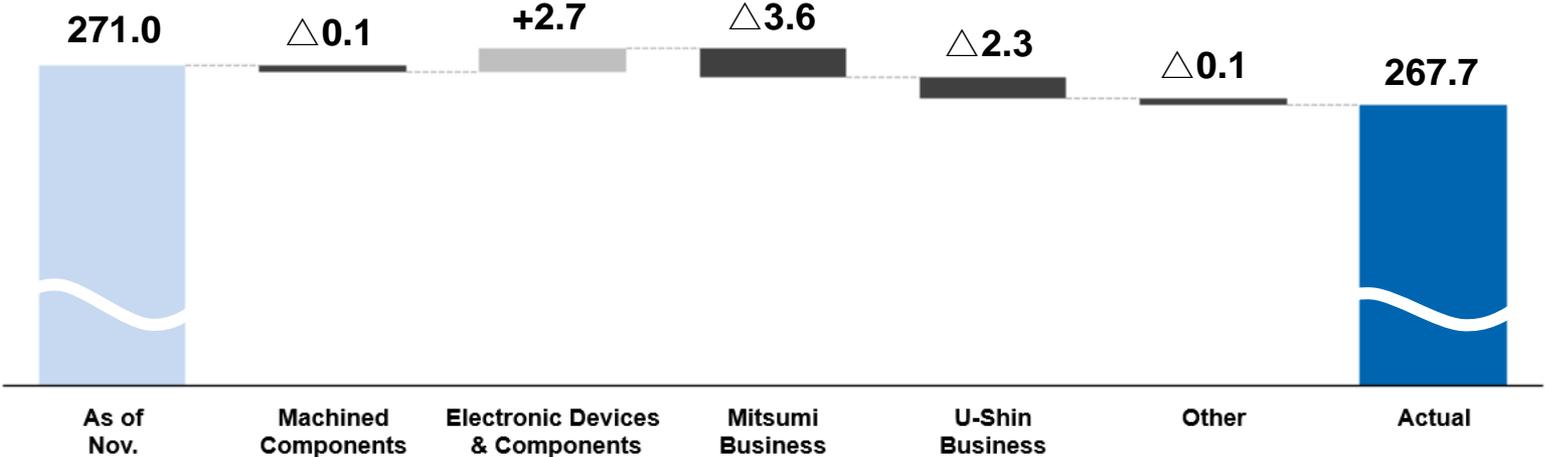
△¥0.5bn of Extraordinary expenses in 3Q (Business integration of U-Shin etc.)



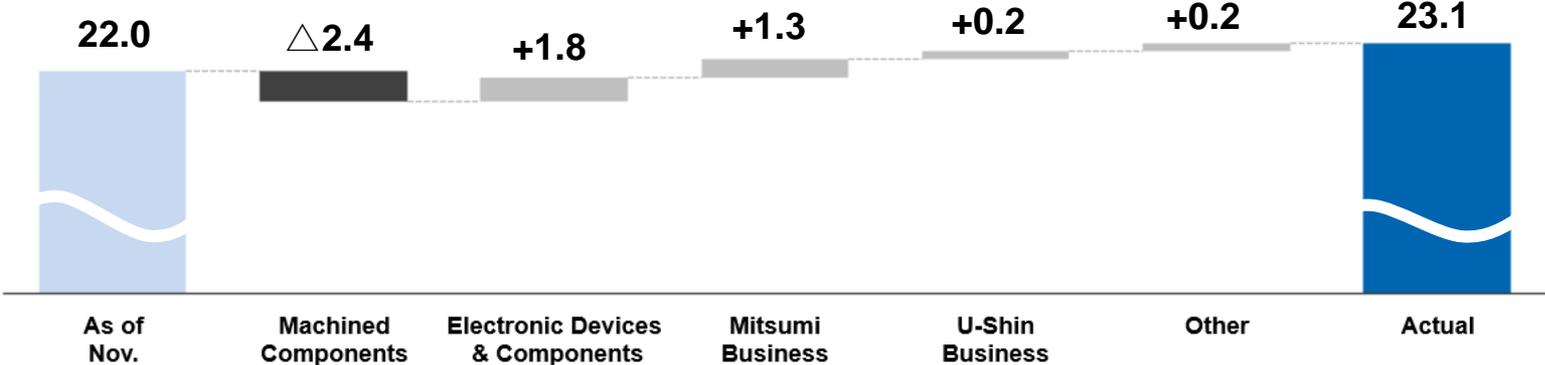
3Q Actual: Differences from the Forecast as of November

(Billions of yen)

Net Sales



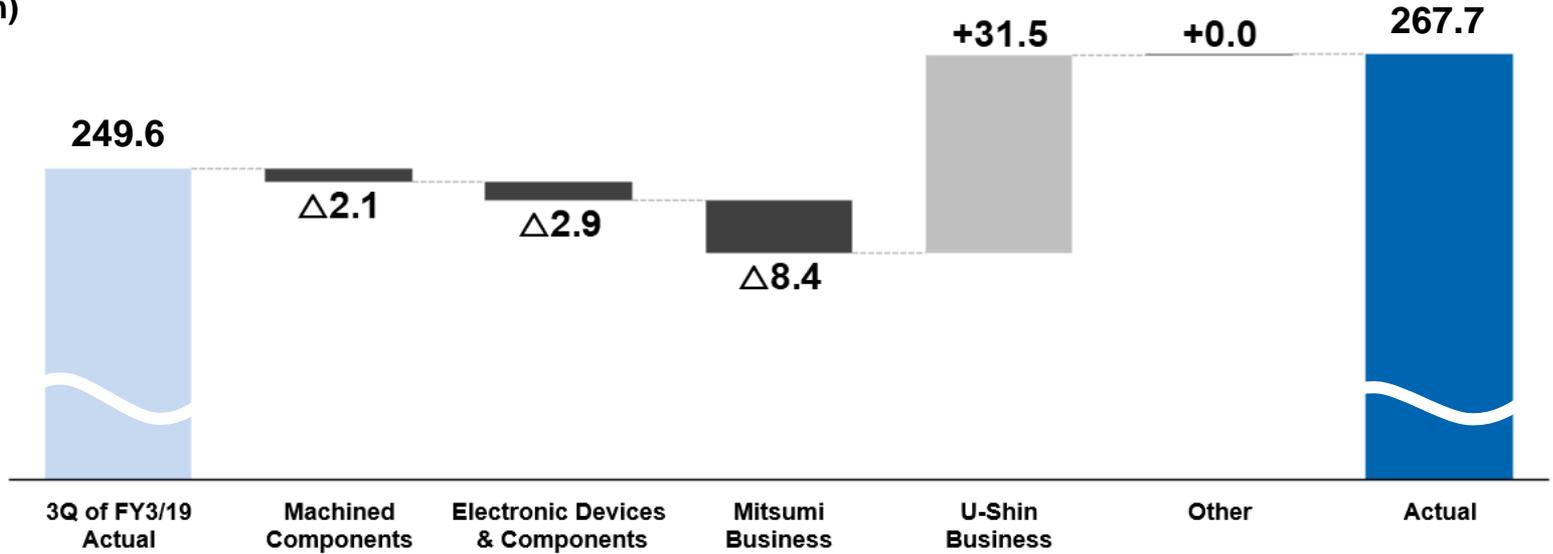
Operating Income



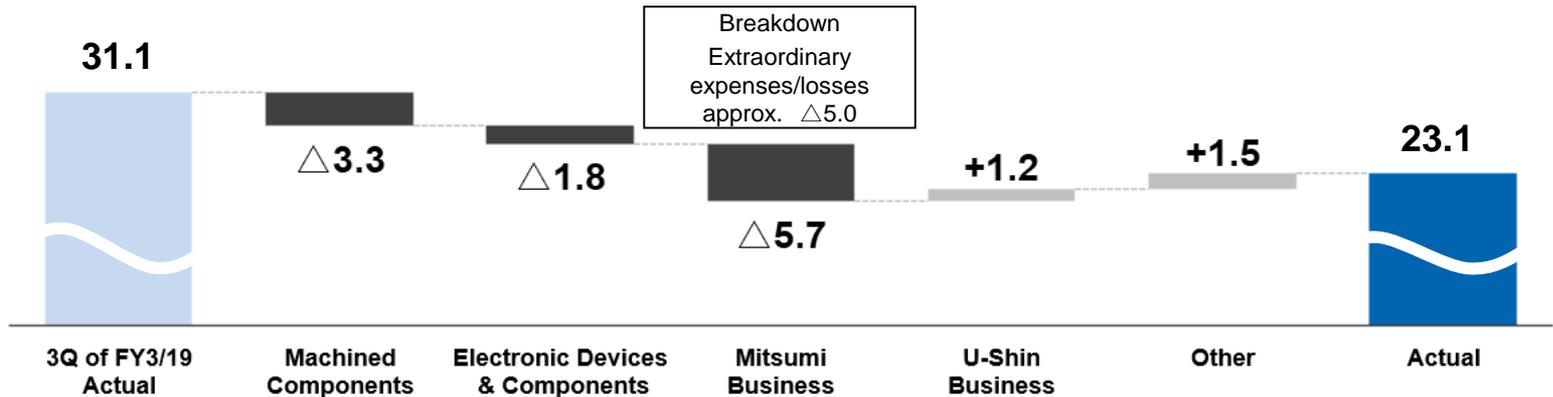
3Q Actual: Differences from 3Q of FY3/2019

(Billions of yen)

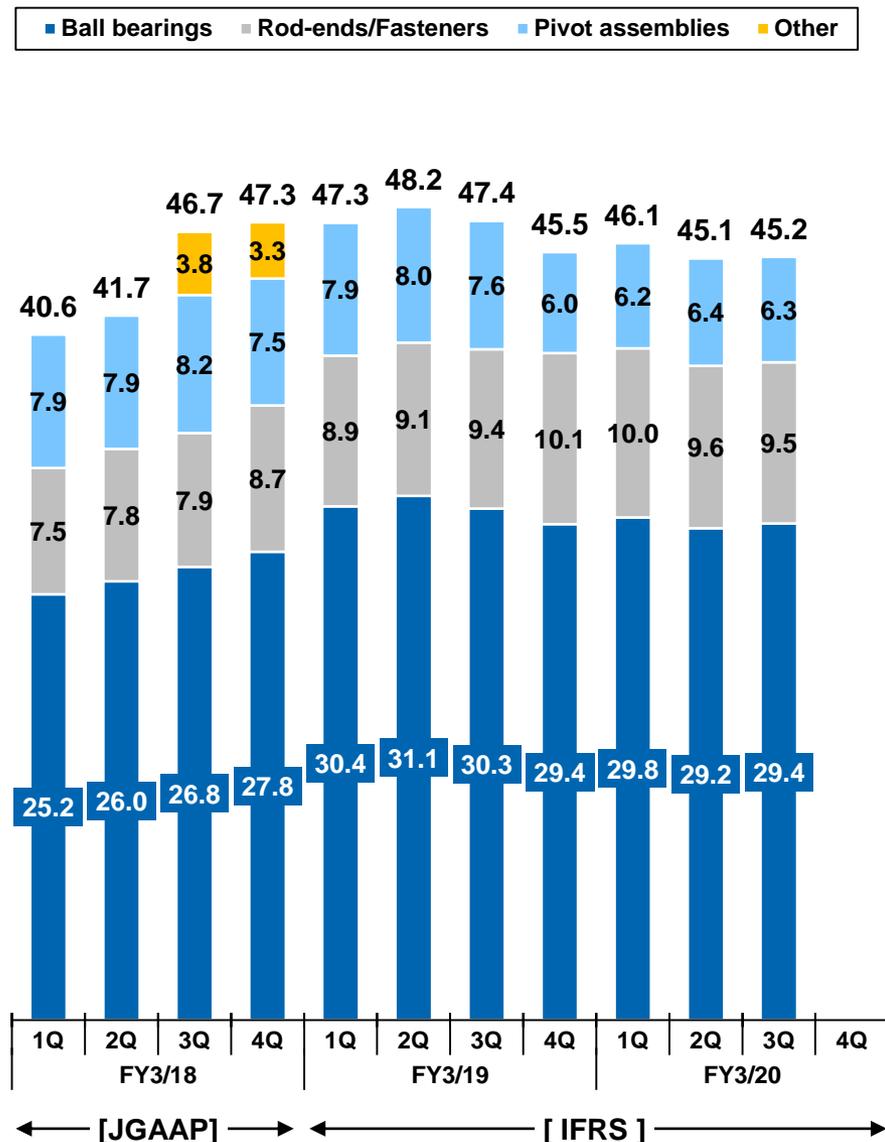
Net Sales



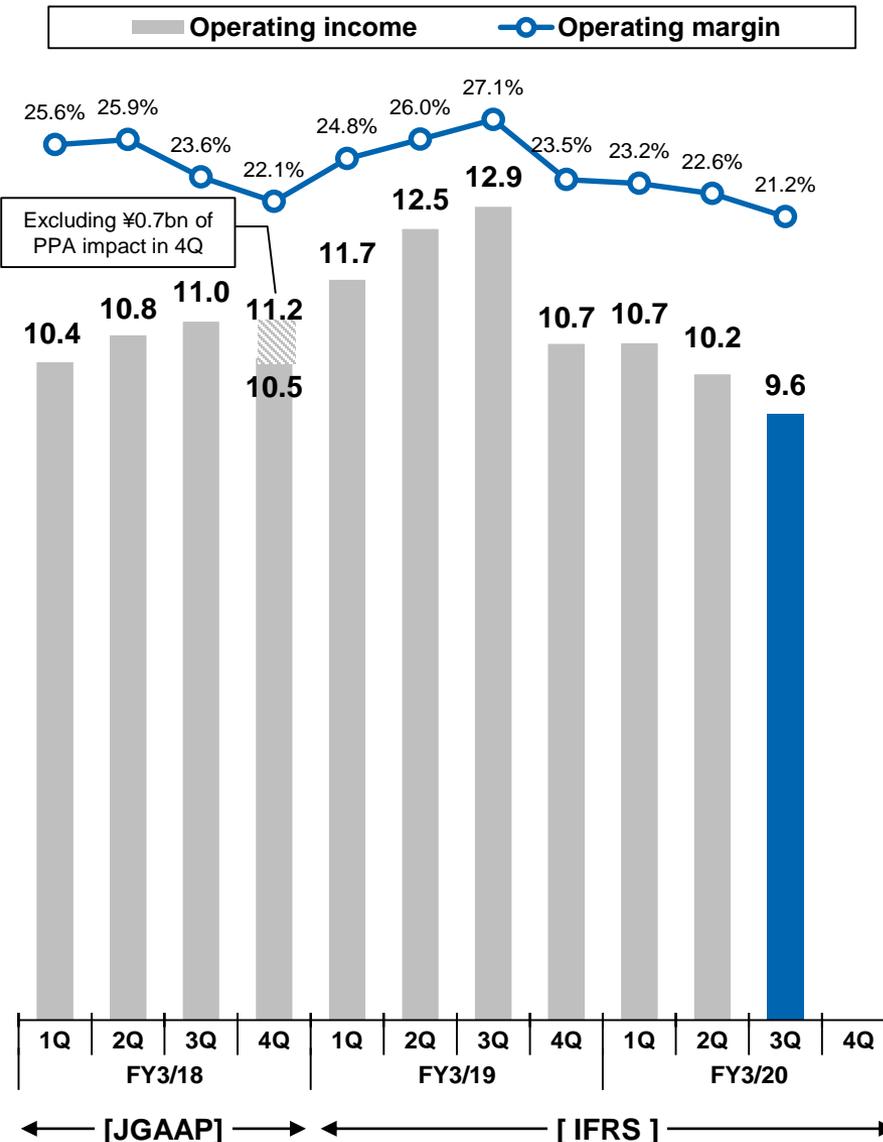
Operating Income



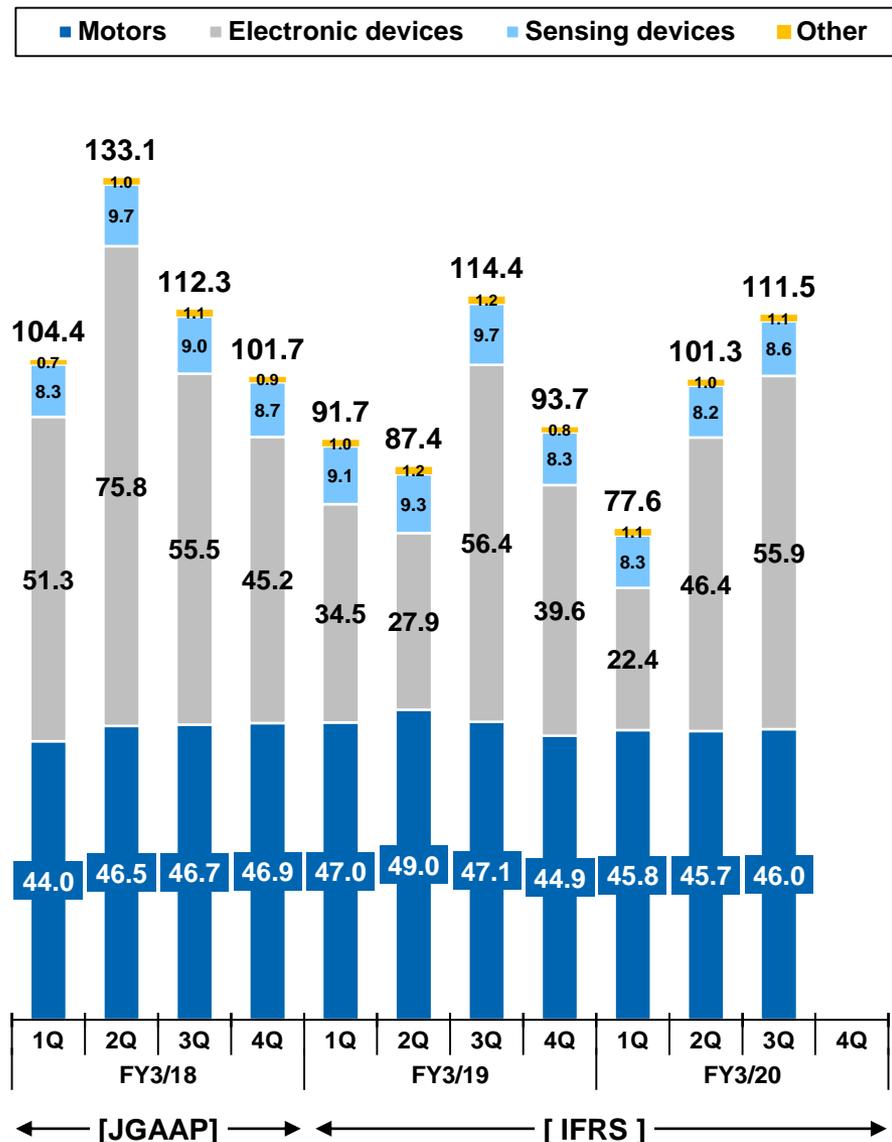
Net sales (Billions of yen)



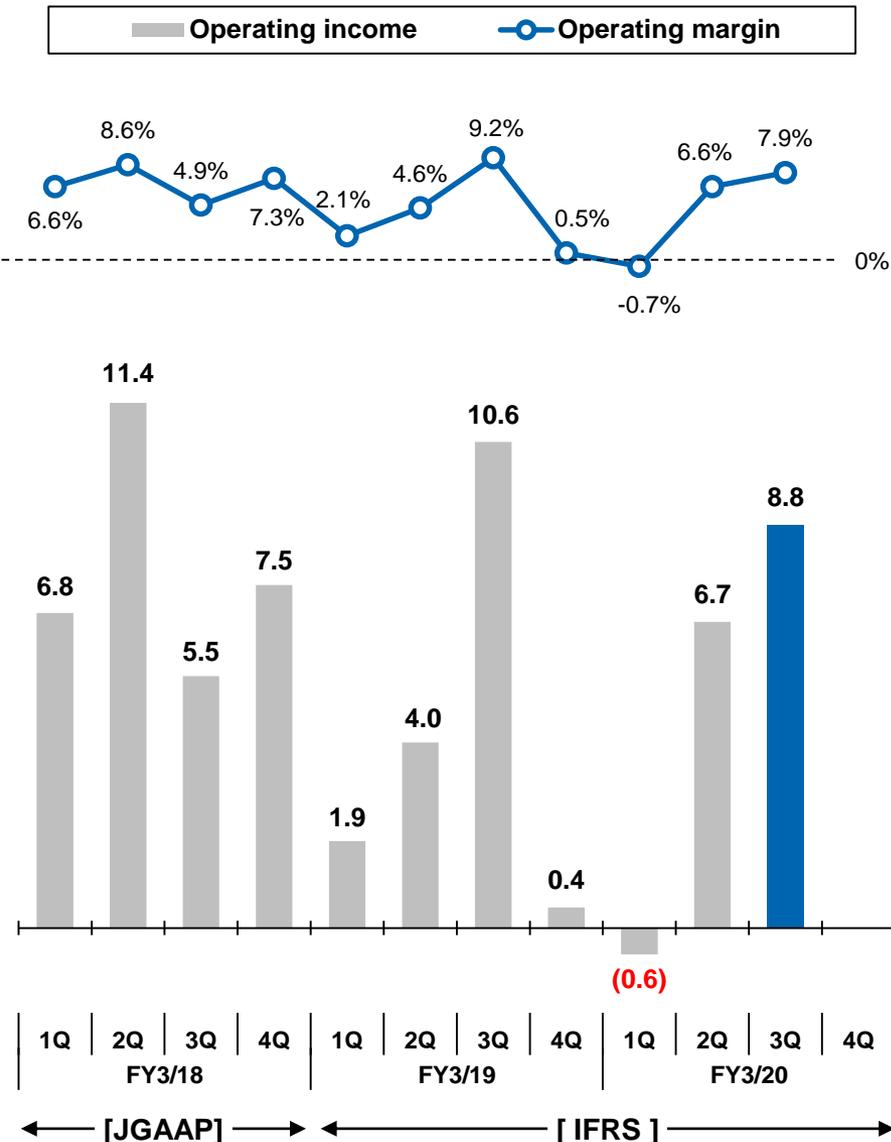
Operating income (Billions of yen)



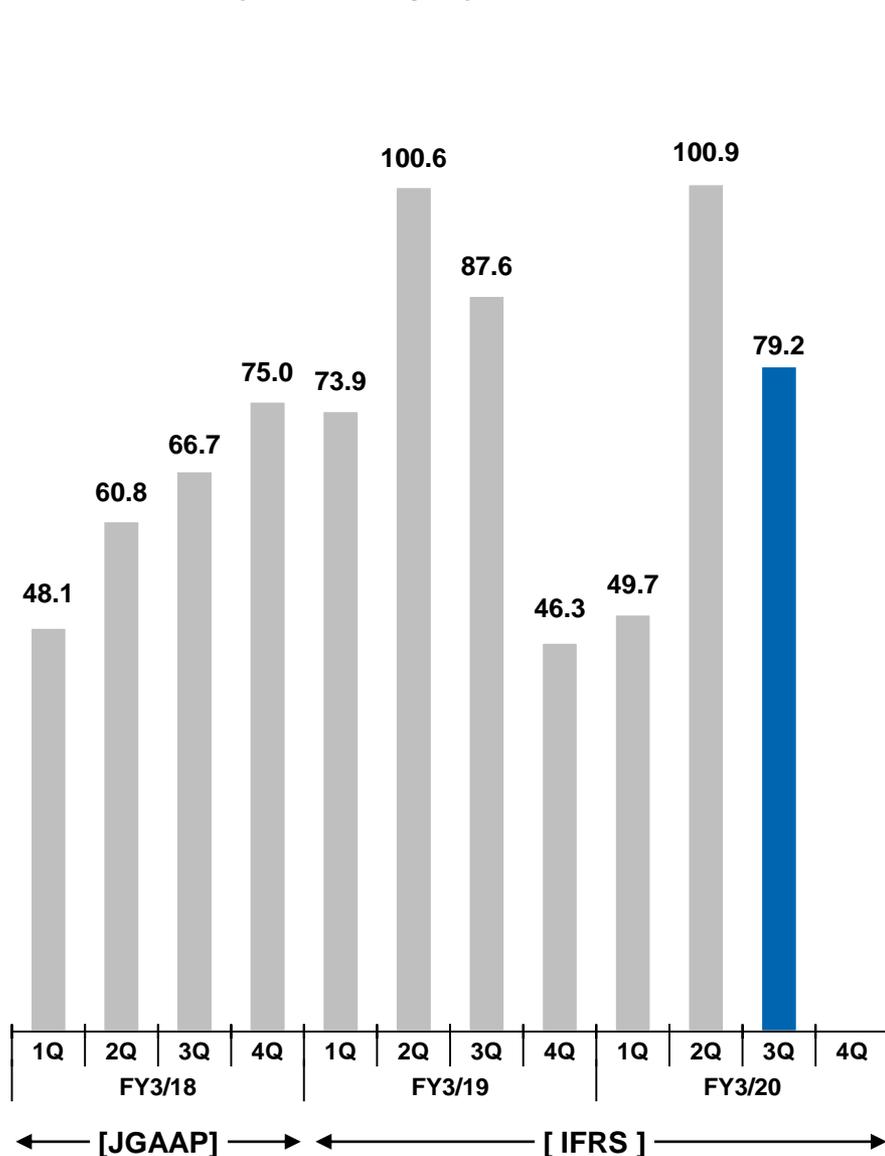
Net sales (Billions of yen)



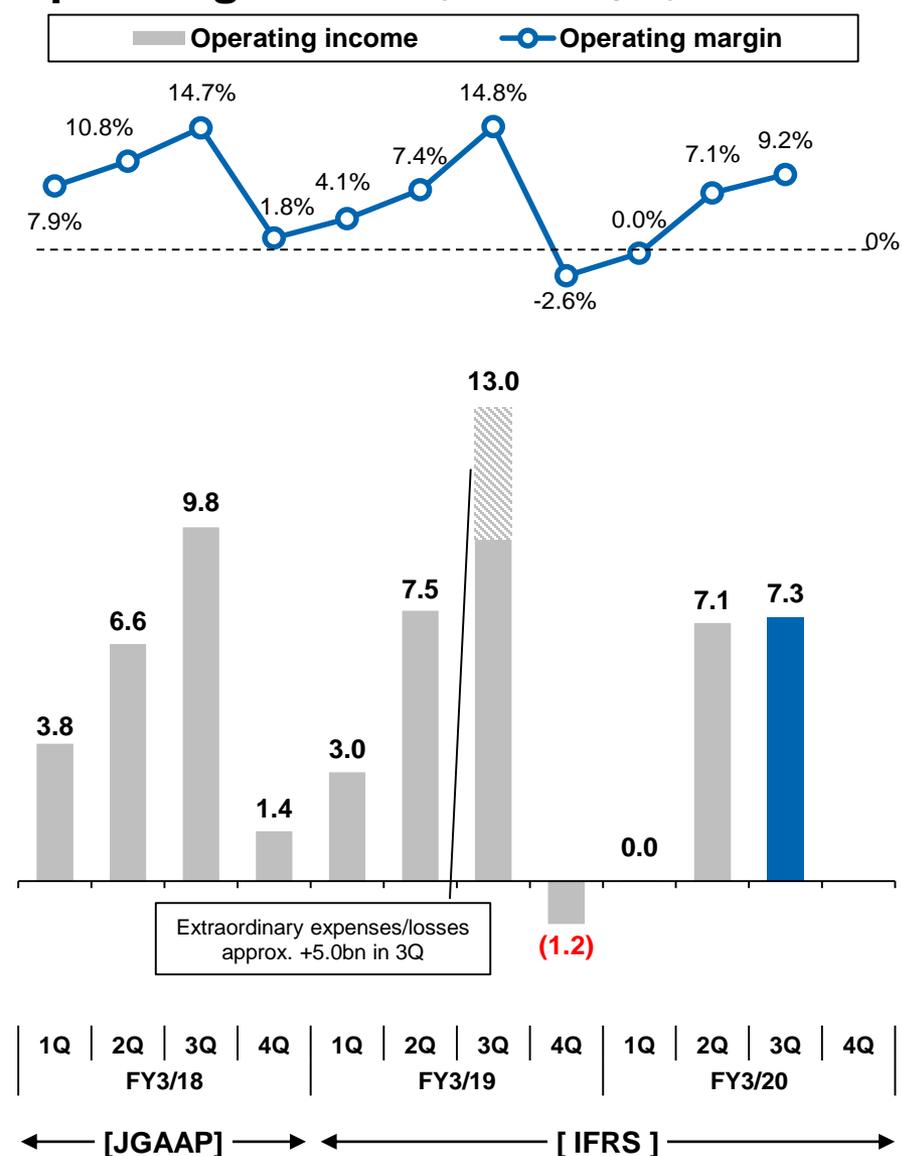
Operating income (Billions of yen)



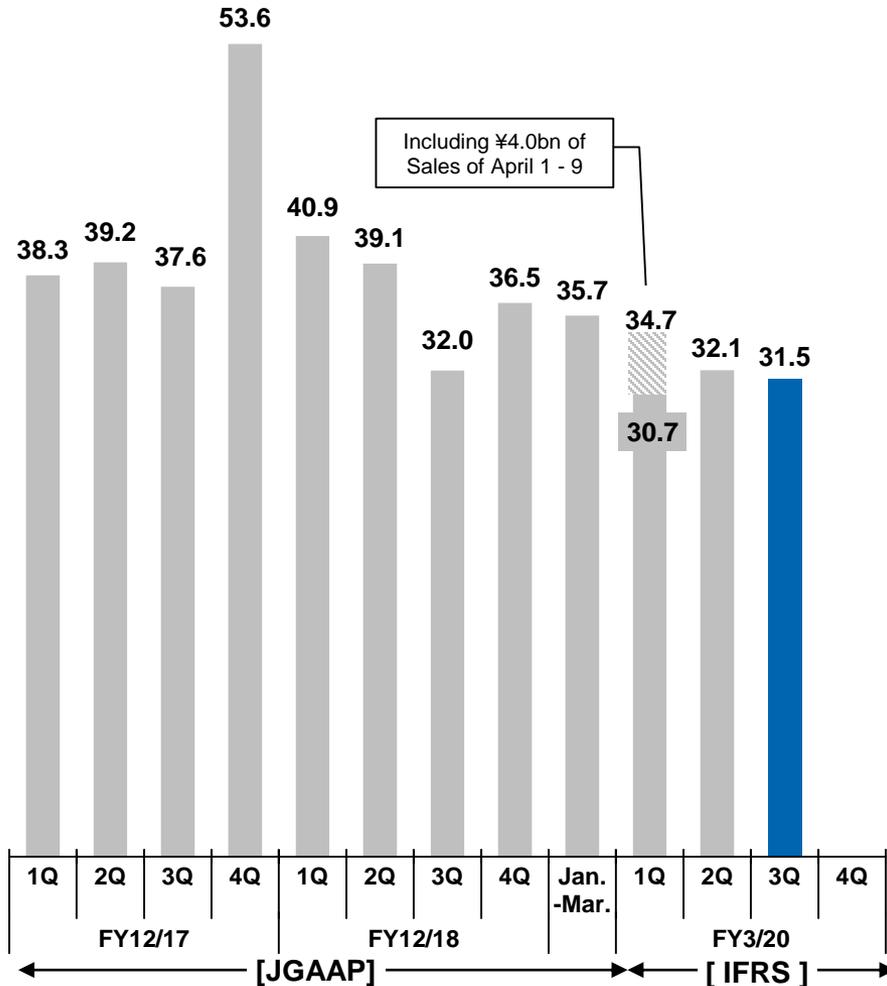
Net sales (Billions of yen)



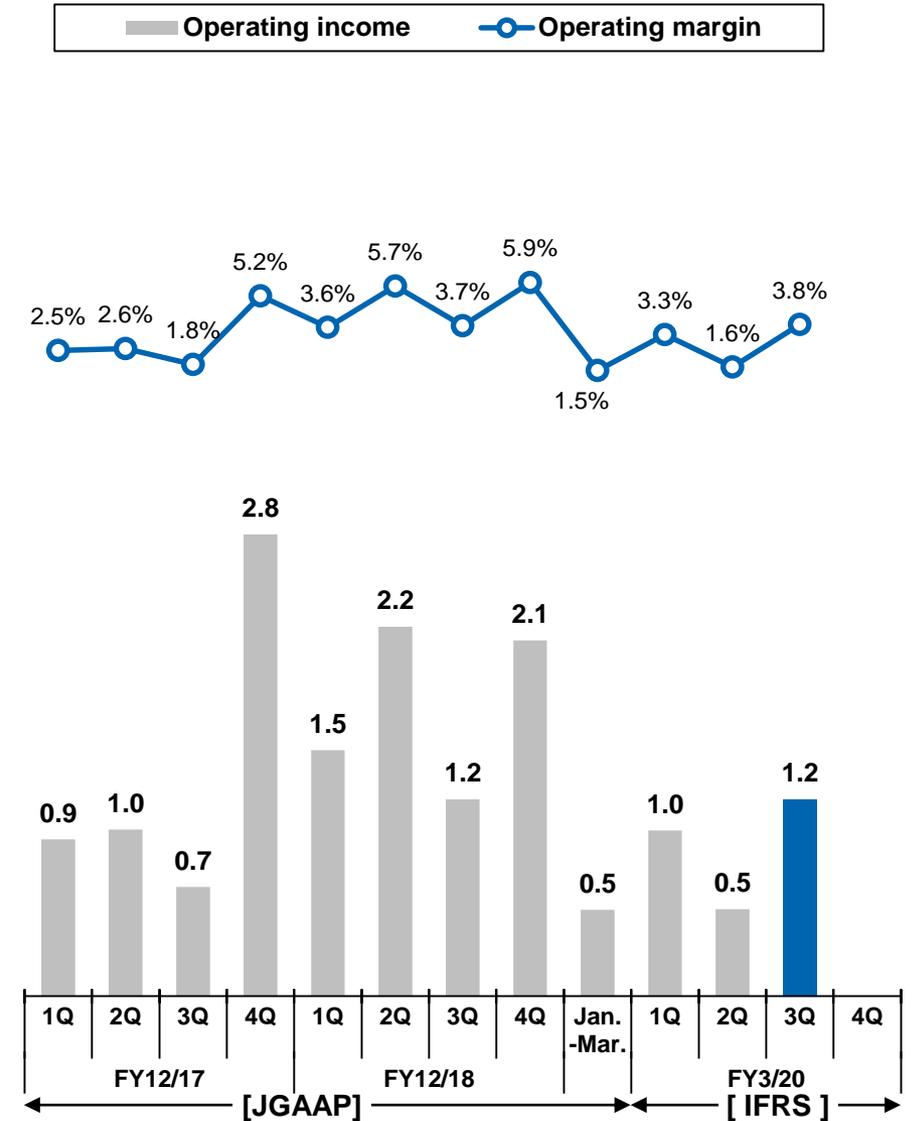
Operating income (Billions of yen)



Net sales (Billions of yen)



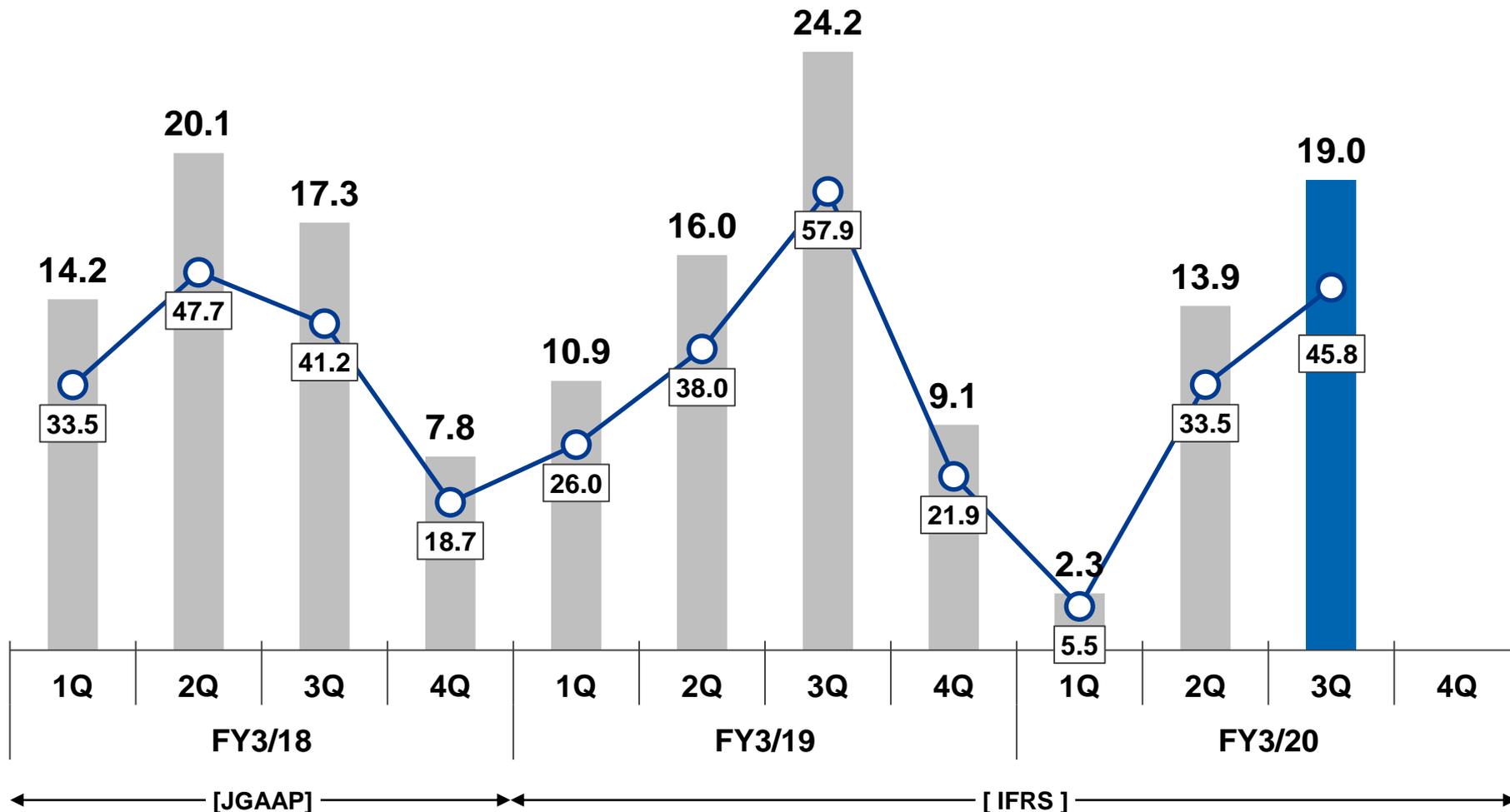
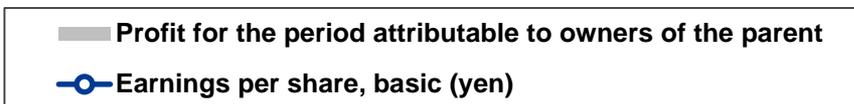
Operating income (Billions of yen)



Profit attributable to owners of the parent / EPS

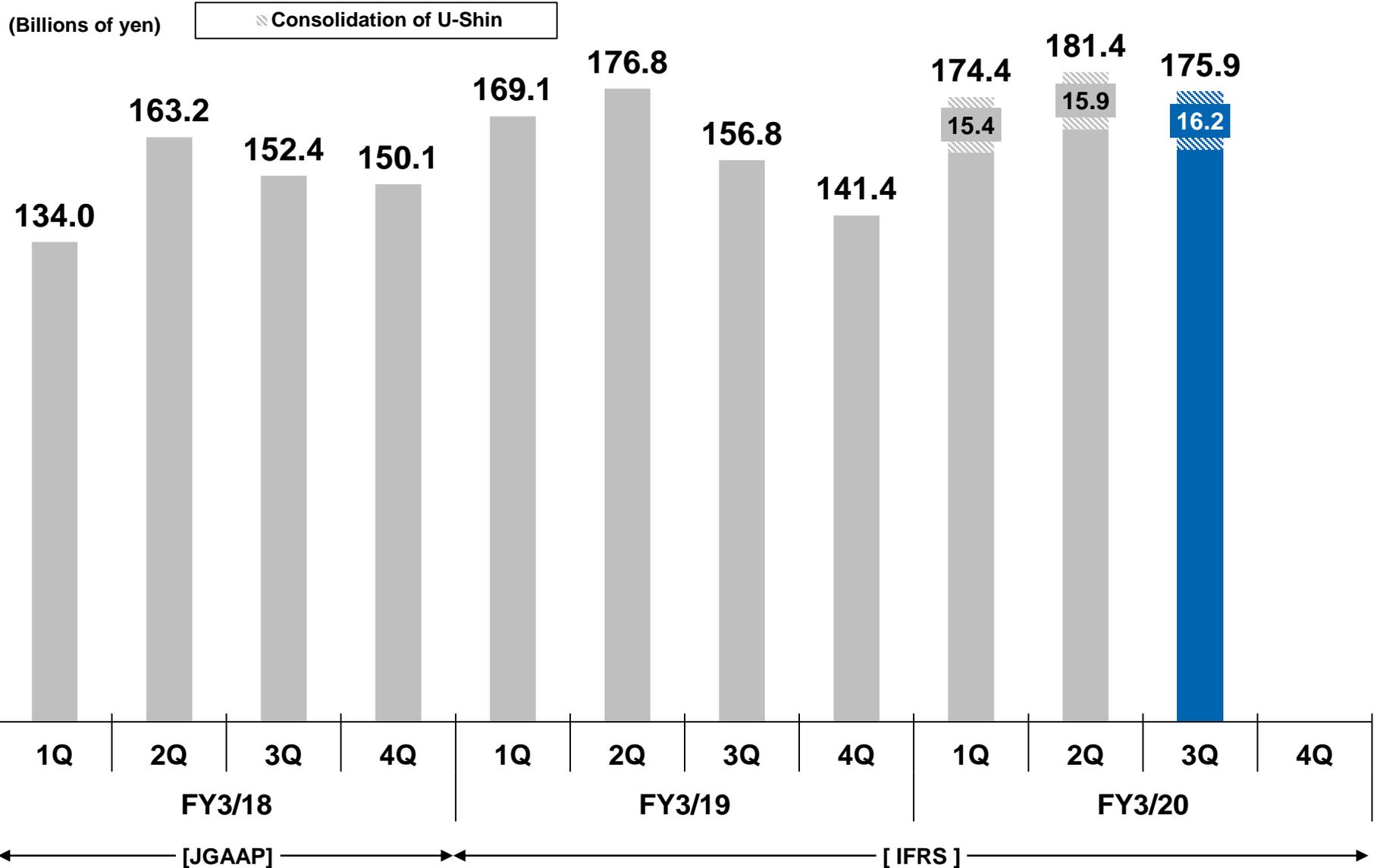
*JGAAP for FY3/18

(Billions of yen)



Inventory

*JGAAP for FY3/18

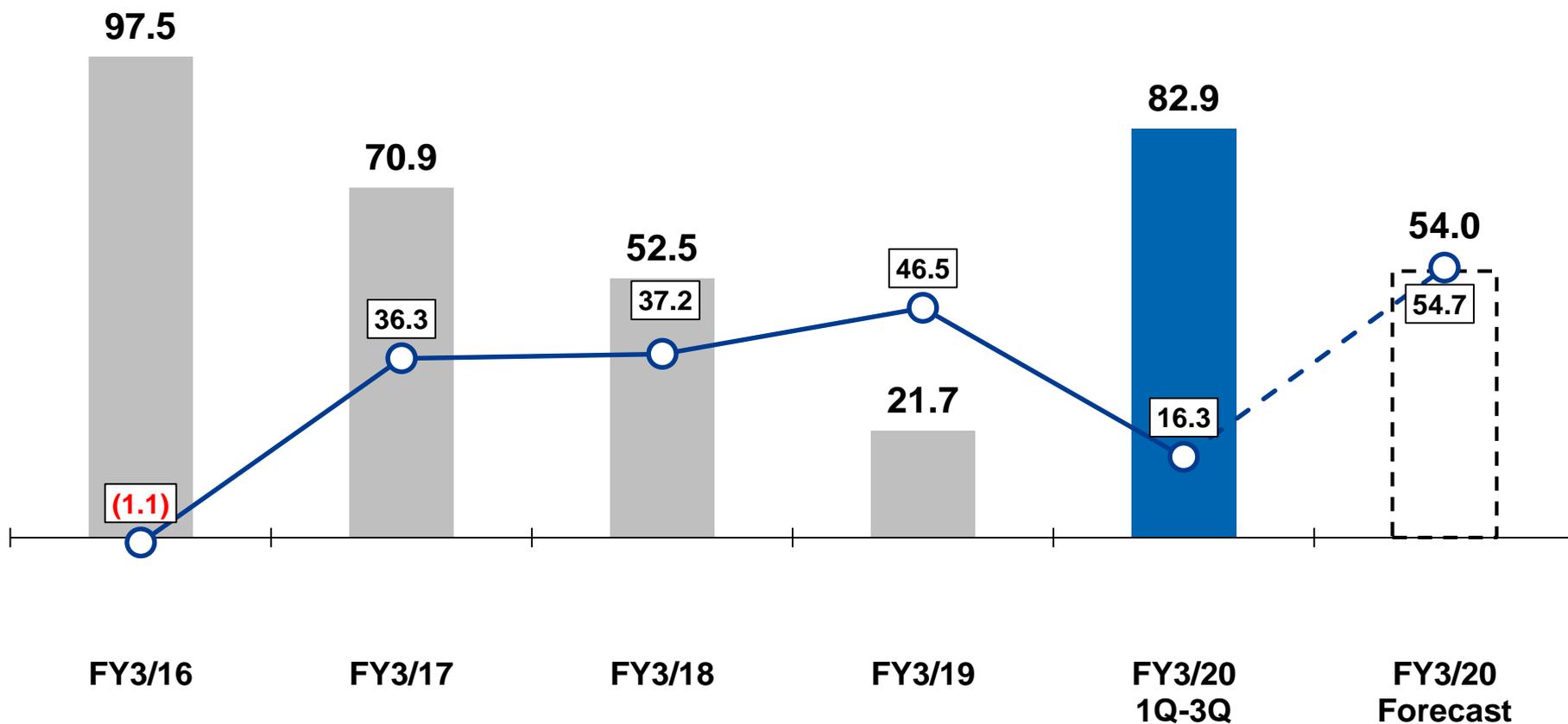


Net interest-bearing debt / Free cash flow

*JGAAP for FY3/18



(Billions of yen)



*Net interest-bearing debts : "Bonds and borrowings" - ("Cash and cash equivalents" + Time deposit more than 3 months)

[JGAAP]

[IFRS]

Full year guidance remains unchanged*

(Millions of yen)	FY3/19	FY3/20			
	Full Year	1st Half	2nd Half	Full Year	YoY
Net sales	884,723	483,898	516,102	1,000,000	+13.0%
Operating income	72,033	23,035	43,965	67,000	-7.0%
Profit before taxes	71,321	23,061	42,939	66,000	-7.5%
Profit for the period attributable to owners of the parent	60,142	16,213	35,787	52,000	-13.5%
Earnings per share, basic (yen)	143.90	39.06	86.25	125.31	-12.9%

Foreign Exchange Rates	FY3/19 Full Year	FY3/20 4Q Assumptions
US\$	¥110.67	¥108.00
Euro	¥128.75	¥120.00
Thai Baht	¥3.42	¥3.50
Chinese RMB	¥16.52	¥15.80

*The guidance does not include the impact of the new coronavirus. We will keep a close eye on the progress of the situation and inform you if our earnings forecast will be changed significantly.

Forecast for Business Segment

*Based on IFRS

(Millions of yen)	FY3/19	FY3/20			
	Full Year	1st Half	2nd Half	Full Year	YoY
Net sales	884,723	483,898	516,102	1,000,000	+13.0%
Machined components	188,324	91,187	91,813	183,000	-2.8%
Electronic devices and components	387,293	178,919	211,081	390,000	+0.7%
Mitsumi business	308,423	150,578	149,422	300,000	-2.7%
U-Shin business	-	62,792	63,208	126,000	-
Other	683	422	578	1,000	+46.4%
Operating income	72,033	23,035	43,965	67,000	-7.0%
Machined components	47,750	20,907	20,093	41,000	-14.1%
Electronic devices and components	16,922	6,076	15,424	21,500	+27.1%
Mitsumi business	22,282	7,149	13,351	20,500	-8.0%
U-Shin business	-	1,542	2,158	3,700	-
Other	-386	-694	-806	-1,500	X3.9
Adjustment	-14,535	-11,945	-6,255	-18,200	+25.2%

- Overall: Hit hard overall by US-China trade friction, **a diversified portfolio helped boost our bottom line** and diversify risks. We will continue to keep an eye on the impact of the new coronavirus.
- Machined components: **External ball bearing shipment volumes clearly up**. Operating income temporarily dropped in 3Q as we shipped out inventory with higher manufacturing costs first, but we should be **back on track to recovery in 4Q**. External shipment volumes will **exceed 210 million units** next fiscal year.
- Electronic devices and components/Mitsumi: Smartphones and games were on target.
- U-Shin: Full year guidance will miss the previous target as the automobile market in China and elsewhere lost a lot of steam.
- Started share buyback for this fiscal year in last December.
- **Book-value per share were the highest ever. (BPS = 1,015.36 yen)**

External ball bearing shipment volume clearly up

Ball bearing business

- Beginning in 3Q, external shipments of bearings for autos, fans, and air conditioners up year on year.
- Internal shipments for pivot assemblies shrinking.
- Expanding the customer base via aggressive marketing.
- Improving profitability by increasing production volume.

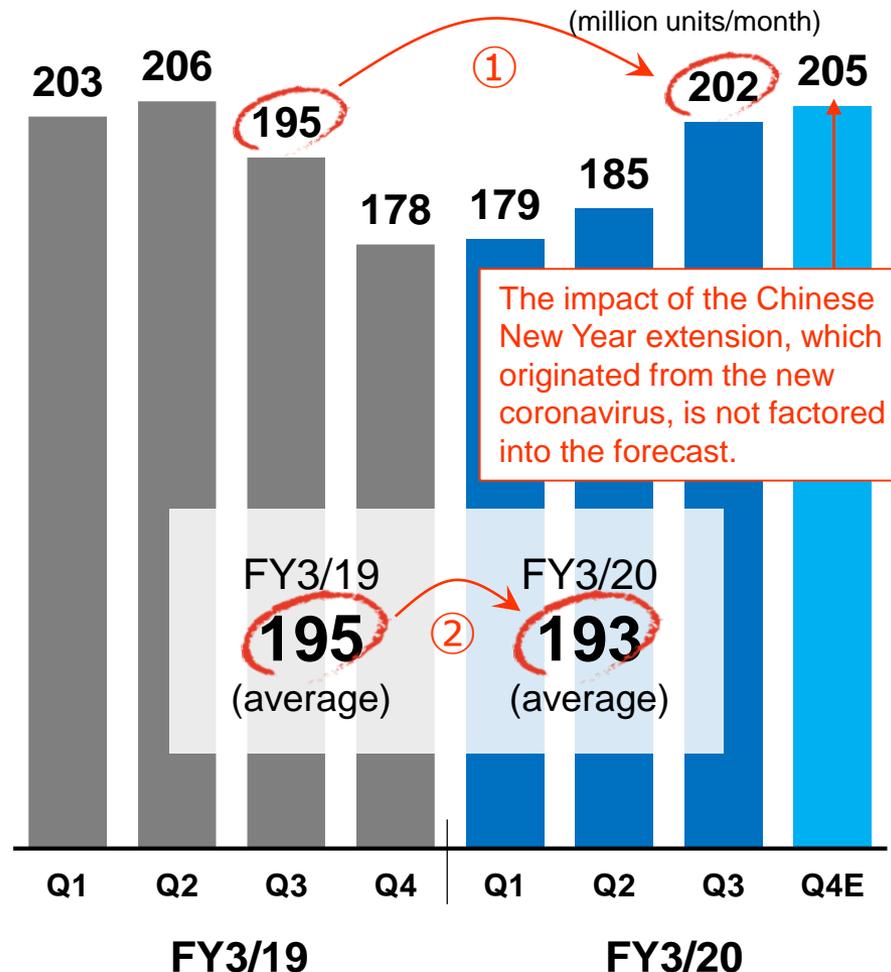
YoY external shipment volume (monthly av.)

	①3Q (actual)	②Full year (fcst)
External	+7 mn (+4%)	- 2 mn (-1%)
Auto	+5 mn (+8%)	+4 mn (+6%)
FAN	+2 mn (+4%)	- 8 mn (-15%)
Air-con	+4 mn (+45%)	+3 mn (+31%)

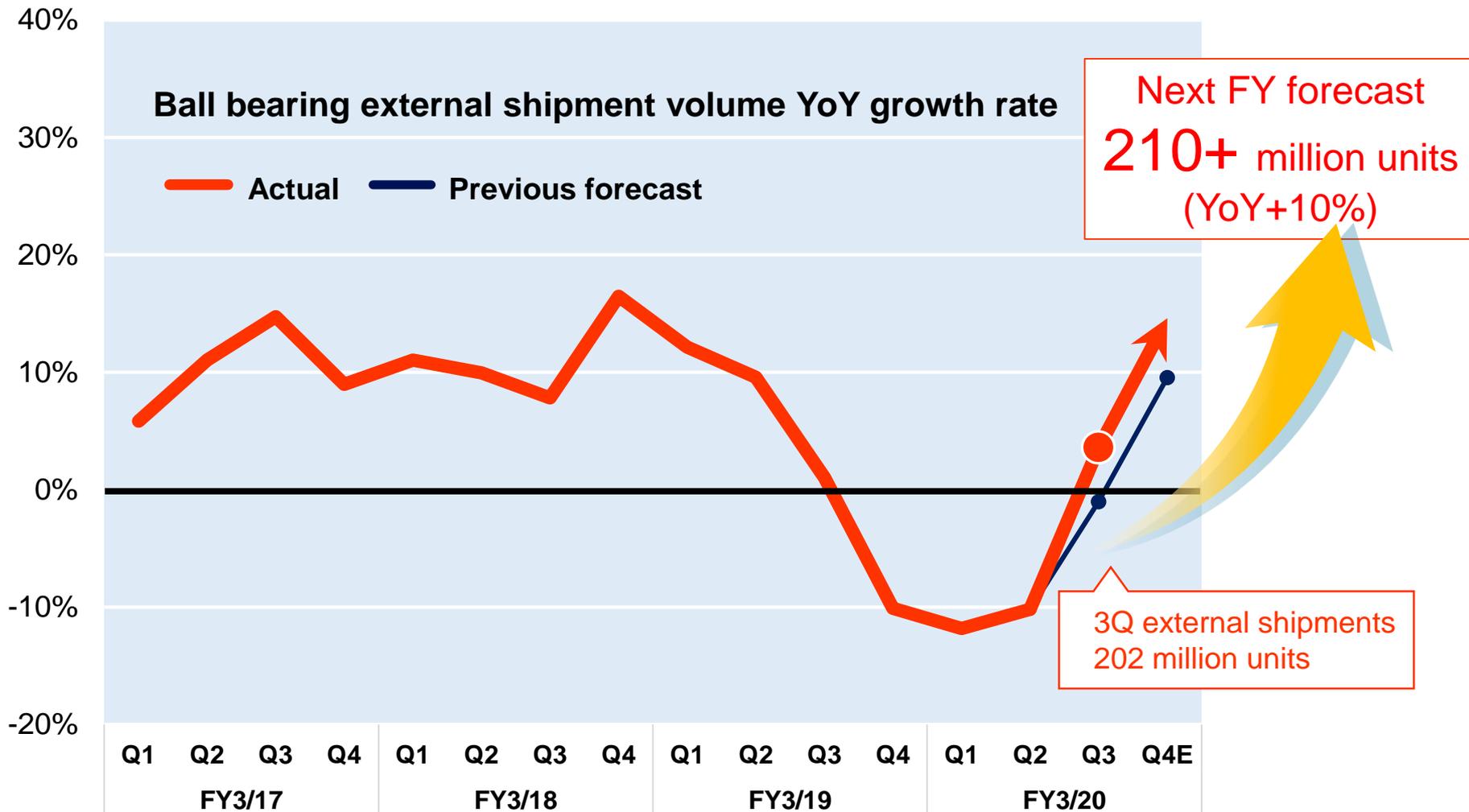
Rod-ends/Fasteners business

- Impact from the 737 MAX-related issue in the next fiscal year will be offset by sales to other customers and the defense industry, new orders, etc.

Ball bearing external shipment volume



Higher recovery than previously forecasted



Stock purchase agreement entered into for ABLIC

Overview of ABLIC

Company name	ABLIC Inc. 
Headquarters	1-8, Nakase, Mihama-ku, Chiba-shi, Chiba 261-8507, Japan
Representative	Nobumasa Ishiai, President and CEO
Business description	Development, manufacture, and sale of analog semiconductors
Capital	JPY 9,250 million
Date established	September 28, 2015
Major shareholders and ownership	Development Bank of Japan Inc. 70% Seiko Instruments Inc. 30%

Three-year financial summary (JPY in millions)	FY3/17	FY3/18	FY3/19
	Net sales	28,548	32,784
Operating Income	2,464	4,832	4,174
Net Assets	18,426	21,203	23,410
Total assets	42,897	45,251	45,039

Strengthen our presence in the ¥2.6tn analog semiconductor market

Sales

Strengthen major products and expand customer base

- Utilize each company's customer base, and expand business toward automobile, industrial/housing, and medical component markets.
- Deepen knowhow on semiconductor for automobile components such as technology, production, and quality control.

Production

Enhance production system backed by stable supply, high level of technology, and cost competitiveness

- Cross porting through two-factory system for both wafer process and assembly & testing process.
- Efficient operation through large-item small-scale production model.
- Strengthen production capability through strengthening in-house portfolio.

R&D

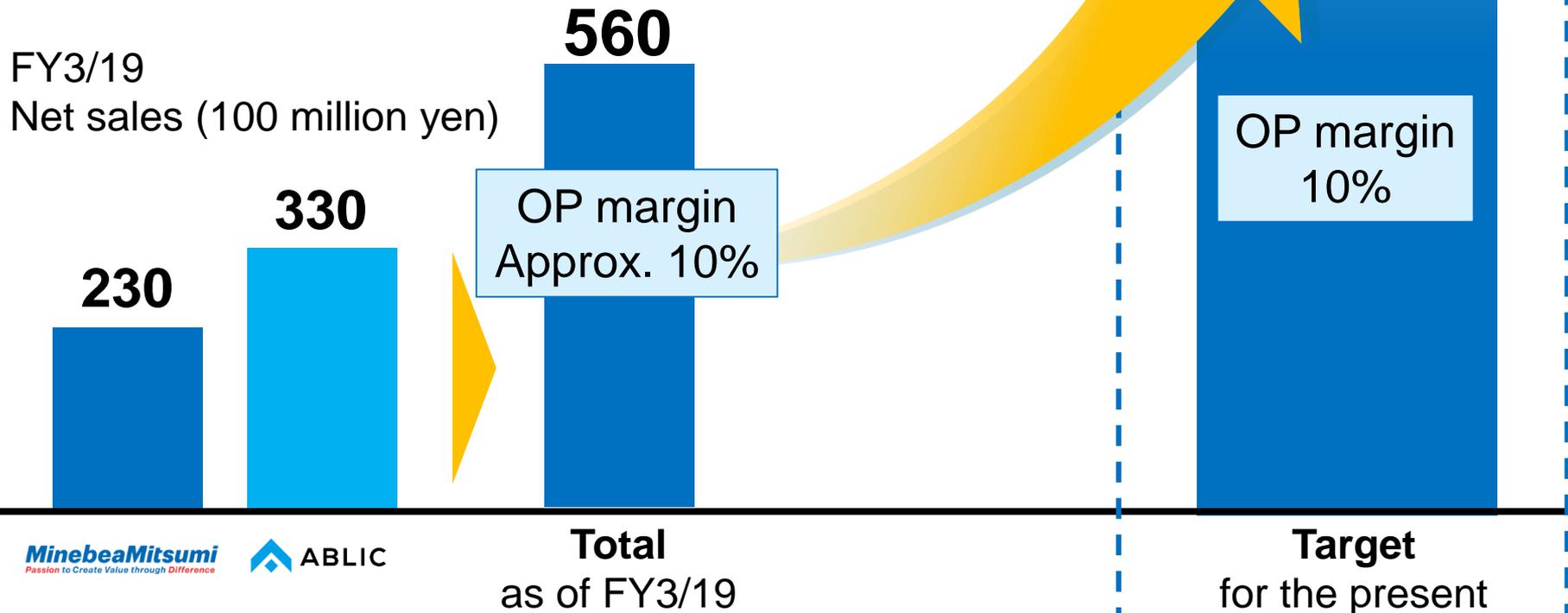
Strengthen capability for new products development through synergy on technology from electronics components and analog semiconductor

- Create new products through synergy with our R&D capability such as motor, sensor, and wireless technology.
- Deploy battery-less technology of ABLIC to our IoT product.
- Integration of each companies technology that support each other to develop even higher functionality and higher precision products.

Image of leaping forward analog semiconductor

- 1 Integrate each company's unique technology on semiconductors
- 2 Utilize core technology of MinebeaMitsumi

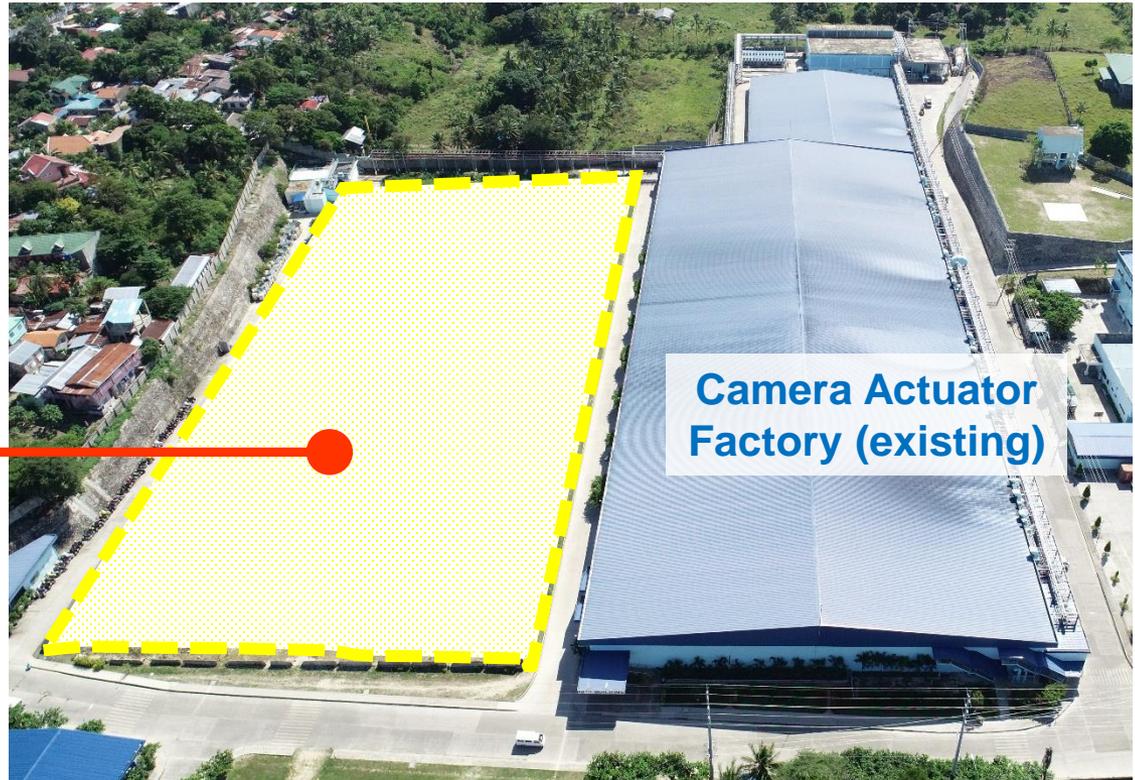
Completed base for net sales of **¥100bn** via the next pillar for differentiated new products



Construct a new factory building at Cebu to meet strong demand in the future



Cebu Mitsumi



New Factory (Plan)

Floor area: 15,000m²

Updates on share buyback (as of the end of January 2020)

- Number of shares: **3.04 million shares** (40.6% achieved)
- Amount: **7 billion yen** (46.8% achieved)

(Reference) Resolution of share buyback (May 8, 2019)

Number of shares: Up to **7.5 million shares**
(equal to 1.81% of total issued shares excluding treasury shares)

Amount: Up to **15.0 billion yen**

Period: From May 9, 2019 to April 30, 2020

Purpose: To improve return on shareholders and improve capital efficiency and to implement agile capital policy according to the business environment.



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

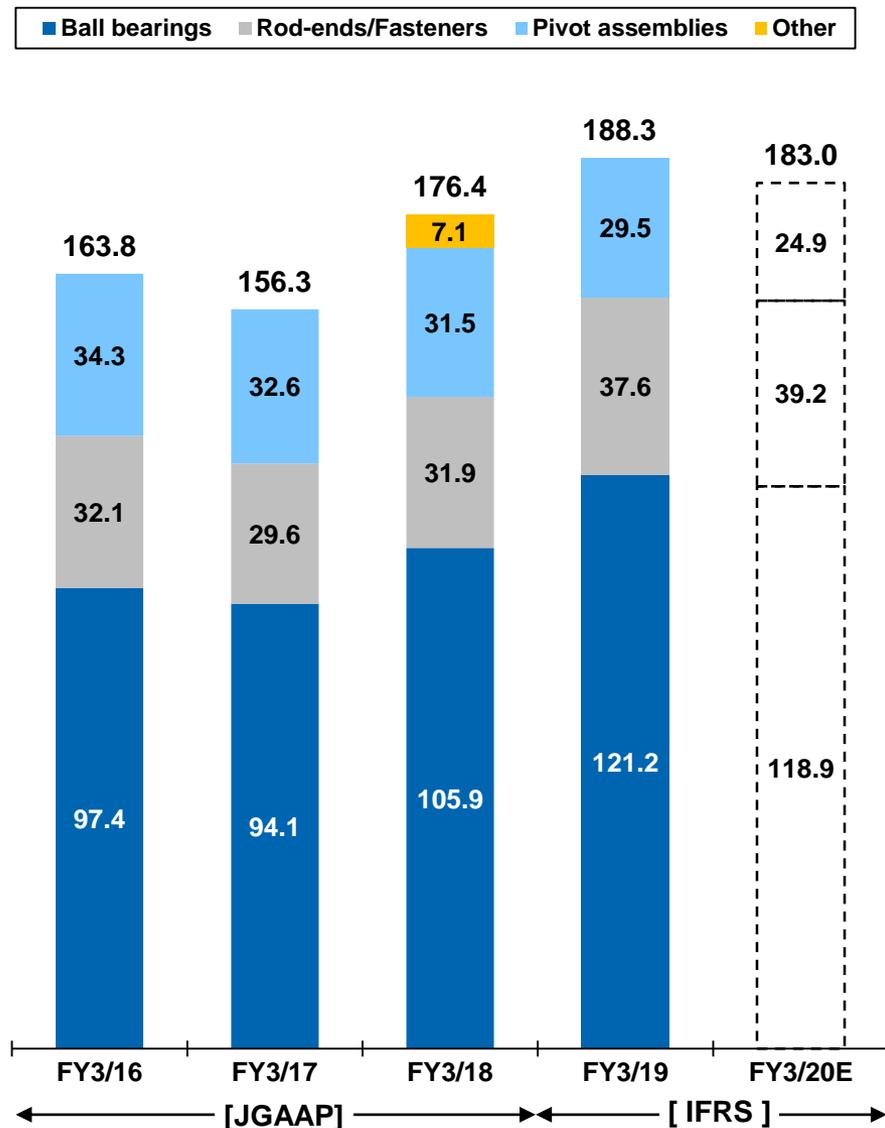
Please note that actual performance may vary significantly from any particular projection due to various factors.

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

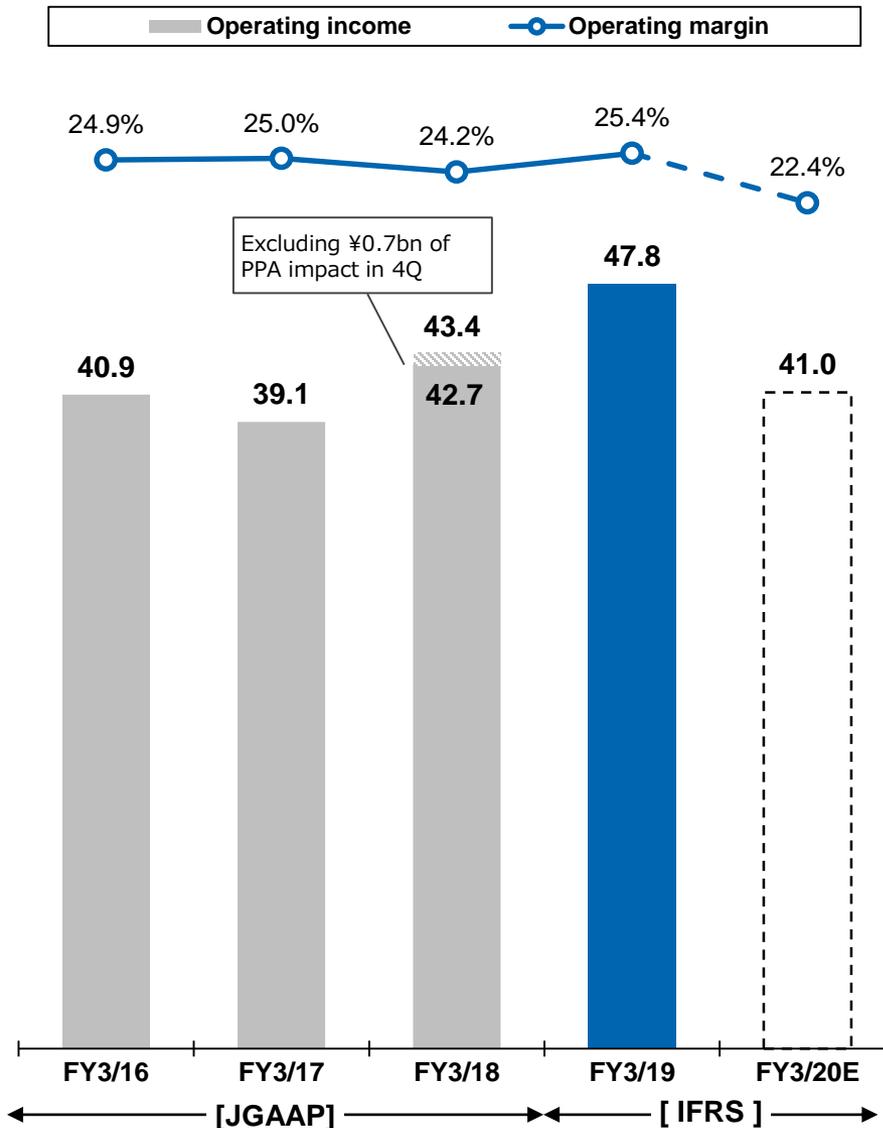
All the information in this document is the property of MinebeaMitsumi Inc. All parties are prohibited, for whatever purpose, to copy, modify, reproduce, transmit, etc. this information regardless of ways and means without prior written permission of MinebeaMitsumi Inc.

Reference

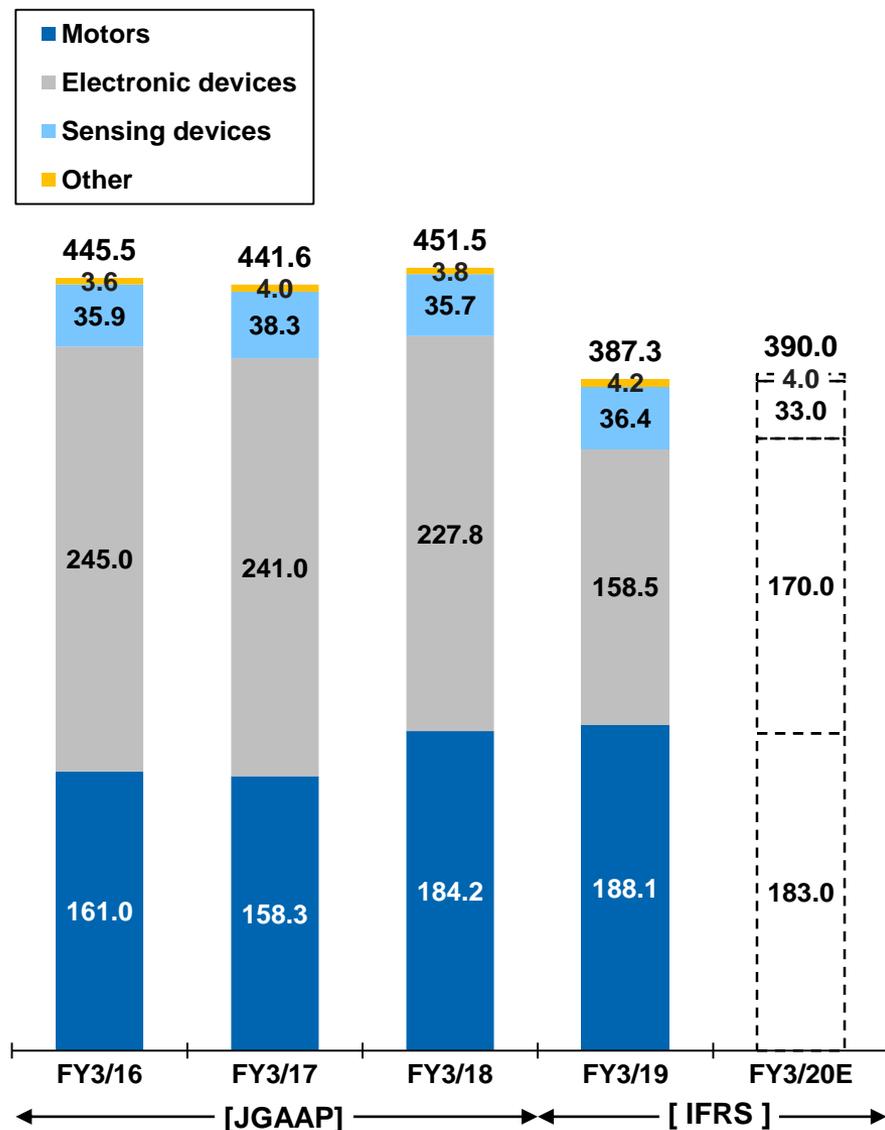
Net sales (Billions of yen)



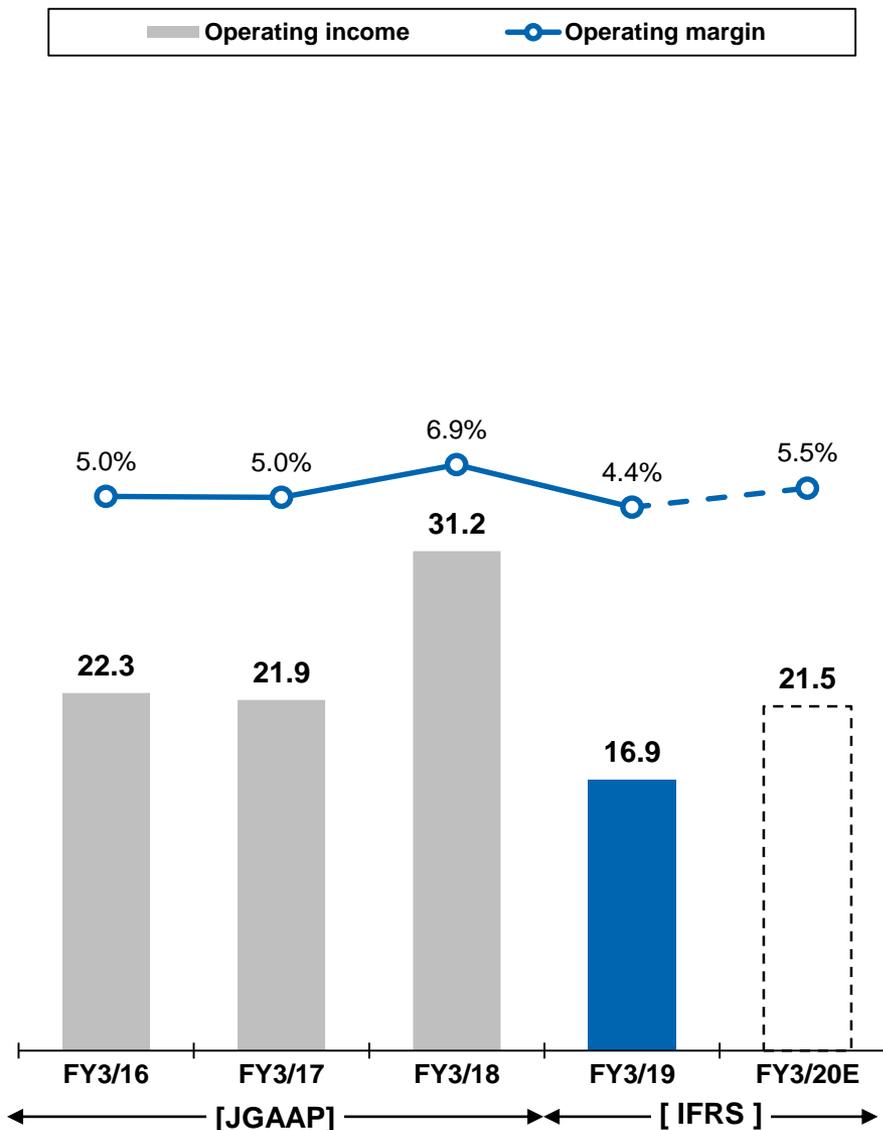
Operating income (Billions of yen)



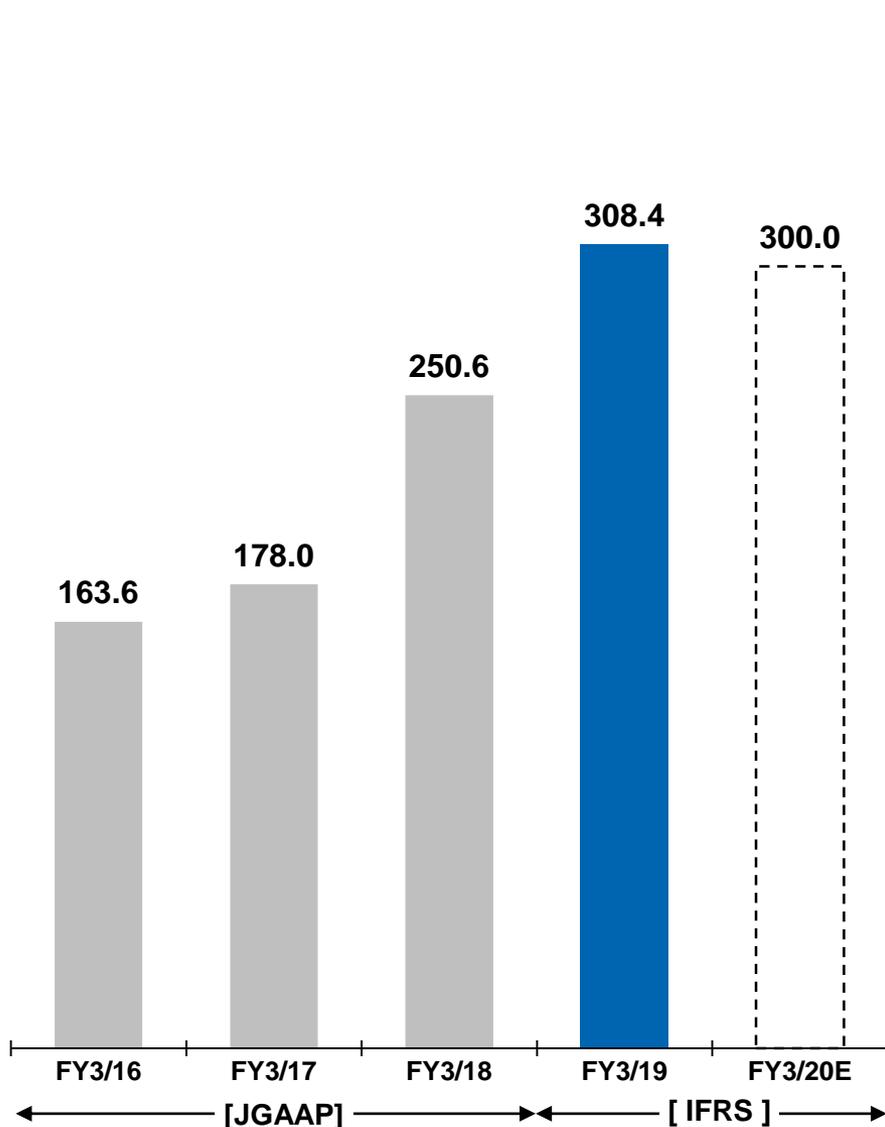
Net sales (Billions of yen)



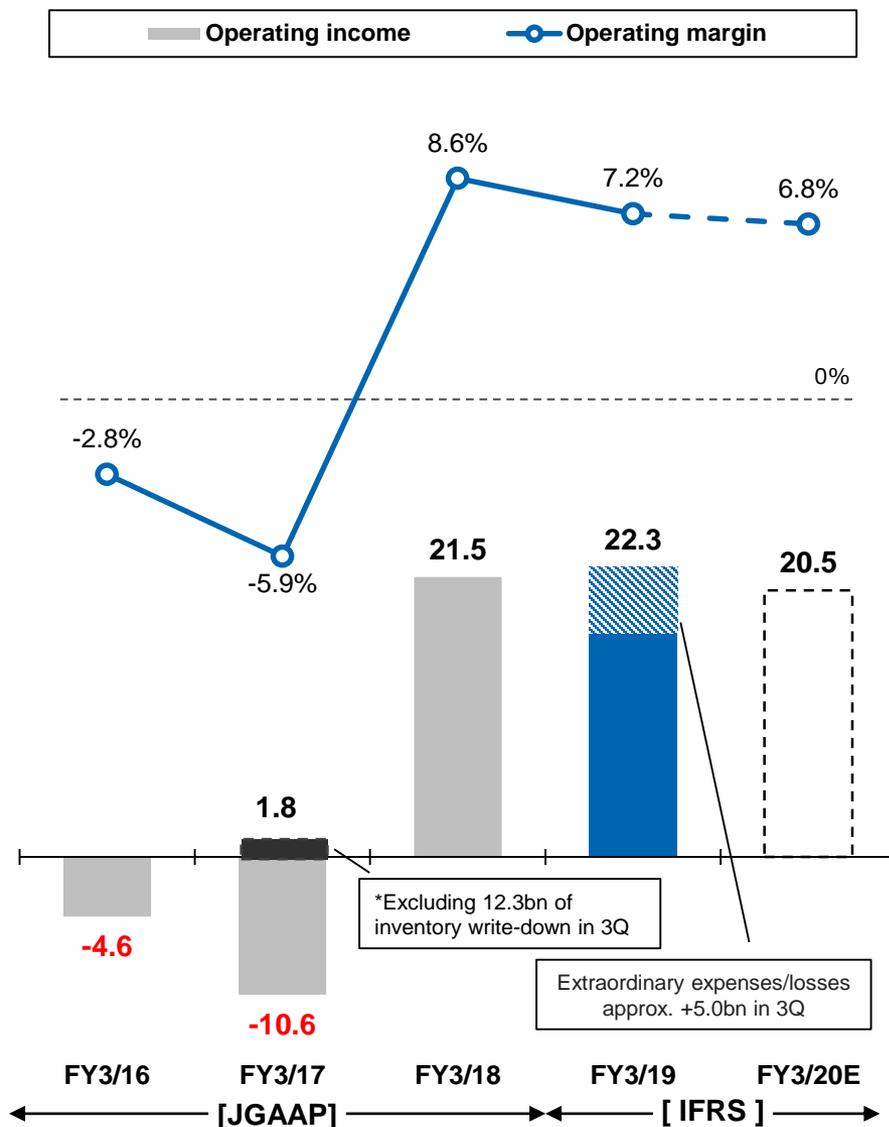
Operating income (Billions of yen)



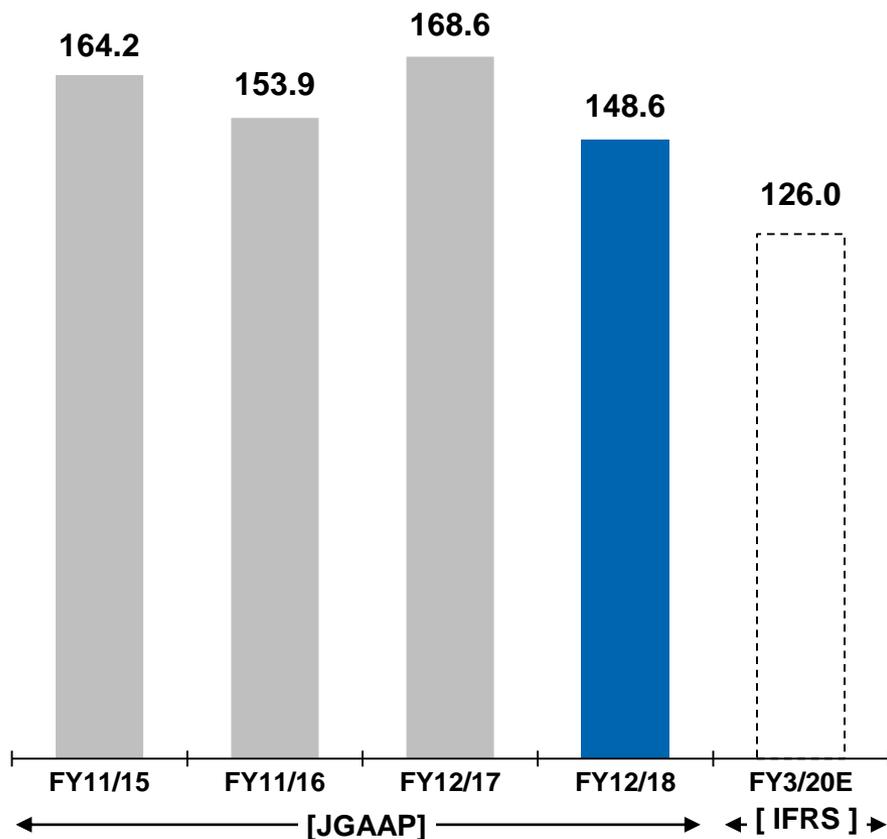
Net sales (Billions of yen)



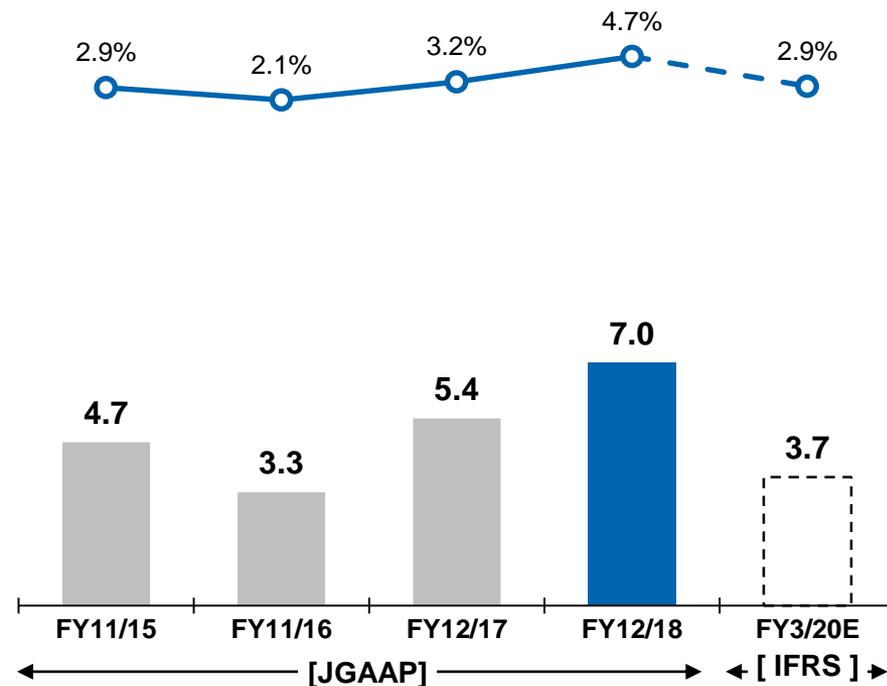
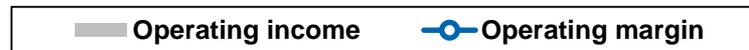
Operating income (Billions of yen)



Net sales (Billions of yen)



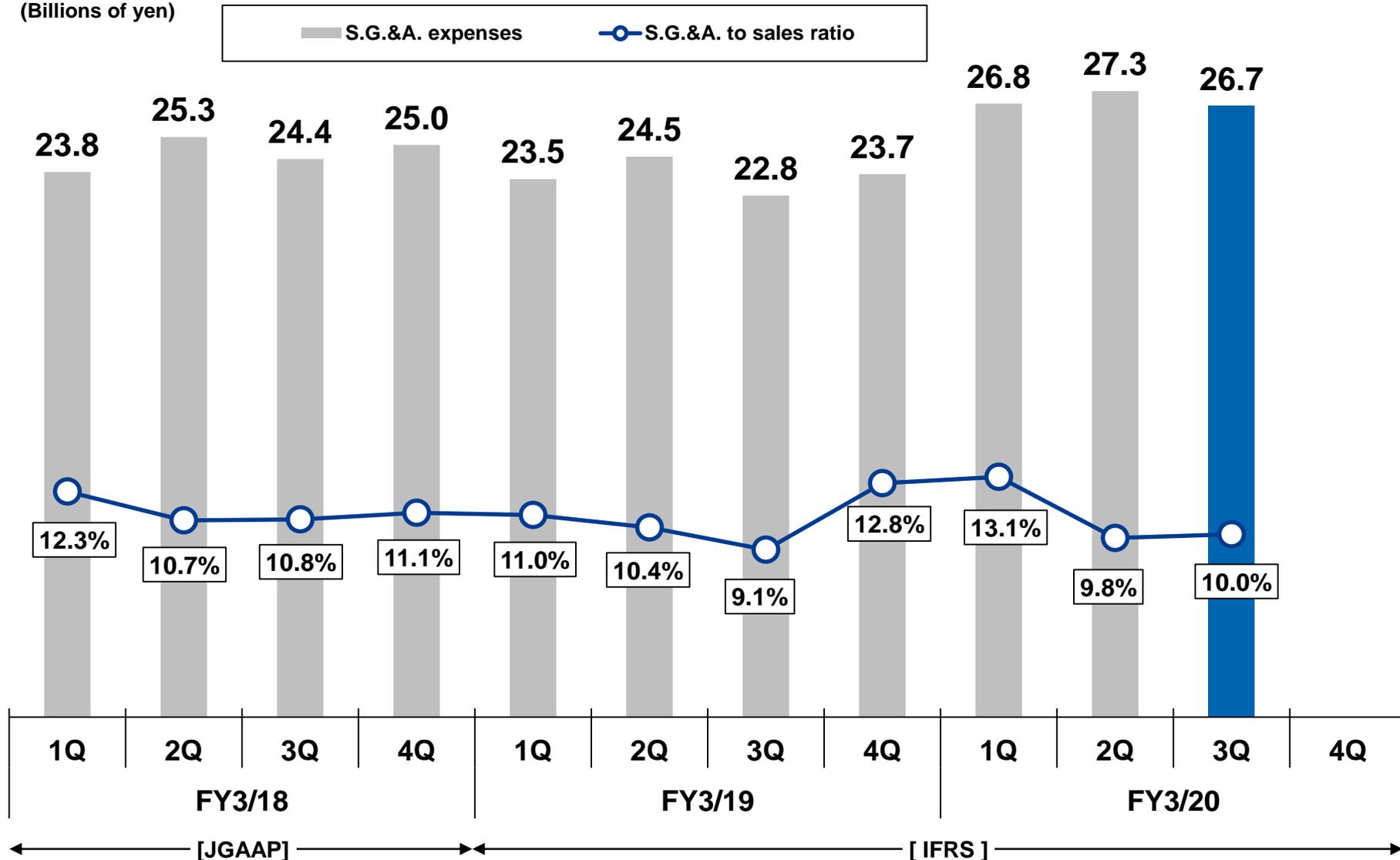
Operating income (Billions of yen)



S.G.&A. expense/ratio

*JGAAP for FY3/18

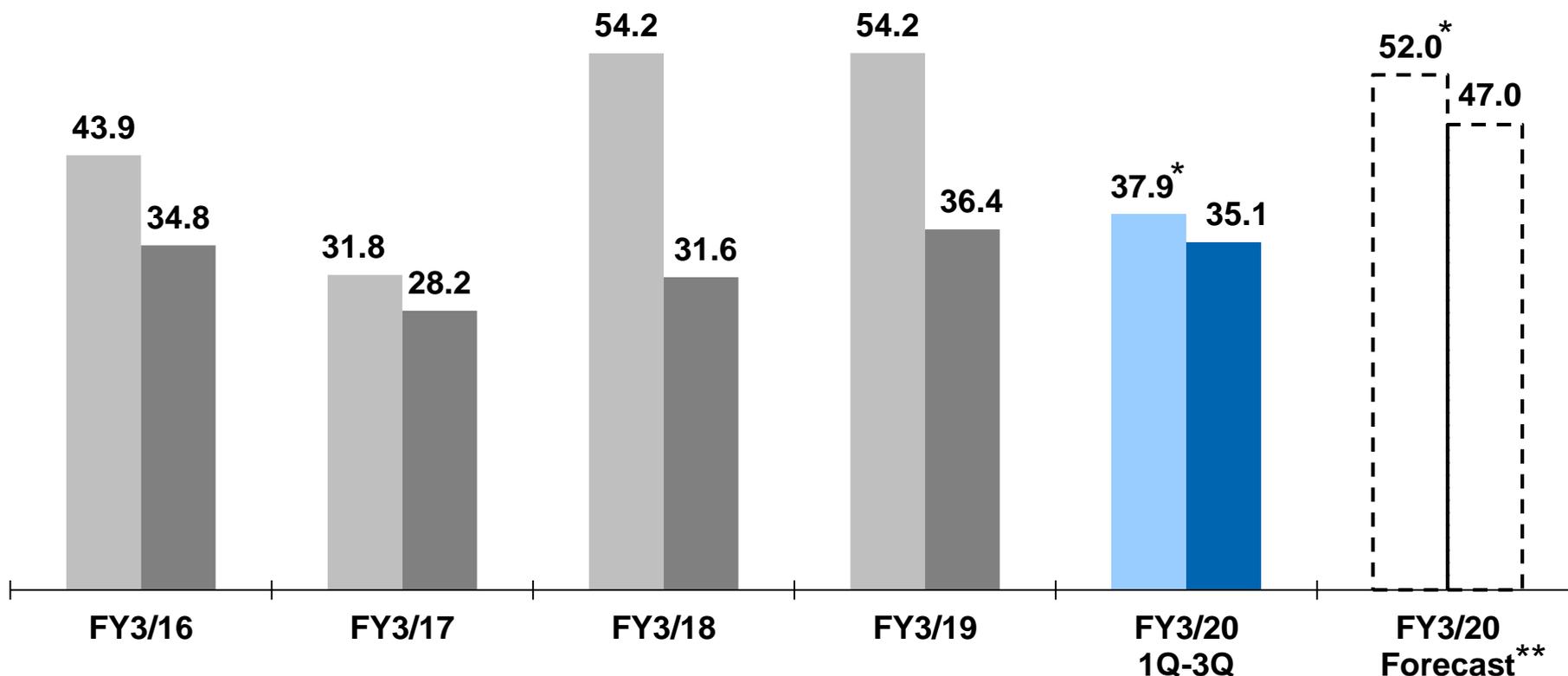
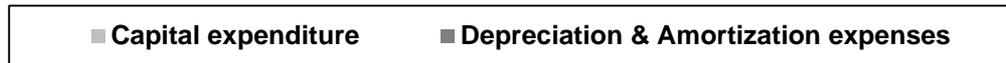
(Billions of yen)



Capital Expenditure / D&A Expense

*JGAAP until FY3/18

(Billions of yen)



* Capital expenditures do not include the increase of asset from lease contracts at the IFRS16 application start date

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

[JGAAP]

[IFRS]

ROIC (Return On Invested Capital)

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

MinebeaMitsumi
ROIC

NOPAT (Operating income + extraordinary profit/loss) x (1-tax rate)

Invested capital (Notes receivable/accounts receivable + inventories + non-current assets - notes payable/accounts payable)

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

