MinebeaMitsumi
Passion to Create Value through Difference

MINEBEA MITSUMI Inc.

Copyright 2024 MINEBEA MITSUMI Inc.

Printed in Japan
September 2024

Integrated
Report

2024

MinebeaMitsumi Group

Integrated Report

MinebeaMitsumi
Passion to Create Value through Difference

Key driver for further growth is

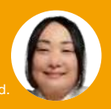
the passionate efforts of our 100,000 employees

MinebeaMitsumi will create “difference” and new value through “INTEGRATION” activities with core businesses and core technologies based on the “passion” of each and every employee.

Key drivers to push the strategy forward

MinebeaMitsumi’s DNA, which continues to challenge with passion!

Passion of 100,000 employees
with manufacturing know-how, sales strength, and technical capabilities



I want to help engineers excel and shine by discovering superior technologies and disseminating them as intellectual property to the world.

Each employee’s high goals and aspirations, or “passion,” are the energy that drives the business, the company, and society!

To generate business expansion by creating innovative products that make a key contribution to a sustainable world where future generations can thrive.

I want to try new things with more of my colleagues and see them grow and smile.

INTEGRATION of people

Sharing manufacturing, sales, and technical know-how and passion on a global scale

With my skills and ideas, I will support new manufacturing around the world and increase smiles all over the world.

To create a mindset on Digital transformation, use my capabilities to develop integration, technology its about people.

We strive to balance work and family life and work hard to increase our corporate value as a manufacturing company that contributes to the global society.

Through high-quality, high-value-added analog semiconductors, we contribute to solving social issues and enriching people’s lives.

INTEGRATION activities

100,000 people with diverse backgrounds and passions, maximizing value by combining technologies and businesses

INTEGRATION of business

Synergies to strengthen each business and create new products

INTEGRATION of technology

Integration and utilization of diverse core technologies

Core business

Core technologies

Ultra-precision machining technology	Mass production technology
Sensor technology	Optical technology
MEMS technology	High-frequency technology
Electronic circuit technology	Semiconductor design technology
Mechanism design technology	System design technology

Our mission and values

Corporate philosophy	To contribute to realization of a sustainable, eco-friendly and prosperous society by providing better products, at a faster speed, in larger numbers, at a lower cost and by smarter means.
Corporate slogan	Passion to Create Value through Difference

Growth strategy

❶ Organic growth

- The market’s disposable income per capita will rise in line with the growth in global GDP
- To sell high-end functional products requires high-end components

❷ M&A

- Integration of synergistic companies, with a focus on Eight spears products that make up its core business

❸ Developing products and supplying components for resolving social issues

- Synergistic and close alliances with the Eight Spears

Creating new products and value

Three strengths

❶ Reinforcing Core Businesses

- Strengthen business by utilizing our ultra-high quality, highly competitive pricing capability, and unrivaled supply capability

❷ Diversified Niches

- Achieve both high profitability and high growth by securing a high market share in niche fields and further diversifying

❸ Generating Synergies through INTEGRATION

- Generate synergies through the INTEGRATION of our ten core technologies with our core business

Goals

As the world’s only “INTEGRATION manufacturer of precision components” we create new products essential to solving social issues

Long term target

- 2.5 trillion yen in sales and 250 billion yen in OP
- EPS growth rate 15% or more ROE 15% or more

Economic value

- Improve Sales, Operating Income, EPS, ROE, ROIC, and Free Cash Flow
- Achieve and maintain the world’s No.1 market share and the world’s smallest and thinnest technology

Social and Environmental Value

- Contribution to global innovation through cutting-edge technology
- Supporting global manufacturing with environmentally friendly products
- Achieving both mass production and reduced environmental impact
- Improving Employee Engagement
- Social trust through the provision of high-quality products and fair trade
- Contribute to and build trust in the local community

INTEGRATION:

This term was adopted with the intended meaning “to be combined” rather than “to sum up.” Create new value through synergy by combining all the resources of our group

Editorial Policy

MinebeaMitsumi is an “INTEGRATION” precision components manufacturer that combines a wide range of cutting-edge technologies, from ultra-precision processing technology as typified by bearings to motors, sensors, semiconductors, and wireless technology, to create new value through “difference” that transcend common sense.

This integrated report is intended to create new opportunities for conversation by informing shareholders, investors, and other stakeholders of our efforts to expand our corporate value, and is also used as a resource by all employees.

Based on our belief that the essence of management is sustainability, this document summarizes our Corporate philosophy, management policy, and our strengths and growth strategy from both financial and non-financial perspectives.

In the fiscal year ended March 31, 2024, we specifically focused on achieving our goals of 2.5 trillion yen and 250 billion yen by March of 2029, on initiatives to improve profitability to further increase corporate and shareholder value, and on initiatives to strengthen human capital to realize these goals.

We hope that this integrated report will help our shareholders, investors, and other stakeholders understand the Group’s approach.

Scope of report
MinebeaMitsumi and 145 group companies

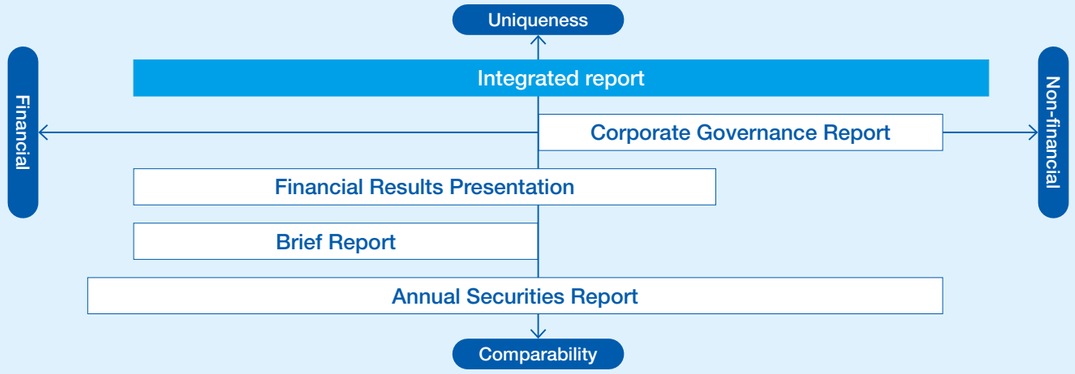
Period covered by this report
Fiscal year ended March 2024 (April 1, 2023–March 31, 2024)
However, this includes some activities before this period and from fiscal year ending March 2025.

Publishing information
Published September 2024

Referenced guidelines
IFRS Foundation
“The International <IR> 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)
Final Report of the Task Force on Climate-related Financial Disclosures (TCFD)

Supported initiatives
United Nations Global Compact

Positioning of the Integrated Report



Additional financial and social contribution activities/information not included in this report can be found on the Company’s website
MinebeaMitsumi website https://www.minebeamitsumi.com/english

Contents

Introduction — 01
Chapter I CEO’s Message/ COO’s Message/ CFO’s Message — 05
M&A — 19
Chapter II Value Creation Story of MinebeaMitsumi — 21
Chapter III Activities for Value Creation
Strategies by Business — 37
Sales Capabilities — 47
Non-financial Strategy (Human Capital, Roundtable Discussion on Human Capital, Manufactured Capital, Intellectual Capital, Introduction of INTEGRATED Products) — 49
AI·DX — 67
Chapter IV Initiatives to Support Value Creation
Initiatives for the Environment — 69
Initiatives for Society — 77
Corporate Governance — 81

Harnessing our passion as the world's only "INTEGRATION" manufacturer of precision components, we shift to a high-margin business model

Representative Director, Chairman CEO
Yoshihisa Kainuma

After 15 years of revenue growth, our focus is shifting from the scale of the business to sustainable, profitable growth.

It has been 15 years since I was appointed CEO of MinebeaMitsumi. In the fiscal year that ended March 2024, we achieved record-high consolidated results for the 11th consecutive fiscal year, with net sales of 1,402.1 billion yen and operating income of 73.5 billion yen. Contrast that with net sales of 256.2 billion yen and operating income of 13.4 billion yen in the fiscal year ended March 2009. Over the last 15 years, our net sales and operating income have grown more than fivefold.

As an executive, I believe that the essence of management is sustainability, and I have pursued continuous growth and sustainability because of it. Over those 15 years, my focus has been specifically on the Company's scale with the idea that expanding the scale would lead to greater profits, which, in turn, would improve earnings per share. Meanwhile, based on the concept of "INTEGRATION," we have been aiming to create new value by capitalizing on all of the Group's resources.

I believe we have successfully established a foundation for growth as the world's only "INTEGRATION" manufacturer of precision components centered around the "Eight Spears" of our core businesses. Through 27 M&As, we have enhanced our approach to diversifying risk and do not rely on a single business or market.

Additionally, growing the scale of our Company is necessary due to the importance of securing talented professionals to allow MinebeaMitsumi to achieve sustainable growth amid Japan's progressively declining birthrate and aging population. Due to various initiatives such as the expansion of our enterprise through organic growth and M&As, and by relocating our operations for Tokyo X Tech Garden (Shiodome) in March 2023, I am confident we have positioned ourselves to attract talent that will serve as the driving force for future growth.

The Company has set long-term targets of achieving net sales of 2.5 trillion yen and operating income of 250 billion yen in the fiscal year ending March 2029. We plan to achieve net sales of 1.5 trillion yen for the fiscal year ending March 2025 and consider the 2.5 trillion yen target within reach.

On the other hand, I believe that our most critical management issue is that of enhancing earnings power and profit margins amid a situation where operating income for the fiscal year ended March 2024 was 73.5 billion yen and our operating margin on a pro-forma basis amounted to a low 5.2% (operating margin calculated on sales including purchased and supplied parts as the denominator). Given that the Company's prevailing valuation relative to its peers remains low, I wish to ensure that our stakeholders appreciate the Company's value and further increase our market capitalization, representing our corporate value. To accomplish this, we must demonstrate our ability to consistently achieve a 10% operating margin, a benchmark in the electronic components industry, while also adhering to our net sales target of 2.5 trillion yen. As CEO, I will articulate our vision and strategy while aggressively moving forward with the implementation of various measures, working in conjunction with President Katsuhiko Yoshida, who serves as COO & CFO.

Now is the time to harness the combined strengths of our 100,000 global employees, leveraging their diverse backgrounds to accelerate growth by creating synergies through INTEGRATION.

Corporate philosophy

Corporate philosophy (Basic approach to growth and contribution to sustainability)

To contribute to realization of a sustainable, eco-friendly, and prosperous society by providing better products, at a faster speed, in larger numbers, at a lower cost and by smarter means.

Basic management policy (Action guidelines for employees to realize the corporate philosophy)

Transparent management based on our company credo "The Five Principles"

The Five Principles

(1) Be a company where our employees are proud to work
(2) Earn and preserve the trust of our valued customers
(3) Respond to our shareholders' expectations
(4) Work in harmony with the local community
(5) Promote and contribute to global society

Corporate slogan (Measures to achieve growth and sustainability)

Passion to Create Value through Difference
– Create new value through "difference" that transcends conventional wisdom

Path to achieving operating margin of 10% by the fiscal year ending March 2029

In order to achieve operating income of 250 billion yen, which equates to an operating margin of 10%, by the fiscal year ending March 2029, we are aggressively implementing various earnings improvement measures. Through management meetings and other forums, we are calling on our members company-wide to embrace our 103 billion yen operating income plan for the fiscal year ending March 2025 as a milestone, and continue to take on greater and greater challenges.

Through the use of automation in production, we generated manpower savings of 6,000 employees in the fiscal year ended March 2024, and we expect to save the equivalent of an additional 5,000 employees in the fiscal year ending March 2025. Going forward, we will continue our rigorous cost-cutting and productivity improvement measures and continue to improve product quality at the same time as a manufacturer of ultra-precision components.

On the sales front, we have been pursuing revenue and sales volume increases and are also working to satisfy customers by providing added value, quality, and services at a competitive price through the use of DX.

Sales Pages 47 to 48
DX Pages 67 to 68
Quality Pages 77 to 78

As the machinery and electronic components industry is facing the need for high voltage, high current, high frequency, and high speed, the Company has been fortifying its competitiveness using its distinctive approach to manufacturing through the "Eight Spears" of its core businesses and leveraging its ultra-precision machining technology, as well as its mass production and other respective underlying technologies.

In addition to bearings that have long served as the Company's profit driver, we have established additional high-margin earnings pillars, namely analog semiconductors and motors, and have captured a substantial share of these global niche markets. Furthermore, Access Solutions (AS) generated operating income of 10.6 billion yen in the fiscal year ended March 2024 after having long endured low profitability. This indicates that our efforts to restructure the organization in Europe and integrate the business are finally achieving positive results. Now that we have decided to launch our innovative new products enlisting INTEGRATION of the Eight Spears, to be described later in this report, I feel the time has come to seek greater understanding from our investors as to why we embarked on the Access Solutions Business.

While smartphone LED backlights were once the Company's largest source of earnings, they now contribute only minimally to the bottom line due to technological innovations in organic light emitting displays. However, we have succeeded in opening up the market for tablet devices and automotive applications and expect substantially higher profits going forward. As this illustrates, I believe we have developed the resiliency we need to raise our bottom line, even when encountering temporary effects of external business factors, as a result of strengthening our core businesses* and establishing a framework that minimizes the effects of volatility through our sub-core businesses*.

Core businesses, Sub-core businesses Page 23

Under our Midterm Business Plan extending from the fiscal year ending March 2025 through the fiscal year ending March 2027, we will seek growth outpacing that of worldwide automotive production, primarily when it comes to bearings and motors, through content growth (increase in automotive products), amid a scenario where the Company is expecting market trends of progressive premiumization and electrification, countered by a sense of uncertainty, particularly in the automotive industry. Meanwhile, the highly profitable data center and healthcare markets are beginning to show signs of recovery. Despite some remaining supply chain issues in the aircraft sector, we anticipate robust growth amid increasing passenger demand and opportunities associated with environmental improvement efforts. The semiconductor business is currently undergoing recovery, and with the business integration of Minebea Power Semiconductor Device with the Group on May 2, 2024 and the synergies with MITSUMI and ABLIC, we expect sales growth, and we are targeting this to be the second pillar of earnings after bearings. Since many of our businesses are related to equipment industry and we possess high marginal profit ratio, we are poised to regain substantial profitability once production and sales volumes return to previous levels.

With signs of recovery in respective markets beginning to emerge, the fiscal year ending March 2025 will serve as a make-or-break year in terms of our ability to achieve the target of increasing operating margin as outlined in our Midterm Business Plan and long-term plans.

Proposing new value to the world through MinebeaMitsumi's distinctive manufacturing and INTEGRATION

Further improving the Company's corporate value hinges on our ability to create synergies derived from INTEGRATION of our people, technologies, and businesses. We have finally managed to produce substantial results in our INTEGRATION initiatives, which we had previously not been able to demonstrate to our external stakeholders. One example of this is the Company's new product, the "wing handles," which is among the door handles that are the mainstay products of Access Solutions. Until now, the technology to detect and process the force exerted on the handle by a person's fingers had not been commercialized. However, by combining our proprietary technologies, which include handles, motors and sensors, we have now successfully realized an innovative yet simple product model that allows for greater flexibility in automotive design and enables people to open and close car doors simply by touching the handle. BMW has decided to use this new product.

Introducing Our INTEGRATED Products Pages 65 to 66

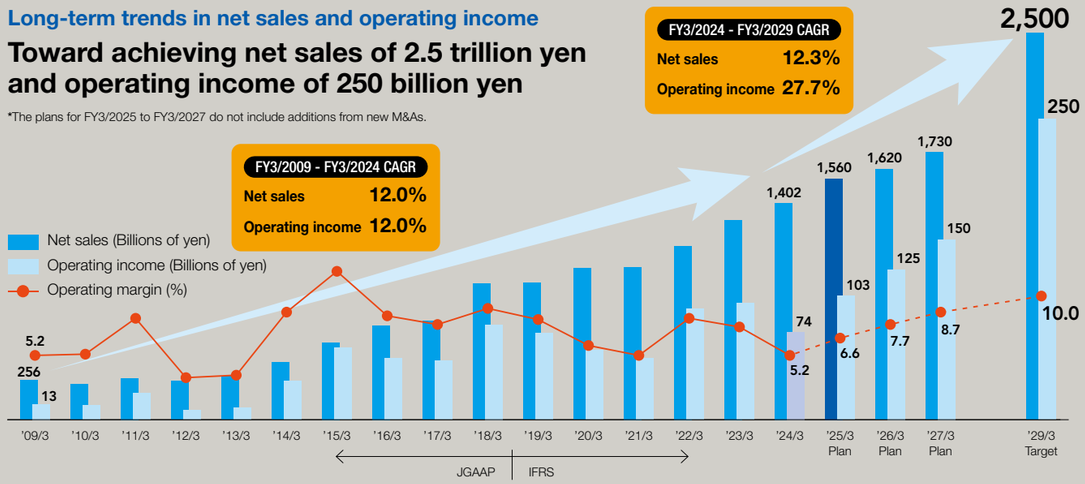
Developing and supplying such complex products typically involves purchasing components from various companies, involving long lead-times. However, given the Company's ability to integrate mechanical and electronic technologies, we can provide our customers with high-value-added products based on new concepts that defy conventional thinking. We take pride in our ability to meet customer expectations and supply significant product volumes worldwide, based on our rapid system of mass production that leverages the Company's manufacturing strengths.

Going forward, we will continue to produce high-value-added products to address social issues and create new value through INTEGRATION, the Company's distinctive approach to manufacturing.

Long-term trends in net sales and operating income

Toward achieving net sales of 2.5 trillion yen and operating income of 250 billion yen

*The plans for FY3/2025 to FY3/2027 do not include additions from new M&As.



Targeting high-margin enterprises also in M&As

We have also been reassessing our strategy for M&As, one of our key management strategies that has served as a driving force for the Company's growth. This entails focusing on profitability while aligning with our established principles: 1. M&A's that can strengthen our existing businesses and/or provide INTEGRATION, 2. M&A's that are priced appropriately. We have successfully integrated business by acquiring appropriately priced unprofitable companies with the potential for generating synergies with the Eight Spears of our core businesses and turning those enterprises around financially with a focus on financial discipline. This approach of prioritizing scale expansion has sometimes led to temporary downturns in profitability as we work toward business integration. Going forward, we will prioritize profitability when arranging M&As without excessively fixating on financial discipline.

M&A Pages 19 to 20

System for diversifying risk to minimize effects of changes in the market environment

In seeking to achieve our long-term targets for the fiscal year ending March 2029, If we were to mention a risk, we may encounter unforeseen risks associated with the global economy and geopolitics. Over the past 15 years alone, we have faced various threats, including global economic volatility triggered by the Lehman bankruptcy, natural disasters, infectious diseases, and political conflicts. To counter that, we have been mitigating risk across all aspects of our business, including human resources and production activities through diversification. For instance, our earnings were buoyed by stay-at-home demand and business related to data centers while the aircraft market encountered a slowdown during the COVID-19 pandemic. Conversely, sales to the aircraft-related market have helped to make up for the current slowdown in the data center market. These are examples of how the strength of our business lies in how our portfolio strikes a balance among multiple businesses and multiple markets. Additionally, our global network spanning Southeast Asia, China, Europe and the United States enables us to take a flexible approach in addressing customer requirements such as those involving manufacturing sites and production volumes. For instance, we are able to offset effects of trade friction between the United States and China by generating customer interest in Southeast Asia and other regions. In the machinery and electronic components industry, we need to respond flexibly and rapidly to customer order volumes and changes. Therefore, we have established a production system for swiftly and consistently meeting customer needs with a focus on maintaining redundancies.

Initiatives for carbon neutrality

The Company earnestly engages in efforts to achieve carbon neutrality by seeking to fulfill its social responsibility to attain both sustainability as a company and sustainability of the earth and society, as is set forth in its corporate philosophy. Particularly in recent years, we have been focusing on adopting renewable energy in Japan and abroad, notably at the Company's core plants in Thailand, the Philippines, and Cambodia. We work closely with local governments to reach a mutually beneficial outcome. We have initiated a 154 MW solar power generation business in Thailand involving investment of 17 billion yen, and a 50 MW solar power generation business in Cambodia's Pursat Province involving investment of 6 billion yen. In Cambodia, we project 100% renewable energy use with respect to electricity consumption both of our existing Cambodian plants and upon future expansion of plants. At our Ordinary General Meeting of Shareholders held in June 2024, we resolved to add a provision on renewable energy commercialization to our Articles of Incorporation to further strengthen efforts toward achieving carbon neutrality. We will continue to meet the environmental requirements of our customers and local communities while also reducing costs by achieving self-sufficiency of electric power.

Environment Pages 69 to 76

Bring out the passion of each individual and achieve the INTEGRATION of the energy of 100,000 people

Ultimately, it is our people who are at the root of our efforts to achieve our long-term targets for the fiscal year ending March 2029 and who support our growth leading up to MinebeaMitsumi's 100th anniversary. Furthermore, it is the INTEGRATION of our people that allows for INTEGRATION of the businesses and technologies that are at the core of the Company's expansion.

As a contributor to the "Topics for Tomorrow" editorial column featured in the evening edition of Nihon Keizai Shimbun between the months of January through June 2024, I wrote a message to new employees urging them to "serve as a cog with a motor." As the term "cog" may hold negative connotations, it would be better to rephrase it to "motor with gears," given that energy driving a motor is derived from the unique passion of each and every individual. The point is that when employees embrace lofty goals and aspirations, or, in other words, express their passion, this comes to serve as the energy that drives the gears, which in turn propels the company and organization forward.

It is my mission to create a workplace environment that allows the next generation of talent responsible for the Company's future growth to demonstrate their capabilities with passion and enthusiasm. While the Company's personnel education to date has prioritized on-the-job training, we are formulating a more systematic and efficient talent strategy and employee development policy for the future.

During the fiscal year ended March 2024, we administered an employee engagement survey at our major domestic companies to gauge employee attitudes. The survey pinpointed the need for the transformation and upgrade of our talent development measures aimed at our next generation of leadership. We are addressing this, in part, by initiating training programs. Since 2023, we have worked on establishing a structure for developing employees who will assume future management of the Group and setting up a three-tiered pool of talent consisting of Chief of Headquarters candidates, head of Business Unit candidates, and young professionals with high potential. Through the training programs, we have been seeking to ensure that the Company's DNA and passion are passed on to the next generation by having myself and other members of top management speak with these employees in the three tiers of training sessions.

We have also adopted the Samurai Project as a new initiative. Under the guidance of retailer NITORI, the Company has set up a project team within the Human Resources Development Department consisting of managers equipped with extensive experience at overseas plants from the respective domains of manufacturing, technology, and sales. The Company has accordingly developed a framework where these members who are familiar with the on-site situation can offer advice after listening to concerns of managers and young employees at overseas plants and other such locations.

In addition to identifying and developing the next generation of leaders through such initiatives, we have also been moving forward with initiatives that include updating our approach to performance evaluations under our HR systems to create workplace environments that empower employees to passionately take on new challenges. The Company's human resources management policy is firmly rooted in a "spirit of equality," which I believe culminates in opportunities for talented individuals to excel regardless of nationality or previous employment, thereby motivating employees with diverse backgrounds.

Human Capital Pages 49 to 54

We will achieve further growth as an "INTEGRATION" manufacturer of precision components and improve manufacturing and people's lives around the world. We will ensure that the next generation inherits our manufacturing DNA amassed throughout our 70-year history. We will promote INTEGRATION initiatives by unleashing and sharing the passion inherent in each and every employee. We sincerely appreciate your continued support.

Reflecting on my first year as COO

It has been one year since I was appointed to serve as Director, President, COO & CFO on April 2, 2023. The Company's management structure reflects our Corporate philosophy, management policy, and executive strategies. Under the new structure, effective April 2023, we transitioned to a framework where management strategies primarily fall under the CEO, and the COO accepts executive responsibilities. However, our intention from the outset has been to blur the lines of authority rather than establish defined boundaries. I am pleased to say we managed to get off to a smooth start under this new system, and I feel that the system functioned well throughout the year.

Chairman Kainuma's transition from CEO & COO to CEO has enabled him to more effectively spend his time on key strategies related to the running of the Company, M&A, governance, talent development and environmental issues, which has allowed the way the Company operates to evolve. Meanwhile, I divided my time between supporting the CEO in my capacity as CFO, as I did before, and conducting executive operations as COO based on my financial knowledge and extensive business insight. In addition, depending on the management issue, Chairman Kainuma has been able to respond fluidly by taking charge of certain executive area functions. Accordingly, I think we have successfully taken steps toward achieving an organic organizational structure where not only the CEO and COO & CFO but also the entire executive team proactively addresses issues under the leadership of the CEO.

Focusing on execution with a detailed understanding of our operations

In carrying out my duties as COO, I have been thinking about how to execute the management strategies developed by the CEO. This has involved clearly understanding the overall picture various projects, and then drilling down to identify any problems, and, ultimately, resolving those issues. I believe such repeated effort results in improvement and soundness of the Company overall.

As COO, it has always been a priority for me to be on-site myself. Because of that, I have been paying visits to clients overseas and the Company's manufacturing sites both in Japan and abroad, striving to gain a deeper understanding of our operations.

Business portfolio and executive strategies

We will execute business strategies with a greater focus on profitability centered on the "Eight Spears" of the Company's core businesses. Every one of the "Eight Spears" of our core businesses has the potential to create interrelated synergies. For instance, we intend to boost profitability in power supply components through INTEGRATION which includes entering the market for value-added high-voltage power supplies through our business integration with Minebea Power Semiconductor Device. In the semiconductor division, we are increasing the profitability of Minebea Power Semiconductor Device. This entails leveraging expertise within the Group in pricing improvement strategy at which the highly profitable ABLIC excels, and also involves establishing a vertical production system of power semiconductor utilizing the Shiga Plant. In some business areas such as connectors, however, we have yet to adequately demonstrate our capacity to leverage synergies through INTEGRATION to the outside world. In this case, we will further strengthen alliances among our businesses to achieve greater profitability and growth potential.

Creating value through linkages and synergies among different types of capital

I believe the Company's value creation is undoubtedly derived from how its human capital, manufactured capital, and intellectual capital, all originating from its corporate philosophy, are closely linked to its financial capital. As a manufacturing company, we have been accelerating the integration of our various underlying technologies centered around ultra-precision manufacturing technologies through the Company's distinctive M&A strategy. The key to realizing it is our highly diverse pool of talented professionals who embrace the Company's spirit of craftsmanship. We aim to further strengthen our talent development and reform our HR systems to enable such professionals to promote INTEGRATION and take on new challenges. We will also promote opportunities for fusing the combined knowledge of such professionals by utilizing Tokyo X Tech Garden.

Developing the next generation

Since becoming COO, I have increased my focus on imparting my expertise regarding the MinebeaMitsumi management approach to pass the managerial baton on to the younger generation. The Company has established the Chairman's Office, the COO & CFO Office, and the Vice President's Office, and prospective candidates are allowed the opportunity to experience the various management situations that might occur in those offices. In the COO & CFO Office, which I oversee, participants hone their skills while amassing comprehensive knowledge and experience required of top management. They gain experience by rotating through various roles, including being on the front line of a business, M&A, HR development, and other non-financial functions. Additionally, we have started practical training, which has involved setting up a three-tiered pool of core talent for Chief of Headquarters, an important post for the Group, Head of Business Unit, a key role for the Company's growth, and young professionals with high potential.

The Company seeks management professionals equipped with a wide range of skills. Because the Company engages in an extensive range of business operations at its manufacturing and sales locations worldwide, it is unlikely that a manager would be able to spearhead business growth if he or she lacks an understanding of operations beyond that of the bearing business, for instance. Therefore we assign talented employees to challenging roles that facilitate growth, including appointing them to serve as Head of a Business Unit from a young age. While this type of training for our next generation of management has just begun, we will step up such efforts to sustainably increase the Company's corporate value and achieve growth.

Aiming for operating income of 250 billion yen

Our target of achieving operating income of 103 billion yen in the fiscal year ending March 2025 is an absolute priority as we persist in taking on challenges toward achieving our operating income target of 250 billion yen by the fiscal year ending March 2029. In the fiscal year ended March 2024, the business situation differed from expectations, given substantial changes in the external environment. However, we have adapted our strategies based on these changes and will continue to execute accordingly. As we make steady progress in laying the groundwork in each of our businesses toward achieving the 250 billion yen target, I believe it is crucial to be unwavering in our implementation of subsequent measures. We appreciate the continued support of our stakeholders as we all look forward to our Company's future growth.

We will implement financial strategy and capital policy to maximize MinebeaMitsumi's corporate value and shareholder value

We will take a hands-on approach in each of our businesses embracing a commitment to greater profitability

Director, President
COO & CFO
Katsuhiko Yoshida

We have set a target of 2.5 trillion yen in net sales and 250 billion yen in operating income for the fiscal year ending March 2029, and all group companies are working to attain those targets. To demonstrate to our stakeholders that achieving 250 billion yen in operating profit is feasible when we reach 2.5 trillion yen in net sales, we will continue to expand growth and improve profitability through the execution of each business strategy as in the past, and we will place even greater emphasis on achieving our operating margin target of a minimum of 10%.

In executing this, I believe that I can make full use of my accumulated experience in hands-on involvement in business operations, including management, overseas assignments, and numerous business integrations since I joined the Company. Our efforts to increase profitability hinge on linking the qualitative information obtained on-site with quantitative information. For example, by instantly capturing indicators such as product inventory counts at a site with declining utilization rates, you are then able to understand the issue and derive a solution. I intend to harness information from front-line operations and implement detailed measures to enhance profitability.

To enhance corporate value over the medium to long term, we will set various financial disciplines in our financial strategy and capital policy, thoroughly strengthen our financial position, and greatly improve our ability to generate cash. In addition, we will strengthen our financial position by appropriately managing the cash generated through the establishment of a cash allocation policy, while simultaneously providing returns to shareholders that satisfy investors. Furthermore, in considering our medium- to long-term portfolio, we will consider ROIC and other costs of capital, and will identify appropriate businesses in which to invest, dependent on their profitability. We will maximize investment efficiency and optimize management resource allocation to increase corporate and shareholder value.

Financial strategy and capital policy

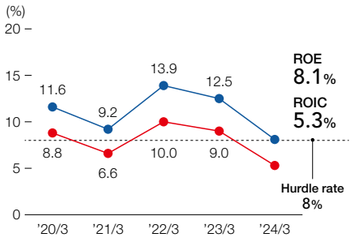
Capital efficiency and EPS growth rate

Concerning profitability, we have set ROE of 15% or more and EPS growth rate of 15% or more (10-year CAGR) as our target KPIs. Having made "strengthening our financial position" a basic policy, the MinebeaMitsumi Group has taken various steps, including engaging in efficient capital investment, asset management, and reducing interest-bearing debt.

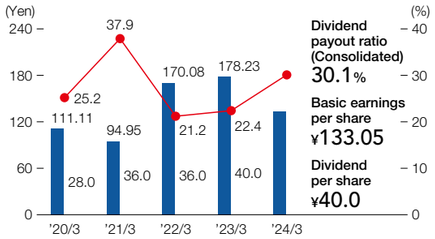
The Company's ROE for the fiscal year ended March 2024 was 8.1%, which represents a decrease from the previous year. Going forward, we will seek to get ROE back on track toward the 15% threshold. ROIC was 5.3%, temporarily below the hurdle rate of 8%, and we will implement measures to improve this as well. EPS for the fiscal year ended March 2024 was 133.05 yen. In the fiscal year ending March 2029, we are poised to achieve the operating income of 250 billion yen and an EPS growth rate CAGR of 15% or more.

At the same time, in addition to growth through global M&A by leveraging organic growth and high cash-generating capacity, we will focus on capturing new business opportunities, such as the development of products that contribute to resolving social issues. In so doing, we will increase profitability and improve growth, maximize our ability to generate cash, and further strengthen our financial position.

• ROE and ROIC



• EPS and dividends



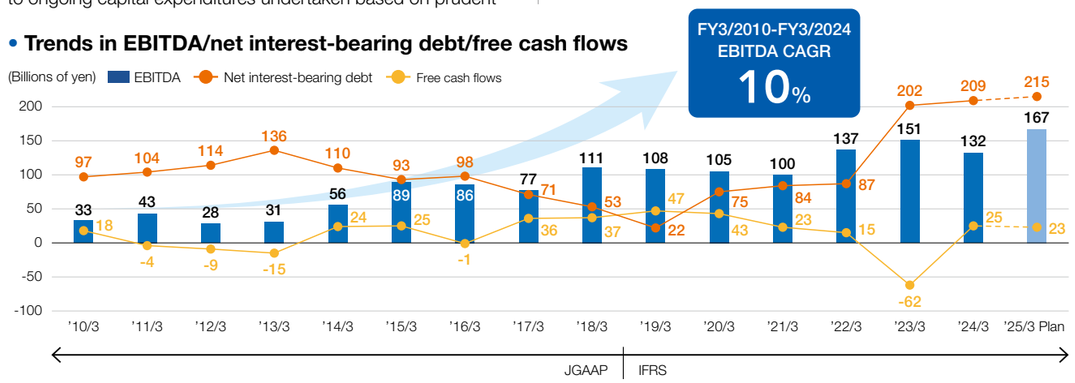
ROE
15% or more

EPS growth rate
15% or more
CAGR

Cash-generating ability

In the fiscal year ended March 2024, the Company achieved net sales of 1,402.1 billion yen and operating income of 73.5 billion yen. We attained a new record high in net sales, but operating income was lower than that of the previous fiscal year. Nevertheless, we anticipate a record-high EBITDA result of 167.0 billion yen in the fiscal year ending March 2025 due to ongoing capital expenditures undertaken based on prudent assessment of recoverability. We project that net interest-bearing debt will amount to 215.0 billion yen in the fiscal year ending March 2025. The Company's ability to generate cash has steadily improved, allowing us to expand our business while maintaining net interest-bearing debt at appropriate levels.

• Trends in EBITDA/net interest-bearing debt/free cash flows



Cash allocation and stability of the financial base

Cash allocation

50% of generated operating cash flows are to be allocated to capital expenditure to drive organic growth.

Of the remaining 50%, while half will be allocated to appropriate and flexible shareholder returns, we are proactively considering options to carry out effective M&As using the other half, together with borrowings, premised on the notion of maintaining financial discipline such that the net debt-to-equity ratio falls within the 0.2 times range.

Capital expenditures and shareholder returns

Based on this medium- to long-term policy, capital expenditure for the fiscal year ended March 2024 amounted to 83.6 billion yen, mainly for renewal investment. During the fiscal year ending March 2025, our plans call for capital expenditure of 80 billion yen, primarily for investments in semiconductor-related facilities.

After a comprehensive review of the business environment, MinebeaMitsumi aims to continue paying out stable dividends, targeting a dividend payout ratio of around 20% on a consolidated basis, in principle, to strengthen shareholder returns.

In the fiscal year ended March 2024, annual dividends per share amounted to 40 yen, unchanged from the 40 yen dividend per share of the previous fiscal year. From the fiscal year ending March 2025 onward, we will be flexible in our review options for increasing dividends in line with profit growth.

As for shareholder returns, the Company will provide dividends and carry out share buybacks under a similar policy.

Security of the financial base

We believe that accelerating the pace of business expansion while simultaneously ensuring the stability of our financial base is of the utmost importance. We have received very favorable (A+) credit ratings from two credit rating agencies - Rating and Investment Information, Inc. (R&I) and Japan Credit Rating Agency, Ltd. (JCR).

Although our equity ratio may vary in the short term depending on status of M&A implementation, we aim to achieve a stable financial base by maintaining an equity ratio of at least 50% over the medium to long term.

Rating

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

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

• Allocating capital backed by the ability to generate cash

Operating cash flows

We will allocate capital to achieve organic growth, backed by our ability to generate cash accompanying profit growth.

Organic growth — CAPEX ➡ **50%** of operating cash flows

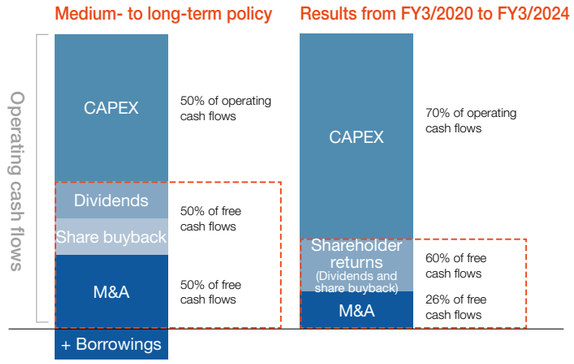
Free cash flows

We will flexibly allocate capital, having secured the resources necessary to achieve organic growth.

M&A growth — **M&As geared to reducing earnings volatility** of free cash flows
50% + Borrowings
Maintaining financial discipline
(within 0.2 times net D/E ratio)

Shareholder returns — **Dividends and share buyback of free cash flows** **50%**
(Adjustments made to the ratio of dividends to share buybacks depending on stock price levels; Share buybacks are to involve purchasing shares at appropriate thresholds)

Over the past five years, steady execution of capital allocation with similar allocation to that in the medium- to long-term policy



Current business environment

In the fiscal year ended March 2024, we were compelled to make downward revisions twice due to discrepancies between the Company's estimates and actual external factors. Based on the presumption that improving the bottom line is essential in such situations, we achieved a certain level of success toward such objectives and have set the stage for the next fiscal period.

In the fiscal year ending March 2025, the Company resolutely seeks to achieve targets that include net sales of 1.56 trillion yen, operating income of 103 billion yen, and operating margin of 6.6%. In Precision Technologies (PT), progress is being made in optimizing levels of high value-added products in the inventories of customers in the ball bearing business, which has increased the likelihood of growth accompanying further market recovery. In the aircraft market, we have been taking steps to resolve supply chain issues involving rod ends and fasteners for aircraft. In Motor, Lighting & Sensing (MLS), we will benefit from the recovery in the market for HDD motors, while also aiming to bring about further content growth in highly profitable automotive motors. In Semiconductors & Electronics (SE), we aim to expand the scale of our business further while focusing on profitability in the analog semiconductor business, which has undergone business integration. In Access Solutions (AS), we seek to increase profitability through early market entry with our INTEGRATED products and value-added products.

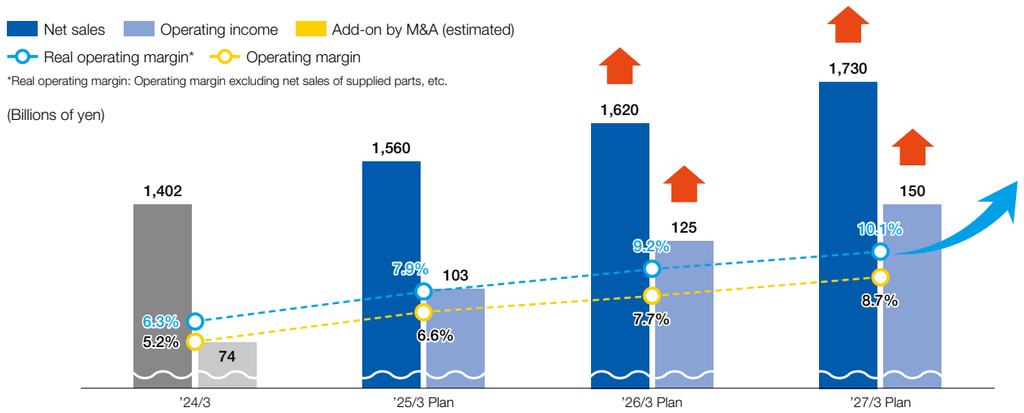
Midterm Business Plan for further growth

In May 2024, the Company released its new Midterm Business Plan, which serves as a concrete roadmap for achieving further growth in pursuit of its long-term targets for the fiscal year ending March 2029. In the Midterm Business Plan, we set our targets at net sales of 1.62 trillion yen and operating income of 125 billion yen for the fiscal year ending March 2026, and at net sales of 1.73 trillion yen and operating income of 150 billion yen for the fiscal year ending March 2027.

We are largely on track to achieve the 2.5 trillion yen net sales target for the fiscal year ending March 2029, with organic growth poised to reach approximately 2 trillion yen. It will be possible for us to achieve net sales of 2.5 trillion yen if we conclude one M&A that is similar in size to that arranged with MITSUMI ELECTRIC, which was subject to business integration in 2017.

To achieve operating income of 250 billion yen, we will focus on expanding sales of high-margin products. We will engage in initiatives focused on high-margin products such as analog semiconductors, in addition to bearings and motors. Through the business integration of Minebea Power Semiconductor Device, analog semiconductors now constitute the second-ranking product in the Company's Eight Spear strategy, up from the third-ranking product previously.

Review of the Midterm Business Plan based on the current market outlook



Initiatives for improving profitability

The Company's efforts to improve profitability include cost reduction and lowering the materials cost ratio and the factory overhead ratio. We are also focusing on transforming fixed costs into variable costs, thereby increasing profitability through greater flexibility in cost management.

Furthermore, although we have carried out numerous M&As, including large-scale M&As over the last several years, the Company's S.G.&A. expense ratio has remained in the 11% range, which reveals plenty of room for improvement. Labor costs account for approximately half of our S.G.&A. expenses, followed by logistics costs and outsourcing expenses. Given that, we regard this as one of our key management issues and we are moving forward with a 2% S.G.&A. expense ratio reduction target, which is to be achieved, in part, by increasing white collar productivity and improving transport efficiency.

I am well aware that more than anything else the prospect of increasing profitability hinges on the efforts of each and every one of our Group employees. Because of this, I communicate with our employees daily to reinforce initiatives aimed at improving and increasing our profit margins.

Management for value creation

The MinebeaMitsumi Group has established a hurdle rate of 8% for investment decisions, 2% higher than the estimated cost of capital of 6%. We are working to improve capital efficiency by understanding the cost of capital for each business and implementing appropriate financial strategies. In support of efforts to achieve net sales of 2.5 trillion yen and operating income of 250 billion yen, the Company benchmarks return on equity (ROE) and return on invested capital (ROIC), which are used as indicators of profitability for each business. The Company conducts R&D, M&As, and business withdrawal by checking whether or not the target profitability exceeds its capital cost and verifying the current status and outlook of individual businesses.

Our approach to increasing profitability of individual businesses has involved improving profit margins and reducing invested capital using a reverse ROIC tree approach. By enhancing profitability of each business portfolio, we strive to optimize invested capital on a Company-wide basis. Despite focusing on improving profitability under this policy, ROIC for the fiscal year ended March 2024 decreased relative to the previous fiscal year to 5.3%, partly due to a decrease in operating income.

We will continue to create business strategies and operate our businesses in alignment with initiatives for achieving sustainable growth and increasing corporate value over the medium to long term. In our efforts to increase corporate value, we will engage in risk management practices for reducing capital cost and implement financial strategy which helps enhance our products' competitive strengths. Moreover, to ensure an optimum business portfolio, we hold management meetings twice per year to discuss business continuity of those businesses that fall short of the hurdle rate.

- **ROIC**

ROIC of MinebeaMitsumi

=

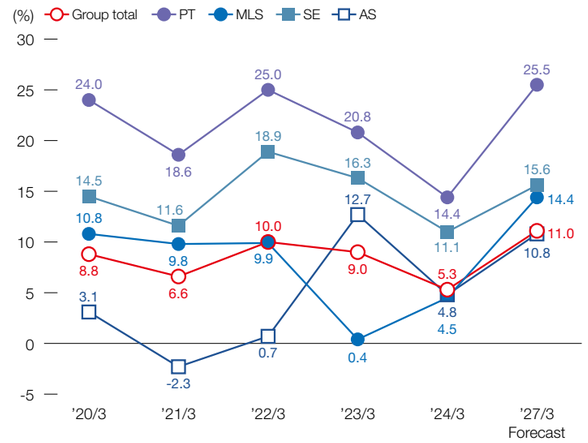
NOPAT

(operating income + extraordinary income/losses) × (1 - tax rate)

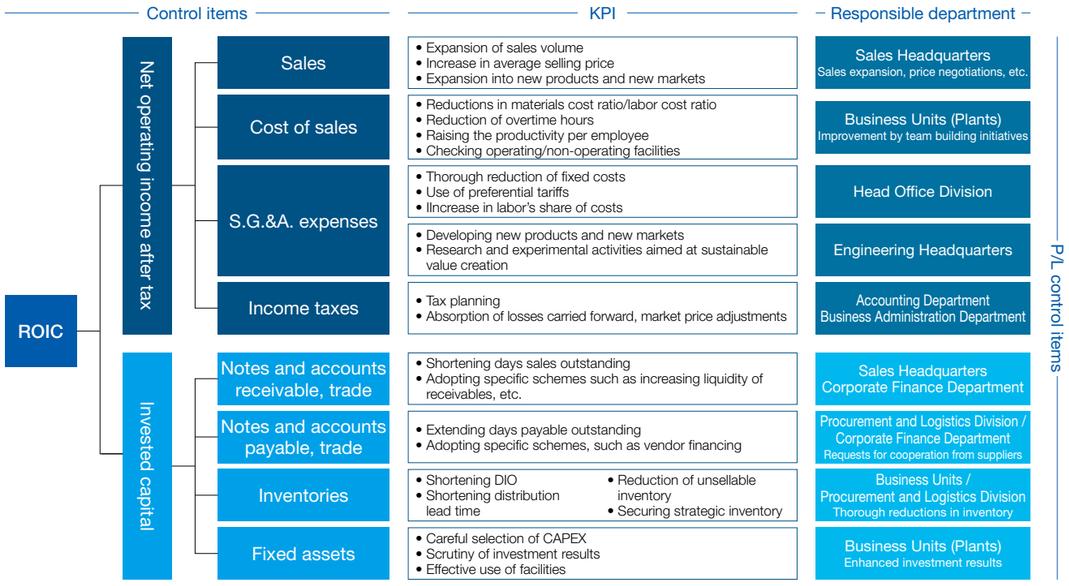
Invested capital

(notes and accounts receivable, trade + inventories + non-current assets - notes and accounts payable, trade)

Calculated using manageable business assets (trade receivables/ payables, inventories, non-current assets) by segment



*As for the plan for the fiscal year ending March 2025 and later, the figures as of May 2024 are used.



Business portfolio strategy

Focusing on growth of net sales and ROIC by business segment, we view the current state and the potential of the Company's business portfolio as indicated below: With regard to invested capital, we seek to optimize management resources in the fields of A to D, which are defined in the figure below. We plan to use capital expenditures efficiently while utilizing grants and other funds to do this. We will also focus on controlling inventories and other assets on a business segment basis to maintain working capital within an appropriate range.

Precision Technologies (PT)

In Precision Technologies (PT), we expect an increase in net sales due to various factors, including recovery of the data center market, shift to electrified vehicle types and high functionality in the automobile market, growth for medical and other applications, including high value-added products, and recovery in the aircraft market. We expect to recover bearing production and sales volumes through continual productivity improvement and other initiatives to increase production capacity. We aim to improve PT's profit margin and position it as a core business of the Company.

Motor, Lighting & Sensing (MLS)

In Motor, Lighting & Sensing (MLS), we are aiming for top-line growth with motors as our growth driver, and we expect further growth for automotive products that are high-end global niche products with high profitability, and improvement in the product mix due to recovery in the HDD market. In electronic devices, we expect the backlight business for smartphone applications, a sub-core business, to wind down. Still, we are targeting expanded revenue for other applications, mainly automotive use. In motors, we aim to achieve an operating margin of 10% or higher for the fiscal year ending March 2027 and are working on improving profitability overall to establish motors as a growth driver.

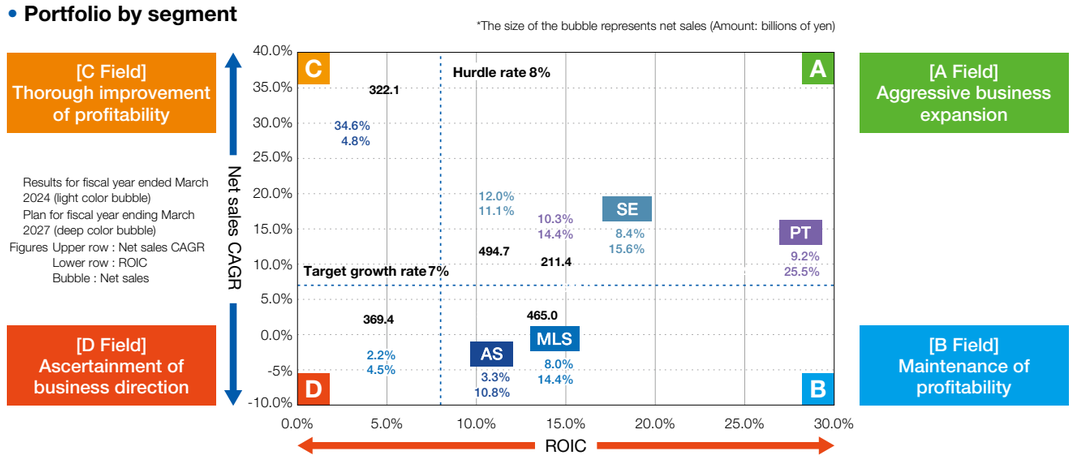
Semiconductors & Electronics (SE)

In Semiconductors & Electronics (SE), we will promote PMI activities with Minebea Power Semiconductor Device, which has undergone business integration, in the analog semiconductors business, a core business, and strive to achieve further growth. We are repositioning analog semiconductors as the second spear in our Eight Spear strategy, following bearings, and aim for an operating margin of 30% by the fiscal year ending March 2029. We aim to improve profitability for our sub-core businesses, optical devices and mechanical components, while utilizing our high production capacity.

Access Solutions (AS)

In Access Solutions (AS), we will aim for an operating margin of 10% by introducing new INTEGRATED products and high value-added products into the market. Through structural reforms and other measures, we have achieved a turnaround in European and American businesses that we integrated through M&A, thereby improving profitability. We will continue this momentum into the future. Moreover, the contribution to profits from automotive devices is progressing steadily. We will use the various solutions we currently possess.

- **Portfolio by segment**



Notes: 1. The light bubbles represent the annual average growth rate for the three years until the fiscal year ended March 2024, and net sales and ROIC for the fiscal year ended March 2024.
2. The dark bubbles represent the annual average growth rate for the three years until the fiscal year ending March 2027, and net sales and ROIC for the fiscal year ending March 2027.
3. The target growth rate of 7% is the annual average growth rate necessary to achieve organic growth for net sales of 2.5 trillion yen for the fiscal year ending March 2029.
4. As for the plan for the fiscal year ending March 2025 and later, the figures as of May 2024 are used.

Strategies by Business

Precision Technologies Pages 39 to 40 | Motor, Lighting & Sensing Pages 41 to 42
Semiconductors & Electronics Pages 43 to 44 | Access Solutions Pages 45 to 46

Risk management

Due to such factors as the shift towards a decarbonized society and heightened geopolitical risk, the business environment in which the Company operates is changing rapidly on a day-to-day basis. To respond to such changes quickly and appropriately, we must strengthen our defensive approach to risk management and take an aggressive approach to maximizing profit.

The Representative Director, Chairman CEO of MinebeaMitsumi is responsible for risk management and works with the Risk Management Committee to make important decisions. It is also the committee's role to assume specific risks and action plans for such risks and conduct continuous monitoring of the situation. As the CFO, I focus on recognizing and forecasting our business environment, analyzing the impact of individual events on our business and performance, examining the likelihood of occurrence, urgency and impact of risks and opportunities, and formulating strategies and measures. I also execute those strategies and measures in a concrete and steady manner.

One of the most urgent issues facing the MinebeaMitsumi Group concerns business continuity planning (BCP). We are focused on developing and strengthening disaster prevention manuals and BCP's for sites we have identified with substantial water related risks, including flood or drought.

Another area of risk involves cyber-security. We are addressing the significant information security challenge by establishing and strengthening systems meant to deter and prevent cyberattacks. Specific measures in this regard have included establishing an automated monitoring and anomaly detection network for PCs and servers used daily across the entire Company, including its overseas production sites, and the implementation of an incident response system that promptly addresses any reported anomalies or threats. Moreover, the Group has a specialized team for handling threat analysis, enabling us to mount a rapid response that fully encompasses threat detection, analysis, and countermeasures.

Concerning economic security, we have implemented internal regulations to respond promptly to the strengthening of economic sanctions and export control regulations in various countries and to take a more strategic approach to expanding the business while managing risks related to transactions subject to economic security concerns.

Risks and Opportunities Pages 31 to 32 | Risk management Pages 91 to 92

Environmental management

In November 2022, the Company issued its first series of green bonds to fund the production of high-quality bearings that contribute to more significant power savings and groundbreaking precision, research and development, and procurement of decarbonized power sources. The Company will achieve its environmental targets by taking on the carbon neutrality challenge and promoting MMI Beyond Zero. In recent years, we have been focusing on adopting renewable energy in Japan and abroad particularly at the Company's core plants overseas, and we will continue to further promote initiatives to realize a sustainable global environment.

Initiatives for the Environment Pages 69 to 76

Engagement with stakeholders

I work closely with the IR division, holding numerous meetings with investors and shareholders to explain our proactive business and financial strategies aimed at achieving further Company growth. The CEO and I, as the COO & CFO, take an agile approach to discussing the feedback we receive with the administration and business divisions, fostering a culture where such feedback is actively applied to our management strategy. For instance, we received questions regarding the results of our M&A strategy, which constitutes one of our key growth strategies, and how the strategy has increased our corporate value. In response to this, we disclosed our track record in our presentation materials released during our earnings briefing for the fiscal year ended March 2024.

In addition, we believe that strengthening investments in non-financial capital, such as human capital, manufactured capital, and intellectual capital, and integrating them with financial capital, will enhance both corporate and shareholder value. We have been conversing with investors about our management strategy including non-financial capital, and in July 2024, we held a small meeting between institutional investors and Outside Directors. In particular, the Outside Directors conveyed to investors that discussions about human capital in the Board of Directors meetings, which had been somewhat lacking before, are increasing.

Moreover, we hold annual meetings with our investors and shareholders regarding the information contained in our Integrated Report, thereby enabling us to receive candid feedback that helps us make management improvements. We will continue to realize improvements in corporate and shareholder value through open exchange of views with our stakeholders. Going forward, we hope our investors and shareholders will continue looking forward to MinebeaMitsumi's unwavering focus on its substantial potential for growth and profitability.

M&A Pages 19 to 20 | Dialogue between institutional investors and Outside Directors Page 89

M&A

In addition to organic growth, MinebeaMitsumi is aggressively pursuing M&A as a key growth driver. In addition, we have been working to create new value with integrated companies, with our strength in Post Merger Integration (PMI), which accelerates the "INTEGRATION" of people. On this page, you will find our fundamental approach to M&A, a PMI case study of our semiconductor business unit, and a dialogue between the people in charge of the Semiconductor business division and Minebea Power Semiconductor Devices (MPSD), which will be integrated into MinebeaMitsumi group in 2024.

Positioning of M&A in Growth Strategy

The Company aims to achieve net sales of 2.5 trillion yen and Operating Income of 250 billion yen in the fiscal year ending March 31, 2029. In our M&A strategy, we will continue to maximize profits and manage risk through a diversified business portfolio. We will continue to adhere to our goals of 2.5 trillion yen in net sales and 250 billion yen in operating income while focusing on M&A deals with higher Operating Income and investment efficiency to ensure sustainable growth and even higher profitability to maximize corporate value.

M&A Principles

As a general principle, we focus on projects that strengthen our existing core "Eight spears" business and which we expect to generate synergies. Another important principle is to ensure that the price is appropriate. We enhance investment efficiency by ensuring that acquisitions are made at an appropriate price, fully considering each deal's profitability and synergistic effects. In selecting target companies, we choose businesses that share common values with our Company, are strategically important to our Eight spears strategy, and will further strengthen our earnings base.

Our M&A promotion system has several characteristics. First, we emphasize post-merger integration (PMI), and we make maximum use of our PMI know-how accumulated from our many years of experience to realize a swift, careful, and effective post-acquisition integration process using only internal resources based on "INTEGRATION" between people, rather than relying on external consulting. Another important feature is that we promote M&A from a global perspective, both domestically and internationally, to strengthen our international competitiveness. In addition, we pursue growth while maintaining a sound financial position with an emphasis on maintaining our credit rating by securing M&A resources by following strict financial discipline and a cash allocation policy that supports sustainable growth.

M&A Track Record

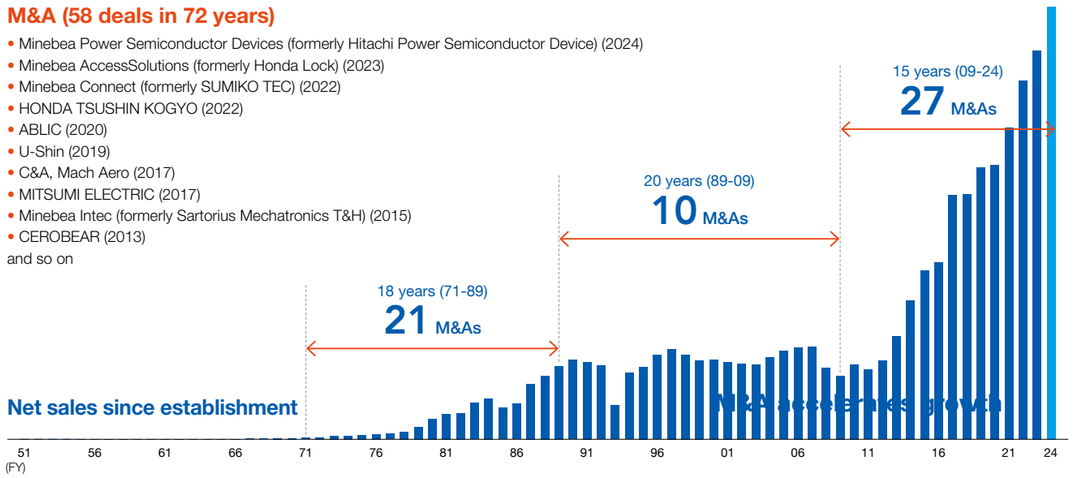
We have completed 58 M&A transactions to date, most notably 27 in the last 15 years. Of these, 26 have been integrated, with a cumulative enterprise value of 306 billion yen, total sales of 610 billion yen (25 excluding MPSD), and total Operating Income of 49 billion yen (based on the fiscal year ending March 31, 2024). These achievements have contributed significantly to our value creation and our M&A strategy is highly regarded by many investors as one of our most significant growth strategies.

We will continue to promote M&A to accelerate our growth, stabilize our operating base and achieve higher profitability to maximize corporate value and increase shareholder value.

M&A (58 deals in 72 years)

- Minebea Power Semiconductor Devices (formerly Hitachi Power Semiconductor Device) (2024)
- Minebea AccessSolutions (formerly Honda Lock) (2023)
- Minebea Connect (formerly SUMIKO TEC) (2022)
- HONDA TSUSHIN KOGYO (2022)
- ABLIC (2020)
- U-Shin (2019)
- C&A, Mach Aero (2017)
- MITSUMI ELECTRIC (2017)
- Minebea Intec (formerly Sartorius Mechatronics T&H) (2015)
- CEROBEAR (2013)

and so on



Analog semiconductor PMI interview

Achieve a global niche top position through synergistic effects, aiming for 200 billion yen in net sales and a 30% Operating Income

Managing Executive Officer, Head of Semiconductor Div.
Koji Yano

×

Business Officer, Deputy Head of Semiconductor Div., Head of Power Device BU
Masahiko Suzuki

Why did you choose to integrate with MinebeaMitsumi?

Suzuki: In considering the future of Hitachi Power Semiconductor Devices (HPSD), the main reason was that we could imagine concrete synergies to be created with MinebeaMitsumi as our partner for the business integration. Before the business integration, HPSD continued to record record sales, but the semiconductor business model based on mass production was not a core competence of the Hitachi Group, and the company had a history of expanding its business in cooperation with external partners. One of the most prominent of these was MinebeaMitsumi's Chitose Plant. I also heard that MinebeaMitsumi values the corporate culture and human resources of the companies it acquires, so I felt most comfortable envisioning the employees playing an active role after the acquisition.

Yano: The Chitose Works, our main plant for power semiconductors, has a long history of operation as a Hitachi Group semiconductor plant, and there was a mutual affinity in the plant specifications. We have been a front-end Fab for HPSD for some time. I trust Mr. Suzuki, and we have had a close relationship on the manufacturing floor as if we were family members. I also felt that the complicated manufacturing process transfer work to achieve vertical integration would go smoothly if I worked with President Suzuki.

Impressions after PMI and integration

Suzuki: The preparatory committee was set up six months before the business integration, and I was surprised at how quickly things proceeded when I saw the schedule presented to us. Once we got started, the members of MinebeaMitsumi seamlessly took over the business. I am impressed that operations generally returned to normal within two months after the business integration. I know there are cases where business integration does not go well even if it takes a year, but MinebeaMitsumi's staff is extremely experienced.

Yano: I also experienced this when MITSUMI ELECTRIC was integrated in 2017, and MinebeaMitsumi has the advantage of having a manual for M&A practices. Mr. Suzuki and his team moved into the X Tech Garden in June, and we can now communicate more closely. We are working together to enthusiastically expand our power semiconductor business by promoting INTEGRATION activities of power devices with MinebeaMitsumi's unique applications such as motors and ABLIC products.

Future Outlook and Synergies

Yano: When MITSUMI ELECTRIC merged with MinebeaMitsumi in 2017, analog semiconductor sales were around 25 billion yen. For the fiscal year ending March 31, 2029 , the division has set targets of 200 billion yen in sales and an operating margin of 30%. We are now positioned as the second growth driver after bearings among our eight core businesses. We are confident in our ability to achieve this goal. Until now, we have mainly sold chips, but the business integration has enabled us to sell high-unit-price products by promoting vertical integration from chips to modules. In addition, HPSD's expertise in high-voltage technology has enabled the company to enter infrastructure areas such railroads and wind power generation. We have relied on overseas OSAT* until now, but in the future, we will be able to utilize our in-house production technology and capacity, which I believe will have a significant impact. There is a sense of never-ending synergy between the two companies.

Suzuki: I think we have achieved an ideal "get the best of everything" in both the manufacturing and sales processes. The module, one of the fruits of vertical integration, is a result of unique technology and know-how, and I think it would be quite challenging to imitate us even with recent simulation technology. I believe that in the past two months, we have been able to integrate technologies and expertise that would take years to acquire if we were a newcomer to the market. In addition, side-gate IGBTs , which are 25% smaller, more efficient, and less expensive than conventional IGBTs, are currently being tested at the Shiga Plant and are scheduled to be launched in the next fiscal year (ending March 2026). In the application of next-generation silicon carbide (SiC), which has a proven track record in the railroad industry, we have also established a leading system for research and development. Furthermore, we aim to create new added value by "INTEGRATION" of high-voltage ICs with MinebeaMitsumi's products for motors, power supplies, and medical applications. We are also working to improve profitability by learning from other business units' pricing strategies and cost reduction knowledge. We hope to bring INTEGRATED products to market in the future by leveraging our strengths as a global niche leader that other companies simply cannot match.

*Company specializing in back-end processing and testing of semiconductors

Value Creation Model

Corporate philosophy

To contribute to realization of a sustainable, eco-friendly and prosperous society by providing better products, at a faster speed, in larger numbers, at a lower cost and by smarter means.

Achieving sustainability as a company as well as for the earth and society

External Environment

- Acceleration and diversification of technological innovation
- Global climate change
- Expanding geopolitical conflicts
- Digital shift
- Cyber security
- Demographic change
- Respect for human rights
- Post-pandemic society

INPUTS

Financial Capital
- Net assets 715.7 billion yen
- Equity ratio 49.7
- Rating R&I A+, JCR A+

Human capital
- Systematic recruitment of ideal human resources (214 new graduates, 299 career hires *3 major domestic companies)
- Professional development in manufacturing, sales, and technology (275 planned *FY3/2025)
- Planned development of core human resources (85 selective training planned *FY3/2025)
- Employee engagement (overall evaluation score 60%)
- DEI promotion (ratio of female employees: 16.3%; ratio of female managers: 3.2%; ratio of female hires: 19.4%; ratio of employees with disabilities: 2.57%)
  *MinebeaMitsumi is a non-consolidated company. As of June 2024
- Promote team building activities (342 teams to be registered *Fiscal year ending March 2025)

Manufactured capital
- Vertically-integrated manufacturing system
- Sharing of manufacturing know-how and a specialized team to support manufacturing
- Global operation
  Global production and R&D bases with 130 sites in 24 countries
- Capital expenditure 83.6 billion yen

Intellectual capital
- Ultra-precision machining technology and other elemental technologies
- Integrated strength in manufacturing, technology, development and sales
- Maximize synergistic effects through M&A execution and PMI
- R&D expenditures 42.7 billion yen

Natural capital
- Electricity consumption 1,592,072 MWh
- Amount of renewable energy introduced 48,701 MWh
- Contribution to CO_2 emission reduction by products 2.09 million t-CO_2

Social Capital
- Number of customers 3,521 companies
- Number of countries where our products are sold: 63
- Upgrading of CSR procurement guidelines in consideration of environmental and human rights issues
- Cooperative activities between industry, government, and academia
- Community contribution activities

(As of March 31, 2024 or FY3/2024 unless otherwise noted)

Growth strategy and Business activities

Create new value through "difference" that transcends conventional wisdom

Growth Strategy
1. Organic growth
2. M&A
3. Developing products and supplying components for resolving social issues

Strengths

Strength 1 — Reinforcing Core Businesses
Strengthen business by utilizing our ultra-high quality, highly competitive pricing capability, and unrivaled supply capability

×

Strength 2 — Diversified Niches
Achieve both high profitability and high growth by securing a high market share in niche fields and further diversifying

×

Strength 3 — Generating Synergies through INTEGRATION
Generate synergies through the INTEGRATION of our ten core technologies with our core businesses

Core business Eight spears strategy
- Bearings
- Motors
- Access products
- Power supply components
- Analog semiconductors
- Sensors
- Connectors/switches
- Wireless/ communications/ software

Business Activities/Value Chain

Research & Development → Procurement → Production → Sales

Intellectual Capital P.63-64 | Society P.78 | Manufactured capital P.61-62 | Sales P.47-48

Quality Control

Society P.77-78

OUTPUTS

High quality products

Bearings | Motors

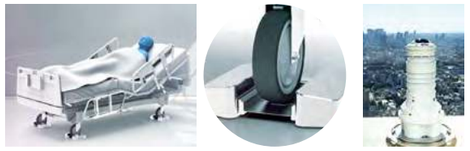
Ultra-precision components that respond to trends in society such as higher functionality and higher quality, and to technological needs such as high voltage, high current, high frequency, and high speed

Environmentally friendly products (Green Products)

Analog semiconductors (our IGBT wafers) | Fan motors

Almost all of our products are environmentally friendly, contributing to space and energy savings by enabling downsizing through precision and small size.

Products that solve social issues



Bed Sensor System™ | Environmental sensors

Solutions that contribute to solving various social issues such as the declining birthrate, aging population, and disaster countermeasures

INTEGRATED products

Wing Handles

New high value-added products created by INTEGRATION

OUTCOMES

Goals
As the world's only "INTEGRATION manufacturer of precision components" we create new products essential to solving social issues

Long term target
2.5 trillion yen in sales and 250 billion yen in OP
EPS growth rate of 15% or more,
ROE of 15% or more

Economic value
- Improve Sales, Operating Income, EPS, ROE, ROIC, and Free Cash Flow
- Achieve and maintain the world's No.1 market share and the world's smallest and thinnest technology

Social and Environmental Value
- Contribution to global innovation through cutting-edge technology
  Product lineup with No.1 global market share
- Supporting global manufacturing with environmentally friendly products
  Reduce power consumption of our products and the customers that use them, thereby contributing to the reduction of CO_2 emissions worldwide
  FY3/2031: approx. 4,000,000 t-CO_2
- Achieving both mass production and reduced environmental impact
  Greenhouse Gas Emissions
  Achieve carbon neutrality by 2050
  Total amount by FY3/2031: -42% (compared to FY3/2023)
  Green Products sales ratio: 90% or more by FY3/2029
- Improving Employee Engagement
  Diverse human resources of all ages, nationalities, genders, and company backgrounds
  Steadily passing on the strength of "MinebeaMitsumi's unique" human resources to the next generation
  Effective management through the best mix of top-down and bottom-up approaches
- Social trust through the provision of high-quality products and fair trade
- Contribute and build trust in the local community

MinebeaMitsumi's Core competence

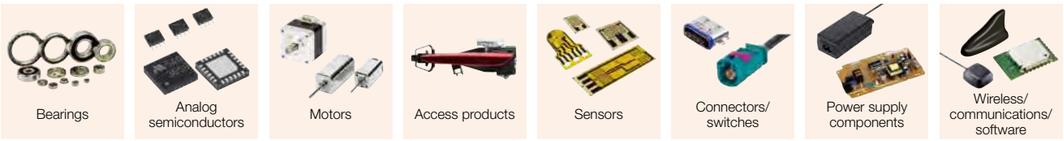
About MinebeaMitsumi

A unique INTEGRATION manufacturer of precision components with our core businesses "Eight Spears" at its core

MinebeaMitsumi is an "INTEGRATION" precision components manufacturer that combines a wide range of cutting-edge technologies, from ultra-precision processing technology as typified by bearings to motors, sensors, semiconductors, and wireless technology, to create new value through "differences" that transcends common sense.

Core business "Eight spears"

We have identified products that can demonstrate our strengths in ultra-precision machining technology and mass production technology, and that will not be easily lost, as our core business "Eight spears".



Definition of business portfolio

We classify our business portfolio into core, sub-core, and non-core businesses to reduce performance volatility and improve risk management.

Core Business	sub-core business	Non-core businesses
(1) Serve niche fields in massive markets (2) Capable of drawing on the strengths of the Company (3) Not readily displaced even as a result of technological innovation (4) Have synergy between products • Eight spears products	(1) (2) (4) Same as the core business, but (3) may be replaced by technological innovation Considering the possibility of being replaced in the future, minimize risks by minimizing fixed costs and accelerating amortization of investments, while contributing to further reinforcement and growth of core businesses. • LED backlights, camera actuators, game assemblies	Businesses that do not apply to the left column. No applicable products at present as the company has already withdrawn from the business • Speakers, keyboards, etc.

Core technologies

Ultra-precision machining technology

Advanced machined products require high-precision cutting, grinding, and polishing on the submicron level. We have applied the ultra-precision machining technologies developed for bearings to other products, creating the world's smallest and thinnest products in a variety of fields.

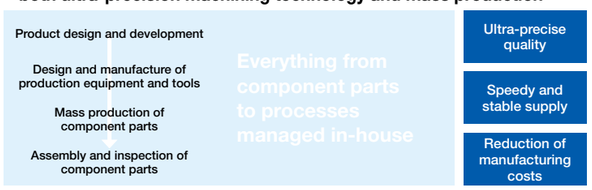
Mass production technology

For example, we produce 100 million ball bearings per month on a long-term, stable basis. We also need to respond quickly and flexibly to customer demand trends. We have high-precision, highly efficient production lines that are proprietary to MinebeaMitsumi, which we have introduced to our group plants in various countries to achieve high-quality mass production worldwide. We also deploy our production know-how to companies that have joined the group through M&A or other means, creating manufacturing synergies and improving productivity and profitability.

Vertically-integrated manufacturing system

We have established a "vertically-integrated manufacturing system" in which processes from development to assembly are integrated, and we have organically connected our mother factories with mass production bases throughout the world to create a system for supplying products in global markets.

- **Our vertically-integrated manufacturing system enables us to achieve both ultra-precision machining technology and mass production**



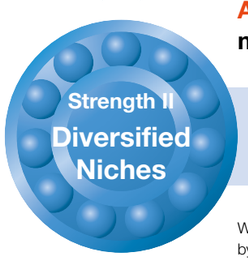
MinebeaMitsumi's Strengths that Make a Difference Beyond the Norm

Strengthen business by utilizing our ultra-high quality, highly competitive pricing capability, and unrivaled supply capability

= Ultra-precision machining technology × Vertically integrated manufacturing system × Global operation

MinebeaMitsumi's strengths lie in its unique technologies and production systems, which enable it to produce ultra-high-quality products at highly competitive prices and to provide unparalleled supply capabilities. In addition, the ratio of overseas production is approximately 80%, and our 100,000 global employees are working together to manufacture products.

×



Achieve both high profitability and high growth by securing a high market share in niche fields and further diversifying

= Niche fields × Business diversification × Concentration and selection

We have secured a high market share in our niche segments and increased our profitability. We are aiming for further growth by increasing our global niche top products through organic growth and diversification through M&A. Focusing on economic rationale, we are also working on concentration and selection by managing our core, sub-core, and non-core business portfolios.

×

Generate synergies through the INTEGRATION of our core technologies with our core business

= Core technologies × Core businesses "8 spears"

INTEGRATION: the term was adopted with the intended meaning "to be combined" rather than "to sum up". Create new value through synergy by combining all the resources of our group

INTEGRATION of technology

Integration and utilization of diverse core technologies

- Ultra-precision machining technology
- Mass production technology
- Sensor technology (e.g. load and pressure)
- Optical technology
- MEMS technology
- High-frequency technology
- Electronic circuit technology
- Semiconductor design technology
- Mechanism design technology
- System design technology

INTEGRATION of business

Synergies to strengthen each business and create new products

	Bearings	Analog semiconductors	Motors	Access products	Sensors	Connectors/ switches	Power supply components	Wireless/ communications/ software
Bearings			●	●	●			
Analog semiconductors			●	●	●		●	●
Motors	●	●		●	●	●	●	●
Access products	●	●	●		●	●	●	●
Sensors	●	●	●	●			●	●
Connectors/ switches			●	●			●	●
Power supply components		●	●	●	●	●		●
Wireless/ communications/ software		●	●	●	●	●	●	

Creation of New Value

Providing products essential for solving social issues in various fields

Creating new value and sustainable growth

- Automobiles
- Aircraft
- Robotics
- Nursing and Medical Care
- Industrial
- Information & Communication
- Infrastructure
- Housing Equipment

MinebeaMitsumi's history, now and future

Organic growth × M&A growth

MinebeaMitsumi was established in Itabashi-ku, Tokyo in July 1951 as Japan's first manufacturer specializing in miniature bearings.

Since our founding, we have experienced business integration with 58 companies (as of August 31, 2024) and have grown into an "INTEGRATION" precision parts manufacturer with a unique business portfolio that is unmatched in the world, ranging from ball bearings to motors, sensors, access products, and semiconductors.

In addition to organic growth and M&A, we will continue to grow by developing of products that contribute to solving social issues and creating new value that supports manufacturing and peoples' lives worldwide.

- **Organic growth**
- **M&A**

The corporate profile can be viewed from here.

1950

Founded in 1951 **Nippon Miniature Bearing Co., Ltd., Japan's first specialized manufacturer of miniature ball bearings, is incorporated** in Azusawa, Itabashi-ku, Tokyo

1963 Plant is relocated from Kawaguchi, Saitama, to Miyota-machi, Nagano, and operations begin **at the Karuizawa Plant, to become the mother plant of all the MinebeaMitsumi Group's plants worldwide**

Karuizawa Plant (Japan)

1972 **Our first overseas plant is constructed in Singapore**

1971 Production overseas is commenced for the first time in the U.S.

1974 The Company embarks on the electronic devices and components area (measuring components: the present Sensing Device BU)

1980

1980 Ayutthaya Plant is established, the Group's largest operation and **first foray into Thailand**.

1984 Bang Pa-in Plant is established as the second facility in Thailand

1986 Hamamatsu Plant is established; Development in the electronic devices and components area is expanded

1988 Lop Buri Plant is established and production of electronic devices and components is expanded into Thailand

1994 MINEBEA ELECTRONICS & HI-TECH COMPONENTS (SHANGHAI) LTD., (our first plant in China) is established, which produces bearings and fan motors from parts in a vertically-integrated manner

1980 The Company commences the production of small-sized ball bearings

1985 The U.S. ball bearing manufacturer is acquired and supply to the U.S. market is expanded

1988 The U.K. rod-end bearing manufacturer is acquired
Supply to Europe market is expanded

1990 The Company establishes a subsidiary to develop HDD spindle motors in Germany

2000

2010 **Our plant is established in Cambodia and commences production the next year**
Risk diversification, expansion of production and reduction of costs

Suzhou Plant is established to expand production of LED backlights

2018 Kosice Plant in Slovakia commences production
Supply to Europe market is expanded

2010 Production of brushless motors is commenced
Product lineup of motors is expanded

2015 A major manufacturer of measuring components in Germany is acquired
Production and supply in Europe and India are expanded

2017 **Business integration with MITSUMI ELECTRIC through share exchange**
Growth of each business is accelerated as an "Electro Mechanics Solutions™" provider that integrates control technology with machine and electronic technology

2019 **Business integration with U-Shin** through tender offer
Synergy in the automotive, housing equipment and industrial machinery areas is generated through the strength of new INTEGRATION

2020

2020 New building is completed at the Akita Business Division
Development of automotive business is strengthened

2021 New multi-purpose factory building is constructed on the Bang Pa-in site in Thailand
Production capacity for a variety of future products is increased

2022 Karuizawa Technology Center is established
Development of machined components is strengthened

2023 **The Tokyo X Tech Garden is established**
INTEGRATION of talents and developing new products are strengthened

2020 **Business integration with ABLIC through acquisition of its shares**
The Company's presence in the analog semiconductor market is strengthened

2021 8-inch analog semiconductor plant (fab) and MEMS business are acquired from OMRON Corporation
Production of analog semiconductors is expanded

2022 **Business integration with Honda Tsushin Kogyo and SUMIKO TEC (currently Minebea Connect) through acquisition of their shares**
Product lineup of connectors is expanded

2023 **Business integration with Honda Lock (currently Minebea AccessSolutions) through acquisition of its shares**
Access product business is strengthened

2024 **Business integration with Minebea Power Semiconductor Device Inc. (formerly Hitachi Power Semiconductor Device, Ltd.) through acquisition of its shares**
Strengthening Power Semiconductor Business

Plans to Acquire Tsubaki Nakashima's Ball Screw and Ball Way Business
Expand business portfolio

Total of **58** M&As!

Number of M&As

from 1951 Founding period

Established as Japan's first manufacturer dedicated to miniature ball bearings

Since our establishment in July 1951, we have pursued high quality and low prices. In 1964, we established the Karuizawa Plant with the latest machinery and equipment.

In addition, we received guidance from overseas engineers, which dramatically improved our technical level. As exports to foreign countries increased and sales grew, we introduced one state-of-the-art machine after another to the Karuizawa Plant, laying the foundation for our "ultra-precision machining technology" and "mass production technology".

from 1970 Diversification

Expanding business domain through overseas expansion and diversification

With a sense of crisis that bearings might disappear in the future, we started motor business in 1973 and expanded into semiconductor and electronic device component businesses in the 1980s. In 1971, the company acquired a REED plant in the U.S. and began overseas production.

In 1972, the company also began overseas production at its own plants in Singapore and Thailand in 1980.

REED Instrument Corp in U.S.
(Currently NHBB Chatsworth Plant)

While aggressively pursuing domestic and international mergers and acquisitions to acquire engineers and increase production capacity, the company also expanded its corporate scale by developing businesses outside of manufacturing, such as interior design, cosmetics, door-to-door sales of kimonos and jewelry, and pig farming.

from 1990 Return to manufacturing

Streamlining management by promoting selection and concentration of businesses

In the 1990s, as the negative effects of diversification began to mount, we sought to restore our profitability by reorganizing businesses that were not closely related to manufacturing and concentrating management resources on our core businesses of bearings and electronic devices. We started integrated production of ball bearings in Shanghai, China. Production of high-precision components for HDDs began in earnest, as we further refined our ultra-precision machining technology and vertically-integrated manufacturing system.

from 2000 Becoming an INTEGRATION manufacturer of precision components

Pursuing synergies to solidify our strength as a company

As we entered the 2000s, the technological changes in the world became even more drastic, and IoT became the norm. We further expanded our production bases in Cambodia and Slovakia, and accelerated our M&A activities. Since Chairman Kainuma took office as CEO in 2009, the Company has conducted 27 M&As. In 2017, the Company conducted a business integration with MITSUMI ELECTRIC and changed the company name to MinebeaMitsumi Inc.

In the 2000s, the world was hit by a variety of disasters, including the Lehman bankruptcy, U.S.-China trade frictions and other financial crises, the Great East Japan Earthquake, the flooding in Thailand, and the spread of COVID-19. Even so, with the strength of our diversified business portfolio and risk diversification system, we have strongly overcome adversity and continue to grow as an INTEGRATION manufacturer of precision components.

MinebeaMitsumi's history, now and future

Pursuit of high profitability with ultra-precision machining and mass production technologies at the core

Business

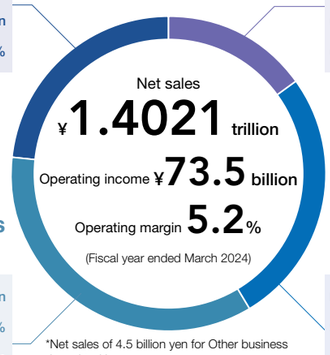
The Company set a new record high in net sales and operating income for the fiscal year ended March 2024 thanks to its diversified business portfolio.

Access Solutions

Net sales	¥322.1 billion
Share of total net sales	23.1%
Operating income	¥10.6 billion
Operating margin	3.3%

Precision Technologies

Net sales	¥211.4 billion
Share of total net sales	15.1%
Operating income	¥38.0 billion
Operating margin	18.0%



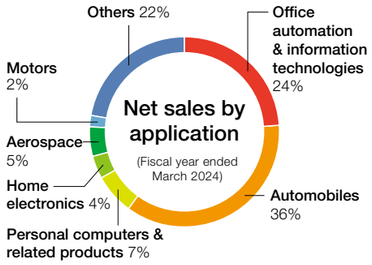
*Net sales of 4.5 billion yen for Other business is omitted here.
*Operating Income of -0.7 billion yen for other businesses and -21.8 billion yen for adjustments have been omitted

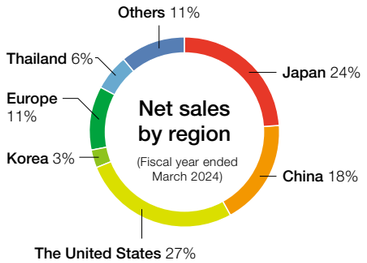
Semiconductors & Electronics

Net sales	¥494.7 billion
Share of total net sales	35.4%
Operating income	¥35.5 billion
Operating margin	7.2%

Motor, Lighting & Sensing

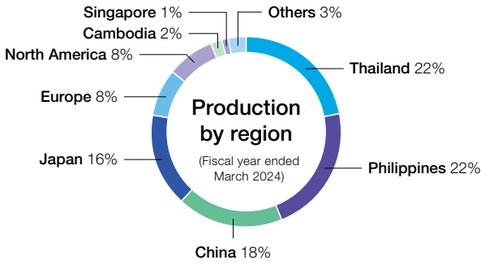
Net sales	¥369.4 billion
Share of total net sales	26.4%
Operating income	¥11.9 billion
Operating margin	3.2%





Production

We created a global production framework and reduced exchange, disaster and geopolitical risks.

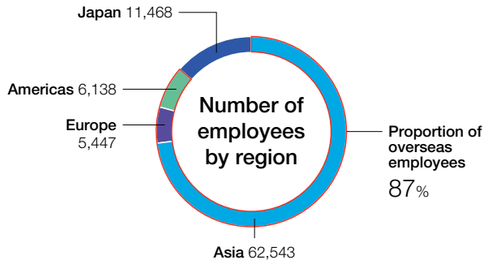


28	130	101
countries	Production and R&D bases	Sales offices

(As of July 31, 2024)

People

The Company serves as a global enterprise that carries out and employs 90% of its diversified workforce abroad.



Consolidated number of employees

85,596

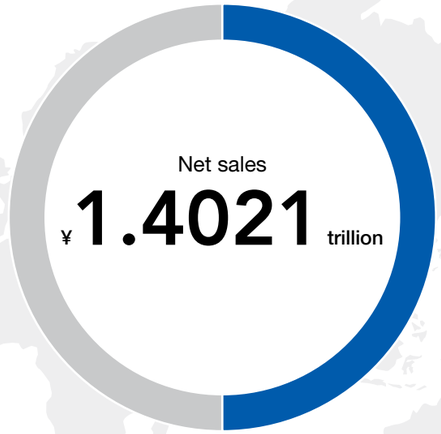
*The consolidated number of employees comprises full-time employees only and accordingly does not include part-time employees or temporary workers.

(As of June 30, 2024)

Efforts to Become a Global Niche Top

MinebeaMitsumi boasts a 60% share of the global market for miniature and small-sized ball bearings with an outer diameter of 22 mm or less. Furthermore, by applying the ultra-precision machining technology and mass production technology we have cultivated through our bearing business to various fields, we have created products with the No. 1 share* in the global market, as well as the world's smallest and thinnest products. Our global No. 1-share products account for approximately 50% of our net sales. In addition, wide-ranging applications including automobiles, aircraft, smartphones, medical devices, and infrastructure, as well as a complementary system of global production bases in Japan, the U.S., Europe, and Asia, provide us with an excellent risk diversification system and a wide range of talent to create synergies. By specializing in niche areas within the global market, we will continue to improve profitability.

*According to MinebeaMitsumi

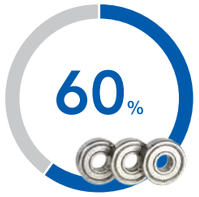


Proportion of products with the world's No.1 share 50%

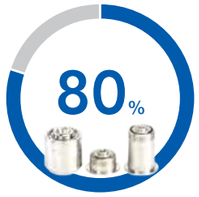
Products with the world's No. 1 share

- Miniature & small-sized ball bearings 60%
- 1-cell Lithium-ion Battery Protection IC 80%
- Pivot assemblies for HDD 80%
- Small motor for OA equipment and automotive product ..... The world's No. 1 share
- Camera actuators for smartphones ..... The world's No. 1 share

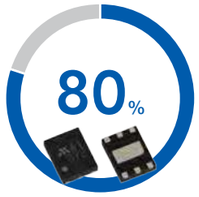
The world's No. 1 share



Miniature & small-sized ball bearings



Pivot assemblies for hard disk drive (HDD)

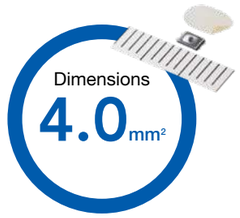


1-cell Lithium-ion Battery Protection IC

The world's smallest

Miniature ball bearings

The world's smallest class stepping motors



The world's smallest class tactile switches

The world's thinnest

Light guide plates for LED backlights for LCDs

MinebeaMitsumi's history, now and future

Accelerating growth by developing products and supplying components that will contribute to solving social issues

In addition to organic growth and M&A, which have been the growth drivers in the past, MinebeaMitsumi will develop and produce products that solve social issues, create high value-added products and new products that only we can offer, and further expand sales and profits. We will continue to contribute to realizing a sustainable society through our corporate activities.

New trends ❸

Development of Products that Solve Social Issues

Products that Contribute to the Environment

Bearings with three times the precision of today's products
To drastically reduce electric power consumption!

Smart city solutions
To centralized control of street light luminance, etc., through wireless communication

Growth by solving social issues

Declining birthrate and aging population

Bed Sensor System™

Disaster countermeasures

Integrated environmental sensors
To allow visualization of meteorological data in real-time

Autonomous driving

Actuators for laser scanners
Innovate the LiDAR image quality and function

Traditional trends ❶ ❷

Organic + M&A

High quality products
Automotive precision components
Contribute to safety, comfort, and energy saving of automobile

High functioning
Precision components for mobile device
Contribute to the functionality and slimness of smartphones

Growing with development of the global economy

Past — Current — Future

In addition to high quality and high functionality, we will deepened and use INTEGRATION of each of the Eight spears' technologies to solve social issues

Social issues to be addressed
- Declining birthrate and aging population
- Population issues
- Healthcare issue
- Promotion of telemedicine
- EV
- Autonomous driving
- Robotics
- Environmental
- Energy issues
- Global warming

etc.

Seeds

4 Highs: High voltage, High electrical current, High speed, High efficiency

Needs

Electrification, automation
+
AI·VR·XR
+
xEV·CASE
+
Ultra-high-speed communication
+
Sensing (Control)

The products required for social issues make up the Eight spears

Representative example	Bearings	Analog semiconductors	Motors	Access products	Sensors	Connectors/ switches	Power supply components	Wireless/ communications/ software
Wing handles			●	●	●			
High power-power supply module	●	●	●			●	●	●
High efficiency & pressure motors	●	●	●		●	●		●
Digital key solution	●	●	●		●	●		●
Wireless solution		●	●		●			●

Risks and Opportunities

The Group formulates strategies and measures depending on degree of urgency by: recognizing the business environment and anticipating its developments; analyzing impacts of individual events on the Group's business and performance: and further analyzing probabilities of occurrence and degrees of impact of risks and opportunities. The table below provides an overview of the Group's risk and opportunity assessment.

Megatrends

- Emergence of geopolitical conflict (Trade friction and Ukraine Issue)
- Global climate change and shift to a carbon-free society
- Acceleration and diversification of technological innovation
- Digital shifts & cybersecurity
- Society in the post-COVID era
- Demographic change (Shrinking labor force & super-aged society)
- Mounting international demands concerning human rights and human rights legislation

	Impact on the Company (▲: Risks ○: Opportunities)	Probability of occurrence	Degree of urgency*	Degree of impact	Strategies/measures	Reference	Material issues (Materiality)
Manufacturing	▲ Increase in production cost due to rising raw material and logistics expenditure	**High**	Within 1 year	Moderate	• More stringent monitoring of supply-demand balance • Product price optimization • Logistics optimization	CFO's Message Pages 13 to 18 Strategies by Business Pages 37 to 46	3 Strengthening the mass and stable supply system for ultra-precision components
	▲ Suspension of production and reduction in capacity utilization of supplier production sites due to natural disaster, etc. ▲ Supply chain instability, including geopolitical risks	Moderate	Within 3 years	**Large**	• Effective product mix and global production system for changing external environment • Regularly performing political and economic risk assessments • Promoting multi-sources (purchase from several suppliers)	Manufactured Capital Pages 61 to 62 Risk management Pages 91 to 92	
	▲ Suspension of production and reduction in capacity utilization of the Group's production sites due to natural disaster, etc. ▲ Suspension of production and reduction in capacity utilization of the Group production sites due to social confusion, including geopolitical risks	Moderate	Within 3 years	**Large**	• Formulating BCPs and implementing training drills at major business sites in Japan and overseas with a focus on locations subject to substantial water risks • Keeping a risk management manual • Global production framework • Arranging insurance policies	Manufactured Capital Pages 61 to 62 Initiatives for the Environment Pages 69 to 76 Risk management Pages 91 to 92	
	○ Enhanced appeal to customers as a result of developing BCPs	Moderate	Within 5 years	Moderate			
	▲ Incurrence of significant expenses and loss of public confidence resulting from serious accident or product recall caused by a defective product	Low	Indefinite	**Large**	• Rigorously implementing the MinebeaMitsumi Group Quality Policy • Investigation and verification in design stage and strengthening of management structure within supply chain • Arranging insurance policies	Reinforcement of quality control systems Pages 77 to 78	
Technological innovations	▲ Loss of markets and competitiveness due to obsolescence of existing technologies and products as well as R&D failures	Moderate	Within 5 years	Moderate	• Upgrading core technologies and promoting INTEGRATION initiatives • Deepening of ultra-precision machining technologies • Continuous development of an intellectual property portfolio • Promoting open innovation through industry-government-academia partnership • Utilizing Tokyo X Tech Garden	CEO's Message Pages 5 to 10 Strategies by Business Pages 37 to 46 Manufactured Capital Pages 61 to 62 Intellectual Capital Pages 63 to 64 Introducing Our INTEGRATED Products Pages 65 to 66	3 Strengthening the mass and stable supply system for ultra-precision components
	○ Opportunities for new business by leveraging technological capabilities and INTEGRATION synergies	**High**	Within 3 years	**Large**			
	▲ Rise of low-cost competitors in emerging countries	Moderate	Within 5 years	Moderate	• Rigorously cutting costs and enhancing productivity • Differentiation by high-quality, high value-added products	Value Creation Model Pages 21 to 22 Strategies by Business Pages 37 to 46 Manufactured Capital Pages 61 to 62	
	○ Active use of AI and DX	**High**	Within 1 year	Moderate	• Continue promoting digital transformation (DX) in-house • More extensively implementing the SFA sales platform within the Sales Division • Achieving labor savings through digital transformation (DX) of administrative employees at manufacturing sites • Utilizing generative AI	Promotion of AI & DX Pages 67 to 68	
Environment	○ Mounting demand for products that enable resource savings, energy savings, and low carbon emissions	**High**	Within 1 year	**Large**	• Promoting MinebeaMitsumi Green Products • Reducing waste by promoting 3Rs initiatives	CEO's Message Pages 5 to 10 Value Creation Story Pages 21 to 36 Strategies by Business Pages 37 to 46 Initiatives for the Environment Pages 69 to 76	1 Reduction of CO_2 emissions through environmentally friendly products
	▲ Loss of business due to failure to fulfill requirements involving renewable energy adoption and carbon footprint reduction	**High**	Within 5 years	Moderate	• Installing solar power generation systems for in-house use, procuring renewable energy, and participating in renewable energy projects • Performing scenario analysis of climate change-related risks and opportunities, formulating and executing action plans • Expanding "MMI Beyond Zero" • Implementing environmental measures through establishment of the Carbon Neutral Steering Committee		2 Minimizing the environmental impact of business activities
	○ Competitive advantages gained through accelerated adoption of carbon neutrality solutions	Moderate	Within 5 years	Moderate			
Society	▲ Challenges in securing talents due to decreasing size of labor force	**High**	Within 5 years	Moderate	• Promoting recruitment branding initiatives and establishing our corporate brand through various advertisements • Utilizing talent worldwide (Philippine Global Support Center) • Improving employee engagement • Recruiting talents through M&As	CEO's Message Pages 5 to 10 COO's Message Pages 11 to 12 Human Capital Pages 49 to 54 Human Capital in Roundtable Discussion Pages 55 to 60	6 Global talent development 7 Global promotion of diversity 8 Creating a positive and rewarding work environment 9 Employee health and safety
	○ Creating an organization that enables diverse employees from every generation to thrive	Moderate	Within 3 years	**Large**	• Enhancing the personnel system and measures geared towards employee work-life balance • Promoting efforts to prevent long working hours and increase the use of paid annual leave • Improving employee engagement • Promoting diversity, equity & inclusion		
	▲ Challenges with respect to successorship and imparting knowhow	Moderate	Within 5 years	Moderate	• Establishing a structure developing next-generation management candidates (core talent) and implementing selective training programs (NLP, FLP, HLP) • Promoting talent of overseas and domestic subsidiaries to head office management • Developing professionals in manufacturing, sales, and technology through the Samurai Project		
	▲ Loss of existing business and damage to reputation due to human rights violations	Low	Within 3 years	**Large**	• Compliance with the Human Rights Policy and thorough education regarding respect for human rights • Furthering the adherence to responsible procurement • Periodic monitoring of supply chain • Ensuring stable operation of whistle-blowing system	Practicing responsible procurement Page 78 Policies and initiatives related to human rights Pages 79 to 80 Internal reporting system Page 90	4 Practicing responsible procurement 5 Coexistence with local communities 8 Creating a positive and rewarding work environment 9 Employee health and safety
	○ Enhancing corporate value through management practices that emphasize human rights	Moderate	Within 3 years	Moderate			
	○ Emergence and manifestation of social issues to be addressed	**High**	Within 1 year	Moderate	• Developing products aligned with the "4 Highs" • Developing technologies that generate products and components contributing to solutions for social issues such as the declining birthrate and aging population, energy issues, and disaster countermeasures	Value Creation Model Pages 21 to 22 Future of MinebeaMitsumi Pages 29 to 30 Strategies by Business Pages 37 to 46 Intellectual Capital Pages 63 to 64	1 Reduction of CO_2 emissions through environmentally friendly products 3 Strengthening the mass and stable supply system for ultra-precision components
Governance	▲ Information leaks, computer virus infections, cyber attacks	Moderate	Indefinite	**Large**	• Building and operating a global security monitoring and crisis response system • Penetrating a sense of information security into employees through training and drills	Risk management Pages 91 to 92	
	▲ Loss of existing business and damage to reputation due to non-compliance	Low	Indefinite	**Large**	• Enhancement of corporate governance • Ensuring stable operation of whistle-blowing system • Strengthening compliance and risk management framework	Corporate Governance Pages 81 to 92	
Finance	▲ Impairment owing to the occurrence of contingent liabilities, etc., a downturn in earnings greater than expected, and minus synergy in M&As	Moderate	Within 3 years	**Large**	• Creating synergy through INTEGRATION of talents and organizations • Due diligence performed by experts • Promoting PMI by establishing an integration preparation committee • Ensuring an appropriate purchase price in M&A	CEO's Message Pages 5 to 10 CFO's Message Pages 13 to 18 M&A Pages 19 to 20 Intellectual Capital Pages 63 to 64	
	▲ An unexpected drop in earnings or a deterioration in cash flow owing to a rapid fluctuation in foreign exchange and the financial market	Moderate	Within 1 year	**Large**	• Risk hedge through foreign exchange forward contracts • Promoting local production for local consumption • Strengthening well-disciplined financial operation and securing fund liquidity		

*The "degree of urgency" is a measure of when an individual event is expected to occur, based on a time horizon of within five years from the present. The degree of urgency of events for which specific timing is difficult to specify due to their nature is indicated as indefinite.

Our Approach to Sustainability

Results vs. targets and other such details can be viewed from here.

Sustainability as a company × Sustainability for the earth and society

MinebeaMitsumi is taking a two-pronged approach consisting of **sustainability as a company and sustainability for the earth and society**.

• Sustainability as a company

Embracing the belief that sustainability is the essence of management, the Group has been pursuing continuous growth and sustainability. The Group builds and refines multifaceted and decentralized frameworks, including those for products as well as for manufacturing sites, markets and technological development, that act as a source of the Company's competitiveness. Our policy is to boldly invest our business resources in a manner that strengthens our efforts relating to the environment, society and corporate governance in order to facilitate sustainable growth.

• Sustainability for the earth and society

As a manufacturer of precision products that supports society, we are "working towards providing a stable supply of reliable products with low energy consumption that are widely available" to be a company that contributes to the sustainable development of the global environment and of humanity.

Process of identifying material issues

Identification of issues

In 2019, the Group established the Sustainability Management Division to fulfill its social responsibility and enhance the sustainability of its business. In conjunction with that, we identified material issues that constitute sustainability issues to be prioritized by the Group.

Step 1

Organization of material issues

- Twenty materiality candidates were selected taking into account various guidelines (The GRI Standards, SDGs, ISO 26000, SASB) and the Group's business model.

Step 2

Evaluation of significance

- The significance of the 20 selected candidates was evaluated particularly to reflect findings of in-house questionnaires and stakeholder feedback.

Step 3

Dialogue with experts

- Based on results of evaluation performed in step 2, we engaged in dialogue with a third-party organization to gain feedback on its opinions and findings.

Step 4

Identification of material issues

- Ten material issues were organized into three topics based on the results of step 3, then reported to the Board of Directors and established as material issues of the Group.

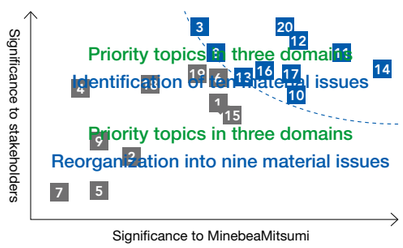
Step 5

Review of material issues

- In 2021, the existing material issues were reviewed and positioned as "management issues" in alignment with execution of our corporate philosophy and management strategy. The material issues were then more articulately communicated incorporating assessments focused on reducing environmental loads of the Group's business activities. Then, the priority topics were reviewed and the material issues were grouped into nine categories.

20 materiality candidates and 10 material issues (materiality) as of 2019 (rendered in blue)

1 Increasing the efficiency of energy use
2 Expanding the use of renewable energy
3 Creating environmentally friendly products
4 Reducing the use of substances having an environmental impact
5 Effectively using resources
6 Adapting to climate change
7 Preserving biodiversity
8 Contributing to dialogue with and the development of local communities
9 Respecting human rights
10 Employee health and safety
11 Creating a positive and rewarding work environment
12 Global talent development
13 Global promotion of diversity
14 Providing safe and reliable products
15 Raising customer satisfaction
16 Practicing responsible procurement
17 Creating solutions to social issues
18 Establishing sound corporate governance
19 Maintaining strict compliance
20 Reinforcing risk management



Priority topics/Material issues (Materiality)

The Group's approach to addressing material issues involves setting targets premised on the importance we ascribe to appropriately managing material issues using the PDCA cyclical process.

We have set short- to medium-term targets effective from 2021 and review results, progress, and self-evaluation each fiscal year. You can check further details on our website.

Priority Topic 1 Contributing to solutions to environmental issues

"Contributing to solutions to environmental issues" refers to "reduction of global greenhouse gas emissions through environmentally friendly products" leveraging INTEGRATION and the ultra-precision machining technology that is our biggest strength. We are working on this as a company, "minimizing the environmental impact of business activities."

Material issues	Medium-term targets
1 Reduction of global CO_2 emissions through environmentally friendly products	• Volume of avoided CO_2 emissions by products: 4.0 million tons (fiscal year ending March 2031) • Percentage of net sales of Green Products: 90% or more (fiscal year ending March 2029)
2 Minimizing the environmental impact of business activities	• 10% reduction of greenhouse gas emissions per unit sales compared to the fiscal year ended March 2020 (fiscal year ending March 2026) • 42% reduction of total greenhouse gas emissions compared to the fiscal year ended March 2023 (fiscal year ending March 2031)

1 2 Pages 69 to 76

Priority Topic 2 Creating the high quality precision products that support society

"To create the high quality ultra-precision products that support society," thereby contributing to the environment, we work to "strengthen the mass and stable supply system for ultra-precision components" and "practice responsible procurement" while also promoting "coexistence with local communities" at manufacturing and other business sites by job creation and collaboration with local residents.

Material issues	Medium-term targets
3 Strengthening the mass and stable supply system for ultra-precision components	• Development of mass production system for ultrahigh-performance bearings and other products through substantial improvement in precision • Strengthen product safety management system capable of supporting products in new fields through business expansion
4 Practicing responsible procurement	• Enhancement of CSR procurement guidelines considering environmental and human rights issues (introduction of Responsible Business Alliance (RBA) standards in guidelines and implementation of self-audits based on them)
5 Coexistence with local communities	• Ongoing communication with local communities

3 Pages 77 to 78 4 Page 78 5 Page 80

Priority Topic 3 Maximizing the power of employees

The source of this value creation is our human resource management effort. Aiming to "maximize the power of employees," we seek to "enhance training by our human resources departments and promote diversity on a global scale" while working to "create a positive and rewarding work environment" for employees and promote "employee health and safety."

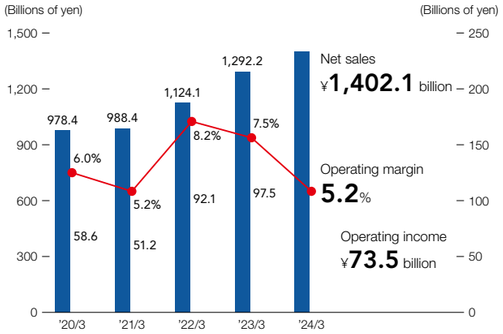
Material issues	Medium-term targets
6 Global talent development	• Strengthen talent development to actively promote expansion and development of business operations worldwide by leveraging benefits of the integration synergy of the MinebeaMitsumi Group
7 Global promotion of diversity	• Increased percentage of diversity in the recruitment: 20% or more
8 Creating a positive and rewarding work environment	• Achieve diverse work styles that enable employees to work enthusiastically
9 Employee health and safety	• Zero incidents of serious workplace injuries (fatal accidents) • 100% compliance with regular health checkups

6 Page 51 7 Page 52 8 Pages 53 to 54 9 Page 79

Financial & Non-financial Highlights

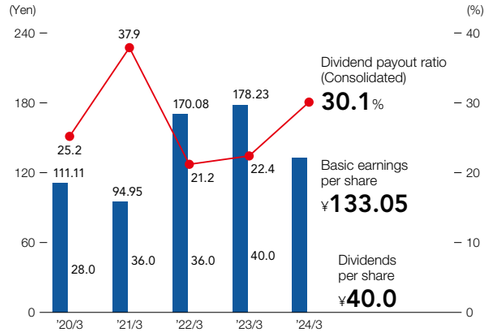
Financial highlights

Net sales, operating income and operating margin



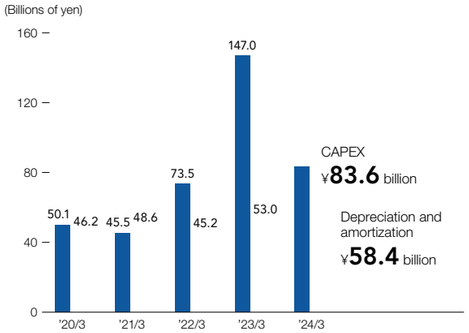
Net sales hit a record high.
Net sales increased for the twelfth consecutive year.

EPS and dividends



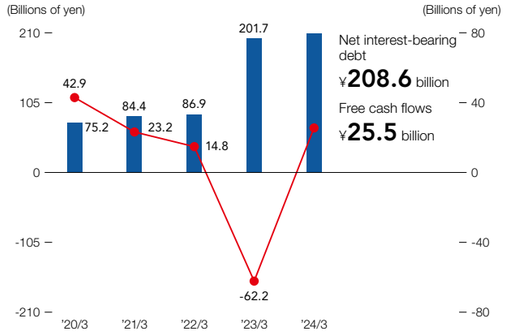
Dividend per share for the fiscal year ended March 2024 was 40 yen, no change from the previous fiscal year.

CAPEX, depreciation and amortization



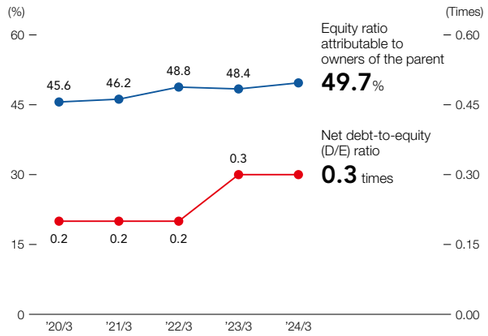
CAPEX was mainly made to increase capacity in SE segment.
*CAPEX in the fiscal years ended March 2022 and 2023 include a portion of acquisition expenses for the Tokyo X Tech Garden.

Net interest-bearing debt and free cash flows



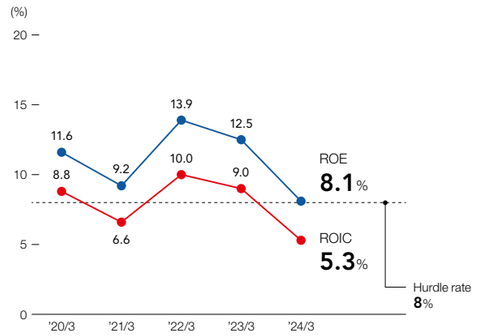
Free cash flow was 25.5 billion yen, an increase of 87.7 billion yen from the previous fiscal year, and interest-bearing debt remained at the same level as the previous fiscal year.

Equity ratio attributable to owners of the parent and net debt-to-equity (D/E) ratio



Equity ratio attributable to owners of the parent was at the same level as that for the previous fiscal year.
Net debt-to-equity ratio was also at the same level as that for the previous fiscal year.

ROE and ROIC

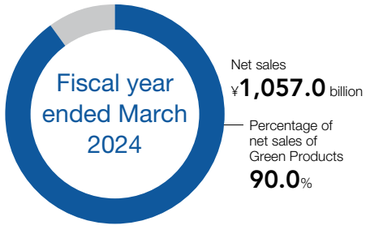


Although both ROE and ROIC decreased compared to the previous fiscal year, we expect them to recover from next year onwards due to improvements in profitability.

*The provisional accounting treatment for the business combination has been finalized for the fiscal year ended March 2024 and reflected the content of provisional accounting treatment finalization for the consolidated financial statements for the fiscal year ended March 2023.

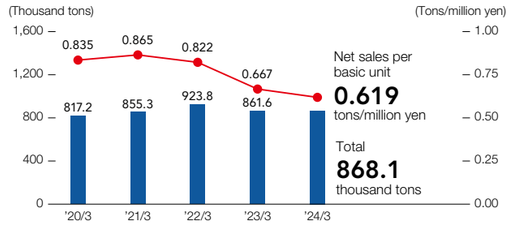
Non-financial highlights

Percentage of net sales of Green Products



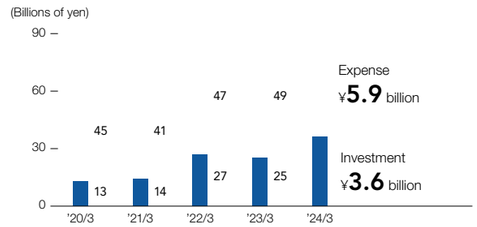
The net sales of Green Products in the fiscal year ended March 2024 amounted to 1,057.0 billion yen, which was 90.0% of the total net sales (excluding products that cannot be designed in-house).

CO_2 equivalent greenhouse gas emissions (Scope 1, 2)



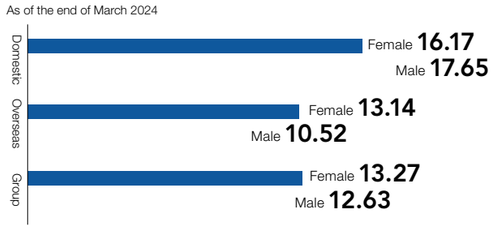
The calculation method for Scope 2 has been changed from a location-based to a market-based approach, retroactively to the fiscal year ended March 2020. Compared to the previous fiscal year, the total amount increased by 0.8% and the net sales per basic unit decreased by 7.2% in the fiscal year ended March 2024.

Environmental conservation costs



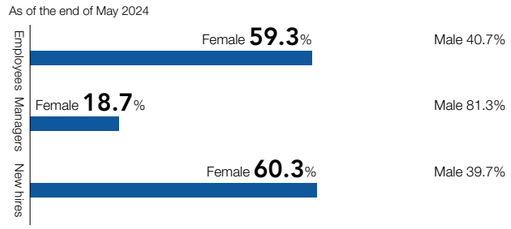
Environmental conservation costs are calculated as the total of investment and expense on the basis of the "Environmental Accounting Guidelines 2005" published by Japan's Ministry of the Environment.
We incurred 9.5 billion yen in environmental conservation costs, including investment and expense combined, in the fiscal year ended March 2024.

Average of working years by gender



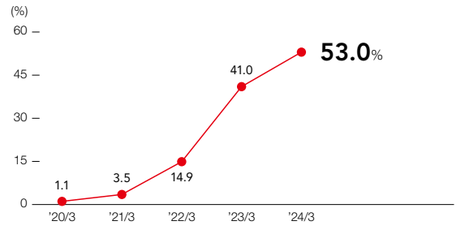
The average years of service for female employees of the overall Group is high, and there are no substantial differences between genders. We continue to create workplace policies that support working families.

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



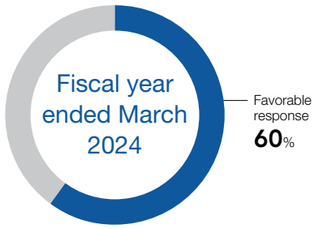
We have fostered workplace environments where our diverse group of employees are able to maximize their talents and are empowered to create new values and competitiveness. Females accounted for 59.3% of our employees and 18.7% of our managers as of the end of May 2024. (Global aggregate total)

Percentage of male employees taking childcare leave



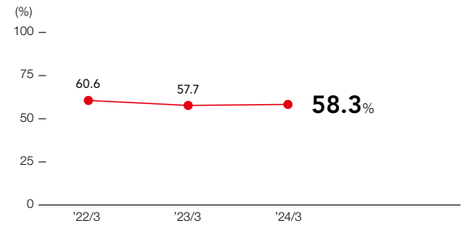
In the fiscal year ended March 2024, the percentage of male employees taking childcare leave was 53.0%. (Aggregate total on a non-consolidated basis)

Employee engagement score



The employee engagement score was 60%.
*Conducted for the first time, domestic group total in fiscal year ended March 2024.
Percentage of those who chose positive response (agree, somewhat agree) out of 5 levels

Percentage of mid-career employees (domestic)



The percentage of mid-career employees was 58.3% for the fiscal year ended March 2024.
*Domestic: MinebeaMitsumi, MITSUMI, and U-Shin, who recruit new graduates en masse

Strategies by Business

Minebea-Mitsumi has built a unique position as one of the world's foremost manufacturers of Sogo-Go precision components, and its diversified business portfolio contributes to risk diversification.

PT Precision Technologies

Major products

Main products

Ball bearings, rod-end bearings, spherical bearings, fasteners, pivot assemblies, Precision Mechanical Components (PMC)

Major applications

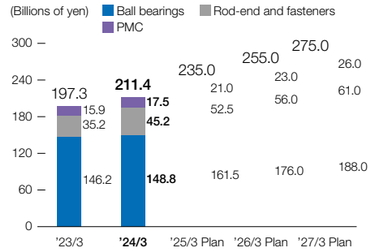
Automobiles | High-end home appliances | HDD | Data centers | Drones | Medical devices | Aircraft | Robots

Highlights

In ball bearings, the overall market for data centers and other highly profitable products has recovered. It is expected to continue to do well in the future. Preparations for the business integration of the ball screw and ball way businesses are well underway.

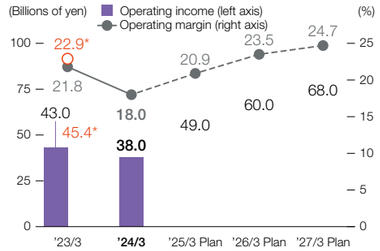
- Global Share **No.1**
- PMC **Acquisition of ball screws and other businesses**
- Bearing Products **Mix Improvement**
- Aircraft demand **Recovering**

Net sales



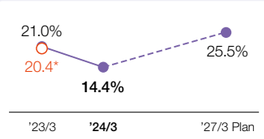
*'25/3 - '27/3 plans are as of May 2024.

Operating income/operating margin



*Excluding special factors.

ROIC highlights



*Excluding special factors.

ROIC is expected to improve from 14.4% in the fiscal year ending March 2024 to 25.5% in the fiscal year ending March 2027 due to recovery of ball bearings from inventory adjustment and growth of aircraft and PMC.

MLS Motor, Lighting & Sensing Segment

Major products

Main products

HDD spindle motors, stepping motors, fan motors, DC motors, LED backlights, resonant devices, sensing devices

Major applications

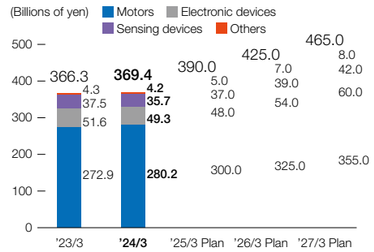
Automobiles | High-end home appliances | HDD | Game consoles | Office automation equipment | Medical devices | Smartphones | Wearable devices

Highlights

Profitability of motors improved due to recovery in high-margin fields. The Company aims to achieve a profit margin of more than 10% by the fiscal year ending March 31, 2027.

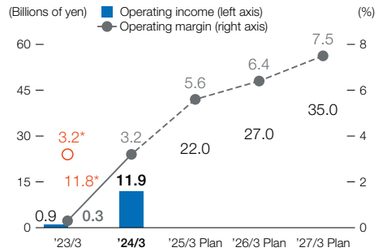
- Motors **Increase in Niche Top Products**
- Motors **Profitability to exceed 10% in FY 3/'27**
- Electrification leading to **Expansion of Business Opportunities**
- Electronic devices **Expanding applications for in-vehicle**

Net sales



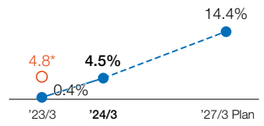
*'25/3 - '27/3 plans are as of May 2024.

Operating income/operating margin



*Excluding special factors.

ROIC highlights



*Excluding special factors.

Profitability of motors improved due to our global niche top position, while electronic devices grew due to growth in automotive applications. ROIC is expected to improve from 4.5% in the fiscal year ending March 2024 to 14.4% in the fiscal year ending March 2027.

SE Semiconductors & Electronics Segment

Major products

Main products

Analog semiconductors, optical devices, mechanical components, precision components, power supplies, smart products, components for home security units

Major applications

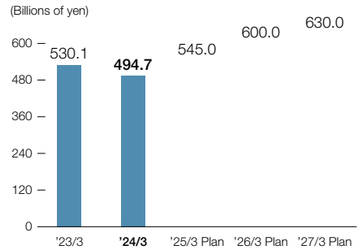
Smartphones | High-end home appliances | IoT devices | Game consoles | Data centers | Automobiles | Home security units | Wearable devices | Medical devices

Highlights

Analog semiconductors merged with Minebea Power Devices (MPSD, formerly Hitachi Power Semiconductor Devices). PMI is in progress. It aims to improve profitability to 30% of operating income in the fiscal year ending March 2029.

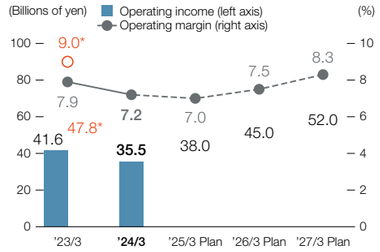
- Analog semiconductors **Renumbered to the second of Eight spears**
- Analog semiconductors **Creation of INTEGRATED products**
- MPSD **PMI is in progress.**
- Optical devices, mechanical component, etc. **Steady sub-core business**

Net sales



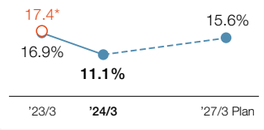
*'25/3 - '27/3 plans are as of May 2024.

Operating income/operating margin



*Excluding special factors.

ROIC highlights



*Excluding special factors.

ROIC is expected to improve from 11.1% in the fiscal year ending March 2024 to 15.6% in the fiscal year ending March 2027, driven by recovery in profitability of analog semiconductors.

AS Access Solutions Segment

Major products

Main products

Automotive components (door latches, door handles, door mirrors, etc.), wireless communication devices, industrial machinery components

Major applications

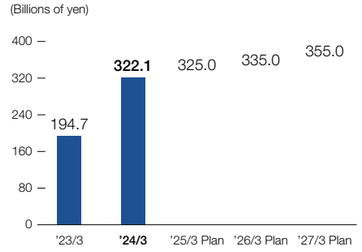
Automobiles | Agricultural machinery | Construction equipment

Highlights

The results of the development of high-value-added products through INTEGRATION are realized. Automotive devices also turn profitable, aiming to further improve profitability.

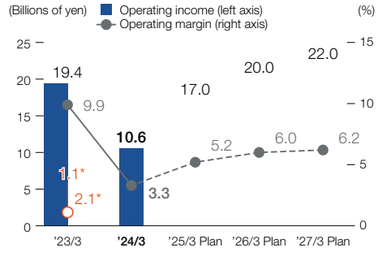
- INTEGRATED products leading to **High Added Value**
- New businesses **Received Orders for Large-Scale Projects**
- Locations, production and products **Synergy Increased**
- In-vehicle devices **Continued profit contribution**

Net sales



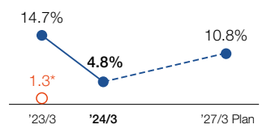
*'25/3 - '27/3 plans are as of May 2024.

Operating income/operating margin



*Excluding special factors.

ROIC highlights



*Excluding special factors.

This business will work to further improve profitability by introducing INTEGRATED products and high value-added products to the market. ROIC is expected to improve from 4.8% in the fiscal year ending March 2024 to 10.8% in the fiscal year ending March 2027.

*The sub-segment name has been changed to PMC (Precision Mechanical Components) from Pivot assemblies from FY3/24 4Q onward.

Precision Technologies (PT)

Strong growth potential due to increasing structural demand, particularly for ultra-high quality products creating an overwhelming competitive edge

Director, Senior Managing Executive Officer Chief of Precision Technologies Business Headquarters
Satoshi Mizuma

Core competencies

Our fundamental strengths of ultra-precision machining, vertical integration, global expansion, and mass production, each being our core competencies like our DNA, have enabled us to establish an overwhelming market share and a high level of QCDESS*.

By pursuing overseas development early and strengthening our in-house manufacturing and maintenance capabilities for components and facilities, we have succeeded in balancing ultra-high quality and low costs. The accumulation of knowhow over many years, which cannot be measured in terms of capital investment, forms a barrier to entry.

*Abbreviation for quality, cost, delivery, ecology/efficiency, service and speed

MinebeaMitsumi's Eight Spears

- Bearings
- Sensors
- Analog semiconductors
- Connectors/ switches
- Motors
- Power supply components
- Access products
- Wireless/ communications/ software

Components covered by the PT

Opportunities

- Increase in demand for high-quality bearings in general, which contribute to energy efficiency and the downsizing of end products.
- Content growth against the backdrop of electrification and higher performance of automobiles
- Increase in demand for bearing pivots for data centers due to increased generation of data.
- Increased demand for new aircraft with fuel-efficient, high-efficiency engines
- In the medical industry, demand returned to medical devices from the demand for novel coronaviruses.

Risks

- Increased willingness of competitors, especially in China, to enter the miniature and small-sized ball bearing market which has lead to increased price competition
- Medium- to long-term, downward trend in sales volume of pivot assemblies due to shrinking Hard Disk Drive ("HDD") market.
- Decline in production rate of new aircraft due to production adjustments by aircraft manufacturers and labor shortages.
- Prolonged macroeconomic stagnation

Responding to opportunities and risks

- Further strengthening competitiveness by improving ball bearing precision and productivity
- Expansion of production bases for bearings for aircraft in North America, Europe, and Asia (Thailand and India) to achieve optimal location for production
- Utilizing a second plant in Cambodia to meet increasing demand for PMC products

Overview of the fiscal year ended March 2024

Sales of miniature and small-sized ball bearings, our mainstay product, increased due to higher sales volume in the automotive sector, despite lower sales in the data center and home electronics sectors. In the rod-end business, the recovery from the new coronavirus was remarkable and sales reached a record high. PMC sales increased mainly due to the recovery of the HDD market. As a result, net sales were 211.4 billion yen, operating income was 38.0 billion yen, and operating margin was 18.0%.

Outlook for the fiscal year ending March 2025

Sales of ball bearings are expected to increase, with continued strong sales for automotive applications and a full-scale recovery in sales for data centers starting in the second half of the year. Business for aircraft, including rod-end fasteners, is expected to continue to grow steadily over the long term, despite supply chain and other issues. In particular, we expect an increase in demand for fuel-efficient engines, in which many of our products are used. In PMC, we expect demand to recover following the fiscal year ending March 31, 2024.

Midterm Business Plan

1. **Product mix and further productivity improvement**
   Increased production capacity to 370 million units per month
2. **Improvement to the number of aircraft produced before COVID-19 by the end of this fiscal year**
   Further growth by making full use of Thai plant expansion, M&A, etc.
3. **Leveraging our strength in precision machining technology, aiming to create synergy in ball screw and ball way business after the completion of business integration as soon as possible.**

Long-term strategy

PT aims to maintain stable and permanent growth as a core business since the foundation of the Company, and to achieve an operating margin of 25% or more by increasing sales of high value-added products and building up profits through revolutionary productivity improvements. To further improve profitability, we will continue to engage in mergers and acquisitions to further solidify the earnings base of the PT segment.

INTERVIEW

Accelerate expansion of PMC's business domain to become a "growth driver" for the PT Business Division

Business Officer, Head of PMC BU
Yasuhiro Azuchi

The Mechanical Assy Division has long manufactured pivot assemblies used in HDDs. We have entered the automotive business by utilizing our precision machining technology to achieve the micron-level precision control required in the automotive field. In addition, we have achieved sales and profit growth by entering the medical implant field, which requires high quality control. In line with changes in our business domain, we have changed the division name to PMC (Precision Mechanical Component) from 2024, and this year is the first year of the division, and we are taking on the challenge of further improving sales and profits.

In order to enhance quality, which is the heart of our business, we conduct team building for our employees on a daily basis. As a result, PMC has been ranked No. 1 for two consecutive years among all company locations for team building improvement activities within our company, and last year we also were able to achieve a new record for revenue. PMC's sales growth has led us to expand to a second plant in Cambodia, which we plan to open in 2025 as a decarbonized plant with a large installation of environmentally friendly solar panels and our best-practice automation lines. We have already visited universities, junior colleges, and high schools in Pursat Province, Cambodia, to recruit and train excellent human resources, and we will develop this group into the world's best factory group as the future headquarters of the PT Division. By achieving these goals, we will be able to compete at competitive prices in the automotive industry, where cost competitiveness is severe.

Furthermore, we plan to acquire the ball screw and ball way business from Tsubaki Nakashima by December 2024 as a growth driver for the PT Division. The company was the first company in Japan to produce ball screws, and its advanced technology has many areas that are compatible with our ball bearing technology, so we can expect further technological improvement.

We will further expand the fields that require ultra-precision processing technology as described above and aim to become a niche-top leader. Based on the experience in large-scale factory management, production technology, and human resource development that we have cultivated in our Thai factory, we will put the Cambodian factory on track to expand our business performance and further enhance MinebeaMitsumi's presence in the region.

PMC Products

Motor, Lighting & Sensing (MLS)

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

Executive Officer Chief of Motor, Lighting & Sensing Business Headquarters
Takahiro Shimura

Core competencies

In addition to the Company's DNA of ultra-precision machining, vertical integration, global development, and mass production, we are in the ongoing process of fusing our core technologies in the electronics field, including sensors, optics, and magnetics to develop motors, LED backlights, resonant devices, sensors, and measuring components. We are expanding our products to a wide range of markets, including the automotive industry, which requires strict quality characteristics, and the mobile device industry, which requires a vertical launch that balances quality and quantity in a short period of time. A dynamic base structure which responds to customer demands through manufacturing automation & semi-automation and employee education and training also enhances our competitiveness.

MinebeaMitsumi's Eight Spears

- Bearings
- Sensors
- Analog semiconductors
- Connectors/ switches
- Motors
- Power supply components
- Access products
- Wireless/ communications/ software

Components covered by the MLS

Opportunities

- Increase in demand for small and precise motors that contribute to energy saving and noise reduction.
- Increase in opportunities to enter growth domains such as EVs, AI, and Big Data through participation in related motors.
- Increase in high-capacity HDDs for data centers
- Increased demand for backlights for high-end applications such as luxury cars
- Expansion of LED backlight applications.

Risks

- Rise of low-cost competitors in China.
- Impact on profit structure due to soaring prices of raw materials and components.
- New technologies are replacing existing technologies at a faster pace than expected. (HDD market, smartphone market)

Responding to opportunities and risks

- Correction of selling prices in response to soaring prices of raw materials and components.
- In growth markets, expanding sales in response to increased demand in focused fields.
- In mature markets, strengthening competitiveness by reducing costs, including design changes and material cost reductions.
- Capturing business opportunities by developing products ahead of competitors, taking advantage of our strengths through INTEGRATION.

Overview of the fiscal year ended March 2024

In motors, business expansion accelerated in motors for automotive applications due to market recovery and content growth, resulting in an increase in sales. Operating income showed a recovery trend as the market for spindle motors for HDDs bottomed out and the product mix improved with the progress of high-capacity products. Sales of LED backlights decreased and sales of sensing devices also declined. As a result, net sales were 369.4 billion yen, operating income was 11.9 billion yen, and operating margin was 3.2%.

Outlook for the fiscal year ending March 2025

Both sales and income are expected to increase due to steady sales of motors for automotive applications, recovery of HDD spindle motors from inventory adjustments, and continued improvement in the product mix. In particular, the competitive environment for in-vehicle motors continues to allow us to capture the top global niche position due to content growth in comfort, safety, and environmental applications. We expect further profit growth through top-line growth with motors as the main pillar.

Midterm Business Plan

1. **Growing revenues through content growth of in-vehicle motors**
   Aiming for global niche top
2. **The product mix of HDD motors continues to improve**
3. **Backlight business will remain profitable even if smartphone backlights are replaced by OLEDs**
   Large-scale projects for automotive applications will proceed moving forward

Long-term strategy

MLS aims to establish the top global niche position in its core business of motors and to achieve an operating margin of 10% or more by further improving profitability. In the sub-core business of backlights, which is expected to provide profit opportunities due to rapid technological change, we will shift its application from smartphones to automotive and target the high-end market to increase profitability. Sensors will expand the portfolio and develop new business areas by combining with other 8-spear products.

INTERVIEW

Strengthening efforts to solve social issues through the "INTEGRATION" of the Group

Head of Business Unit, Resonant Device BU
Shigeyuki Shimomura

The Resonant Device Business uses tactile feedback technology to develop devices that enable users to experience "the sensation of actually touching an object."

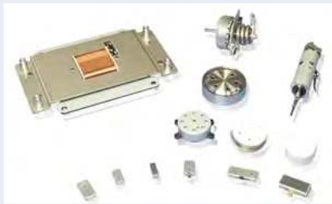
The device design primarily uses coils and magnets to create a variety of vibrations that cannot be achieved with conventional vibration motors. In doing so, it is important to combine our magnetic circuit design technology cultivated through the development of various motors and camera actuators, and our precision processing technology represented by bearings, switches, and connectors, to develop devices that surprise and impress users in spite of their small size. By combining these know-how, we are developing devices that are small in size but still provide surprise and excitement to users.

We are already using tactile feedback technology for entertainment and other applications, but in the future we will also take on the challenge of solving social problems, such as notifying people of danger in various situations and developing support functions for people who have difficulty in their daily lives due to health problems.

The challenge for realization is that no matter how wonderful a device is developed, it requires sensing by sensors, drive ICs using semiconductors, and software to control them in order to use it. However, MinebeaMitsumi has all the technologies and products available, and our company can solve your problems with our "INTEGRATION."

Our growth driver will be our ability to design and develop applications using this INTEGRATION, but also our high-precision simulation technology. In device design, magnetic field analysis, structural analysis, and thermal analysis can be used for design verification in a short time, significantly shortening the development period.

Resonant devices are evolving from "something convenient to have" to "something indispensable." It is already an indispensable function in smartphones and game consoles, and its use is expected to expand further, particularly for in-vehicle applications, as well as to improve various social issues. We will drive this market trend and contribute to all stakeholders of our company by first achieving sales of 10 billion yen and operating income of 15% or more by 2026.



Resonant Devices

Semiconductors & Electronics (SE)

Develop new products for future growth areas by taking an INTEGRATION approach using Eight Spear products to create business opportunities for the entire group

Managing Executive Officer
Chief of Semiconductors & Electronics Business Headquarters
Katsuyuki Iwakuma

Core competencies

The source of SE's competitiveness is our technological development capability in fields that require ultra-precision processing, such as sensors, optics, MEMS (microelectromechanical systems) high-frequency technology, electric circuit technology and semiconductor design technology. Furthermore, through the management integration of MITSUMI, ABLIC, Honda Tsushin Kogyo, Minebea Connect (formerly SUMIKO TEC) and Minebea Power Semiconductor Devices (formerly Hitachi Power Semiconductor Devices), MinebeaMitsumi's core technologies and DNA, such as ultra-precision machining and vertical integration, have been combined, allowing us to handle everything from development to mass production. We have established a system that allows us to respond to the detailed needs of our customers in an expedited manner. Five of the Eight Spear products belong to the SE segment, making the business the driving force behind INTEGRATION for the entire group. In addition, analog semiconductors have become the third to second spear of our Eight spear products since May of this year, as the second profit driver after bearings.

MinebeaMitsumi's Eight Spears

- Bearings
- Sensors
- Analog semiconductors
- Connectors/ switches
- Motors
- Power supply components
- Access products
- Wireless/ communications/ software

Components covered by the SE

Opportunities

- Expanding needs for even lower power consumption, smaller size, and higher precision in key fields such as automotive, communications, and medical.
- Expanding demand for analog semiconductors, connectors, power supply components, and other components that support high voltage, high current applications.
- Use of AI/Big Data will increase connectivity in automobiles, housing equipment, infrastructure, and other business sectors.
- Increased inquiries from Japanese companies due to stricter regulations on high-tech industries as a result of trade friction between the U.S. and China

Risks

- Rise of new technologies and applications to replace existing technologies.
- Rapid changes in demand for end products
- Rise of low-cost competitors in China

Responding to opportunities and risks

- Focus on developing new products and cultivating new customers by leveraging our technological capabilities.
- Strengthen competitiveness by expanding analog semiconductor capacity and creating synergies with internal resources.
- Determination of capital investment plans in line with business growth phases and a production system that flexibly responds to customer orders
- Identify and address niche markets where competitive advantage can be gained

Overview of the fiscal year ended March 2024

Although sales of optical devices increased, sales of semiconductors and mechanical components declined, resulting in an overall decline in sales for the segment. As a result, net sales were 494.7 billion yen, operating income was 35.5 billion yen, and operating margin was 7.2%.

Outlook for the fiscal year ending March 2025

We expect an increase in both sales and profit for the SE segment as a whole, mainly due to further expansion of the analog semiconductor business through the business integration with Minebea Power Semiconductor Devices (formerly Hitachi Power Semiconductor Devices), which became a consolidated subsidiary of our company on May 2, 2024.

Midterm Business Plan

Targeting further growth to operating margin 10% or more

Key points

1. **Analog semiconductors**
   Further expansion of analog semiconductor business through business integration with Minebea Power Semiconductor Devices
   Aiming for sales of 200 billion yen and operating margin of 30% at an early stage
2. **Optical devices**
   Cebu's second plant for super wide angle AF will be fully operational by the end of this fiscal year
   Aiming to acquire new models through technology, quality, and customer support
3. **Mechanical components**
   Steady launch of new models

Long-term strategy

MinebeaMitsumi sees that the key challenge for the long-term viability of the SE segment is to ensure robust growth in the five areas of Eight Spear product groups as the future core businesses. To this end, our basic strategy is to use the cash generated by our sub-core businesses as growth capital to strengthen our Eight Spear products(Operating profit margin of 10% or more). This will be achieved through (1) organic growth, (2) development of new products, and (3) pursuing M&As that can be expected to create synergies with existing businesses and improve profitability.

INTERVIEW

All team members have a "my ball" spirit to create new products that aim to become part of the core business.

Head of Business Unit, EMS Div. SC BU
Shintaro Ogura

The SC Division, of which I am in charge, is responsible for the development and manufacturing of products centering on "small mechanical switches" and "inductors for automotive applications."

The strength of this division is in its design capability to realize highly difficult products by making full use of CAE analysis technology and its high manufacturing capability through its use of overseas plants that have established vertically integrated systems. We have been successfully and continuously supplying high quality products to the market by taking advantage of these strengths. However, while this business is positioned as one of our core businesses, unfortunately, using the Eight spears, it has not been able to make a sufficient contribution in terms of business scale. While executing the company-wide effort to "improve profitability," we will execute the creation of new products that can aim for the top global niche markets as an execution strategy to expand to a business scale that can play a part in our core business in order to solve issues. For switches, we will develop value-added composite products in addition to conventional mechanical switches, and for coils, we will increase the number of niche-top products by digging deeper into applications in the automotive market. When developing products, timely release of market needs is a major part to executing the creation of new products. In addition, organizational reform and growth are also important themes for business expansion. In addition to helping team members grow into specialists in their respective fields, we will promote the development of a strong and agile organization by instilling a culture in which all team members have a "my ball" spirit and are able to actively exchange opinions across the organization. We will also grow our ability to "finish" the last step by "honing our passion." In addition to creating new products with high added value by taking advantage of our INTEGRATION and further strengthening our manufacturing capabilities to realize these new products, our organization with enhanced teamwork will be a growth driver and grow these new products into one of our core businesses. I will lead the way and work hard with my team members to realize our goals.

Switch

Coil

Access Solutions (AS)

Work to maximize synergies from business integration and boost competitiveness as a Tier-1 business

Director, Vice President
Executive Officer Chief
of Access Solutions
Business Headquarters
Ryozo Iwaya

Core competencies

Our core competency is our broad knowhow, from the development and design phases through production for systems, in a wide range of automotive applications—from mechanical structures to electronic technology and even software. The merger with Minebea AccessSolutions (formerly Honda Lock) has strengthened synergy in the access product business, expanded sales of Tier-1 business by tapping into different customer bases, and enhanced our global operations development.

MinebeaMitsumi's Eight Spears

- Bearings
- Sensors
- Analog semiconductors
- Connectors/ switches
- Motors
- Power supply components
- Access products
- Wireless/ communications/ software

Components covered by the AS

Opportunities

- Shift to high value-added products in response to the electrification and advanced functionality of automobiles.
- Expansion of the digital key market due to the shift to connected cars.
- Increase in the number of parts per vehicle due to higher value-added door handles, latches, power closure systems, door mirrors, and similar applications.
- Expansion of Tier-1 business.

Risks

- Production adjustment by automobile manufacturers due to economic trends and difficulty in procuring parts.
- Possibility that automobile manufacturers will prefer existing products due to factors such as safety and commonality of parts and functions.
- Increased competition and its impact on pricing strategies.

Responding to opportunities and risks

- Implement structural reforms to shift from low-priced products to high value-added products.
- Accelerate the development of high-end products for luxury car manufacturers by increasing the presence of our technologies.
- Develop common engines through our unique modularization and actuator technology.

Overview of the fiscal year ended March 2024

The increase was mainly due to the performance of Minebea Access Solutions, which became a consolidated subsidiary on January 27, 2023, as well as a recovery in sales to the automotive industry and in-vehicle devices. In addition to a recovery in sales to the automotive sector, PMI and structural reforms bore fruit, resulting in net sales of 322.1 billion yen, operating income of 10.6 billion yen, and an operating margin of 3.3%.

Outlook for the fiscal year ending March 2024

We expect to increase revenues and profits as a result of continued market recovery and improvements resulting from the integration and other factors. We expect further profit contribution from in-vehicle devices while keeping a close eye on the market, such as production adjustments by Japanese automakers in China. For the future, we will improve the profitability of the AS segment by developing and promoting high value-added products by combining with other segments.

Midterm Business Plan

1. **Emerging effects of market recovery, cost reductions from business integration, and structural reforms**
2. **Shift to INTEGRATION and high value-added products**
   ① CSD ② Flush handle
   ③ E-Latch ④ Charge port door
3. **Continued contribution to automotive device profits**

Long-term strategy

Access Solutions (AS) will seek to expand its automotive business by creating synergies from business integration, making the most of our presence as a Tier-1 business, and directly proposing MinebeaMitsumi Group's various products to automobile manufacturers. In addition, we will shift to high-value-added products such as compact spindle drives (CSD) and flash handles, and focus on creating synergies with other segments to improve profitability. We aim to improve quality, productivity, and the strength of our business management system. We will improve profitability by injecting global human resources and manufacturing know-how from the entire group, and create competitive products through "INTEGRATION" of technologies.

INTERVIEW

We challenge to make automobiles more sophisticated and intelligent by combining "technology" and "human resources."

Deputy Head of Access R&D Division
Eiji Hirao

The Access Solutions (AS) business develops and manufactures products that connect people to vehicles when they board and after they board. Major products include door handles, door latches, automatic tailgate switches (CSD), door mirrors, smart keyless systems for motorcycles, on-board antennas, and locksets. There is also an overhead console, heater controls and switches that are interior products.

Growth drivers are differentiated products developed by combining in-house technologies. As an example of differentiated products through INTEGRATION development, we have commercialized a door handle with a new trigger technology by combining "strain gages," an in-house manufactured component, and "AFE," an in-house manufactured semiconductor. We also use our own motors for actuators, which are indispensable for electrification, and optimize design from the early development stage to reduce vibration and noise and improve merchantability, which is one of our strengths that other companies do not have. On the manufacturing side, we are continuously promoting cost reduction activities through vertical integration from a global perspective and the establishment of an internal supply chain. To achieve these goals, we are developing differentiated products by combining technology and people.

Furthermore, AS products are expected to evolve with higher functionality and intelligence in the future, and we will contribute to solving social issues with larger solutions that combine these products. To take up a logistics problem, a system in which the hood automatically opens after mutual authentication between the vehicle and the drone carrying the cargo, and the hood automatically closes when the cargo has been placed in the flank room*, can be realized by developing a coupling of advanced digital keys, CSD, and latches. Differentiated products created by combining our proprietary technologies will contribute to solving social issues.

*Front trunk room: Space where the front part of the EV is converted into a cargo area.

Sales Capabilities

The strength of MinebeaMitsumi's sales force lies in the creation of new value through people-to-people INTEGRATION and diversity initiatives. Through management integration, we have brought together human resources with various backgrounds of knowledge and experience, and have promoted global expansion. We will continue to take on the challenge of maximizing sales and profitability by integrating the skills of these human resources.

INTERVIEW

Sales capabilities created from the INTEGRATION between people

We believe that the strengths of MinebeaMitsumi's sales headquarters lie in its organizational structure, which is made up of people from different backgrounds through M&As, the INTEGRATION between people, and its global sales system. We have expanded through M&As, and when we integrate, we quickly reorganize our sales force to create a structure that allows us to realize INTEGRATION. In this way, we are able to share product knowledge and create a cooperative structure that allows us to create new value and provide optimal value to our customers. We convey this spirit to new graduates during the training, so that they can deeply understand the importance of INTEGRATION. In terms of the organizational structure of the Sales Headquarters, we have a five-region global sales management system in place, which enables us to capture market share in each global market. In Japan and overseas, at all of our bases, our sales staff are always conscious of the importance of keeping prices down to the last yen, and by communicating this internally, we are promoting the provision of added value throughout the Sales Headquarters.

Director,
Senior Managing Executive Officer,
Chief of Sales Headquarters

Shigeru None

Enhancement of the Sales Capbilities 1 Five-region system and locally-led sales system

Our overseas offices are organized into five regions: Japan, East Asia (Greater China, South Korea), Southeast Asia (Thailand, Singapore, Philippines, Cambodia, Vietnam, Malaysia), the Americas (USA, Mexico), and Europe (Germany, France, Italy, UK), and the organization is structured so that local members are appointed as heads and Japanese members are assigned as subordinates, creating an environment that makes it easier for local members to achieve results. In order to organize and lead projects that match local conditions and markets, we formulate marketing and external relations activities and regional strategies that are rooted in each country and region.

President,
NMB Technologies Corporation

Richard LaPlace

INTERVIEW

Leveraging the strengths of each individual to achieve further sales growth

I am the President of NMB Technologies and responsible for sales in the Americas. While working in MinebeaMitsumi for over 25 years, I have had the opportunity to work closely with customers located around the world and with colleagues from many different cultures. "Passion to Create Value through Difference" is MinebeaMitsumi's slogan which applies to our products and to our employees. The employee make-up is comprised of people from across various ethnicities, genders, races, ages, and socio-economic backgrounds, and we leverage their unique strengths to drive our work. Rather than relying on narrow perspectives, capturing employees' individual viewpoints and ideas allow us to assign the right people to implement effective tactics. This foundation we have established has been successful and allowed NMB Technologies to project sales growth of 16% annually for the next three years. We will strive toward further building a strong company which embraces the philosophy of expanding the diversity of our employees to create value for our customers, our employees and while contributing to global society.

Enhancement of the Sales Capbilities 2 Promotion of INTEGRATION and challenge

The Sales Headquarters is implementing a range of diversity initiatives aimed at creating even greater value. We are committed to providing opportunities to all employees, regardless of their background, and we place particular value on the spirit of challenge demonstrated by our expatriate employees. We believe that creating an environment that supports employees who take initiative fosters growth. We think there are many employees who are eager to enhance their skills and improve their sales capabilities.

Case 1: Interaction at X Tech Garden

Under the concept of creating a vibrant organization that employees can grow excited every day by further strengthening communication (information, knowledge, exchange) & education (education, training, acquisition), we have developed an environment for the sales office floor. We have set up a sales headquarters X Tech team to promote collaboration. The members are taking the lead in planning and implementing employee exchange events, study sessions, and events with other departments, leveraging mechanisms to enhance creativity (library, signage, always-on connection system, portal). As for study sessions, we held a seminar in May to explain the product outline, and the number of participants reached 100. By conducting exchange, brainstorming, and knowledge creation activities that further deepened understanding of the product, we were able to improve our ability to make proposals that make use of cross-selling of products and strengthen our sales capabilities.

Case 2: The success of expatriate workers

Our company dispatches employees to work overseas in all regions of the world. In 2023, we dispatched much as 157 Japanese salesperson employees overseas to provide products that meet the needs of each market. Although the characteristics, markets, and work styles vary by region, our dispatched employees have built a strong track record. Upon returning to Japan, they leverage their experience in management and become key drivers of the company's growth.

INTERVIEW

Strengthening local sales promotion activities through collaboration with local members

I have been in charge of Shenzhen S&E Sales (MITSUMI products) since June 2022. Currently, I am working daily on projects transferred from Japan, local sales promotion, and business improvement initiatives. Local sales promotion is a fast-paced business, with things like specification changes and sudden mass production, so it doesn't always go according to the story I had in mind, but there is a special sense of achievement when a sale is made and the product is adopted. When I first started working here, I was surprised by many things, including the process toward adoption and the way people talked, which were very different from what I had experienced in Japan. I couldn't initially understand why things were done a certain way when I was in Japan, but after being posted here, it began to make sense. I've learned the importance of delegating work to local team members, as all work would never progress without their support. Through this experience, I also gained the confidence to be able to work with a higher level of understanding even after returning to Japan. I will continue to strive to further expand sales while keeping a broad perspective.

Assistant Manager,
Minebea (Shenzhen) Ltd.

Emiko Miyamoto

Manager,
Minebea (Hong Kong) Ltd.

Noriko Kijima

Support sales through data and systemization, and promote INTEGRATION activities

I am stationed at Minebea (Hong Kong), which is the operational HQ for sales companies in the Chinese sphere, and am in charge of back-office operations for the sales department. From the sales person to the person in charge, I always try to have conversations with the frontline sales staff, and aim to proactively support sales activities from both a data and a system perspective, taking into account regional characteristics. On the other hand, I have also faced many situations where communication with other companies during M&A integration activities were difficult. I feel that the difficulties of living and working abroad are similar to the challenges of integrating different corporate cultures. I was very happy that we were able to successfully reach the integration date after holding many discussions with the partner company, local staff, and head office. Integration activities between local group companies are actively underway, and I believe this will make MinebeaMitsumi even stronger.

Human Capital

The manufacturing knowhow that has been cultivated since the foundation of the Company and the technological and sales capabilities that have been augmented through M&As and other factors are the strengths of MinebeaMitsumi's human capital. Employees with these skills, knowledge and experience each have their own passion, and through INTEGRATION activities spurred by the passion, they create differences, thereby simultaneously elevating social, environmental, and economic value.

Human capital strategies —Message from Head of Human Resources Development—

To realize our corporate philosophy, "to contribute to realization of a sustainable, eco-friendly and prosperous society by providing better products, at a faster speed, in larger numbers, at a lower cost and by smarter means," we carry out INTEGRATION activities based on the passion of each and every employee to create difference, and aim to become a talent group that simultaneously elevates social, environmental, and economic value.

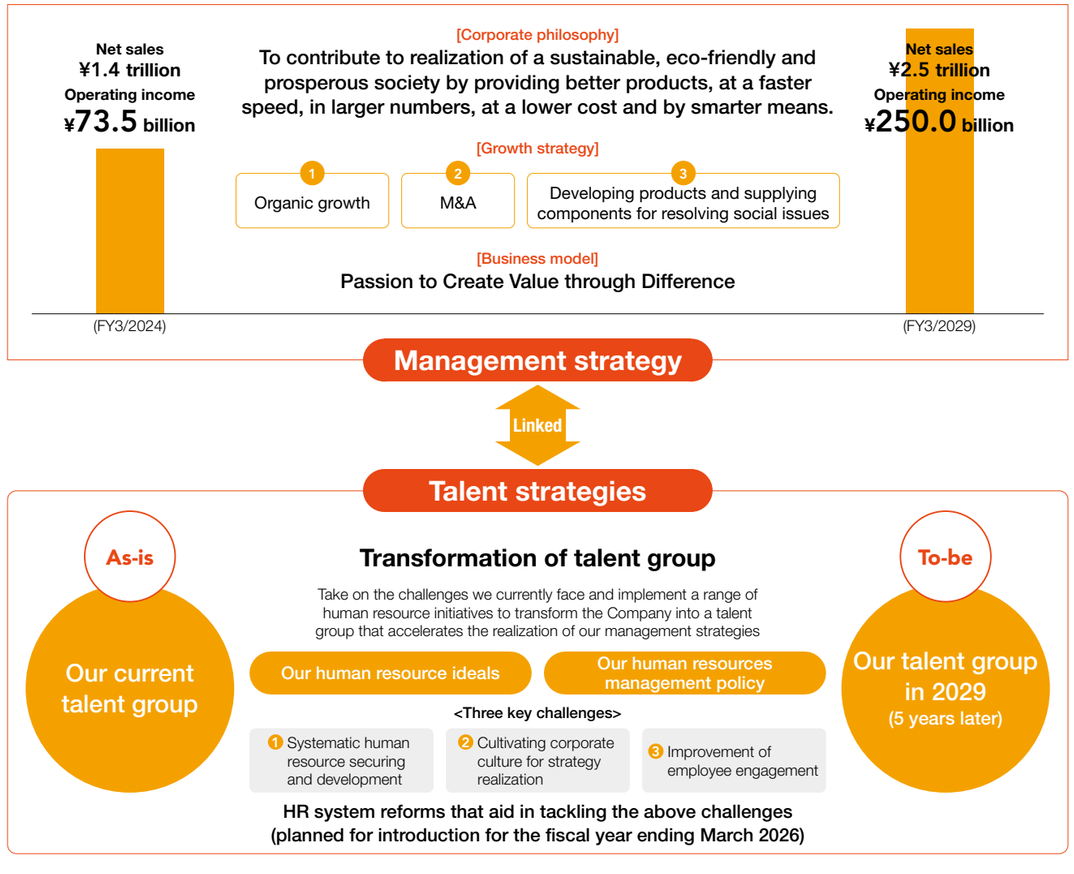
To transform ourselves into such a talent group, we are tackling three key challenges. We are systematically securing and developing the employees we need to implement our business strategies ((1) systematic human resource securing and development), we are establishing a corporate culture of respect for the values of "On-site," "passion and challenge," "INTEGRATION," and "my ball spirit," the strengths befitting the human resources of MinebeaMitsumi ((2) cultivating corporate culture for strategy realization), and continuously attracting human resources of all ages and increasing employees who are strongly committed to our business strategies ((3) improvement of employee engagement).

Through these initiatives for the key challenges, we are reinforcing our human capital and accelerating the implementation of our business strategies.

Advisory Manager, Deputy Head of HR & General Affairs Division

Motoki Kato

1 Talent strategies linked to our management strategies



2 Human capital approach

The manufacturing knowhow that has been cultivated since the foundation of the Company and the technological and sales capabilities that have been augmented through M&As and other factors are the strengths of our human capital. With respect to such human capital (capabilities such as skill, knowledge and experience), we believe that the following are key factors that contribute to our value creation: (1) securing and developing employees through systematic and effective investment (improving employees capabilities) and (2) creating an environment in which diverse employees of all ages can live up to their full potential (elevating the capability leverage level). Based on this belief, we implement effective human resources measures.

• Characteristics of our human capital

1 Diversity of talents as a source of innovation

Proportion of mid-career hires (Japan)*1	58.3%
Proportion of foreign executives at the head office*3	7.4%
Proportion of female managers (global)*2	18.7%
Proportion of female employees (global)*2	59.3%

Number of employees by region

Japan	10,477	12.5%
Asia (excluding Japan)	61,651	73.5%
Americas	6,215	7.4%
Europe	5,550	6.6%
Entire Group	**83,893**	**100%**

Number of employees across the entire Group, excluding part-time, contract, and dispatched employees (102,078 employees, including part-time, contract, and dispatched employees)

2 Three-pronged structure combining manufacturing knowhow, technological capabilities, and sales capabilities

Global production and sales framework

Locations/bases*4 130 production and R&D bases and 101 sales offices in 28 countries,
Japanese staff on overseas assignment*1 679

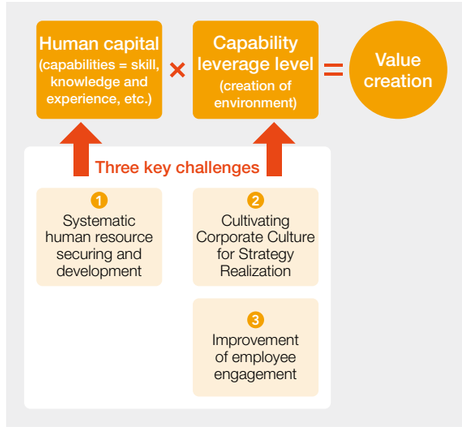
Engineers and skilled workers who continue to evolve and also pass on their knowhow

Research and development personnel*2

Entire Group	8,660	
Of which, have doctoral degrees	73	(0.8%)
Of which, have master's degrees	1,254	(14.5%)

*1 fiscal year ended March 2024/As of March 31, 2024 *2 As of May 31, 2024 *3 As of June 30, 2024 *4 As of July 31, 2024

• Approach



3 Our human resource ideals and our human resources management policy

We define the "strength of human resources that is unique to MinebeaMitsumi" as a human resource image that we want all employees to possess in order to embody our management philosophy and effectively implement our management strategies. We also have formulated a human resources management policy that expresses our approach, policy, and ideas on how to work with our human resources. We will continue to plan, formulate, and implement organizational and human resource strategies in line with these basic policies.

• Our human resource ideals

Four values	Content
On-site	• Go on-site, checking the actual situation and seeing the actual conditions directly, in person. Thus developing an accurate understanding by touching, hearing, and feeling the realities of worksites. • Always keep our corporate philosophy in mind, making appropriate decisions based on fundamental principles.
Passion and challenge	• Not constrained by conventional wisdom, but instead strive to go beyond it, passionately taking on new challenges. • Set high goals for themselves, consider how they can achieve them, and act with speed.
INTEGRATION	• Actively understand, respect, and accept diverse values (DEI). *DEI = Diversity, Equity & Inclusion • Always strive to leverage the strengths of others, lend their own strengths to others, and unite stakeholders in harnessing their collective wisdom as a team. • Through these, create new and unprecedented value and achieve sustained personal and organizational growth.
My ball spirit	• Take ownership and exercise initiative in addressing challenges and circumstances, rather than showing passivity and waiting for instructions from others.

• Our human resources management policy

We highly value employees who achieve results by taking action aligned with our human resource ideals. We appropriately reward them based on performance evaluation results while also offering them further opportunities to take on challenges and achieve growth, irrespective of nationality, gender, age, academic background, life planning and other such factors.

We will create a bright future for the Company together with our employees by achieving sustainable growth in creating an organization where diverse employees who embrace the Company's corporate philosophy take initiative of their own accord.

4 Initiatives for taking on our three key challenges

1 Systematic human resource securing and development

Material issues 6

Main issues

1. Discover, develop, and strengthen the human resources that will lead the Group's management in the future
2. Professional development and know-how succession for manufacturing, sales, and technology
3. Secure the human resources needed for growth (securing both quality and quantity of personnel)

Measures

- Systematically discover, develop, and strengthen core human resources
- Redefine and expand various training
- Samurai Project
- Implement various human resource securing activities

Outcome

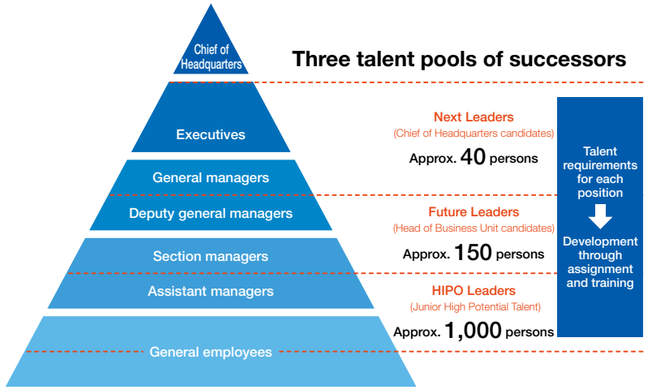
- Systematically secure human resources necessary for implementing our management strategies
- Steadily pass on the strengths befitting the human resources of MinebeaMitsumi to the next generation

Systematic discovery, development, and strengthening of core human resources

We are preparing a talent pool of successor candidates for key Group posts such as Chiefs of Headquarters and heads of Business Units, and of junior professionals with high potential. We are also assigning human resources and conducting training in a manner that effectively contributes to their development.

In fiscal 2024, we launched three selective training programs (the Next Leaders Program (NLP), the Future Leaders Program (FLP), and the HIPO Leaders Program (HLP)) based on the talent requirements for each position. The ideals for our leaders are "Leaders who look at the big picture, and who strengthen and evolve business through ingenuity, leadership execution skills." Based on this, the goals of these trainings are to (1) provide participants with the conviction, perspectives, and skills they will need, (2) provide participants with global leaders' abilities to look at the big picture, creativity, and execution capabilities, (3) foster interaction between top talent (INTEGRATION activities), and (4) have participants rediscover the sources of their passion ("My Passion").

At the same time, we are also actively recruiting human resources for top management from outside the Company to evolve our businesses.



The Samurai Project (talent development for manufacturing, sales and technology)

In the previous fiscal year, we launched the Samurai Project in cooperation with each of our business headquarters. Highly experienced managers in each field of manufacturing, sales, and technology (primarily managers with overseas plant experience) have played a central role to plan, develop, and operate a training program for managers who can thrive globally, and also to provide guidance to the managers of overseas plants. This training enables participants to recognize their own weaknesses they had previously been unaware of and areas where improvement is required. It promotes further activating teamwork and facilitates localization.

Implement various human resource securing activities

To secure the human resources we will need for further growth, in Japan, we have established a "reemployement system" for rehiring employees who have left the Company and a "referral system" that promotes hiring through employee referrals.

To address the issue of personnel shortages, which will become an issue in the near future, in April of this year we established a new Global Support Center (GSC) in our Cebu Plant in the Philippines. Through this center, we plan to develop human resources in fields such as the IT, development, and back office support to assist with the hiring human resources/employees needed by Group companies in each country. We have also defined a global recruitment branding concept: "HERE. THERE. EVERYWHERE." We are conducting recruiting activities across our overseas group companies to promote the attractiveness of the Group, which also offers opportunities to work in various countries around the world.

HERE.
THERE.
EVERYWHERE.

2 Cultivating Corporate Culture for Strategy Realization

Material issues 7

Main issues

1. Establish a culture of differentiating ourselves through INTEGRATION activities based on passion
2. Promote DEI, the foundation of our INTEGRATION activities
3. Establish the values befitting and unique to MinebeaMitsumi

Measures

- Promote teambuilding activities
- Promote DEI (Promote the advancement of diverse groups, etc.)

Outcome

- Effective management through an optimal mix of top-down and bottom-up approaches
- Establish autonomous INTEGRATION activities in which our diverse group of employees can thrive regardless of their nationality, gender, age, the company they previously belonged to, etc.

Team building activities

We define "teambuilding activities" as producing results that contribute to the realization of our corporate philosophy through INTEGRATION activities by teams consisting of members in departments that normally do not engage in daily operations together. We are successfully promoting these teambuilding activities throughout the Company. We expect to continue with establishing team activities based on the passion of our employees that take a bottom-up approach, and extending best practices laterally within the Group which in turn will accelerate our realization of our corporate philosophy. In the fiscal year ending March 2025, we accepted the entry of 342 teams in 12 countries globally, and activities were conducted throughout the Company under the themes of improving productivity, creating value through INTEGRATION activities, and creating products focused on solving social issues, and more. Each fiscal year, we recognize wonderful initiatives and challenges which produced exceptional results in our All-MinebeaMitsumi Team Building Awards.

Promoting female employee's advancement (Non-consolidated target: Proportion of female managers expected to be raised to 8.0% by March 31, 2029)

We believe that a corporate culture of creating new value by actively welcoming differences is the foundation of our INTEGRATION activities. Based on this concept, we promote diversity, equity & inclusion (DEI). We have long upheld a spirit of equality and promote talented people regardless of the company they previously belonged to, their nationality, or gender. In recent years, we have made it an issue of management to enhance our efforts to promote woman's advancement. We have set a target of increasing the proportion of female managers, expected to 3.2% as of March 31, 2025, to 8.0% as of March 31, 2029 (non-consolidated basis). To accomplish this, it is urgent that we systematically develop our female managers. We are conducting various diversity seminars to transform the awareness of incumbent managers and female candidates for managers, with the cooperation of Outside Directors. To incumbent managers, we are communicating the importance of fostering a culture in which diverse employees can thrive. To female candidates for managers, we are conveying the appeal of management positions and how rewarding they are, to provide opportunities for motivating women to advance their own careers. We are also holding seminars about balancing work and nursing care to foster a workplace culture of actively accepting the growing diversity of lifestyles.

Group Executive Officer's meetings and Large Factory Management Meetings

Roughly 90% of our employees are overseas employees, and we have a group executive officer system for which non-Japanese top management from overseas subsidiaries are appointed. The group executive officers communicate with senior executive officers through group executive officer meetings held twice a year. We have also established a system that allows them to speedily address issues at overseas sites, such as developing the local management that will support future local operations. In addition, we also conduct Large Factory Management Meetings three times a year. The aim of these meetings is to facilitate localization, by having local personnel in large overseas production plants tackle and resolve issues on their own as a team, instead of simply acting on instructions from Japanese personnel. At these meetings, local management and top management executives engage in a lively exchange of opinions.

Advancement of Non-japanese employees in Japanese business sites

We actively recruit overseas human resources, and many talented employees sent from our overseas subsidiaries to our sites in Japan work alongside our Japanese employees. Since 2016, we have conducted training for promoting human resources who will be responsible for local operations in the future. This year, three employees, from Thailand, China, and the Philippines participated in the program. Over the course of a year, they will be trained in back office divisions, sales divisions, and factories from Hokkaido to Kyushu. They will broaden their horizons and develop managerial perspectives by gaining a better understanding of our various businesses and departments. After they returned to their home countries, we expect them to play an active part as core members and future leaders.

③ Improvement of employee engagement

Material issues 8

Main issues

1. Give employees a sense of the direction of our transformation for the next generation
2. Prepare an environment for working more efficiently
3. Further activate vertical (reporting line) and horizontal (cross-headquarters and cross-divisional) communication
4. Create an environment conducive to employees taking on challenges on their own initiative

Measures

- Town Hall Meetings
- Worksite-level activities that improve employee engagement
- Dialogue-based interactive management training
- Autonomous career development support

Outcome

- Develop into an organization in which diverse employees of all ages are highly engaged
- Deepen employees' understanding of our profit strategies and increase the number of employees strongly committed to contributing to profitability, improving productivity, and achieving quality

Policy for the current fiscal year's initiatives

In order to achieve a virtuous cycle of our sustainable growth and maintaining and improving employee engagement, we have conducted an employee engagement survey for the fiscal year ended March 31, 2024. Through this process, we grasped the current status of our human resources and organization issues, and we analyzed the results of the survey to formulate and implement effective improvement plans.

From the fiscal year ending March 2025, we have positioned improvement of employee engagement as one of our major management issues, and we are actively promoting improvement efforts through initiatives at three levels: (1) the Company as a whole, (2) business headquarters, and (3) each business unit (worksite).

Specifically, our company-wide initiatives include Town Hall Meetings in which the President engages in direct dialogues with employees. The meetings are held systematically over the course of the fiscal year. We also conduct dialogue-based interactive management training for managers aiming to create a strong organization in which employees can function autonomously. In conjunction with these initiatives, each business unit (worksite), with the support of the business headquarters, applies the PDCA cycle to promote improvement measures based on analyses of their current status.

Overview of the results of the employee engagement survey
(For major domestic companies, conducted in June 2023)

Employee engagement
(Comprehensive evaluation score)
*Percentage of responses that were positive on a five-point scale (top two categories)

60%

Strengths
- Shared belief in corporate philosophy
- Understanding of the Company's goals and objectives

Issues
- Transformation for the next generation
- Operational efficiency
- Talent management
- Communication and coordination

Major management issues, their positioning, and the promotion of measures at three levels

① Initiatives by the Company as a whole	• Company-wide message communications and the promotion of company-wide initiatives • Dialogue-based interactive management training (general managers and deputy general managers) • HR systems reform (deliberations underway for introduction for the fiscal year ending March 2026)
② Initiatives by our business headquarters	• Initiatives by the headquarters as a whole, promotion and support of business unit initiatives
③ Initiatives by each business unit (worksite)	• Activities to increase engagement led by each business unit (worksite)

Town Hall Meetings with the President

President Yoshida systematically visits our main seven sites in Japan and makes time to engage in direct dialogue with employees with the aim of conveying to our employees our dedication to improve employee engagement and heightening employees' expectations for future reforms.

In addition to attendance at the meetings on-site, we also record and stream them so that the entire employees in Japan, approximately 9,600, can also view them. At the Town Hall Meetings, President Yoshida and the Chiefs of Headquarters discuss our business strategies and human resources and additionally, management engages in dialogue with the employee panelists and meeting attendees.

In one exchange, a participant expressed the opinion that "the presence of various experts in a wide range of businesses is the Company's strength, so the exchange of ideas beyond divisional boundaries needs to be accelerated." President Yoshida replied that "management is keenly aware of this issue and will strengthen the system to support INTEGRATION between technology and talent." From the questionnaires administered after the meeting we received many positive comments from attendants, such as "I felt President Yoshida's strong commitment to the Company," "Junior members spoke frankly and there was an honest exchange of ideas without holding back due to excessive deference." and "what left the greatest impression was the President's discussion on how talent development is an important management issue."

We plan to continue holding Town Hall Meetings in the future.

Business planning deliberation meeting (panel discussion)

In March of each year, we conduct an Annual Operational Plan Meeting which is attended by top executives from Japan and around the world. In the latest meeting, we held a panel discussion regarding employee engagement.

The first part of the panel discussion was titled "The Challenges Faced by Management." During this part, pioneering initiatives in the ABLIC and European regions were introduced and panelists engaged in deep discussions of three themes: (1) what initiatives should be taken to improve engagement, (2) the relationship between achieving business targets and employee engagement, and (3) how to draw out spontaneity from employees with diverse values.

The second part of the panel discussion was titled "The Awareness of Junior Employees." Junior employees were invited to participate and share their thoughts on survey results, the positive aspects of MinebeaMitsumi, and the issues to be addressed to make improvements in a lively exchange of opinions. Participants gave their frank and constructive input from the unique perspectives of junior employees, and the session concluded with a high level of energy still present in the atmosphere.

Dialogue-based interactive management training

We are conducting a dialogue-based interactive management training to improve the quality and quantity of communication between supervisors and team members, based on the challenges identified from the engagement survey results. The objective is for supervisors to acquire the dialogue skills to listen to the sources of motivation and career goals of members, and then to entrust work to members, drawing out their spontaneity and autonomy and promoting transformation into a strong, self-driven organization. We have launched online training for approximately 500 general managers and deputy general managers covering the following four themes: (1) psychological safety, (2) dialogue concerning members' careers and growth, (3) delegation of authority, and (4) coaching.

Autonomous career development support

We implement autonomous career development, which is based on the intrinsic motivation of the employee and its importance to maximize the employee's potential. As part of our three types of selective training, we have started the verbalization project "My Passion Project," which is designed to verbalize one's source of passion. In this project, participants reflect on their history and consider what excites them ("WANT"), what social issues they wish to solve ("MUST"), and what they are able to do ("CAN"). Being driven by their own passion generates a strong sense of conviction regarding what they aspire to realize as a leader or employee of MinebeaMitsumi. We will expand this initiative in the future.

Furthermore, as part of our human resource system when all employees set their targets for the fiscal year, we provides them with opportunities to consider their medium- to long-term careers so that they can enter or update their personal growth ideals for one, three, five, and ten years from now. We also offer an internal job-posting system for employees who wish to take on challenges in new environments based on their own career plans.

Copyright 2024 THINK AND DIALOGUE Inc.

External assessments (related to employee engagement)

myonic GmbH was awarded as one of "Germany's Best Employers in 2024" by Great Place to Work®

Our Group company, myonic GmbH (headquartered in Germany) was recognized as one of the best employers in Germany (13th place) in the 251 to 500 employees size category, by a global awareness survey organization Great Place to Work® in its "Germany's Best Employers in 2024" study.

Major awards received in Japan

2024 Certified KENKO Investment for Health Outstanding Organizations Recognition Program (large enterprise category)

Kurumin certification

Eruboshi certification (Highest rank: 3 stars)

Roundtable Discussion on Human Capital

How should MinebeaMitsumi draw out the potential of employees to realize further growth?

It has been a year since Chairman & CEO Yoshihisa Kainuma (hereinafter referred to as the "Chairman Kainuma") and President, COO & CFO Katsuhiko Yoshida (hereinafter referred to as the "President Yoshida) began working together with singleness of purpose in MinebeaMitsumi (herein after referred to as "the Company") in April 2023. Over the past year, various initiatives have been undertaken to develop and enhance human resources, which our management has prioritized as one of the key management challenges. In light of this, President Yoshida sat down for a roundtable discussion with Outside Directors Ms. Atsuko Matsumura, Ms. Yuko Haga, and Mr. Hirofumi Katase, as well as Advisory Manager Mr. Motoki Kato (herein after referred to as "Mr. Kato) who is in charge of human resources development as Deputy Head of HR & General Affairs Division. They discussed how to leverage employee potential as human capital, covering topics such as our human resources strategy, concrete HR measures, and the result of the Employee Engagement Survey.

— Could you share the reasons behind prioritizing the human resource strategy and the challenges you have recognized?

Yoshida: As the world's only "INTEGRATED precision components manufacturer," we have set long-term business targets of ¥2.5 trillion in net sales and ¥250 billion in operating income for FYE March/2029. We also need to establish a solid foundation for sustainable growth further beyond, with FYE March/2029 as a transit point. To achieve this target, we believe that one of our key challenges will be developing the next-generation management talent, including succession planning for the management team.

As a components manufacturer, the Company's basic structure consists of business units that manufacture a wide variety of components with sales ranging from several tens of billions of yen to around ¥200 billion. The Company will aim for growth in each business unit, centered on the "8 spears" (see p.23) and M&A to achieve the business targets set for FYE March/2029. However, as each business unit becomes larger in scale commensurately with their growth, it needs a wider range of products, markets, and technologies even within the same business, requiring tailored business operations for each product and market. In addition, because different manufacturing methods and philosophies are practiced, we will have to allocate the business units into optimal areas and increase the number of the business units.

When I spoke with a consultant, it was explained to me that if we compare modern business competition to battles, the decisive factor is not an all-out company-wide battle, but rather winning localized battles in specific areas of competition. When we apply this approach to our businesses, localized battles are fought by each business unit, and the Company-wide victory or defeat is determined by the accumulated results of each business unit. In other words, to achieve our business targets, it is essential for each business unit to grow, and improve profit margins while increasing the number of business units. It is the Heads of business unit who leads such localized battles, so that their roles and responsibilities serve as extremely important factors. Accordingly, our human resource strategy starts from securing the number of future Head of business unit, and improving their skills.

Among those Heads of business units, Chief of business headquarters (hereinafter called to as the "Chief of headquarters") who will lead their related business units will be selected. A business headquarters functions like an in-house company, and the role of the Chief of headquarter includes focusing resources on key business areas, as well as managing support for struggling businesses across divisions. A scaled-up version of business headquarters becomes the whole of the Company, MinebeaMitsumi. Therefore, fostering future Head of business units and Chief of headquarters will contribute to more effective future succession planning.

Our current management has witnessed the remarkable growth under Chairman Kainuma's leadership at the forefront of business world. This leads me to believe that even if the next-generation management is talented, bridging this experience gap will be extremely challenging. Accordingly, considering the succession of management team, including top executives, fostering candidates for Chiefs of headquarters is the most important initiative, despite being quite challenging.

— Tell us about Mr. Kato, who is responsible for human resources development, and joined the Company last October.

Yoshida: We take human resources development at the site very seriously so that our main focus has been On the Job Training (OJT) at manufacturing site, specifically at our plants. However, there is now a growing need for interpersonal skills such as communication abilities, as well as a broad knowledge of areas like digital transformation. I feel that relying solely on OJT has its limitations for acquiring these skills. To address this issue, we thought that our homegrown employees may struggle to break away from our conventional approach. That is why we invited Mr. Kato to join us from outside the Company, taking on a CHRO-like role primarily focused on human resources development. He observes our organization from a fresh perspective and help us address this issue.

Kato: It has been almost a year since I joined the Company as the Deputy Head of HR & General Affairs Division. What I have learnt through my interactions with our employees and plant visits is that we have got many employees who strongly believe manufacturing to be our starting point, and they are sincere and truly earnest about their work. We have been growing our business with a sense of speed through top-down management, but we would also like to revitalize the entire organization by both utilizing the advantages of top-down management and bottom-up management elements. I am aware that applying bottom-up management makes use of the earnestness in our employees toward manufacturing, initiative, and creativity of each and every employee.

Head of Human Resources Development
Motoki Kato

Taking the current external environment into consideration, we are seeing a declining population. I believe this is not just an issue for the Company, but is making it increasingly taxing for many companies to secure talent. I assume we are transitioning from an era where a lack of funds made it difficult to manage a business to one where a shortage of talent made it difficult to manage a business. Particularly, the ownership of human capital does not belong to the company, but the individuals themselves. Unlike resources such as money and goods, human resources have will and motivations. For this reason, even if management tries to motivate employees, it does not work well unless they are willing to demonstrate their abilities for the benefit of a company. This problem highlights the importance of the employee engagement, specifically the relation between a company and its employees. Such trend is increasingly paid attention to by institutional investors which are demanding more active disclosure of information on human capital.

— What specific HR measures are you implementing in light of the current situation and challenges the Company is facing?

Yoshida: As I mentioned at the beginning, the most important measure is fostering candidates for Head of business units and Chief of headquarters who will be in charge of business units down the road. And then we must secure the number of talents and train junior talents who will succeed. To this end, we introduced a training program consisting of three different classes (hereinafter referred to as the "Three-Class Program," see page 51) last fiscal year to establish a training system for forming a group of talent. I am proud of the launch of the Next Leaders Program (hereinafter referred to as "NLP"), which trains candidates for Chief of headquarters, to be one of our significant achievements.

The Three-Class Program has lectures from our current management team, including Chairman Kainuma. The key point is that NLP highlights the chance to be placed in actual posts as part of OJT. In other words, the core of this training program is to acquire skills and experiences necessary for leadership from multifaceted hands-on opportunities, in parallel with lectures.

At the same time, we are implementing bottom-up measures. The first one is the Employee Engagement Survey for major group companies located in Japan, which was conducted for the first time in June last year. Based on the survey, we have begun identifying current human resources and organizational challenges within the group companies, formulating and implementing effective improvement plans. The second one is INTEGRATION (see p.2), which is one of our key initiatives. For instance, our facilities in our Shiodome office are designed in a way to connect employees to create new corporate culture.

— What are your expectations for the Three-Class Program and what do you think is important when implementing this initiative?

Katase: I think the Three-Class Program is essential for the Company and it is wonderful that it is being systematically implemented. I think its contents and operation will remain as important elements in the future. First and foremost, I am wondering whether the selected employees are recognized and acknowledged within the Company. Because I believe that leadership development should be transparent and fair to everyone in the Company. Leaders in an organization grow through encouraging competitions with one's peers. I used to work at the Ministry of International Trade

Outside Director
Hirofumi Katase

and Industry. In MITI, there was a famous system called "Legal Review Committee." The committee members were selected from among the assistant section chiefs of each bureau, who were around 40 years old. The committee members held tremendous authority, and even the minister was not allowed to decide on any Ministry of International Trade and Industry policy without the assent of the Legal Review Committee. Budgeting for each bureau was decided solely by the committee members, so that at the age of 40, assistant section chiefs had the chance to work with the same level of awareness as ministers. They carried great responsibility and received intense training. This has long been said to have been the source of MITI's energy. But my point is not that they should have that much authority. Rather, for leadership development, I think it is more meaningful to create a space where members can build connections and have discussions with their peers who have the same sense of responsibility. For that reason, I think the selected employees should be recognized in an open and fair manner. But at the same time, I know that this can cause some complaint. In that case, it is the management's job to explain the situation carefully to convince everyone. Therefore, the management class need to have firm readiness to do so.

Second, it is necessary to raise the overall level of human resources in order to acquire leaders and develop leadership talent. This initiative should start from much lower than Junior High Potential Talent Class (hereafter referred to as "the HIPO Class"). For driven junior members, I feel it is crucial to proactively provide them with a learning environment where they get to acquire knowledge and skills necessary for running a company such as finance, human resources management, and technology. Additionally, in terms of developing broader perspectives, they need to have thorough understanding of the geopolitical environment and AI which is likely to have the greatest impact in the future. I believe that if junior aspiring leaders who are seeking to acquire these skills are given the opportunity to study these topics, it will ultimately help raise the overall standards of future leadership talent.

Yoshida: When it comes to ensuring transparency, I believe that the existence of the next-generation talent is becoming more evident across the Company through their speedy promotions, and the position or opportunities they acquire. As for healthy competition among leaders, I expect that connections with one's peers will be built over the course of the program, because those candidates get to spend the entire time together in the same sessions. What is more, at the end of the program, they are given an opportunity to present "MY Passion" (see p.54) in front of Chairman Kainuma and myself. This is a chance where participants share what they intend to accomplish in the future and feel the connections with their peers.

In terms of raising the overall level of human resources, I would like to mention that the selection system are also applied to the HIPO Class employees in the Three-Class Program to evaluate candidates' logical thinking ability and check their career advancement plans. We are very conscious of taking care of providing another chance for those who were not selected for the first time around. I am fully aware of the importance of supporting those who were not selected, as they are likely to have great resilience in the face of challenges. At the same time, we have understood the need to raise the overall level of junior employees class is an important challenge to consider going forward.

Kato: "My Passion" was launched for participants in the Three-Class Program with the aim of looking back on their past experiences and rediscovering their passions. Based on this, they identify their visions as leaders. Presentation of "MY Passion" brings on a lot of excitement, as they get to know each other more by displaying their true character to everyone. I hope it will help deepen their connections with each other.

Katase: To maintain sustainable connections with peers, it is essential to highlight not only the training period, but also on everyday interactions afterward. I think this approach will contribute to better quality in company-wide management. It would be even better if we could incorporate regular opportunities for members to gather and discuss in some form.

— Next, please share your thoughts on the results of the Employee Engagement Survey and what aspect you would like to prioritize in the future initiatives.

Haga: I think it was very meaningful and important that we conducted the Employee Engagement Survey for the first time, quickly launched internal discussions on what to do based on the results, and started to formulate specific improvement plans.

The Company's strengths that became clear in this survey were the widespread recognition of "Shared belief in corporate philosophy" and "Understanding of the Company's goals and objectives" (see p.53). I believe that this is thanks to top management's continuous efforts to share our message both internally and externally, and it is proof that employees understand the Corporate Philosophy and the goals. But from a different point of view, they probably have not yet grasp how to take the philosophy into practice even if they have a great understanding of it. Also, there may be challenges in taking action, even if one wants to, and that the corporate culture makes it difficult for individuals to propose and initiate actions. When viewed by job ranking, it appears that the engagement scores in higher-ranking employees, who have driven the Company's growth so far, are relatively high. Therefore, I understood that the top-down approach had been accepted, allowing us to maintain rapid growth consistently. On the other hand, engagement score among junior member was lower.

Also, since it was our first time conducting such survey, the survey was limited to domestic employees, but we would like to expand it to expatriates next time as our key members are working overseas. It is common phenomenon observed in many other companies that engagement scores tend to be lower in business locations that are far from headquarters or in smaller-sized offices. Therefore, analyzing the differences between business locations is extremely important. These differences could be due to the varying cultures of the divisions, the products they handle, or a range of other factors. I hope to see a multifaceted analysis of these aspects. I would also like the engagement survey to be conducted not only once, but should be carried out continuously in the future. By conducting the survey annually, we can keep track of how results change by department and job ranking each year. This allows us to immediately develop action plans based on that year's findings. It is important to understand the impact of these actions has in the following year, and I believe that monitoring these changes over time is significant for continuous improvement.

Kato: We would like to conduct the engagement survey annually going forward.

Haga: On top of that, the results of the engagement survey directly link to corporate risk management. Business locations with low engagement score often cause compliance issues due to low compliance awareness, so that we should carefully analyze the survey results.

In addition, even though the preparation for a new human resources development plan is currently underway, we should prioritize the review of the promotion criteria for determining who will be promoted. Even if we bring in various HR systems such as 360-degree evaluations, if the final decision on who gets promoted promotions is still based on our conventional criteria, it will ultimately be a meaningless repetition of the past. To enhance our corporate value in the future, it is essential to understand what kind of talent our management considers necessary, regardless of tenure, and conversely, what kind of company employees wish to be part of. And then we should discuss this matter incorporating the perspective of external experts who can objectively analyze those viewpoints.

Kato: With the revision of our HR system planned for next year, we have launched a project team consisting of a wide variety of members, including outside experts, managers, female members, and junior employees from each of the Company's sales, engineering, and manufacturing departments. We have just started discussing the strengths of our human resources, human resources ideals, and what kind of HR system enables us to form a group of such talents.

Haga: I am aware that appropriate measures are now being taken for the top class of the Three-Class Program. But I think we have to put importance on reaching out to junior, driven members moving forward. These junior employees do not have a strong sense of belonging to the company; rather, they are the type of people who want to determine their careers on their own. I am a faculty member of a business school for working adults, and I know that there are many ways out there to learn things on their own if they wish so. In fact, half of the students wish to stay with their current company and apply what they learn at the business school, while the other half left their previous company to pursue opportunities at different companies. Considering this situation, the point raised by Mr. Katase about "assuring transparency" becomes very important for employee retention. The key question is what career opportunities exist within the Company—specifically, what career paths are available and what systems are in place to support them. It is crucial to communicate this clearly and transparently with all employees. Equally important is visualizing the possibilities for employees to realize their own visions.

Outside Director
Yuko Haga

Kato: I would like work on establishing a highly transparent HR system that helps them visualize the process toward achieving their career goals.

Yoshida: We are planning to make reports multiple times to the Board of Directors over the course of the project for our HR system revision, and are currently working on the tentative details. For promotion criteria, we are going to prioritize the qualitative evaluation system that put importance on understanding of our businesses, one's commitment, and business senses to vitalize the Company, instead of quantitative evaluation that uses a point-based system. Ones selected through such evaluation process will take on high expectations and responsibilities, working rigorously towards their high goals. But if they underperform, we will have to consider a system for replacing those selected individuals. Therefore, we need to clearly define our human resources ideals at each level to ensure transparency.

Matsumura: The project for our HR system revision is being carried out with consideration of the Company's strengths and issues indicated in the result of the Employee Engagement Survey. In that way we can form a group consisting of our human resources ideals. On the other hand, to improve engagement, we have to consider establishing a framework that incentivizes every single employee, and maintaining our attitudes aligned with our employees.

In that sense, the panel discussion focused on engagement held at the Business Planning Deliberation Meeting (see p.54) this spring was extremely valuable. In the meeting, our management and employees had a frank discussion together regarding if there are gender disparities in promotions at the Company and whether each employee is able to clearly define their own career path. Employees' comments in such setting provide our management with insights into their attitudes towards the Company and their work, offering valuable clues for improving engagement. I look forward to seeing the steady implementation of various initiatives, and greater contribution by our employees.

— Do you have any expectations regarding the initiatives and challenges related to DEI (Diversity, Equity & Inclusion), and human resources INTEGRATION which lies beyond DEI initiatives?

Matsumura: I think the Company's DEI strategy is being advanced in connection with INTEGRATION. Originally, the Company's basic strategy was to pursue differentiation through INTEGRATION of a variety of technologies and products, as well as to create values by INTEGRATING our technologies and ones from other companies acquired through M&A. In addition to these technical and product-related INTEGRATION, human resources INTEGRATION, which is the topic of this roundtable discussion, has become increasingly important. Even the name of this office in Shiodome does not contain the word "building." It is called "X Tech Garden" in order to promote INTEGRATION in the three areas, business, technology, and human resources. I feel that this name represent INTEGRATION very well.

In this way, the Company's DEI strategy aims to create new value through human resources INTEGRATION. For example, employees from other companies integrated through M&A get promoted to management positions as long as they are motivated and talented individuals, regardless of their company of origin. I highly anticipate

this approach will contribute to the Company's future growth.

Katase: I agree with Ms. Matsumura. I think one of the Company's strengths is its ability to steadily bringing in people with new talents, diverse cultural backgrounds and unique ideas through M&A. To give you an example, a member from MITSUMI ELECTRIC recently got promoted to top management position in the semiconductor business unit, illustrating the utilization of talent based on ability.

Matsumura: One point I would like to mention here in regard to the Company's DEI strategy is the promotion of talented non-Japanese members to the Executive Officer positions. Currently, two out of 20 Executive Officers and four out of 39 Business Officers are non-Japanese. One of them is a female member. I am excited to see more promotion of executives from overseas bases, and hope it will lead to an enhancement of our corporate value with diverse perspectives and ideas across the group companies of the Company.

Regarding the promotion of women's participation, I appreciate that the large-scale seminar held company-wide in 2020 has contributed to increase in the number of female employees in our domestic workforce. As of the end of June this year, the ratio of women among our full-time employees stands at 16.3%, and we have set a goal to raise this ratio to 18.5% by the end of FYE March/26. However, the ratio of female members in management positions remains relatively low at 3.2%. Since the Company has set a target of raising the ratio to 8.0% by the end of FYE March/2029, I am looking forward to seeing the effective implementation of the measures to achieve this goal. I also believe that improving multifaceted initiatives for promoting women's participation is a challenge for the Company. As one of our goals, I would like to aim for obtaining the "*Nadeshiko* Brand*" certification. Returning to the Three-Class Program, I have heard that although we do not have female member in FLP, NLP includes one female non-Japanese special invitee. What is more, several female members are included in the HIPO Class. For junior female employees, it is important to implement initiatives aimed at raising awareness of women's participation in each department. By boosting their motivation, we can expect an increase in the number of women in the HIPO Class, which will contribute to the enhancement of our corporate value in utilizing female talent.

Haga: I agree with Ms. Matsumura on that point. Returning to the earlier discussion about the survey results, there was a significant disparity in perspectives between higher-ranking positions and those below the ranking of Assistant Manager regarding DEI matters. This is a critical issue for us. As a company, we may believe we understand the importance of women's participation and DEI in today's world, but there is a possibility that the management may not be fully aware of their own unconscious biases. For instance, it can be said that some women, from an objective perspective, might feel that the Samurai Project (see p.51) is exclusively for male members, because *Samurai* in Japanese refers to a male warrior.

Outside Director
Atsuko Matsumura

Yoshida: I don't think there was no intention at all to imply that "Samurai" referred specifically to men when the project name was chosen. As we have female members in the Samurai Project team, we will have to ensure transparency in regard to definition of the Samurai Project.

Kato: The promotion and advancement of women's participation in workplace in Japan is a challenge, so that we are advancing initiatives aiming at transforming the mindsets of both people in management positions and female employees. We hope that the Outside Directors will collaborate with us on the formulation of a plan to hold in-house seminars as a starting point of various future initiatives.

For our management class, I believe they need thoroughly comprehend the significance of working alongside diverse employees. In addition, I recognized that responses to career counseling among members can vary, so we are going to focus on articulating the value of these consultations more clearly.

In regard to the mindsets of our female employees, I think there are some female members who feel anxious about taking on a management role, worrying that it will come with increased responsibilities, lead to longer working hours, or that they may lack the confidence to manage effectively. In order to mitigate their unease, I would like to proactively share with everyone the improvement in the Company's nature, and how meaningful and rewarding it is to take on challenges.

Yoshida: Talking about careers, we are working on increasing the number of female employees in overseas postings, and have launched an initiative where employees can experience working overseas for a shorter period of just one year. Previously, our employees usually took on their first overseas posting for a term of five years when they were in their late 20s or early 30s, and then the second term would be slightly longer. The career path following those terms was generally to go back and forth between Japan and overseas in management or specialist positions. However, this policy has caused cases where motivated female employees gave up on opportunities of working abroad due to their life plan when they were offered a place in overseas bases. In order to prevent such situation, we have reduced the term of overseas postings to one year as a first step in efforts to actively increase opportunities for our female employees to experience the frontline of manufacturing at our overseas plants. If they wish, the term can be extended to three or five years. Currently, there is a female employee in Shanghai on one year assignment. She has entrusted the care of her elementary school-aged child to her husband. I think that if we continue this initiative, we will be able to expand the career opportunities for our female employees.

— Please share any expectations or additional insights you have about the human resources strategy after reflecting on the discussions we've had so far?

Katase: I think our strengths are that the Company-wide objectives are extremely clear. And also from an employee perspective, there is a well-established sense that the Company growth benefits our society we live in. For instance, "MMI Beyond Zero" (see p.71), one of our environmental conservation initiatives represents our strong determination for growth and benefits for society very well. But I know only a few companies that conduct such initiatives.

On the other hand, I would say a challenge is motivating all employees, including junior employees, to help them understand how each of them can contribute to the overall direction of the Company. I believe this is essential for enhancing engagement. We should also establish a transparent process for providing appropriate feedback from management on how individuals and organizations are contributing to the overall company goals. If these efforts are continued, it is fully possible for the Company to leverage employees' potential and recruit promising talent in a sustainable manner. But in the recruiting process, I think companies that do not utilize driven female talent will be put in a disadvantageous position in business world. We will approach the promotion of DEI with such a strong sense of commitment.

Matsumura: Towards our business targets for FYE March/2029, I can really feel how our management team has been taking an increasingly proactive approach as we are getting closer to the goal of our target around the corner and relocation of the Tokyo Headquarter to Shiodome. To align with this momentum, the Company needs not only technical personnel who serve as the core in the manufacturing industry, but also leadership talent who are capable of advancing our businesses while collaborating with technical personnel. I look forward to seeing the new human resources development initiatives and recruitment strategies implemented steadily down the road. Also, in order to secure talent for the Company, I believe if we can fully appeal our products and the various commitments to society, we will be able to attract highly-skilled talent who are seeking for worthwhile work. For DEI promotion, I intend to actively provide advice from my standpoint as Outside Director on initiatives required to create positive and rewarding work environments, enhance the motivation among female employees, and help secure diverse talent. Touching on the employment of people with disabilities, the Company's internal newsletter explains the statutory employment rate for people with disabilities will be raised to 2.7% in July 2026. It also describes the current status at the Company, our initiatives and matters to be considered. I find this kind of information sharing is pretty effective for promoting DEI. Finally, I would like to mention the Team-Building Initiative (see p.52) as an example of human resources INTEGRATION. This is a bottom-up-style initiative supported by our employees' enthusiasm and it has become quite ingrained within the Company. Recent initiatives selected as excellent examples include one to reduce equipment malfunction at ABLIC (acquired in 2020), and a collaborative one between Tokyo Headquarters and the Cambodia Plant to improve container loading rates. I was deeply impressed by the outcome that the Team Building Initiative has generated, regardless of which company or location they were from. I look forward to seeing the further advancement of this initiative.

Haga: There are two thing I would like to mention.

The first key is that a human resources strategy anticipating future population decline is absolutely necessary. I believe utilizing AI is the only viable option here. Harvard University conducted a global survey which presents results and cases where the use of AI has led to increased efficiency across various occupations and levels. What they found is that individuals who had been doing the same job for many years show lower efficiency gains from the introduction of AI compared to those who have been in the role for a shorter period of time. In other words, AI is not just for those with special skills, like the so-called "AI talent." Just as everyone uses Excel or Word, Chat-GPT is simply a tool. The key is to focus on how to quickly enable everyone in the organization to make full use of AI tools. I think this plays as an essential skill in the context of a declining workforce population.

The second key point is to one's keep eyes and ears open to opinions from junior employees. I sense that today's young people are pretty committed to supporting communities. I would like to point out that even though the Company's Corporate Philosophy states "To contribute to realization of a sustainable, eco-friendly and prosperous society by providing better products, at a faster speed, in larger numbers, at a lower cost and by smarter means," the part that says "by providing better products, at a faster speed, in larger numbers, at a lower cost and by smarter means" merely suggest a mean; we should not forget that our ultimate goal is "to contribute to realization of a sustainable, eco-friendly and prosperous society." But I feel that while the Corporate Philosophy has become well-ingrained as an internal message, the second half (the means) seems to be emphasized more than our ultimate goal stated in the first half. I think "To contribute to realization of a sustainable, eco-friendly and prosperous society" is the part that young people aspire to achieve. If they realize that the Company provides them with opportunities to accomplish this goal, the Company will become an extremely attractive place for junior employees. It is also important to note that stance towards supporting society between younger generations and older generations is completely different.

Director, President, COO & CFO
Katsuhiko Yoshida

Kato: Today's discussion was such a great opportunity for me as I got to hear frank opinions from Outside Directors regarding our current human resources strategy. I feel even more inspired and motivated now. We will make sure to steadily implement this strategy.

Yoshida: Our highest priority in human resources development is fostering the next-generation management talent in a way that they can view business management through the same perspectives as the current management team. And then we will have to build up a solid talent pool of human resource to continuously send out the next generation of management leaders.

The next priority is to continue conducting the Employee Engagement Survey and expand it to overseas offices. We will have to precisely assess the survey results and link them to the Company's DNA and strengths, in order to implement specific initiative in the future.

Finally, we have to promote DEI strategy and human resources INTEGRATION. The Group of the Company have manufacturing operations in 28 countries and regions, with 100,000 employees with diverse backgrounds dedicated to manufacturing there. This is a valuable asset that set us apart from our competitors. However, I don't think we are fully taking advantage of it yet. I am confident that human resources INTEGRATION will foster a new corporate culture, paving the way for a brighter future for the Company.

Thank you very much for sharing your broad and insightful opinions today.

*The "Nadeshiko Brand" is an initiative which is implemented jointly by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange (TSE) since 2012. It aims to introduce certain TSE-listed enterprises that are outstanding in terms of encouraging women's empowerment in the workplace as attractive stocks to investors who place emphasis on improving corporate value in the medium- and long-term, thereby further raising investors' interest in such enterprises and accelerating the encouragement of women's empowerment in outstanding enterprises.

Manufactured Capital

The strength of MinebeaMitsumi's manufactured capital, which is the source of its competitiveness, is a vertically-integrated manufacturing system which enables it to achieve both ultra-precision machining technology and mass production. We are expanding the global production framework and sharing our accumulated manufacturing knowhow throughout the entire Group. We have formed a dedicated team to support manufacturing, strengthening manufacturing capabilities across the Group, and contributing to the generation of synergies.

Manufactured capital strategies —Message from Chief of Manufacturing Headquarters—

To realize our corporate philosophy (to contribute to realization of a sustainable, eco-friendly and prosperous society by providing better products, at a faster speed, in larger numbers, at a lower cost and by smarter means), our Manufacturing Headquarters aims to pass on our "Monozukuri (Manufacturing) DNA" to the next generation based on our strengths which include our vertically-integrated manufacturing and our global production framework.

We have been actively undertaking initiatives to implement digital transformation (DX) of manufacturing sites and utilize robotics. We have opened a robot floor at Tokyo X Tech Garden, and we are pursuing an approach of MinebeaMitsumi automation. Moreover, we will seek improvement in productivity and operational performance to achieve an overwhelming supply and capability enlisting INTEGRATION of our people through team building. We are also implementing various initiatives to fulfil our social responsibility as a precision component manufacturer, such as by reducing our environmental impact through the introduction of large-scale solar power generation and enhancing our risk management.

Managing Executive Officer, Chief of Manufacturing Headquarters
Takuya Sato

Basic policy for manufactured capital strategy to achieve management strategy

The Manufacturing Headquarters aims to share best practices, create vision for automated manufacturing, etc., and pass on its "Monozukuri DNA" to the next generation. Accelerating INTEGRATION of our people through team building, we will resolve various challenges at our manufacturing sites, including production improvement, further enhancement of supply capabilities, and strengthening of risk management associated with reducing environmental footprint.

Strengths of manufactured capital
- Vertically-integrated manufacturing
- Global production framework
- Accumulated manufacturing knowhow

Aim of manufactured capital
- Establishment of an overwhelming supply system
- Mass production with minimum environmental impact
- Stable supply of high-quality and safe ultra-precision components

Strength 1 > Vertically-integrated manufacturing

Many ultra-precision components such as bearings require a machine's precision to be at a micron (1/1,000,000) or nano (1/1,000,000,000) level, as well as the need to be mass produced in volumes numbering in the hundreds of millions. MinebeaMitsumi has established a "vertically-integrated manufacturing system" for managing everything from design and development to assembly and in-house inspection, reducing manufacturing costs and providing products with high precision and speed.

Strength 2 > Global production framework

We have expanded to 130 production and R&D sites spanning 24 countries. The mother plants in Japan closely work with mass production sites in Asia, plants in Thailand, the Philippines, Cambodia, and China, as well as Europe and the United States, to swiftly and flexibly respond to diverse market needs. Moreover, we have strengthened our risk diversification system by establishing sites in multiple countries, or multiple sites within a single country, for most of our businesses including bearings. At every location, we promote "identical technologies and management," and produce uniform models of products at multiple sites, with an eye toward local consumption of locally manufactured products. We have thereby developed systems that drive manufacturing of products with uniform quality, even if manufactured in different locations. This does not simply diversify risk, but enables us to truly avoid risk, supplying products meeting the standards demanded by our customers even when we might encounter production interruption in some regions.

Strength 3 > Sharing of manufacturing knowhow and specialized team to support manufacturing

MinebeaMitsumi has honed its manufacturing capabilities by specializing in very small and miniature-sized bearings, and maintains productivity at a high level by pursuing performance, quality, and yields to the utmost. This manufacturing knowhow has been shared throughout the entire Group not only for bearings, but also electronic devices such as motors as well as access products, leading to differentiation of our products. A specialized team has also been formed to support manufacturing and synergies have been quickly demonstrated with this business integration.

CAPEX > ¥83.6 billion (Fiscal year ended March 2024)

Conducting efficient investment while assessing an appropriate level based on productivity improvement, product characteristics, etc.

Issue: Developing and hiring human capital at manufacturing sites

Measure 1 Automation projects

In the machines and electronic component industries, technological innovation is accelerating and there is rising demand for large-scale, flexible, swift production and supply. As populations are aging and labor costs are rising around the world, it is an urgent task for the Company to develop and hire human resources at manufacturing sites that will allow us to meet the above demands. We are not only leveraging our existing strengths, such as our vertically-integrated manufacturing, but also actively promoting automation, utilizing robotics and automated transport. In the fiscal year ended March 2024, we achieved manpower savings for 6,000 people, and in the fiscal year ending March 2025, we expect additional manpower savings for 5,000 people, thereby curbing personnel costs and optimally allocating human resources.

Measure 2 Team building by manufacturing sites

We share the production technologies and best practices of individual manufacturing sites and use team-building activities to solve challenges in manufacturing sites and increase motivation. Team building Page 52

Outcome Swift and overwhelming supply capability

Through these efforts, we aim to enhance productivity at our manufacturing sites in providing swift and overwhelming supply capabilities that meet customer requirements with respect to quality and volume.

Issue: Environmental issues

Measure Use of renewable energy in manufacturing and reducing environmental impact

With its sights set on achieving carbon neutrality, the Company actively uses renewable energy in manufacturing through initiatives that include commercializing solar power projects and PPAs (power purchase agreements) to uphold its commitment to social responsibility as a member of society at its core plants in Cambodia, Thailand, the Philippines and elsewhere.

Outcome Mass production with minimum environmental impact

Through the above initiatives, we have achieved both mass production and the reduction of our environmental impact, while also lowering manufacturing costs by supplying our own power. Environment Pages 69 to 76

Issue: Increased geopolitical and other risks

Measure Strengthening of risk management

As a components manufacturer with products that have the world's top market share, MinebeaMitsumi believes that fulfilling our responsibility to supply to our customers is our social responsibility, and we have worked to expand our risk management system on a global scale. In our production of ultra-precision components, we engage in thorough quality and safety management to continuously manufacture high volumes of high quality products.

Outcome Stable supply of high-quality and safe ultra-precision components

The diversity of our business and production also functions as a manner of diversifying risk. We have maintained operations and been able to steadily supply products in the face of supply chain disruptions such as the COVID-19 pandemic, rising raw material prices, and semiconductor shortages. We are sharing the quality management approaches and methods that we have developed to date with the entire Group, thereby creating a system for supplying high-quality and safe products for all of our business sites worldwide.

Risks and Opportunities Pages 31 to 32
Risk management Pages 91 to 92

- **Example: manufacturing site mix involving the Ball Bearing Business Unit**

Intellectual Capital

With ultra-precision processing technology at its core, MinebeaMitsumi works to maximize synergies by INTEGRATION of our strengths in manufacturing, technology, development, and sales. Furthermore, using M&A as a driver for rapid growth, we are producing synergies early on through our Post Merger Integration (PMI) endeavors. We continue to generate new and increased value by leveraging the strength of our intellectual capital.

Intellectual capital strategies —Message from Chief of Engineering Headquarters—

We have designated sustainability as one of the most important issues of the company. Our goal is to celebrate our 100th anniversary in the soundest state as possible. The Company engages in the vertical integration of the development and manufacture of wide-ranging products that meet the varied needs emerging in line with our increasingly diversifying world. It also has business sites around the world. I am therefore confident that we can meet all the demands of customers worldwide with a variety of solutions, for example, through our sets of components and actuators. We are formulating and implementing technical development strategies in accordance with the aforementioned policy. In addition to our long-standing strategy of contributing to the development of products and components for the prosperity of the world, we are focused on our current theme of technology development to create products and components that contribute to resolving social issues, which emerged as a counterpart to such prosperity. To resolve social issues and support diverse technologies, we are working to enhance our underlying technologies used in our core products and a variety of other products to provide greater added value. Furthermore, we are integrating these products and technologies to develop INTEGRATED products that create new value.

Director, Managing Executive Officer, Chief of Engineering Headquarters
Katsutoshi Suzuki

We recognize EVs, power electronics/energy conversion, AI, the metaverse, and robotics as our major future growth markets, and in these growth markets we will promote the supply of highly efficient technologies and products that meet the needs for the "4 Highs" (high voltage, high current, high frequency, and high speed).

Basic policy for intellectual capital strategy to achieve management strategy

In order to support rapid growth of our core businesses and increase competitiveness, we will strengthen basic and key technologies that improve the added value of our products, and by developing new products based on market needs. We will also generate synergies through INTEGRATION and focus on solving social issues and developing new products that meet the demands of the next generations.

Strengths of Intellectual Capital
- Various underlying technologies such as ultra-precision machining technology
- Power of INTEGRATION of manufacturing, technology, development, and sales
- Maximize synergies through M&A capabilities and PMI

Aim of Intellectual capital: Solving social issues, and developing and supplying new products that meet the demands of the next generations

Strength 1 Various underlying technologies such as ultra-precision machining technology

Strength 2 Power of INTEGRATION of manufacturing, technology, development, and sales

One of our great strengths is our INTEGRATION of various intellectual capital, centered on our ultra-precision machining technologies refined for the over seven decades, as well as on our ability to handle everything entirely in-house from production equipment to environmentally-friendly operations. Our Engineering Headquarters cultivates underlying technologies in each area of ultra-precision machining, materials, analysis, high frequency transmission, optics, sensor devices, motors and actuators, and software, primarily through our five sites in Tokyo, Osaka, Hamamatsu, Atsugi, and Karuizawa, to support our core businesses and INTEGRATION activities. On the product front, we carry out cross-sectional development according to themes, which includes technologies in multiple specialized areas. Through this, we create new product lines that leverage the potential created by combining technologies. Furthermore, we have created an INTEGRATION team consisting of members of the Sales Headquarters and the Engineering Headquarters to promote manufacturing, technology, development, and sales INTEGRATION activities. In addition to planning INTEGRATED products based on the customer needs researched by each sales division, in growth markets, we also gather up-to-date information based on market trends and use it to develop pioneering INTEGRATED products by defining development themes and assembling dedicated teams in overseas sites close to customers.

Strength 3 Maximize synergies through M&A capabilities and PMI

As of August 2024, MinebeaMitsumi has acquired a total of 58 businesses, including 27 since April 2009, in an effort to strengthen and optimize its business portfolio. We have steadily enhanced our ability to execute M&As and also focused on PMI. By permanently upholding a spirit of equality, we are able to motivate the Group's members to rapidly generate synergies. M&A Pages 19 to 20

R&D expenses ¥42.7 billion (Fiscal year ended March 2024)

R&D expenses have increased in conjunction with our 12 consecutive years of increasing net sales while maintaining a ratio of R&D expenses to net sales of roughly 3%!

Issue
Developing and supplying new products that contribute to resolving social issues and that meet the needs of growing markets

Measure 1 Upgrade core technologies and roll out new products

MinebeaMitsumi's policy for development includes two key strategies:
- Expand key technologies (core technologies) essential for new product development that can win the market in the medium- to long-term.
- Create new products by leveraging Group synergies and promoting INTEGRATION initiatives.

Moreover, in addition to these existing technology policies, we will engage in new product development with a heightened consciousness of social issues.

1. Expand the motor business
2. Bring about a paradigm shift with respect to the optical technology development product line
3. Expand the sensor business
4. Enter the robotics market
5. Promote connectivity with sights set on IoT
6. Improve added value of machined components
7. Increase value-added access products
8. Maximize analog/power semiconductor synergy, Create INTEGRATED products

Measure 2 Technology strategies to advance new product development

In the Company's previous technology strategy, the policy was to broaden and strengthen core businesses through a wide range product lineup with strong key technologies to differentiate ourselves from competitors and improve performance. However, we are now carrying out initiatives aimed at helping resolve social issues through our products and to steadily achieve the Company's targets for the fiscal year ending March 2029 of 2.5 trillion yen in net sales and 250 billion yen in operating income. Specifically, we are not only promoting product commercialization and mass production based on the conventional "seeds type" development strategy, but also strengthening "needs type" product development to create products that can identify and appeal to the various needs and social issues in a wide range of markets.

We have expanded our perspective not only within the company but also outside the company, utilizing a new collaborative creation office in the Tokyo X Tech Garden to pursue and stimulate collaborative creation, including industry-academia collaboration, that looks beyond traditional industrial boundaries. We are fusing our technologies with customer needs and technologies to develop products with high added value.

In addition, we have also further strengthened our development proposal system for new products by junior engineers. Through this, as initiatives which are indispensable for achieving our goals, we are developing and supplying products that meet the needs of the "4 Highs" (high voltage, high current, high frequency, and high speed) in growth markets and researching and developing one-of-a-kind products in a more efficient manner and at an accelerated pace.

Creating new value through collaborative creation

Collaborating with a wide range of stakeholders from industry, academia, government, and customers across every markets to create new value
Aiming to solve social issues and realize a larger vision

Collaborative creation: Activities to create new value through sharing our knowledge, know-how, and technology

MinebeaMitsumi core technologies and core businesses × Corporates, universities, research institutes and others.

We established a new collaborative creation office as a place to promote the strength of INTEGRATION of technologies and stimulate collaborative creation activities.

New value: Ideas that did not exist up until now that could not otherwise be pursued by one company — Collaborating to create new value

Outcome
- Development of INTEGRATED products, products that resolve social issues, and environmentally friendly products
- Lineup of products with the world's No. 1 share

MinebeaMitsumi Today Pages 27 to 28 | Introduction of INTEGRATED products Pages 65 to 66

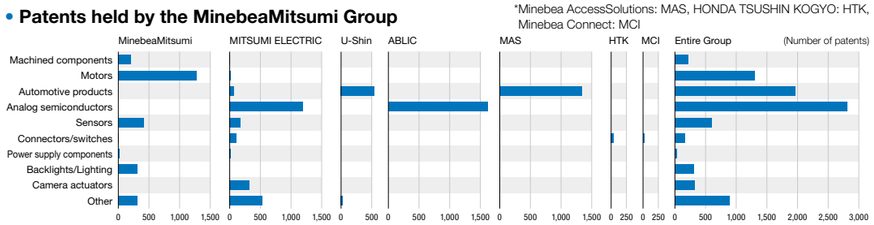
Issue
Protecting intellectual property and strengthening barriers to entry

Measure Forming a portfolio of intellectual property that supports business growth

The MinebeaMitsumi Group maintains ownership of over 8,500 patents in its portfolio, as illustrated below. The entire MinebeaMitsumi Group has formed a portfolio that effectively covers the Eight Spears and other major businesses. This has enabled us to maintain high barriers to entry in diverse fields.

- **Patents held by the MinebeaMitsumi Group**

*Minebea AccessSolutions: MAS, HONDA TSUSHIN KOGYO: HTK, Minebea Connect: MCI



Outcome Making the most of over 8,500 patents held. Protecting intellectual property and strengthening barriers to entry

Introduction of INTEGRATED Products
—Development Story of Wing Handles—

Director, Managing Executive Officer and Chief of Engineering Headquarters
Katsutoshi Suzuki

×

MinebeaMitsumi Technology Center Europe GmbH Chief Technology Officer
Guido Schmid

×

Head of Sensing Device BU, Electronic Devices Division, Motor, Lighting & Sensing Business Headquarters
Satoshi Sato

×

Deputy Chief in charge of Engineering Development Division, Access Solutions Business Headquarters
Eiji Hirao

— What are some of the INTEGRATED products created by MinebeaMitsumi's INTEGRATION?

Suzuki: Among MinebeaMitsumi's products, there are many INTEGRATED products. For example, in access products, there are the "Flush Handle," a door handle that incorporates an in-house motor, the "CSD (Compact Spindle Drive)," which opens and closes the rear gate electrically by combining an in-house motor and machined parts, and the "Digital Key with Infant Leave Detection," which combines MITSUMI ELECTRIC's communication and software development technologies. "SALIOT (Smart Adjustable Light for the Internet Of Things)," is an LED lighting fixture that combines a power supply, mechanical components, communications, sensors, etc. Other INTEGRATED products, including those currently under development, include the "LATM (Limited Angle Torque Motor)," which combines our high-performance bearings and motors and is used in LiDAR for automated driving.

— This photo shows a concept car recently unveiled by BMW that incorporates a new technology called "Skytop." I heard that MinebeaMitsumi's INTEGRATED products have been adopted. Which part was adopted?

Guido Schmid: We are pleased to announce that BMW has adopted "Wing Handle." Until now, the "wing handle" has been difficult to commercialize in the automotive industry due to technical limitations and challenges. By utilizing high-precision force sensors, we were able to contribute to the realization of a shape that does not detract from the design of the sides of the automobile. We believe that the "Wing Handle" will become a major trend in vehicle design worldwide in the future, and we have filed a patent application for the protection of the technology required for the "Wing Handle."

— What kind of technology is used in the "Wing Handle" that incorporates unique technology?

Hirao: The "Wing Handle" adopted by BMW this time is a stylish design incorporating our elemental technologies. This product is designed to open up new possibilities in car body design by using sensors that we have long used in the market as in-vehicle components from a different perspective than usual.

When designing an automobile, the exterior lines and shading of the body surface are very important factors. During prototype testing for the development of lighting fixtures exclusively for automobiles using our INTEGRATED product, SALIOT, we were able to confirm that the design elements on each flat surface of the car could be expressed very precisely as intended by the car designer by SALIOT's parallel light shooting, which is very close to sunlight, on the car, even indoors. I was able to confirm that the design elements on each plane of the car could be expressed very precisely as intended by the car designer. I recall that the designer of the car manufacturer commented on how wonderful it was to be able to reproduce the strong design intent behind the flat surfaces of the car.

In conventional automobile design, various efforts have been made to design door handles, but no matter how they are designed, it has not been possible to minimize the presence of the handle and eliminate its influence on the design of the side of the body. In conventional door handles, there are products that have a capacitance sensor mounted inside its door handle, which detects changes in capacitance when the door handle is gripped and sends a signal to the door lock motor. However, while these capacitance sensors work when the handle is touched with bare hands, they sometimes do not work when gloves are worn in cold weather. We were able to solve these design and technical difficulties by further refining technical elements that we had been working on for several years.

— What is unusual about the use of sensors?

Sato: MinebeaMitsumi's sensors have been used for many years as sensors for automobiles in North America. Therefore, we have a basic understanding of the specifications required by automobiles. The BMW Wing Handle will have additional specifications because it will be built into the exterior of the car, but we were able to design a sensor that meets those specifications.

The design enables to recognize the movement of the door handle, rather than its normal use, as a person opening and closing the door, and replaces it with a signal that opens and closes the door lock and the door itself. I was very surprised because I had never thought of using it in this way before. (Laughs) In the process of developing this with Mr. Guido, I felt that it opened up the possibility of sensors for new applications.

— Why was MinebeaMitsumi able to overcome the technical difficulties?

Schmid: MTCE (MinebeaMitsumi Technology Center Europe) holds frequent technical discussions with European car manufacturers on bearings, AGA (active grille shutter actuators), HVAC (heating, ventilation, and air conditioning), etc. While explaining all of our technologies to a car manufacturer, I had the opportunity to listen to their concerns about minimizing door handles and had a technical thought about how we could do something about it.

When I discussed this with Mr. Sato, Head of the Sensing Device BU, he was at first a little surprised and puzzled at the idea of using a sensor that had been used for the purpose of weighing and measuring force as a switch, but I believed it could be done. Furthermore, as I heard many technical details from Head Sato, I became convinced that we could break the common sense of current handle designs and create door handles using a completely different method.

— The moment when INTEGRATION was demonstrated in the development of the "Wing Handle."

Schmid: This Wing Handle is the outcome of the INTEGRATION of our various technologies. In particular, the "INTEGRATION" of access products and sensing devices is a key point in the practical application of this technology, but it is a new idea and the idea has not emerged from our conventional way of thinking. By optimizing the technology to pinpoint the sensor used to measure force and weight as a sensor different from its normal use, I think we can consider many other applications and products in the future in addition to this handle.

— What is the secret of your success and what is the key idea or philosophy behind MinebeaMitsumi's product development?

Suzuki: We see great potential in our technological development because we have a number of different types of technologies.

However, we need to verify which of our various technologies, when combined with other technologies, will make the best product that will contribute to solving social issues around the world. In doing so, we believe that the key is to developing these technologies. Even if the technology we have developed and verified is not commercialized in the project, we believe that by "soundly shelving" the technology, we will be able to utilize it at a later date in the development of the next technology. We believe that the number and quality of these "soundly shelved technologies" is a hidden resource for innovation, and that we will be able to create many new INTEGRATED technologies and INTEGRATED products one after another in the future.

This technological breakthrough is the quintessential example of INTEGRATED products created through our INTEGRATION activities. We were able to contribute to the realization of a new product that is completely different from previous products, based on our numerous technological backgrounds and our ability to find solutions by catching up with the needs of our customers, human connections, and society through our cutting-edge sensibilities.

— What is your outlook for the future?

Hirao: I believe that this new Wing Handle is a product that will have a significant impact on car design. We expect that over the next several years, as mass production technology becomes more sophisticated and mass production becomes more effective, the market for such products will expand from intermediate to popular models, based on our experience.

Unlike our competitors, we have the advantage of vertically integrated manufacturing, where we handle everything from mechanism design, hardware development, software development, evaluation, metal processing, machining, and surface treatment to painting, board mounting, connector manufacturing, sensor manufacturing, assembly, and reliability testing all in-house, in locations around the world. Therefore, by using this unique vertically integrated production system, we can mass-produce and supply wing handles in Japan, Europe, North and South America, Southeast Asia, and Greater China.

We will continue to contribute to the development of innovative technologies for many automakers around the world by taking advantage of our ability to meet the demands of any customer anywhere in the world through local production for local consumption.

— Thank you all for your time today. I am very much looking forward to this new product and other future INTEGRATED products from MinebeaMitsumi.

AI·DX

Value creation initiatives enlisting DX

In the AI & DX Promotion Division and the IT Services Division, we will continue to promote DX and IT by effectively using advanced digital technologies and data with the aim of enabling the MinebeaMitsumi Group to realize its corporate philosophy and achieve sustainable growth. We will spearhead initiatives focused on the following priority domains with respect to measures to fortify DX promotion.

From right to left
Executive Officer and CDXO: Togo Sanai
General Manager of IT Services Division and CIO: Masaya Sakiyama
CISO in charge of Information Security: Toru Fuse

Rigorously ensure effective use of digital technologies and data

We will promote efforts to enhance operational productivity through effective use of digital technologies and data in each business unit.

Enhance capacity to execute tasks using AI and digital technologies

We are leveraging generative AI and digital technologies to promote data-driven decision-making and operation process optimization.

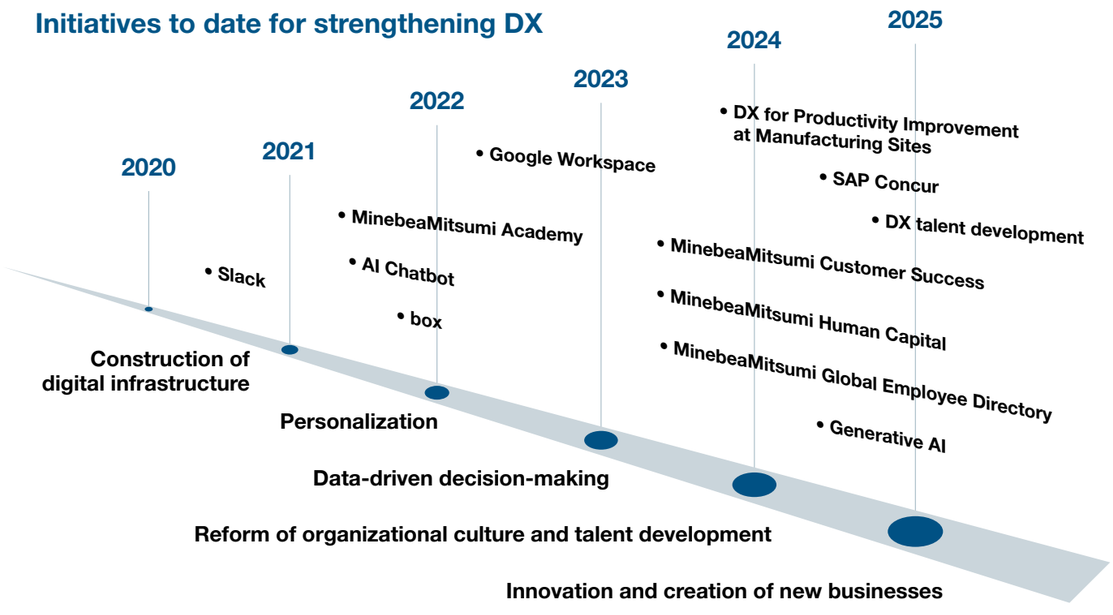
Develop zero-trust security measures and new business models

We will accelerate coordination with respect to accessing in-house data and actions taken based on analysis findings while promoting security measures.

Promote INTEGRATION and innovation

We will promote INTEGRATION and innovation by enhancing digital acceptance and facilitating knowledge sharing among employees.

Initiatives to date for strengthening DX



Using AI to improve operational efficiency

We furnish support making manufacturing sites and the back office more efficient by promoting labor savings and optimization of operational processes enlisting AI with a focus on security.

Streamlining of manufacturing sites — **Primary arena of the manufacturing sector**

Failure prediction | Automated inspection* | Process enhancement

Analysis targets for machine learning and deep learning

Visual inspection | Tactile inspection | Acoustic inspection

Manufacturing equipment → Word data | Manufacturing equipment → Word data | Manufacturing equipment → Word data

Scope of analysis for deep learning/generative AI

Report preparation | Demand forecasting | Shift optimization

*By switching over from manual visual inspection to AI-based visual inspection of bearings. We expect to reduce time required for such inspections by 60-70%.

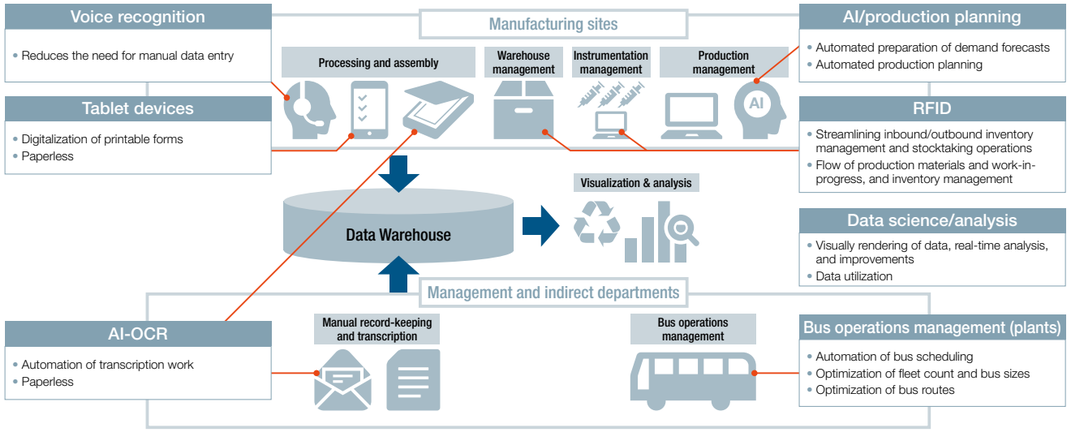
Streamlining of the back office — **Support for management**

Generative AI now being applied in the fields of accounting, legal affairs & intellectual property, sales, personnel & general affairs, corporate planning, technology development, IT infrastructure, and information security

- **Matrix of tasks subject to likelihood of efficiency gains through use of generative AI**

*Performance improvement: The extent to which generative AI contributes to enhance productivity of intellectual tasks and non-routine tasks
Labor savings: The extent to which generative AI contributes to reducing work hours for routine administrative and operational tasks

Promoting the Indirect Efficiency Boost (IEB) Project
Improving the efficiency of indirect operations in manufacturing sites



Promoting DX talent development

We are interconnecting manufacturing sites and IT-related divisions and effectively utilizing the data we acquire from manufacturing sites to improve productivity and efficiency. Within the next three years, we aim to triple the number of digital talent from current levels to approximately 90 people.

Step 1 — **Skill enhancement**
Reinforcing skills related to data analysis for data utilization, cloud, AI, low-code development, RPA, agile development techniques, design thinking, and other DX-related skills

Step 2 — **Practical experience and application**
Developing members that can fully leverage digital technologies, including data utilization, to solve the issues faced by manufacturing sites

Step 3 — **Follow-up and evaluation**
Performance evaluation, provide ongoing support and promote growth

Initiatives for the Environment

Aiming at our corporate philosophy "To contribute to realization of a sustainable, eco-friendly and prosperous society by providing better products, at a faster speed, in larger numbers, at a lower cost and by smarter means," we will work diligently on decarbonization and the reduction of environmental burden.

The environmental policy can be viewed from here.

Environmental management activities can be viewed from here.

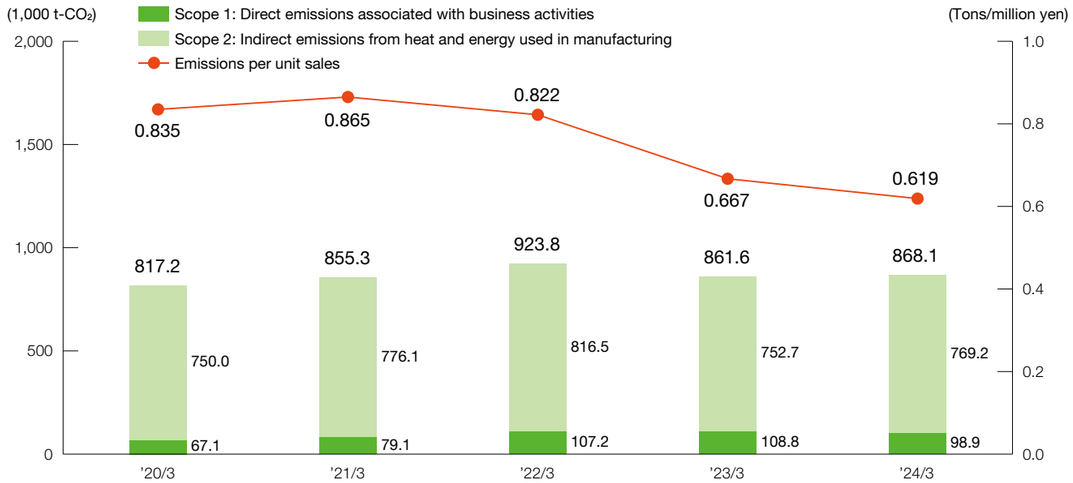
Setting new reduction targets for greenhouse gas emissions

Material issues 2

The Group set new reduction targets for greenhouse gas emissions that are in conformity with the "Science Based Targets," which are greenhouse gas emission reduction targets that are scientifically consistent with the objectives set by the Paris Agreement. We aim to reduce greenhouse gas emissions in Scopes 1 and 2 by 42% and in Scope 3 Category 11 (use of sold products) by 25% by the fiscal year ending March 2031, compared with the fiscal year ended March 2023.

Furthermore, as part of our efforts toward achieving "Minimizing the environmental impact of business activities," one of our material issues, we aim to achieve carbon neutrality in 2050.

• Scopes 1 and 2 emissions



*Changed the Scope 2 calculation method from location-based to market-based, retroactively up to the fiscal year ended March 2020

• Scope 3 emissions

① Purchased goods and services **4,127,000** t-CO_2

⑩ Processing of sold products **579,000** t-CO_2

⑪ Use of sold products **28,937,000** t-CO_2

Others "Capital goods," "fuel and energy-related activities (not included in Scope 1 or Scope 2)," "transportation and distribution (upstream)," "waste generated in operations," "business travel," "employee commuting," "transportation and distribution (downstream)," "end of life treatment of sold products," and "investments" **716,000** t-CO_2

*New calculations for categories 9, 10, 15, starting from the fiscal year ended March 2024

• Assessment from CDP

In the CDP Scores, we were awarded "**A-**" in Climate Change 2023 and "**A**" in Water Security 2023

CDP DISCLOSURE INSIGHT ACTION

CDP A LIST 2023 WATER

The detailed environmental data can be viewed from here.

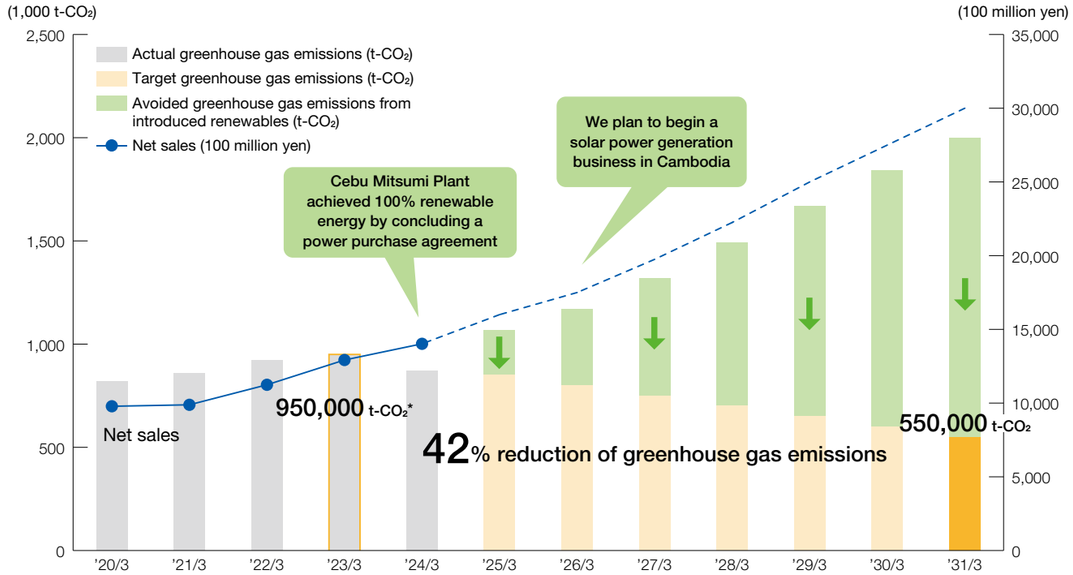
Initiatives toward carbon neutrality by 2050

Material issues 2

The Group is promoting a 42 percent reduction in greenhouse gas emissions (Scopes 1 and 2) compared with the fiscal year ended March 2023 by the fiscal year ending March 2031, and to achieve carbon neutrality by 2050. We are promoting the procurement of renewable energy through self-consignment systems, electric power procurement agreements and PPAs.

In Japan in 2023, we started to supply our five offices and plants in the Kanto area and in May 2024, we started to supply the Chitose Business Division, using self-consignment systems.

• Greenhouse gas emissions and reduction targets



*Approximately 80,000 tons of greenhouse gas emissions from the three integrated companies were added to the target base year (the fiscal year ended March 2023) to obtain SBT certification

Example ① Large-scale solar power generation system installed at MITSUMI Cebu plant

In October 2023, we installed self-consumption solar power generation systems on the premises of the MITSUMI Cebu plant (Danao City, Cebu Island, Republic of the Philippines). The output of the solar power generation systems is approximately 7.9 MW-dc and this is the largest capacity for self-consumption type solar power generation systems installed at a Japanese company's factory in the Republic of the Philippines. Estimated annual power generation amount is approximately 12,806 MWh/year and this is equivalent to a reduction in greenhouse gas emissions of approximately 6,833 t-CO_2/year.

Furthermore, with the signing of a power purchase agreement (PPA) in March 2024, the MITSUMI Cebu plant has achieved its goal of using 100% renewable energy.

Solar power generation systems at the MITSUMI Cebu plant

Example ② Concluded a Memorandum of Understanding for a solar power generation project with the Ministry of Mines and Energy of Cambodia

Cambodia Plant

In December 2023, we signed a Memorandum of Understanding on a solar power generation project with the Ministry of Mines and Energy of Cambodia.

We aim to use renewable energy for all the electricity required for our existing plants and future plant expansions in Cambodia. In collaboration with SchneiTec, a government-certified electricity utility in Cambodia, we plan to launch a 50 MW solar power generation project in Krakor District, Pursat Province, Cambodia during the fiscal year ending March 2026.

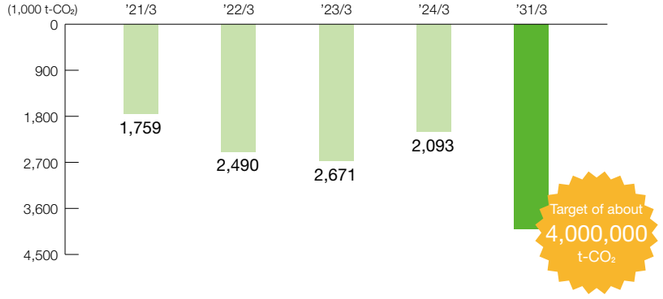
The MMI Beyond Zero initiative

Material issues 1

Our "MMI Beyond Zero" initiative aims to contribute to the reduction of global CO_2 emissions by enhancing the energy-saving features of our products. By using these products, our customers will in turn reduce the electricity consumed by their products, and their customers' products.

As a part of this initiative, we have been tracking the amount of CO_2 emission reduction contribution by our products since the fiscal year ended March 2021. In the fiscal year ended March 2024, shipments of high-performance fan motor bearings fell and a decrease in volume of fan motors due to a model change, resulted in a year-on-year decrease of approximately 2,093,000 t-CO_2.

• Actual volume of avoided CO_2 emissions



Calculation method

The volume of avoided CO_2 emissions is calculated based on the Japan Electronics and Information Technology Industries Association (JEITA) guidelines.

"Effect on reduction of electricity consumption at the time of product use" indicates the amount of power consumption reduction when comparing the power consumption of the evaluated product with the power consumption of the same product equipped with previous generation parts.

• Formula used to calculate the volume of avoided CO_2 emissions

Volume of avoided CO_2 emissions	=	Effect on reduction of electricity consumption at the time of product use	×	Product life	×	Coefficient for CO_2 emissions	×	Sales volume in the fiscal year
C_d		$\Delta W_r \times L$		H_{op}		$Coef_e$		S

C_d: Volume of emissions directly avoided (kg-CO_2) ΔW_r: Reduction of electric power consumption in a rated condition (kW)
L: Load factor during actual state of operation compared with rated usage conditions H_{op}: Hours of operation (h)
$Coef_e$: Coefficient for CO_2 emissions from power consumption (0.5001 kg-CO_2/kWh *based on IEA2020 2018 emission coefficient in Japan) S: Sales volume

*We sell parts used in final products, so "product" refers to the final product.

(1,000 t-CO_2)

Information Technology	Industrial	Home & Entertainment	Transportation	Smart city & infrastructure	Medical / Health care
1,183	467	225	157	61	1
Telecommunication base stations	Industrial machinery	Refrigerators	Automobiles	Solar power generators	CT scanners/ X-ray machines
Data centers	Industrial measurement instruments	Washing machines	EV	Wind power generators	Dental handpieces
PCs	ATMs	Cooking appliances (IH, microwaves, rice cookers)	Electric bikes	Battery modules	Medical infusion pumps
Smartphones/ Tablet devices	POS terminals	Vacuum cleaners		Smart meters/ valves	Laboratory equipment
	Vending machines	Air conditioners		Smart locks	Nursing care products
	3D printers	Electric fans		Automatic ticket gates	Bathroom scales
	Multi-function copier-printers	Air cleaners/humidifiers/ dehumidifiers		Smartlighting devices	Blood pressure monitors
	Crossing gate	Bidets		Smart street lights	Blood purification machines
		Televisions		Parking sensors	Alcohol breath test
		Set-topboxes		Securitycameras	Ultrasound diagnostic equipment
		DVD/Blu-ray disc players		Elevators/ escalators	
		Digital cameras/ action cameras		EV charging stations	
		Hair dryers			
		Electric toothbrushes			
		Electric shavers			
		Fitness equipment			
		Facial care equipment			
		Toys			
		Game consoles			
		VR equipment			
		Automatic translation devices			
		Power tools			
		Fishing equipment			
		Suitcases			

Our products are incorporated in various final products, contributing to the realization of a sustainable society.

MinebeaMitsumi Green Products Certification Program

Material issues 1

Almost all our products are environmentally friendly products which are originally small sized and allow precise downsizing, and contribute to saving energy and space.

In 2019, we introduced the "MinebeaMitsumi Green Products Certification Program" to select products that are particularly environmentally friendly.

• Criteria for designation as Green Products

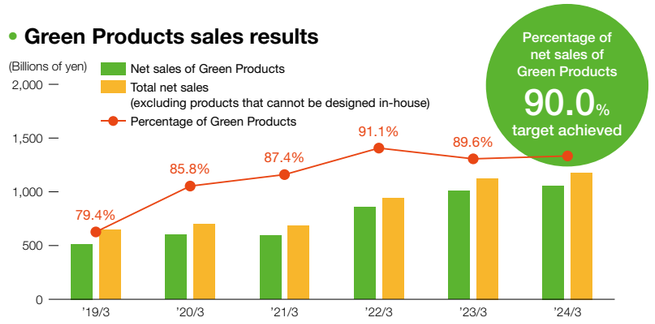
In designing	In manufacturing	In shipment	In using
• Selection of environmentally friendly materials • Selection of energy-efficient parts • Use of recycled and reused materials • Consideration for disposal of products • Confirmation of non-use of prohibited substance	• Reduction of electric power consumption • Reduction of raw and indirect materials • Reduction of waste • Reduction of chemical substances • Reduction of water usage	• Use of packaging materials with consideration for the environment • Reuse of packaging materials • Reduction of CO_2 in logistics	• Reduction of electric power consumption • Smaller products • Lighter products • Longer product lifespan

We are working to increase the ratio of MinebeaMitsumi Green Products to over 90% of our sales by the fiscal year ending March 2029.

In the fiscal year ended March 2024, we achieved this target with the percentage of Green Products at 90.0%, thanks to the increase in sales of Green Products.

We will continue our efforts to increase the ratio of Green Products.

• Green Products sales results



Progress of Green Bond Framework

Material issues 1 2

To achieve the environmental targets while taking on the challenge of carbon neutrality and promoting MMI Beyond Zero, in November 2022, the Company issued its first series of green bonds to provide proceeds for various environmental-related improvements. These include not only power-saving high quality bearings, ultra-high performance bearings, and related R&D expenses, but also investments in R&D and production for ball bearings used in the main motors of electric vehicles. The Company will also use these proceeds to procure its own decarbonized power sources. Going forward, we will continue to further promote initiatives to realize a sustainable global environment.

• MinebeaMitsumi Green Bond Reporting (As of March 31, 2024)

Reporting of state of fund allotment

(Millions of yen)

Business category	Eligible business	Required amount	Allocated	Unallocated	Expected allocation FY
Production of ball bearings	Capital investment in production equipment for high-quality bearings to contribute to power conservation	25,000	21,685	586	By the fiscal year ending March 2025
	Capital investment in production equipment for bearings with innovatively improved precision				
	Capital investment in production equipment for bearings for the chief motors of an EV				
Procurement of decarbonized power sources	Introduction, operation, and maintenance of solar power generation systems to our own equipment		2,729		
	Purchase of renewable energy electric power		0		

(Millions of yen)

New finance/refinance	Sum	Proportion (%)
New finance	10,881	44.57
Refinance	13,532	55.43
Total	24,414	100.00

Impact reporting

Business category	Eligible business	Final use	Avoided CO_2 emissions (t-CO_2/annum)
Production of ball bearings	High-quality bearings that contribute to power conservation through innovation and improved precision	Fan motors and quality home electrical appliances (e.g. air conditioners) used at data centers	229,839

Business category	Eligible business	Installed regions	Avoided CO_2 emissions (t-CO_2/annum)	[Expected] avoided CO_2 emissions (t-CO_2/annum)
Decarbonized power sources	Installation, operation, and maintenance of solar power generation systems at our facilities	Thailand	7,531	–
		Philippines	4,441	–
		Americas	–	918
		Japan	824	–

Initiative to address TCFD recommendations

Material issues 2

We recognize the importance of disclosing climate-related financial information and endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in 2020. We disclose information on mitigating risk and seizing the opportunities climate change poses to our business.

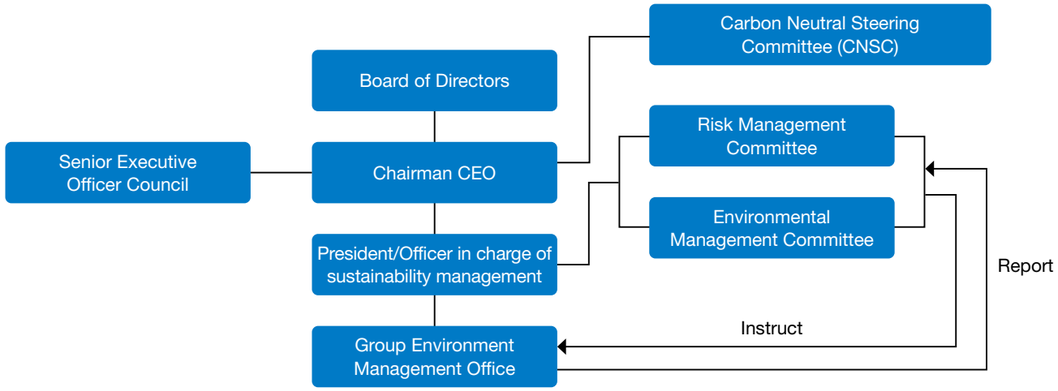
TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

The detailed response to TCFD can be viewed from here.

Based on our "Climate Change-Related Risk Management Regulations," we have established an internal management system for risks and opportunities related to climate change and a process for managing these risks and opportunities using the PDCA cycle.

The Chairman CEO has ultimate responsibility for managing the risks and opportunities related to climate change, working through the Risk Management Committee and Environmental Management Committee. The Chairman CEO evaluates and supervises the Company's responses and progress against its objectives.

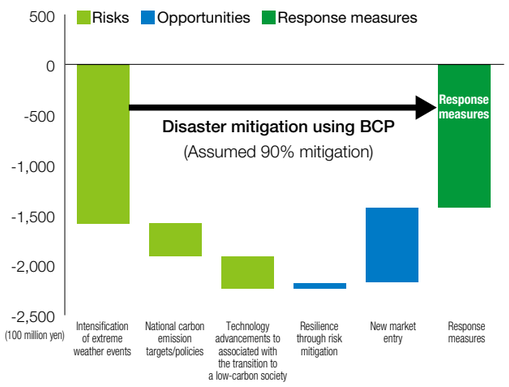
• Internal structure for managing the risks and opportunities related to climate change



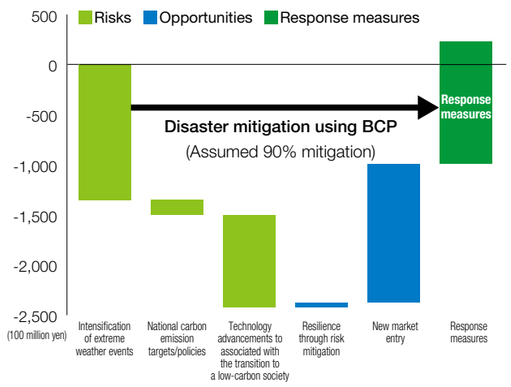
The results of the scenario analysis suggest that severe weather events caused by climate change could have a significant impact on our finances in the form of flood risk. In 2011 flooding in Thailand shut down two of the Company's five Thailand plants. In response, the Company has taken a number of actions against flooding, including creation and adoption of a BCP, install water gate buriers and rising plant premises. We are confident that we have taken appropriate measures to mitigate flood risks at our plants. We will monitor the performance of the countermeasures, and improve them where necessary to prevent flood damage.

• Financial impact levels due to risks, opportunities, and risk mitigation measures

4°C scenario



1.5°C scenario



Financial impact evaluation by scenario analysis and response measures

Item	Impact on the business	Evaluation	Response measures to risks/opportunities	Applicable scenario
Intensification of extreme weather events (supply chain disruption, and suspension of internal operations)	<1.5°C/4°C> Due to the potential for river flooding near our sites in Thailand, Cambodia and China, repair costs and lost sales could occur. In addition, businesses in coastal areas of countries such as the Philippines could be similarly affected by disasters such as high tides and typhoons.	★★★	**Risks:** • We are reviewing our Business Continuity Plan (BCP) and working to establish production systems that are more resistant to disasters. In addition to taking our own measures, such as establishing multiple supply chains that will allow us to respond more quickly to a disaster, we will investigate the risk mitigation efforts of our suppliers.	1.5°C/4°C
		★★★	**Risks:** • For logistics, we will consider further global modal shifts and promote production that is closer to consumption markets. • We will promote ESG engagement with our parts suppliers to strengthen relationships and promote sustainable development for both parties.	4°C
Introduction of carbon taxes, emissions trading, and national carbon emission targets (cost increases for compliance)	<1.5°C> Energy and greenhouse gas emissions costs will increase with the adoption of carbon taxes, emissions trading, and green electricity purchase requirements. At the same time, electricity prices are likely to decline in the future due to the widespread use of renewable energy. <4°C> Some increase in energy and greenhouse gas emission costs are likely to be incurred due to the introduction of carbon taxes, emission trading, and green electricity purchasing requirements, resulting in increased indirect costs.	★	**Risks:** • We will take CO_2 emission reduction measures by promoting energy-saving investments, as well as Scope 2 emissions reduction by increasing renewable energy procurement.	1.5°C
		★	**Risks:** • We will promote CO_2 emissions reduction measures by promoting energy-saving investments, as well as Scope 2 emissions reduction by increasing renewable energy procurement, to avoid being subject to regulations. • With renewable energy sources in mind, we will incorporate increases in energy costs into our financial planning and make efforts to improve production efficiency. • We will promote the procurement of renewable electricity while increasing the amount of renewable energy we generate.	1.5°C/4°C
Technological advances in the transition to a low-carbon society	<1.5°C/4°C> There is a growing need for products with outstanding energy-saving performance and that reduce greenhouse gas emissions. Products that cannot keep pace with technological innovation will be eliminated. Responding to these issues will require costly technological development and R&D expenses.	★★ (1.5°C) ★ (4°C)	**Risks:** • We will need to promote advanced R&D and technological development to meet low-carbon needs, and to make proactive and systematic investment to remain competitive. **Opportunities:** • As the need for high-efficiency products to reduce energy costs will increase substantially, we aim to expand the market using our energy-saving technology.	1.5°C/4°C
		★★	**Opportunities:** • We will create a system to calculate the CO_2 emissions reduction contribution and carbon footprint of our products, and will provide this data as part of design and development output.	1.5°C
Resilience through risk mitigation	<1.5°C> Climate change is expected to make major disasters similar to the Thailand's floods more frequent. With robust business continuity planning, we can enhance the appeal of our products to customers. <4°C> Climate change is expected to make major disasters similar to the Thailand's floods more frequent. With robust business continuity planning, we can enhance the appeal of our products to customers.	★	**Opportunities:** • We will create and maintain an effective BCP, improve communication with customers so that we are recognized for our reliability, and disclose information about our BCP system.	1.5°C/4°C
Changes in product and service needs/ New market entry	<1.5°C/4°C> As concern about climate change increases the adoption of electric vehicles, demand for bearings, motors, and other key components for electric vehicles are likely to increase substantially. /As concern about climate change increases the adoption of electric vehicles, high-efficiency devices (such as drones and robots), and clean energy, sales volumes for bearings and other parts necessary for these products could increase substantially.	★★★ (1.5°C) ★★ (4°C)	**Opportunities:** • As part of the transition to a low-carbon society, we will expand sales for energy-saving technology as part of our business plan. • Development and integration of next-generation technologies through digital transformation (DX) • We will continue to promote M&A activities globally, and pursue a cooperative growth strategy to lead in expanding markets. (Expanding mass production outside Japan)	1.5°C/4°C
		★★★	**Opportunities:** • We will increase investment and promote technological development to enhance the added-value appeal of our products. This includes product environmental performance, such as energy-efficiency, low-carbon specifications, and labeling our products with relevant carbon footprint data. (GX promotion and target achievement)	1.5°C
		★★	**Opportunities:** • We will promote technological development of products with high energy-saving performance.	4°C

	Profit (100 million yen)	Costs (100 million yen)
★★★	2,500-1,250	2,500-1,250
★★	1,250-625	1,250-625
★	625-0	625-0

Nature-related dependencies and impacts evaluation

The Group is engaged in corporate activities at 130 production and R&D bases in 24 countries. In order to achieve sustainable growth for our company and society, we will identify the nature-related dependencies and impacts in our value chain, reduce our negative impacts on the natural environment, and work to protect the environment.

Identifying connections with nature

In assessing nature-related dependencies and impacts, we set the scope of our assessment to include direct operations and upstream suppliers, and first used "ENCORE* (Exploring Natural Capital Opportunities, Risk and Exposure)" to organize the intersections between dependencies and impacts on nature. In our evaluation no items were found to have an extremely high degree of dependency. The use of groundwater and surface water were identified as having medium dependency. From the perspective of impact, many items, including greenhouse gas emissions, water usage, water pollution, and soil contamination showed a high potential for impact.

*Tool developed jointly by the Natural Capital Finance Alliance (NCFA) and the United Nations Environment Programme World Conservation Monitoring Center (UNEP-WCMC) with the aim of understanding the magnitude of our impacts and dependencies on nature.

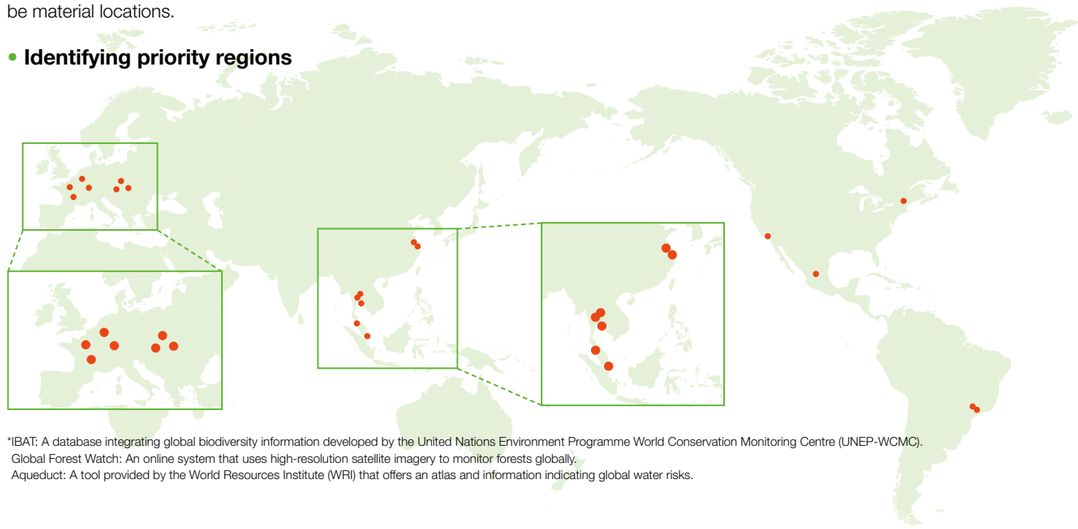
	Dependencies											
Processes/ Ecosystem services	Bioremediation	Sensory impact mediation Light, noise mitigation	Ventilation	Climate control	Protection from floods and storms	Mass stabilization and erosion control	Water quality	Water circulation maintenance	Dilution by atmosphere and ecosystems	Underground water	Surface water	Filtration
Manufacture of machinery, components, and equipment		M	VL	VL	M	VL	L	M	L	M	M	VL
Manufacture of electronic devices and components and hardware									L	M	M	
Manufacture of semiconductors and semiconductor manufacturing equipment	VL			VL					VL	M	M	L

	Impacts						
Processes/Impact factors	GHG emissions	Water use	Water pollution	Soil contamination	Solid waste	Non-greenhouse gas air pollution	Interference (light, sound)
Manufacture of machinery, components, and equipment	VH	H	H	H	H	M	M
Manufacture of electronic devices and components and hardware			H	H	M		M
Manufacture of semiconductors and semiconductor manufacturing equipment	H	H	H	H			

* VH : Very High H : High M : Middle L : Low VL : Very Low

Using tools such as IBAT*, Global Forest Watch*, and Aqueduct*, we identified 25 priority locations by quantifying the definitions of a sensitive location into a score system to be applied to each location and by weighting these scores according to what we consider to be material locations.

• Identifying priority regions

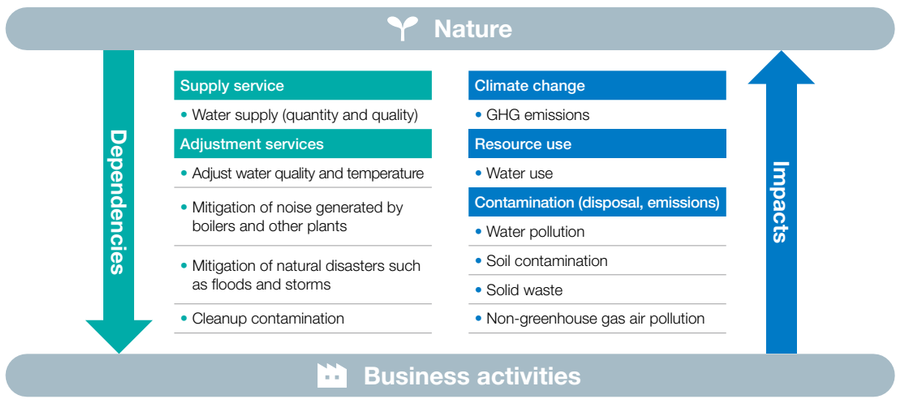


*IBAT: A database integrating global biodiversity information developed by the United Nations Environment Programme World Conservation Monitoring Centre (UNEP-WCMC).
Global Forest Watch: An online system that uses high-resolution satellite imagery to monitor forests globally.
Aqueduct: A tool provided by the World Resources Institute (WRI) that offers an atlas and information indicating global water risks.

Recognizing dependencies and impacts

"ENCORE" identifies common dependencies and impacts on nature across industry classifications. To identify those more directly related to our business activities, we evaluated dependencies and impacts based on the GHG emissions at each site and the contents of the annual environmental risk assessments.

We will continue to assess opportunities and risks and accelerate our efforts.



Dependency pathways describe how business activities depend on ecosystem services or specific natural capitals, and how changes caused by external factors can affect the costs and benefits of conducting business. Impact pathways indicate how specific impact drivers may lead to changes in flows of natural capitals or ecosystem services as a result of business activities, and how these changes affect different stakeholders.

CGO's Message

Products to contribute to preserving the environment, made by environmentally friendly manufacturing

On the 70th anniversary of our founding, the MinebeaMitsumi Group changed the wording of its corporate philosophy to clarify its ultimate objective: "to contribute to realization of a sustainable, eco-friendly and prosperous society." We have instilled this principle in all our employees and are committed to producing products that contribute to the conservation of the global environment using environmentally friendly production methods. We strive to reduce our environmental impact during design, manufacturing, procurement, and distribution of our products, as well as during their use by our customers.

We have declared that we will achieve carbon neutrality by 2050 with respect to Scope 1 and 2 greenhouse gas emissions, and we have made a commitment to SBT certification. To achieve these objectives, we are promoting installation of renewable energy in our major plants in the Philippines, Thailand, and Cambodia, We have already converted to 100% renewable energy in our Philippines plants , and are currently launching power generation projects in Thailand and Cambodia, aiming to achieve a renewable energy utilization rate of 30% in Thailand and 100% in Cambodia, during the fiscal year ending March 2026.

In terms of a circular economy, we have evaluated the use of biodegradable plastic and recycled materials as alternatives to conventional materials, and we have identified products that will meet our specifications. In addition, we also worked with the Nature Positive Initiative to locate points of intersection between our business activities and nature, and to evaluate our dependencies and impacts on nature. I would like us to actively take on these kinds of new challenges.

CGO **Hitoshi Kometani**

Initiatives for Society

The MinebeaMitsumi Group conducts activities based on materiality to ensure the sustainability of our management. Here, we will introduce our social initiatives.

Material issues (Materiality) Pages 33 to 34

Reinforcement of quality control systems

Material issues 3

Basic approach

The Group is a comprehensive manufacturer of precision components which aims to contribute to the development of global society. We have established a quality policy based on our "Five Principles" of management, in order to ensure the highest quality in the products we develop, manufacture, and sell, using limited resources efficiently to prevent waste. By this, we will earn and keep the trust of our customers worldwide.

We establish and operate a quality management system, constantly check the effectiveness of the system, and strive for continuous improvement.

Quality management framework

The Group has established the Quality Assurance Headquarters directly reporting to the President and Chief Executive Officer, who has ultimate responsibility for quality assurance. Quality Assurance Headquarters engage works to improve quality across the entire Group, under the guidance of the Quality Management Committee which serves as an advisory body in the quality field. The Company has also established "Group Quality Management Rules" and the "Quality Assurance Managers Council," the "Product Safety Council," and the "Green Procurement Council." These groups are composed of managers representing each business unit, and are responsible for maintaining a quality management framework encompassing everything from development through to after-sales services, seeking to create products that offer greater safety and security. This involves regularly addressing issues related to quality, product safety, and the production environment, sharing best practices and preventing problem recurrence, and gathering information from public institutions and external organizations.

Risk management

The Group, including Headquarters and business units, take steps to mitigate risk of Group products and end-use applications which could have a serious impact on society.

In the event of a serious accident, we have established a system for taking prompt and appropriate measures so that management can quickly control the situation. We regularly review these- response procedures and make improvements as necessary.

There have been zero incidents involving serious violation of laws and regulations in the past three years.

Promoting quality management system certification

Each business division has obtained certification for the various quality management system standards required, and is also working to obtain certification for standards that will be required for future new products. In addition, we train internal auditors so that we maintain and continuously improve our quality management system.

Disclosing information on products

To ensure that customers and consumers can make appropriate decisions regarding the purchase, use, and disposal of our products, we provide relevant information in our specifications, instruction manuals, pamphlets, and websites.

We will respond sincerely to requests and inquiries from customers and consumers regarding safety information and information on chemical substances contained in our products. The feedback received from customers and consumers is shared with relevant internal departments and is considered in our future business activities.

Cooperating with suppliers

In order to meet the quality requirements of our customers throughout the supply chain, we present MinebeaMitsumi Group Quality Policy to our suppliers, and request their understanding and cooperation.

Materiality Goals

In the fiscal year ending March 31, 2025, we will work to broaden and improve education for everyone from operators to managers. In addition, we will standardize our technology evaluation process and deploy it across all divisions.

Practicing responsible procurement

Material issues 4

CSR procurement

Considering the global scope of our business activities, we believe it is important to promote CSR throughout our supply chain. In March 2012, we established a framework for CSR procurement with the "MinebeaMitsumi Group CSR Procurement Guidelines,*" which are based on the "MinebeaMitsumi Group Code of Conduct.*" Contracts we sign with our suppliers require observance of these guidelines and make violations cause for termination.

In addition, to assess the status of CSR promotion by our suppliers, we established the "MinebeaMitsumi Group CSR Procurement Self-assessment Checklist*" and have asked our suppliers to complete it. Questions on the checklist are divided into the five categories of "general promotion of CSR," "human rights and labor," "health and safety," "environmental conservation," and "ethical management" to assess risks in our supply chain. We provide feedback to our suppliers and, when problems are identified, we investigate the cause, and working with the supplier, formulate concrete countermeasures, including follow-up communication.

We implemented the following measures in the fiscal year ended March 2024:

1. **Revision of "MinebeaMitsumi Group CSR Procurement Self-assessment Checklist"**
   To better understand the state of CSR, we reviewed and revised questions about "general promotion of CSR."
2. **Monitoring status using the CSR Procurement Self-assessment Checklist**
   We conducted a survey of 567 main suppliers in 11 locations centered on suppliers integrated into us (representing 87% of our purchase amount) and received responses to it from all.
   Improvement measure requests: 149 companies
   (For example, 62 companies were requested to create policies based on our CSR Procurement Guidelines, and are currently being followed up on implementation)
3. **In-house training in CSR procurement**
   All employees (475) of the procurement and logistics divisions of Group companies in Japan have completed the training course, and all of them passed a comprehension test.
4. **Obtained human rights pledges**
   To support our policy of "responsible procurement," 177 new suppliers have submitted human rights pledges.

These pledges contain the following promises:

1. Suppliers are required to comply with the following requirements stipulated in our "CSR Procurement Guidelines": (1) employment autonomy, (2) prohibition of child labor, (3) prohibition of discrimination, (4) prohibition of inhumane treatment, (5) minimum wage, (6) working hours, and (7) freedom of association.
2. We will request that our business partners in the supply chain also comply with our CSR Procurement Guidelines.
3. A promise that there are no current violations by the supplier or others in the supplier's supply chain; that if any violation is discovered, the supplier will immediately report it to the Company and correct it, or ensure that it is corrected.

In addition, we require new business partners to submit a written pledge as a condition of doing business with us.
If human rights violations are suspected, we will conduct an audit by a third party as necessary.

Details regarding CSR procurement can be viewed from here.

Promoting "responsible mineral procurement"

In response to the disclosure rules of the Dodd-Frank Wall Street Reform and Consumer Protection Act adopted by the U.S. Securities and Exchange Commission in August 2012, we responded by formulating a "MinebeaMitsumi Group Policy on Conflict Minerals*" in October 2012, in which we summarized the Company's approach regarding conflict minerals from the Democratic Republic of the Congo and its neighboring countries.

We have also added a section on conflict minerals to the CSR Procurement Guidelines. As part of our "Responsible Mineral Sourcing" initiative, we are promoting efforts to eliminate the use of tantalum, tin, tungsten, gold, and other minerals such as cobalt that are associated with conflict and CSR risks, and we request that our business partners do the same. We will continue to respond to survey requests from customers using our survey database.

Materiality Goals

In the fiscal year ending March 2025, we will assess the status of CSR promotion in MinebeaMitsumi's suppliers using the "CSR Procurement Self-assessment Checklist." In addition, in preparation for SBT certification, we will conduct a survey of our suppliers regarding greenhouse gas emissions.

*In January 2017, these names were changed from "Minebea Group Code of Conduct," "Minebea Group CSR Procurement Guidelines," "Minebea Group CSR Procurement Self-assessment Checklist," and "Minebea Group Policy on Conflict Minerals."

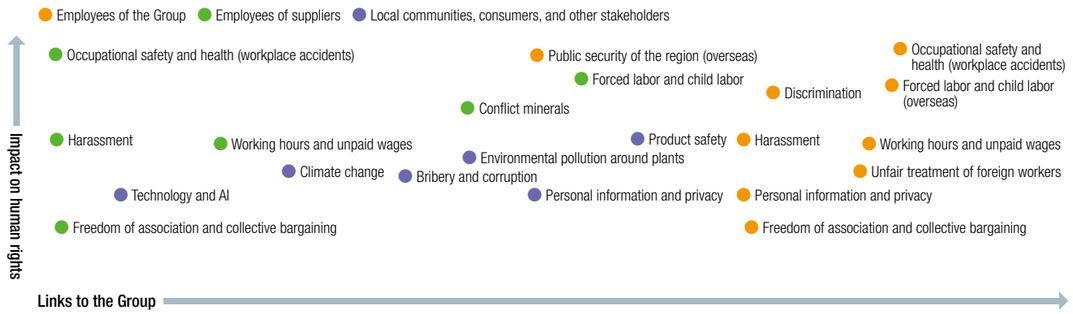
Policies and initiatives related to human rights

In recent years, with the progress of business globalization, there has been an increasing need for companies to address human rights issues, including in their supply chains. In response, the Group considers respect for the human rights of all stakeholders involved in its corporate activities to be one of the most important issues in its Basic Management Policy. In order to fulfill our social responsibilities as a global corporation, the Group has established a system for human rights due diligence and is committed to efforts to prevent human rights violations among stakeholders in accordance with the MinebeaMitsumi Group Human Rights Policy.

Our human rights policy can be found here.

Human rights risk map

We have identified and mapped the human rights risks that could negatively impact the Group's business activities. Furthermore, we prioritized human rights risks and analyzed the important issues that need to be addressed.



• Human rights risk by value chain

Plant construction	Procurement	Production	Logistics	Sale
■ Infringement of local residents' rights ■ Environmental pollution around plants	■ Forced labor and child labor at suppliers' plants ■ Violation of human rights by procuring conflict minerals	■ Forced labor and child labor ■ Workplace accidents and long working hours ■ Infringement of foreign workers' rights ■ Environmental pollution and a drain on resources around plants	■ Workplace accidents and long working hours ■ Workplace accidents and long working hours at outsources	■ Influence of products' safety on consumers and others ■ Leakage of personal information and invasion of privacy (including technologies and AI)

Education and training

To ensure that all Group employees have a deeper understanding of respect for human rights, we offer a wide range of training programs, including e-learning aimed at promoting understanding of "business and human rights," training when joining the company, rank-specific training based on the MinebeaMitsumi Group Officer and Employee Code of Conduct, harassment training, diversity training, and training prior to overseas posting to acquire intercultural communication skills.

Initiatives related to employee human rights

• Initiatives focused on occupational safety and health

Material issues

The Group considers the safety and health of its employees to be one of its highest human rights priorities.

In our safety and health system, we not only strive to prevent overwork and give consideration to health, but also to provide a safe and hygienic work environment and achieve "zero serious workplace injuries." To promote these activities at each location, the "MinebeaMitsumi Group Central Safety and Health Committee" oversees and provides guidance on the status of safety and health management activities across the Group, and shares information to lead to new improvement activities. Moreover, our major plants in Thailand, China, the Philippines, Cambodia and elsewhere we have large-scale-production sites, have obtained ISO 45001 certification, the international standard for occupational safety and health management systems. In Thailand, we have also obtained TLS 8001 certification, the country's worker protection standard.

We work to maintain and improve our work environment for all employees by not only complying with local laws and regulations, but also engaging in dialogue with employee representatives or unions, to create a vibrant and healthy working environment.

• Initiatives related to forced labor and child labor

In Thailand, our largest base, there is a potential risk of forced labor and child labor. In response to this, we have established our "Labor Protection and Social Accountability Policy," which clearly prohibits forced labor and child labor and places restrictions on the employment of young workers. We take preventive measures such as verifying the age of workers by checking official identification cards, and have established penalties for any violations of this policy. Additionally, at the MITSUMI Cebu plant in the Philippines, all 8,798 employees received training based on the Reasonable Business Alliance Code of Conduct, learning about labor, health and safety, ethics, and other topics.

• Promotion of diversity, equity & inclusion

In order to advance the diversity of our talent pool, one of the Groups' strengths, we are working on organizational reform, actively promoting women's advancement, employment of people with disabilities, and work-life balance. For example, in Thailand, we have taken into consideration the diverse backgrounds of our employees, and have set up places of worship for Muslims and provide halal food in our cafeterias.

Human Capital Pages 49 to 54

• Relief measures

We take appropriate measures to provide relief wherever the Group's activities have caused or clearly contributed to a negative impact on human rights. We have established an internal reporting system and consultation desk so that current and former employees of the Group can report and seek advice on human rights issues and problems, and have made this known throughout the company.

Internal reporting system Page 90

Initiatives related to human rights in our supply chain

In accordance with the MinebeaMitsumi Group CSR Procurement Guidelines, the Group conducts risk assessments in our supply chain and continually monitors compliance with our guidelines, including respect for human rights. We actively communicate with suppliers around the world and require them to submit self-checklists and human rights compliance pledges.

Practicing responsible procurement Page 78

Coexistence with local communities

Material issues 5

For past social contribution activities, please refer to our website.

Past social contribution activities can be viewed from here.

X TECH MUSEUM—a place where visitors can experience the technology of manufacturing

As we head towards our 100th anniversary in 2051, we are actively working on various measures, including solving social issues through our products and securing and educating talented personnel. In order to nurture future engineers and manufacturing leaders, we opened the X TECH MUSEUM, a facility where people can learn about and experience manufacturing technology, at our Tokyo headquarters, MinebeaMitsumi Tokyo X Tech Garden.

The museum is an experiential showroom with a theme of "Leveraging our Company's characteristics to support global manufacturing." It is geared toward students in the 5th grade and above. Since its opening in September 2023, we have welcomed many children to visit, and we are currently working to have it used as an educational space for field trips and other activities.

The exhibits focus on our products, which are rarely seen but are used in every aspect of our lives, our ultra-precision processing technologies that support them, and the principles of nature that are closely related to our products (the properties of friction, electricity/electrons, magnetism, and light/radio waves). The exhibits are designed to be easy for people of all ages to understand, and to spark an interest in and awareness of manufacturing. The exhibits allow visitors to touch the actual products and learn the mechanism and structure of each, how they function based on the principles of science that students learn in elementary school, and the important role they play in society. The exhibits are open to the general public.

Going forward, we will continue to achieve sustainable growth while contributing to the prosperity of society through our manufacturing and ultra-precision machining technologies.

Guide
https://www.minebeamitsumi.com/english/xtechmuseum/

Inquiries
xtech.museum@minebeamitsumi.com

Museum

Navigation mascots "X-RANGERS"

Materiality Goals

We will promote activities in each region and fully fulfill our role as a member of the local community.

Corporate Governance

We are working to enhance and reinforce corporate governance, which is the basis of sustainable growth.

Basic approach to corporate governance

MinebeaMitsumi (the Company) has adopted as its basic management policy "Transparent management based on the Company's credo of 'The Five Principles' comprising '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 will aim to increase corporate value sustainably, as well as fulfill its social responsibilities to its various stakeholders, including shareholders, business partners, local communities, international society, and employees. Based on this, the Company is making efforts to enhance its corporate governance system by maintaining transparency and objectivity of management as well as building management and supervisory function and business executing functions.

• Basic Policy for Corporate Governance

1. Securing the rights and equal treatment of shareholders

The Company shall secure the rights of shareholders, and improve a proper environment enabling the shareholders to exercise their rights, in order to substantially secure shareholder's right and equality.

2. Appropriate cooperation with stakeholders other than shareholders

The Company shall be aware of the presence of its stakeholders and build appropriate cooperation with them, following the company credo.

3. Ensuring appropriate information disclosure and transparency

The Company shall disclose information properly based on laws and regulations, and proactively offer any other information including non-financial matters.

4. Responsibilities of the Board

The Board of Directors shall understand and perform the roles and duties of itself, based on fiduciary duty and accountability to the shareholders.

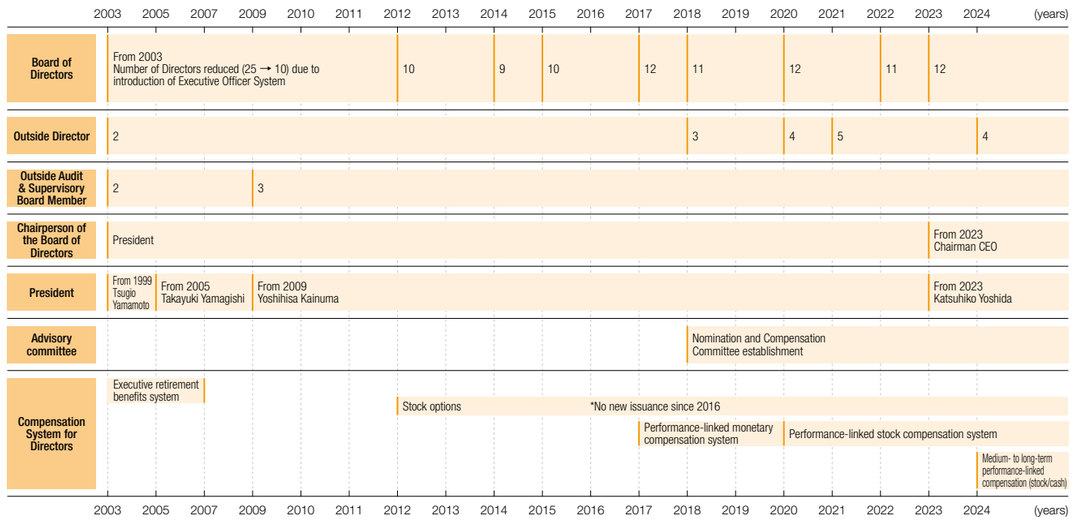
5. Dialogue with shareholders

The Company shall develop policy and system that enable us to constructively communicate with the shareholders and give plain explanations to them.

• Compliance with the Corporate Governance Code

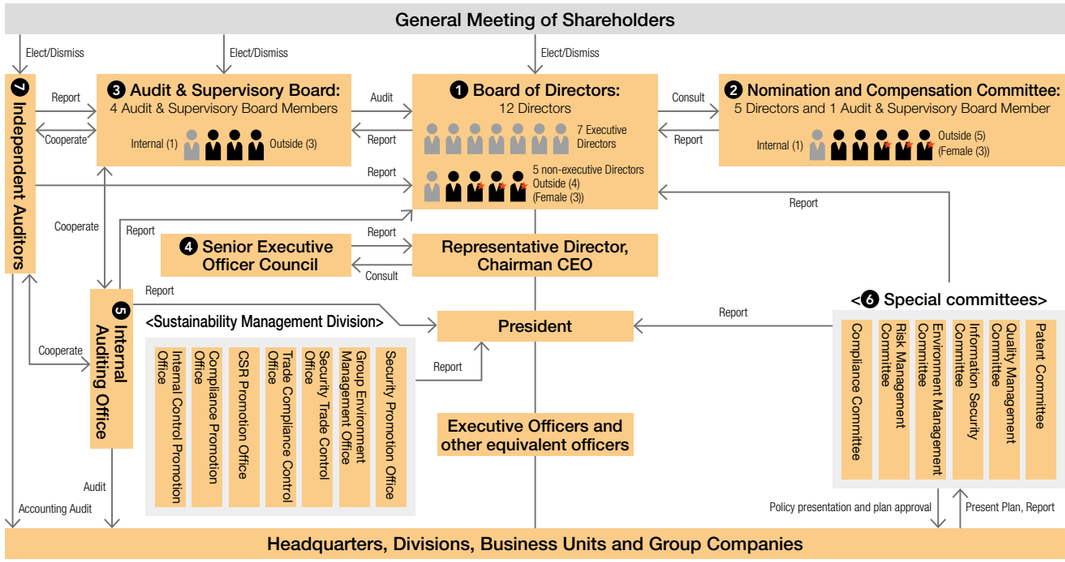
The Company complies with each principle of the Corporate Governance Code.

• History of corporate governance



Corporate governance system

• Diagram of Corporate governance structure



• Summary of each organization

❶ Board of Directors

The 12 directors (including 4 outside directors) make prompt and highly strategic decisions and supervise management at regular monthly meetings of the Board of Directors and extraordinary meetings held as necessary. Significant business matters related to the Company's domestic and overseas Group Companies are reported to and resolved by the Board of Directors.

❷ Nomination and Compensation Committee

This committee is established as an advisory body to the Board of Directors to improve transparency and objectivity in the process of nominating candidates for directors and determining their compensation. The chairperson of this committee is an independent Outside Director and at least half of the members are independent Outside Directors.

❸ Audit & Supervisory Board

The Ordinary Audit & Supervisory Board meetings are held once every month in principle and extraordinary meetings are held accordingly, to discuss and adequately analyze specific issues. In addition, quarterly meetings are held with the Representative Director, Chairman CEO and Outside Directors to exchange respective views.

❹ Senior Executive Officer Council

This Council serves as an advisory panel for the Representative Director, Chairman CEO. Matters related to business operations are discussed by the Senior Executive Officer Council in basically a monthly meeting or in extraordinary Senior Executive Officer Council when necessary.

❺ Internal Auditing Office

The Internal Auditing Office regularly audits the Group Companies. Internal audits are designed to correct nonconforming or inappropriate operational procedures and improve the quality and efficiency of operations in accordance with internal audit regulations.

❻ Special committees

The Company has established committees for the purpose of monitoring and enhancing the effectiveness of governance regarding specific matters necessary for business operations, such as Compliance, Risk Management, Environmental Management, Information Security, Quality Management, and Patents, etc.

❼ Independent Auditors

KPMG AZSA LLC carries out the Company's accounting audits pursuant to the audit service agreement it has concluded with the Company for the implementation of audits under the Companies Act and audits under the Financial Instruments and Exchange Act. In order to monitor the independence of the auditing firm with respect to accounting audits, the Company seeks the consent of the Audit & Supervisory Board regarding the details of the audit service agreement, etc. and the amount of compensation.

Board of Directors

12 meetings held in fiscal 2023

Status of deliberations by the Board of Directors

At the Board of Directors in fiscal 2023, the Company spent the most time discussing business strategies and business investments to accelerate business expansion towards achieving the management targets of ¥2.5 trillion and operating income of ¥250 billion by the fiscal year ending March 2029. In addition, as a measure aimed at enhancing corporate value in the medium to long term, the Company decided to revise the executive compensation system.

On the operational side, during the previous fiscal year, the Company made efforts to improve the efficiency of proceedings, including organizing documents and issues, as well as sharing information and explaining to outside Directors in advance regarding matters of organizational and personnel changes that had previously taken up much time. The Company also worked to enrich discussions on human capital, such as next-generation human resource development, and corporate governance.

Moreover, concerning M&A deals, which the Company considers as one of its key business strategies, in addition to discussions at the Board of Directors, the Company arranged separate sessions to make prior explanations for the outside Directors, where sufficient time was taken to allow the responsible executives to ensure the outside Directors deepened their understanding of the details and significance of matters to be discussed.

Main agenda items at the Board of Directors

- Management strategy
- M&A
- Midterm Business Plan
- Director compensation and nomination of officers
- Reorganization and personnel transfers
- Capital investment and financing
- Risk management
- Compliance
- Next generation human resource development
- Environment, renewable energy
- Issues based on effectiveness evaluation

Evaluation of the effectiveness of the Board of Directors

1 Overview of evaluation of the effectiveness of the Board of Directors

In order to improve the effectiveness of the functions of the Board of Directors, the Company enlists the involvement of a third party to conduct evaluation on the effectiveness using a questionnaire survey every year. Based on the findings of the survey, the Company reviews the activities for the previous fiscal year, identifies issues to be addressed in the next fiscal year, and carries out initiatives to improve effectiveness.

Process to improve effectiveness of the Board of Directors

Self-evaluation through a written questionnaire* for all Directors and Audit & Supervisory Board Members → Summarize evaluation results → Summary, analysis, and comment by a third party (law firm) → Discussion at the Board of Directors → Formulate priority initiative policies based on evaluation results → Take action

Items and format of the questionnaire for effectiveness evaluation

[Questionnaire items]
- Size and composition of the Board of Directors
- Operation of the Board of Directors
- Sustainability/stakeholder considerations
- Corporate governance
- Support system for Directors and Audit & Supervisory Board Members
- Nomination and Compensation Committee
- Review of the last fiscal year (summary)

[Questionnaire format]
For each of the seven items above, a five-point rating system and open-ended were given, with a comment field provided for the multiple-choice questions.

***Major changes from the last year**
Considering that differences in awareness of the effectiveness of the Board of Directors between inside and outside directors would be an important factor in the evaluation, the survey was changed from anonymous to named.

Activities of Outside Directors

Visit to MinebeaMitsumi's Karuizawa Plant (November 2023)

Visit to MITSUMI ELECTRIC's Chitose Plant (September 2023)

Participate in Business Divisions meeting in Thailand (October 2023)

2 Issues and results of initiatives based on the evaluation of the effectiveness of the Board of Directors conducted in March 2023

Issues for fiscal 2023	Initiative policies for fiscal 2023	Initiative results for fiscal 2023
Need to enhance discussions on medium- and long-term policies	• Recognize sustainability, risk management, compliance, and DX as material issues and enhance discussions at the Board of Directors • Review the Regulations on the Board of Directors to reduce execution-related agenda items	• While more time was devoted to human capital and governance compared to the previous year, discussions on risk management and compliance were limited to hearing reports from various committees. (It is necessary to develop more in-depth discussions based on business strategies and other considerations that take into account risks.) • For matters related to organizational and personnel changes, the Company worked to improve operational efficiency by organizing documents and clarifying issues, thereby dedicating more time to discussions on business strategies, business operations, revisions to compensation to Directors and Audit & Supervisory Board Members, and other medium- to long-term policies.
Need to enhance information provided to Outside Directors to help them deepen their understanding of the Company's diverse businesses	• For important strategic matters such as M&A, since there are many matters to be considered, advance briefing sessions will be held when necessary in addition to the Board of Directors, which have limited deliberation time. • Provide opportunities for dialogue with the CEO and executive officers and managers of business divisions, etc. outside meetings of the Board of Directors. • Participate as observers in important internal meetings other than the Board of Directors • Share agenda details of important internal meetings other than the Board of Directors with Outside Directors • Visit major domestic and overseas plants • Provide information by other means	• The Company thoroughly implemented prior explanation of important strategic matters. • The Company arranged opportunities to exchange opinions with the CEO outside meetings of the Board of Directors. In addition, multiple opportunities were provided for executive officers and managers of business units to share information regarding business. • Directors participated in a total of 11 important internal meetings other than the Board of Directors • Shared meeting materials and recordings of important internal meetings other than the Board of Directors • Visited seven major domestic and overseas plants • Exchanged opinions with the Secretariat of the Board of Directors as appropriate

3 Results of evaluation of the effectiveness of the Board of Directors conducted in March 2024, issues, and initiatives for the current fiscal year

Evaluation results	Issues for fiscal 2024	Initiative policies for fiscal 2024
• According to the results of the evaluation questionnaire, the total score of the five-level evaluation was deemed to have improved compared with the previous fiscal year, and the identified issues were also deemed to have improved. After taking into account the objective opinion of the third party, it was confirmed that there continued to be no problems concerning effectiveness for the Board of Directors. • For fiscal 2024, in addition to taking necessary responses regarding improvement matters for operational aspects based on the questionnaire and third party opinions, the Company established a number of identified "issues to be discussed," including further enhance discussions on the company's basic policies and strategies, including medium- to long-term management strategies (for each business domain and business portfolios), sustainability (including the empowerment of women and work life balance), and risk management.	Developmental direction for the Board of Directors	• Discuss how to develop the future role of the Board of Directors and what the Board of Directors should be in order to enhance corporate value over the medium to long term.
	Enhancing the agenda	• Further enhance discussions on medium- to long-term management strategies (for each business domain and business portfolio), sustainability (including the empowerment of women and work life balance), and risk management. • For projects such as CAPEX, consider rules to regularly report post-execution status at the Board of Directors.
	Further operational improvement	• Revise criteria for agenda items in the Regulations of the Board of Directors. • Improve the content of materials for the Board of Directors (making them easier to understand and reducing volume). • Schedule the start time of Board of Directors earlier and ensure more time for discussion such as by setting the important proposals to be deliberated first.
	Expanding opportunities for outside Directors to exchange opinions	• Increase the opportunities for discussions to exchange opinions with the CEO and executive officers and managers of business divisions, etc. outside meetings of the Board of Directors.

Nomination and Compensation Committee

Seven meetings held in fiscal 2023

• Status of deliberations by the Nomination and Compensation Committee

In terms of nomination of Directors, the committee conducted individual interviews with the candidates for Director and deliberated their qualifications to serve as Directors of the Company and reported the outcome to the Board of Directors. The committee also engaged in ongoing discussions to enhance human capital including discovering, developing, and securing the next generation of management personnel and systematically developing the Company's core human personnel.

In terms of compensation to Directors, the committee deliberated the appropriateness of compensation to individual Directors through interviews with Directors, and recommended their conclusions to the Board of Directors. In addition, the committee also discussed a review of the compensation system for Directors, including the introduction of a new system of compensation linked to mid- to long-term performance, as an incentive for improving business performance toward achieving sales of 2.5 trillion yen and operating profit of 250 billion yen, and reported the results of the review to the Board of Directors.

Main issues of the Nomination and Compensation Committee

- **Ideal future management structure**
- **Skills matrix**
- **Discover, develop, and secure the next generation of management personnel**
- **Revise executive compensation system**
- **Systematic development of core human resources**

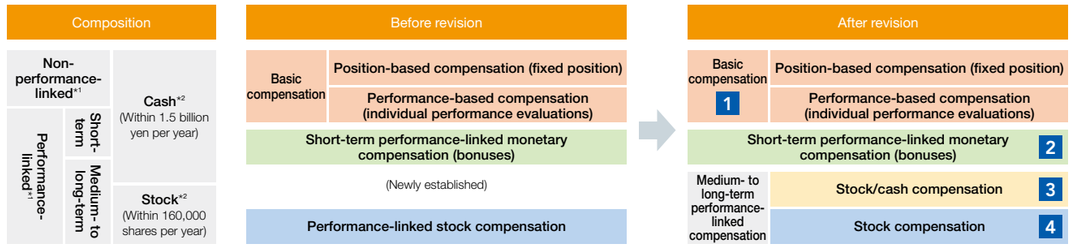
• Details of revisions to the compensation system for Directors

(applies to executive directors, effective from the fiscal 2024 evaluation period (fiscal year ending March 2025))

The revisions are made based on the "Basic Principles to the Officer Compensation System" established by the Board of Directors following the matter which is submitted for consultation by the Nomination and Compensation Committee.

Basic Principles to the Officer Compensation system

① A balanced system that realizes a high incentive effect that draws out the full potential of individual Directors and a sustainable increase in corporate value from a medium- to long-term perspective.
② Aim for a level of compensation that is competitive in securing talented domestic and overseas personnel and can be attractive to the Company's employees in their pursuit to be part of the future management team.
③ An appropriate system that ensures transparency, fairness, and rationality in the fulfillment of accountability to shareholders, investors, and other stakeholders.



*1 Non-performance-linked compensation: performance-linked compensation = aim for a ratio of 1:2 or more
*2 Monetary compensation : stock compensation = no ratio specified, but aim for 10% or more stock compensation

1 Basic Compensation

Compensation for directors is composed of position-based compensation (fixed for each position) according to the position of each Director as prescribed in the "Directors' Compensation Regulations," and performance-based compensation (individual performance evaluations), which is revised each fiscal year taking into consideration each director's track record, business performance, and various other factors. The amount paid is determined by the Board of Directors after consulting with the Nomination and Compensation Committee.

2 Short-term performance-linked compensation (bonuses)

Short-term performance-linked monetary compensation is designed to enhance incentives towards improving performance and corporate value through the achievement of business plans, inclusive of corporate value, etc. as expressed by stock prices along with focusing on profit for the year, which is the final financial results of each fiscal year, based on the evaluation indicators shown in the table on the right.

Evaluation indicator	Results (Fiscal year ended March 2024)
Consolidated profit for the year	¥55.2 billion
Consolidated net sales growth rate	8.50%
Ratio of stock price to performance of the Nikkei stock average	-0.17%
Market capitalization at end of period	¥1,260.3 billion
Consolidated operating margin (8%-10%)	5.20%

3 Medium- to long-term performance-linked compensation (stock/cash)

Newly established

Medium- to long-term performance-linked compensation (stock/cash) will be added as a driving force for the realization of 2.5 trillion yen in net sales and 250 billion yen in operating income, the targets to be achieved in the fiscal year ending March 2029. The number of shares (points) or amount paid is calculated based on each calculation table using the items in the table on the right as indicators. Details are stipulated in the "Share Grant Regulations" and "Directors' Compensation Regulations," which are determined in the Board of Directors.

Medium- to long-term performance-linked compensation shall be paid in stock or cash. However, Directors who do not hold a number of the Company's shares at a level required by the Company's "Stock Ownership Guidelines for Directors" shall be paid in stock in principle.

Evaluation indicator	Goals, etc.
Achievement of EPS growth rate 15% (the latest three-year average) Goals, etc.	By using the achievement of an EPS growth rate of 15% or above which is a management indicator as an evaluation indicator based on the latest three-year average, the Company will strengthen directors' motivation from medium- to long-term perspective to continuously generate consolidated profit for the year, which is a source of growth. The Company will grant shares or cash according to the level of achievement of the indicator, ranging from 15% to 20%.

4 Medium- to long-term performance-linked compensation (stock)

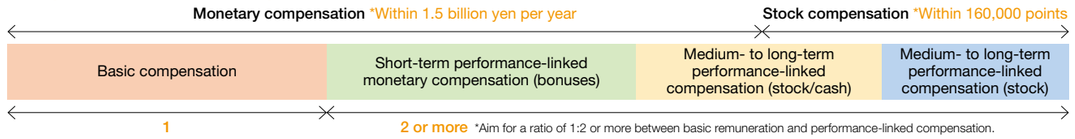
Change

In addition to the target for consolidated profit for the year, indicators were added for achieving ROE, and realizing SBT targets. The number of the Company's shares equivalent to the number of points are granted to directors upon retirement according to the achievement of each evaluation indicator. The number of shares (points) to be paid is calculated based on the point-calculation table using the items in the table on the right as indicators. Details are stipulated in the "Share Grant Regulations," which is determined in the Board of Directors.

Evaluation Metrics	Goals, etc.
Consolidated profit for the year	This is the most important management indicator as the source for investment growth.
Achievement of ROE 15%	The current system is centered on consolidated profit for the year and this aims to supplement the medium- to long-term perspective.
Achievement of GHG (Scopes 1 and 2) -5% YoY	A specific numerical target to be set in order to realize SBT targets*, which is the Company's external commitment.

*As a target of Science Based Targets (SBT) under the Paris Agreement, the Company has announced a reduction of Greenhouse Gas (GHG) (Scopes 1 and 2) by 42% compared to the fiscal year ended March 2023, and the achievement of this target needs to realize a reduction of 5% or more compared to the previous year.

Composition of officer compensation (revised)



• Stock Ownership Guidelines for Directors

The Company has established "Shareholder Ownership Guidelines for Directors" (excluding outside directors etc.) for the purpose of further improving corporate value by deepening sustainable common interests among shareholders and increasing motivation and morale to improve business performance and increase stock prices from the shareholders' viewpoint. The Company recommends that Directors hold company stock worth approximately the same amount as their annual basic compensation within the period of five years from the date of their appointment as officers.

Audit & Supervisory Board

15 meetings held in fiscal 2023

• Status of deliberations by the Audit & Supervisory Board

The Audit & Supervisory Board holds regular monthly meetings and extraordinary meetings as necessary. The four Audit & Supervisory Board members (three of whom are outside members) have the experience in such areas as management, law, finance, and accounting necessary to address all matters coming before the Board. In addition, one full-time staff person is assigned to assist Audit & Supervisory Board Members to ensure smooth execution of auditing duties. During fiscal 2024, in addition to on-site visits and inspections at the Group's domestic and overseas (Europe, United States, Asia) offices, the Board also conducted interviews with managers of domestic and overseas offices using a web conference system.

Quarterly meetings are held with the Representative Director, Chairman CEO and Outside Directors to exchange respective views and meetings are held with the other Directors as appropriate to exchange respective views.

Monthly meetings are held with the Internal Auditing Office. Furthermore, there are regular exchanges of opinions with the Independent Auditors, and in addition, opportunities are provided to full-time Audit & Supervisory Board Members to exchange opinions as required, including having them attend accounting audits.

Main agenda items at Audit & Supervisory Board meetings

- **Determination of audit policy and audit plan for the fiscal year**
- **Selection of Standing Audit & Supervisory Board Member**
- **Consideration of the Board of Directors' proposals**
- **Report on audit status by Standing Audit & Supervisory Board Member**
- **Evaluation of reports on audit results and quarterly review reports by Independent Auditors**
- **Resolutions on selection and dismissal of Independent Auditors and agreement on their compensation**
- **Consideration of independence of Independent Auditors through non-guarantee service outsourcing**
- **Determination of audit report**
- **Verification of effectiveness of activities of the Audit & Supervisory Board**

Changes in governance-related indicators

Organizational bodies		Unit	76th term (Apr. 2021-Mar. 2022)	77th term (Apr. 2022-Mar. 2023)	78th term (Apr. 2023-Mar. 2024)
Board of Directors	Number of Directors	Persons	12	11	12
	Number of Executive Directors	Persons	7	6	7
	Number of Outside Directors	Persons	5	5	5
	Number of female Directors	Persons	2	3	3
	Average age of Directors*	Years	64.8	64.8	64.9
	Number of Board of Directors meetings held	Times	13	16	12
	Attendance rate at Board of Directors meetings	%	100	100	100
	Attendance rate of Outside Directors	%	100	100	100
Nomination and Compensation Committee	Number of Nomination and Compensation Committee members	Persons	5	6	6
	Number of outside committee members	Persons	4	5	5
	Average age of Nomination and Compensation Committee members*	Years	68.6	66.5	67.5
	Number of Nomination and Compensation Committee meetings held	Times	7	6	7
	Attendance rate of Nomination and Compensation Committee meetings	%	94.3	97.6	95.2
	Attendance rate of outside committee members	%	100	100	100
Audit & Supervisory Board	Number of Audit & Supervisory Board Members	Persons	4	4	4
	Number of Outside Audit & Supervisory Board Members	Persons	3	3	3
	Average age of Audit & Supervisory Board Members*	Years	61.8	62.8	64.0
	Number of Audit & Supervisory Board meetings held	Times	16	14	15
	Attendance rate at Audit & Supervisory Board meetings	%	100	100	100
	Attendance rate of Outside Audit & Supervisory Board Members	%	100	100	100

* The values above are for fiscal year-end. Average age is calculated based on actual age at the end of each fiscal year.

Actual compensation for Directors and Audit & Supervisory Board Members		Unit	76th term (Apr. 2021-Mar. 2022)	77th term (Apr. 2022-Mar. 2023)	78th term (Apr. 2023-Mar. 2024)
Directors	Number of persons to be paid	Persons	13	13	13
	Basic compensation	Thousand yen	289,805	274,478	340,509
	Performance-linked bonuses for Directors (provisions)	Thousand yen	467,500	567,452	373,412
	Performance-linked stock compensation (provisions)	Thousand yen	70,000	60,000	35,000
	Total	Thousand yen	827,305	901,930	748,921
Of which, Outside Directors	Number of persons to be paid	Persons	5	6	5
	Total basic compensation	Thousand yen	54,600	54,600	59,809
Audit & Supervisory Board Members	Number of persons to be paid	Persons	4	4	6
	Total basic compensation	Thousand yen	48,800	49,845	51,285
Of which, Outside Audit & Supervisory Board Members	Number of persons to be paid	Persons	3	3	4
	Total basic compensation	Thousand yen	33,400	34,215	34,765
Total amount of compensation		Thousand yen	876,105	951,775	800,207

Results of Performance-linked evaluation indicators		Unit	76th term (Apr. 2021-Mar. 2022)	77th term (Apr. 2022-Mar. 2023)	78th term (Apr. 2023-Mar. 2024)
	Consolidated profit for the year	Billion yen	68.9	77.2	55.2
	Consolidated net sales growth rate	%	+13.7	+15.0	+8.5
	Ratio of stock price to performance of the Nikkei stock average	%	+0.01	-0.06	-0.17
	Market capitalization at end of period	Billion yen	1,150.5	1,072.3	1,260.3
	Consolidated operating margin (8.0%-10.0%)	%	8.2	7.9	5.2

*The number of recipients stated above includes Directors and Audit & Supervisory Board Members who retired at the conclusion of the Ordinary General Meeting of.

*The compensation for Directors excludes the salary to be paid for service as employee for Directors who also hold a post of officer or employee of the Company.

*Compensation amounts are rounded down to the nearest thousand yen.

List of Officers (As of June 30, 2024)

Directors

Representative Director, Chairman CEO
Yoshihisa Kainuma

Attendance at the Board of Directors Meetings
100% (12/12)
Attendance at Nomination and Compensation Committee Meetings
71% (5/7)

1983 Apr. Registered as attorney-at-law, member of Daini Tokyo Bar Association
1988 Dec. Joined the Company, Director, General Manager of Legal Department of the Company
1989 Sep. Member of New York State Bar Association
1992 Dec. Managing Director and Deputy General Manager of Operations Headquarters
1994 Dec. Senior Managing Director, General Manager of European and American Regional Sales Headquarters, Deputy General Manager of Operations Headquarters
2003 Jun. Director, Senior Managing Executive Officer
2009 Apr. Representative Director, President and Chief Executive Officer
2017 Jun. Representative Director, Chairman & President (CEO & COO)
2018 Dec. Member of the Nomination and Compensation Committee of the Company (Present)
2023 Apr. Representative Director, Chairman CEO (Present)

Representative Director, Vice Chairman
Shigeru Moribe

Attendance at the Board of Directors Meetings
100% (12/12)

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

Director, President COO & CFO
Katsuhiko Yoshida

Attendance at the Board of Directors Meetings
100% (12/12)

1984 Apr. Joined the Company
2013 Dec. Head of Operation Department at Electronic Device & Component Manufacturing Headquarters, General Manager of Vertical Integration Improvement Office, General Manager of Business Support Office
2014 Jun. Executive Officer
2016 Jun. Deputy Chief of Business Administration Headquarters, General Manager of Business Administration Department
2017 Jun. Managing Executive Officer
2019 Apr. Officer in charge of Business Administration and Corporate Planning Division, Deputy Officer in charge of Accounting & Corporate Finance Division, Deputy Officer in charge of Sustainability Management Division
2019 Oct. Senior Managing Executive Officer
2020 Apr. Director, ABLIC Inc. (Present)
2020 Jun. Director, Chief of Tokyo Head Office (Present), Officer in charge of Sustainability Management Division, Director, U-Shin Ltd. (Present), Director, Vice President Executive Officer, MITSUMI ELECTRIC CO., LTD.
2021 Apr. Head of Business Administration and Corporate Planning Division, Head of Sustainability Management Division (Present)
2023 Jan. Director, Minebea AccessSolutions Inc. (Present)
2023 Apr. Director, President COO & CFO of the Company (Present)

Director, Vice President Executive Officer
Ryozo Iwaya

Attendance at the Board of Directors Meetings
100% (12/12)

1981 Apr. Joined the Company
1989 Dec. Head of Tokyo Sales Division at Tokyo Branch
2009 Jun. Executive Officer, Head of Lighting Device Business Unit at Electronic Device & Component Business Headquarters
2013 Jun. Managing Executive Officer
2015 Jun. Director (Present), Senior Managing Executive Officer
2017 Jan. Chief of MITSUMI Business Headquarters of the Company, Representative Director, Vice President and Chief Executive Officer, MITSUMI ELECTRIC CO., LTD.
2017 Apr. Representative Director, President and Chief Executive Officer, MITSUMI ELECTRIC CO., LTD.
2017 Jun. Chief of Electronic Device & Component Manufacturing Headquarters
2019 Aug. Director, U-Shin Ltd. (Present)
2019 Oct. Vice President Executive Officer (Present), Officer in charge of Electronic Device & Component related Business
2021 Apr. Chief of Electronic Device & Component Business Headquarters
2023 Jan. Chief of U-Shin Business Headquarters (currently Access Solutions Headquarters), Director, Minebea AccessSolutions Inc. (Present)

Director, Senior Managing Executive Officer
Shigeru None

Attendance at the Board of Directors Meetings
100% (12/12)

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

Director, Senior Managing Executive Officer
Satoshi Mizuma

Attendance at the Board of Directors Meetings*
100% (10/10)
*After appointment

1986 Apr. Joined the Company
2011 Apr. General Manager of Quality Control Department, Ball Bearing Business Unit
2015 Apr. Deputy Head of Ball Bearing Business Unit
2016 Jun. Executive Officer
2017 Oct. Executive Officer, Head of Ball Bearing Business Unit
2018 May Managing Executive Officer, Chief of Machined Component Manufacturing Headquarters
2021 Apr. Chief of Machined Component Business Headquarters (currently Precision Technologies Headquarters) (Present)
2022 Jun. Senior Managing Executive Officer (Present)
2023 Jun. Director (Present)

Director, Managing Executive Officer
Katsutoshi Suzuki

Attendance at the Board of Directors Meetings*
100% (10/10)
*After appointment

1986 May Joined the Company
2015 Apr. Deputy Officer in charge of Engineering Development Division, Electronic Device & Component Manufacturing Headquarters
2018 May Technical Officer
2020 Apr. Deputy Officer in charge of Engineering Development Division, Deputy Officer in charge of Motor Division, Officer in charge of Motor Engineering
2021 May Technical Officer
2022 Oct. Chief of Engineering Headquarters, Chief of INTEGRATION Promotion Headquarters, Head of Electronic Device & Component Engineering Development Division at Engineering Headquarters, Head of Engineering Development Division at Electronic Device & Component Business Headquarters, Deputy Head of Motor Division
2023 Mar. Chief of Engineering Headquarters, Head of Electronic Device & Component Engineering Development Division at Engineering Headquarters, Head of Engineering Development Division at Electronic Device & Component Business Headquarters (currently Motor, Lighting & Sensing Headquarters) (Present)
Deputy Head of Motor Division
2023 Jun. Director, Managing Executive Officer (Present)

Director (Non-executive)
Takashi Matsuoka

Attendance at the Board of Directors Meetings
100% (12/12)

2003 Apr. General Manager of Planning Division, KEIAISHA Co., Ltd.
2003 Jun. Director, KEIAISHA Co., Ltd.
2004 Jun. Managing Director, KEIAISHA Co., Ltd.
2005 Jun. Outside Director of the Company
2007 Jun. Senior Managing Director, KEIAISHA Co., Ltd.
2011 Jun. Director and Senior Managing Executive Officer, KEIAISHA Co., Ltd.
2014 Jun. Director, Vice President Executive Officer, KEIAISHA Co., Ltd. (Present)
2024 Jun. Director of the Company (Non-executive) (Present)

Independent Outside Directors

Outside Director
Yuko Miyazaki

Attendance at the Board of Directors Meetings
100% (12/12)
Attendance at Nomination and Compensation Committee Meetings
100% (7/7)

1979 Apr. Registered as attorney-at-law, member of Dai-Ichi Tokyo Bar Association
Joined Nagashima & Ohno (currently Nagashima Ohno & Tsunematsu)
1984 Aug. Legal Counsel, Legal Department, The World Bank
1988 Jan. Partner, Nagashima & Ohno (currently Nagashima Ohno & Tsunematsu)
2012 Jun. Outside Director, Seven Bank, Ltd.
2015 Jun. Outside Audit & Supervisory Board Member, Oji Holdings Corporation
2018 Jan. Justice, The Supreme Court of Japan
2021 Jul. Re-registered as attorney-at-law, member of Dai-Ichi Tokyo Bar Association
2021 Sep. Special Advisor, Nagashima Ohno & Tsunematsu (Present)
2022 Jan. International Judge, Singapore International Commercial Court (Present)
2022 Jun. Outside Director of the Company (Present)
Chairperson of the Nomination and Compensation Committee (Present)

Outside Director
Atsuko Matsumura

Attendance at the Board of Directors Meetings
100% (12/12)
Attendance at Nomination and Compensation Committee Meetings
100% (7/7)

1978 Apr. Joined Japan Center for Economic Research
1981 Apr. Visiting research fellow, Economic Research Institute, Economic Planning Agency (currently Economic and Social Research Institute)
1987 Apr. Part-time Lecturer, Jissen Women's Junior College
1988 Apr. Full-time Lecturer, OTSUMA WOMEN'S UNIVERSITY
1991 Apr. Full-time Lecturer, Faculty of Economics, Tokyo International University
1999 Apr. Associate Professor, Faculty of Economics, Tokyo International University
2006 Apr. Professor, Faculty of Economics, Tokyo International University (Present)
2010 Apr. Part-time Lecturer, Department of Social and Family Economy, Faculty of Human Sciences and Design, Japan Women's University
2014 Apr. Visiting Professor, Faculty of Economics, Keio University
2015 Apr. Part-time Lecturer, Department of Politics, Faculty of Law, Keio University
2016 Jun. Outside Director, RENESAS EASTON Co., Ltd. (currently Glosel Co., Ltd.)
2018 Jun. Outside Director of the Company (Present)
2018 Dec. Member of the Nomination and Compensation Committee of the Company (Present)
2023 Mar. Member of the Working Group on Oil Market Trend Study, Advisory Committee for Natural Resources and Energy, the Ministry of Economy, Trade and Industry

Outside Director
Yuko Haga

Attendance at the Board of Directors Meetings
100% (12/12)
Attendance at Nomination and Compensation Committee Meetings
100% (7/7)

1989 Apr. Senior Consultant, Tokyo Office, Price Waterhouse Consultants
1991 Apr. Representative, Haga Management Consulting Office (Present)
2008 Apr. Executive Officer, Sompo Japan Healthcare Services Inc. (currently Sompo Health Support Inc.)
2010 Feb. Director, Social Welfare Corporation Fujikenikukai (Present)
2010 Apr. Visiting Professor, Department of Policy Management, Faculty of Policy Management, Shobi University
2017 Apr. Associate Professor, Graduate School of Management, NUCB Business School
2019 Mar. Outside Director of the Board, Kyowa Hakko Kirin Co., Ltd. (currently Kyowa Kirin Co., Ltd.) (Present)
2020 Apr. Professor, Graduate School of Management, NUCB Business School (Present)
2020 Jun. Outside Director of the Company (Present)
Member of the Nomination and Compensation Committee (Present)
2024 Jun. Outside Director of the Board, AIR WATER INC. (Present)

Outside Director
Hirofumi Katase

Attendance at the Board of Directors Meetings
100% (12/12)
Attendance at Nomination and Compensation Committee Meetings
100% (7/7)

1982 Apr. Joined Ministry of International Trade and Industry
2000 Oct. Director, Economic Policy Unit, Minister's Secretariat, Ministry of International Trade and Industry
2002 Jul. Director, Petroleum and Natural Gas Division, Agency for Natural Resources and Energy
2006 Jul. Director, Aerospace and Defense Industry Division, Manufacturing Industries Bureau, Ministry of Economy, Trade and Industry
2008 Aug. Director for International Industry Research, Minister's Secretariat, Trade Policy Bureau, Ministry of Economy, Trade and Industry
2009 Jul. Deputy Director-General for Trade and Economic Cooperation Bureau and International Exhibitions, Minister's Secretariat, Ministry of Economy, Trade and Industry
2010 Jul. Deputy Director-General, Secretariat of the Space Development Strategy Headquarters, Councillor, Cabinet Secretariat
2012 Jul. Deputy Director-General for International Trade Policy, Minister's Secretariat, Ministry of Economy, Trade and Industry
2013 Jun. Director-General, Industrial Science and Technology Policy and Environment Bureau, Ministry of Economy, Trade and Industry
2015 Jul. Director-General, Trade Policy Bureau, Ministry of Economy, Trade and Industry
2016 Jun. Vice-Minister for International Affairs
2017 Jul. Special Advisor to the Ministry of Economy, Trade and Industry
2017 Dec. Executive Vice Chairman & Director, I-Pulse Inc. (Present)
President and Chief Executive Officer, I-Pulse Japan Inc. (Present)
2021 Jun. Outside Director of the Company (Present)
2022 Jun. Member of the Nomination and Compensation Committee of the Company (Present)

Audit & Supervisory Board Members

Standing Audit & Supervisory Board Member
Masahiro Tsukagoshi

Attendance at the Board of Directors Meetings*
100% (10/10)
Attendance at the Audit & Supervisory Board Meetings*
100% (12/12)
*After appointment

1984 Apr. Joined the Company
2004 May Vice President, NMB (USA) Inc.
2011 Jul. General Manager of Business Administration Department of the Company
2015 Apr. General Manager of Corporate Planning Department
2018 May Executive Officer
2020 Jun. Advisory Manager
2020 Aug. Deputy Officer in charge of Personnel & General Affairs Division
2021 Apr. Deputy Head of Personnel & General Affairs Division
2023 Jun. Standing Audit & Supervisory Board Member (Present)

Outside Audit & Supervisory Board Member
Shinichiro Shibasaki

Attendance at the Board of Directors Meetings
100% (12/12)
Attendance at the Audit & Supervisory Board Meetings
100% (15/15)
Attendance at Nomination and Compensation Committee Meetings
100% (7/7)

1989 Apr. Registered as attorney-at-law, joined Inami and Ota (currently Law Office Juricom)
1993 Apr. Partner, Inami, Ota and Shibasaki (currently Law Office Juricom) (Present)
2010 Oct. Member of Dispute Resolution Committee of The General Insurance Association of Japan (Present)
2012 Apr. Part-time Professor, Tokai University School of Medicine
2014 Jun. Outside Audit & Supervisory Board Member of the Company (Present)
2015 Apr. Visiting Professor, Tokai University School of Medicine (Present)
2018 Dec. Member of the Nomination and Compensation Committee of the Company (Present)

Independent Outside Audit & Supervisory Board Members

Standing Outside Audit & Supervisory Board Member
Hiroshi Yamamoto

Attendance at the Board of Directors Meetings*
100% (10/10)
Attendance at the Audit & Supervisory Board Meetings*
100% (12/12)
*After appointment

1987 Apr. Joined Japan Tobacco Inc.
2007 Apr. Vice President, Tobacco Business Planning, Tobacco Business, Japan Tobacco Inc.
2008 Jul. Vice President, Non-Tobacco Material Procurement, Tobacco Business, Japan Tobacco Inc.
2012 Jun. Vice President, Operational Review and Business Assurance, Japan Tobacco Inc.
2019 Mar. Standing Audit & Supervisory Board Member, Japan Tobacco Inc.
2023 Jun. Standing Outside Audit & Supervisory Board Member of the Company (Present)

Outside Audit & Supervisory Board Member
Makoto Hoshino

Attendance at the Board of Directors Meetings
100% (12/12)
Attendance at the Audit & Supervisory Board Meetings
100% (15/15)

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

Skills matrix

The Company has identified skills required of the Board of Directors as a whole. A circle is assigned to the expertise and background that is expected based on the wealth of experience and knowledge of each officer.

• Skills required of the Board of Directors as a whole

Skill item	Reasons for selection as a required skill
Corporate management	The Group of the Company (the Group) needs Directors with abundant management experience, a proven track record, and the experience, knowledge, and skills necessary for formulating a sustainable growth strategy, constantly producing products contributing to solving social issues, and sustainably enhancing corporate value while navigating the drastic change in the business environment surrounding the Group.
M&A	The Group needs Directors with experience, knowledge and skills for discovering potential M&A targets from the point of strengthening the "Eight Spears" strategy, determining fair prices based on financial discipline, and maximizing the benefits of integration in a flexible and speedy manner by conducting thorough Post Merger Integration (PMI) that respects each corporate culture, since the Group aims to achieve both organic and M&A growth.
Global affairs	The Group needs Directors with experience, knowledge and skills for making management decisions considering market and customer trends as well as country risks, including geopolitical risks, since the Group's major customers operate manufacturing and sales globally, and their bases are located overseas.
Technology Development/ Manufacturing/Sales	The Group needs Directors with experience, knowledge, and skills for manufacturing and developing high quality and precision components and ensuring a stable supply of them to society in order to embody and promote the Group's management philosophy of "To contribute to the realization of a sustainable, eco-friendly, and prosperous society by providing better products, at a faster speed, in larger numbers, at a lower cost and by smarter means."
Environment/ Society	The Group needs Directors with experience, knowledge, and skills for promoting solutions of environmental and human rights problems, and social issues in order to realize enhancing corporate value by contributing to realizing a sustainable society through the Group's businesses.
Personnel/ Human resources development	The Group needs Directors with experience, knowledge and skills for producing innovations continuously with accelerating synergy between various "wisdom" and "human," which have been accumulated through the Group's active overseas expansion and M&A since its foundation, in order to promote human resources strategy aiming at sustainable enhancement of corporate value.
Legal affairs	The Group needs Directors with experience, knowledge, and skills concerning for ensuring thorough compliance with laws and ethical standards, which is fundamental to the Group's business operations to expand its businesses globally.
Finance and Accounting/ Tax affairs	The Group needs Directors with experience, knowledge, and skills concerning developing financial strategies to realize promoting growth investment, including M&A, and enhancing shareholder return.

• Roles and Skills matrix of Directors and Audit & Supervisory Board Members

Name		Position (◆: Independent outside officers)	Members of each organizational body (◎: Chairperson)				Expertise and background especially expected									
			Board of Directors	Nomination and Compensation Committee	Senior Executive Officer Council	Audit & Supervisory Board	Corporate management	M&A	Global affairs	Technological development	Manufacturing	Sales	Environment and society	Personnel and human resource development	Legal affairs	Finance, Accounting, and Tax affairs
Directors	Yoshihisa Kainuma	Representative Director, Chairman CEO	◎	○	◎		○	○	○		○	○	○	○	○	○
	Shigeru Moribe	Representative Director, Vice Chairman	○		○		○		○			○				
	Katsuhiko Yoshida	Director, President COO & CFO	○		○		○	○	○				○	○		○
	Ryozo Iwaya	Director, Vice President Executive Officer	○		○		○		○		○	○				
	Shigeru None	Director, Senior Managing Executive Officer	○		○		○		○			○				
	Satoshi Mizuma	Director, Senior Managing Executive Officer	○		○		○		○	○	○					
	Katsutoshi Suzuki	Director, Managing Executive Officer	○		○		○		○	○	○					
	Takashi Matsuoka	Director (Non-executive)	○				○						○			
	Yuko Miyazaki	Outside Director ◆	○	◎					○						○	○
	Atsuko Matsumura	Outside Director ◆	○	○					○				○	○		
	Yuko Haga	Outside Director ◆	○	○			○	○	○					○		
	Hirofumi Katase	Outside Director ◆	○	○			○		○				○			
Audit & Supervisory Board Members	Masahiro Tsukagoshi	Standing Audit & Supervisory Board Member	○			◎	○		○				○	○		○
	Hiroshi Yamamoto	Standing Outside Audit & Supervisory Board Member ◆	○			○		○	○							○
	Shinichiro Shibasaki	Outside Audit & Supervisory Board Member ◆	○	○		○									○	
	Makoto Hoshino	Outside Audit & Supervisory Board Member ◆	○			○										○

Dialogue between institutional investors and Outside Directors

On July 16, 2024, Outside Directors Ms. Atsuko Matsumura, Ms. Yuko Haga, and Mr. Hirofumi Katase held a small online meeting with institutional investors to discuss matters related to the Company's governance and its corporate culture. For specific details on that meeting, please refer to the Company's website.

https://www.minebeamitsumi.com/english/corp/investors/disclosure/others/__icsFiles/afieldfile/2024/08/23/qa20240716_en.pdf

Compliance

Basic approach

To continue to act appropriately as a corporate citizen, the Group has established the "MinebeaMitsumi Group Code of Conduct" and "MinebeaMitsumi Group Officer and Employee Compliance Guidelines," and on the basis of these policies, we strive to achieve fair, appropriate, and highly transparent management.

Compliance promotion system

The Representative Director, Chairman CEO of the MinebeaMitsumi Group has ultimate responsibility for compliance. The Compliance Committee, which reports directly to the President, meets on a regular and timely basis to ensure implementation of the Code of Conduct and make prompt decisions on emergency response measures in the event of significant violations of the code. The Compliance Promotion Office, the administrative body of the Compliance Committee, implements measures to promote compliance. Compliance training for officers at all Group companies in Japan were provided in the fiscal year ended March 2024. Additionally, we appoint a compliance officer at each of the Group's bases, including those overseas, to strengthen management of the Group overall. In May 2024, we appointed a compliance officer at Minebea Power Semiconductor Device Inc., which was newly added to the Group as a result of the business integration, to strengthen the groupwide compliance system.

• Compliance framework

The details on initiatives for compliance promotion can be viewed from here.

Internal reporting system

In order to prevent and detect compliance violations early, whistleblowing reporting systems have been set-up both internally and outside our Company. These can be used by any officer or employee (including fixed term contract employees and dispatched employees) to report any of their own or other officers or employees decisions or actions that could potentially violate laws, regulations, or internal rules, including the MinebeaMitsumi Group Code of Conduct, or that lack appropriate corporate ethics, or other related suspicions. Reports can be filed either by name or anonymously. To ensure the independence of the whistleblowing system, all whistleblowing reports are received and monitored by Audit & Supervisory Board members.

Internal rules, including the "MinebeaMitsumi Group Code of Conduct", prohibit unfavorable treatment on the grounds of whistleblowing, and requires maintaining confidentiality and anonymity of information providers. If after a thorough investigation a whistleblowing report is found to be true, appropriate measures are taken. In Japan we have established and operate internal reporting rules based on the Whistleblower Protection Act.

We raise awareness of the reporting system and how to use the reporting hotline through our in-house web portal, and by distributing guidance cards. Furthermore, we strive to build trust in the system by regularly disclosing the number of reports and their response status through our internal communication media.

In the fiscal year ended March 2024, we received 57 whistleblower reports. The status of internal reporting is regularly reported to the Compliance Committee and the Board of Directors.

• Number of whistleblower reports (including reports that did not result in actual incidents or violations)

	Harassment	Time & labor management	Information management	Accounting & bookkeeping	Corruption	Health and safety	Quality control	Other
FY3/2024	32	6	2	1	1	1	0	14
FY3/2023	10	7	0	1	0	0	1	4

Anti-corruption initiatives

In order to strengthen our anti-corruption efforts at a global level, the MinebeaMitsumi Group has established the MinebeaMitsumi Group Anti-Corruption Policy, which applies to the entire Group, as well as the Anti-Bribery Regulations, which prohibit bribery (including small payments such as facilitation payments) in all countries and regions in which we do business, and strives to prevent bribery by all directors and employees. The Group has established and implemented the "Internal Standards and Procedures Relating to Entertainment and Gifts for Public Officials" for the Asia region, where business practices are particularly complicated. We give utmost attention to risk management to ensure that there is no involvement in corruption, and we do not engage in any entertainment or gift-giving perceived to carry risk. Furthermore, we have established the "CSR Procurement Guidelines," and require our business partners to prohibit bribery.

In addition, the Internal Auditing Office conducts regular checks on these initiatives from the perspective of the prevention of corruption.

Furthermore, during the fiscal year ended March 31, 2024, there were no officers or employees who committed anti-corruption violations, nor were there any fines, surcharges or settlements related to corruption.

Risk management

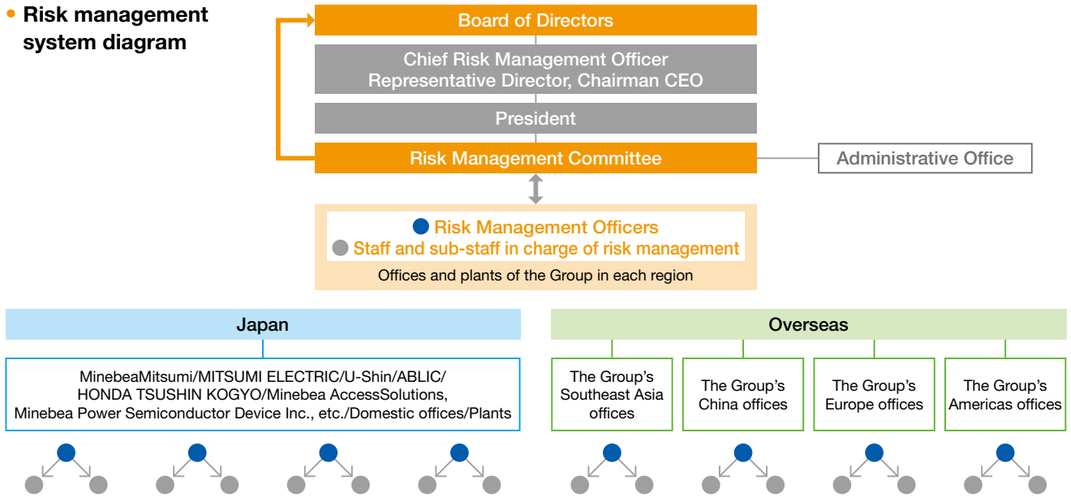
Basic approach

Because our response to risk could profoundly affect the MinebeaMitsumi Group's business fundamentals, we believe that risk management is vital to the management of the company. We are prepared for a variety of anticipated risks based on the MinebeaMitsumi Group Basic Regulations for Risk Management, which stipulate our risk management system, preventive measures, and responses in the event of an emergency.

Risk management system

The Representative Director, Chairman CEO of the MinebeaMitsumi Group, is ultimately responsible for risk management. The Risk Management Committee reports directly to the President, and makes important decisions on risk management in consultation with the President. As a precautionary measure, MinebeaMitsumi assesses and classifies tangible risks in advance, and remains vigilant against such risks. In the unlikely event that an incident occurs, we will set up an emergency response headquarters or an on-site response headquarters in accordance with the emergency response classification set out in the regulations, and respond to the situation promptly and appropriately. MinebeaMitsumi has established a system under which, depending on the nature of the risk, a supervisory division can be appointed to handle a situation and to draft and implement risk prevention measures.

- **Risk management system diagram**



- **Method of Identification of and response to risks**

Identification and evaluation of risks	Each responsible department will identify risks, evaluate the type of risk, anticipated scenarios, frequency of occurrence and extent of damage, and report to the Risk Management Committee.
Identification of risks and determination of a response policy	The Risk Management Committee analyzes risk identification and assessment reports submitted by each responsible department, clarifies risks for the Group, and determines response policies.
Prevention and preparation to respond to the occurrence of risks	• The Risk Management Manager analyzes the assumed damage and impact on business in the case of a defined risk materializing, and prepares response guidelines in advance. • The Risk Management Manager collects information on the risks, and gains insight into signs of the occurrence of risk.

Responding to emergency situations

In the event of an emergency situation or risk of an emergency occurring, the Risk Management Officer and the staff and sub-staff in charge of risk management shall immediately report this to the President and the Risk Management Committee, and the Group shall endeavor to prevent the situation from escalating and bring it to a swift resolution through prompt and appropriate initial response.

Risk audits, etc.

- The general managers of each department shall conduct self-inspections for risk management.
- The Risk Management Committee conducts audits in cooperation with the Internal Auditing Office as necessary.

Announcement of major risks

Major risks and the status of initiatives are communicated each year via business reports, securities reports, and other IR materials.

Risk management example ❶ BCP

In the event of a large-scale disaster, infectious disease, terrorist attack, or other emergency, the Group will prioritize ensuring the safety of its employees and their families. In addition, as a parts manufacturer with world leading market share, we believe that it is our social responsibility to continue to supply our customers and minimize the impact to our and their business. To this end, we have formulated business continuity plans (BCPs) and are conducting drills at our major bases both in Japan and overseas.

In order to reduce risks relating to climate change, the "Aqueduct Water Risk Atlas," published by the World Resources Institute (WRI), and other sources are used to identify sites with high levels of water-related risk such as floods and droughts, and efforts are made to expand BCP. In Thailand, which has the MinebeaMitsumi Group's core plants, we acquired certification to the international standard ISO 22301 for our business continuity management system (BCMS) at the Bang Pa-in Plant, Lop Buri Plant, Rojana Plant and Navanakorn Plant, followed by the Ayutthaya Plant and Ban Wa Plant.

In the future, we will strengthen our measures against water-related risks in Southeast Asian bases other than China and Thailand, and will work to further reduce and minimize risks.

Risk management example ❷ Information security

The utilization of information has become a management issue for survival and sustainable growth of the company. With the promotion of digital transformation at its core, we are committed to utilizing information to drive growth. We do not simply collect and analyze data; we use the results of that analysis to rapidly respond to changes in the market. On the other hand, the number of cases of cyberattacks against companies have continued to increase while becoming more technically sophisticated, making the development of a system to prevent such attacks an urgent issue.

In addition to the protection of business resources, manufacturers need to be prepared for cyber-attacks on production sites. In order to strengthen the information security system, the Company uses a specialist in ICT as the CISO (Chief Information Security Officer), and has established the Security Promotion Office. The Information Security Committee, chaired by the CISO, meets regularly to ensure that management is thoroughly aware of information security and how they are being addressed, and manages risks based on risk metrics.

As a specific measure, we have established an automated monitoring and abnormality detection network for PCs and servers operated on a daily basis throughout the Company, including at overseas production sites and we have established an incident response system to respond promptly to reports of abnormalities or threats. In addition, the Group has a dedicated team for threat analysis that enables us to respond quickly and consistently to threat detection with appropriate analysis and countermeasures.

We will continue to reinforce our information security measures in anticipation of increasing threats.

- **Global security monitoring and crisis response system**

Attack detection and defense, device vulnerability detection, network monitoring/management

Risk management example ❸ Security and trade management

Against the backdrop of the increasingly complex international situation and military tensions, economic sanctions and export control regulations are being strengthened by each country. In these circumstances, the Group, which has a global production system, will need to engage in strategic business development, and remain focused on the economic and political situation in each country. This will allow us to fulfill our social responsibilities as a company, and maintain an international competitive advantage.

As a global Group, we implement thorough security trade control in accordance with the laws and regulations of each country at each of our bases. To further strengthen our security trade control system and centrally manage risks related to economic security for the entire Group, we have established the "Group Company Policy on Economic Security" and the "Economic Security Risk Management Manual."

In accordance with this policy, we obtain written documents confirming the product applications from each business partner, and have established a "Transaction Appropriateness Subcommittee" under the Risk Management Committee to establish a system for appropriately and promptly determining the appropriateness of transactions, taking into account the risks associated with transactions of concern in relation to economic security.

Track record of 15 years

		FY3/2010	FY3/2011	FY3/2012	FY3/2013	FY3/2014	FY3/2015	FY3/2016	FY3/2017 *1	FY3/2018	FY3/2018	FY3/2019 *2	FY3/2020 *3	FY3/2021 *4	FY3/2022	FY3/2023 *5 *6	FY3/2024 *7
Profit and Loss						JGAAP								IFRS			
Net sales	Millions of yen	228,446	269,139	251,358	282,409	371,543	500,676	609,814	638,926	879,139	881,413	884,723	978,445	988,424	1,124,140	1,292,203	1,402,127
Operating income	Millions of yen	12,059	22,163	8,599	10,169	32,199	60,101	51,438	49,015	79,162	68,902	72,033	58,647	51,166	92,136	97,530	73,536
Operating margin	%	5.3	8.2	3.4	3.6	8.7	12.0	8.4	7.7	9.0	7.8	8.1	6.0	5.2	8.2	7.5	5.2
Profit before income taxes	Millions of yen	9,261	18,656	5,551	4,882	26,811	51,773	46,963	48,473	71,230	66,855	71,321	58,089	49,527	90,788	92,128	75,545
Profit before income taxes ratio	%	4.1	6.9	2.2	1.7	7.2	10.3	7.7	7.6	8.1	7.6	8.1	5.9	5.0	8.1	7.1	5.4
Profit for the year attributable to owners of the parent	Millions of yen	6,662	12,465	5,922	1,804	20,878	39,887	36,386	41,146	59,382	50,326	60,142	45,975	38,759	68,935	73,152	54,035
Profit for the year attributable to owners of the parent ratio	%	2.9	4.6	2.4	0.6	5.6	8.0	6.0	6.4	6.8	5.7	6.8	4.7	3.9	6.1	5.7	3.9
Per Share																	
Earnings per share, basic	Yen	17.20	32.61	15.63	4.83	55.94	106.73	97.26	107.33	141.14	119.61	143.90	111.11	94.95	170.08	178.23	133.05
Earnings per share, diluted	Yen	-	-	15.54	4.65	53.14	101.32	92.35	105.64	137.80	117.02	140.75	108.68	92.87	166.61	177.38	133.04
Dividend per share	Yen	7.00	7.00	7.00	7.00	8.00	12.00	20.00	14.00	26.00	26.00	28.00	28.00	36.00	36.00	40.00	40.00
Equity attributable to owners of the parent per share (BPS)	Yen	279.87	282.03	288.74	351.65	422.62	604.83	616.43	759.15	872.66	849.15	962.83	965.64	1,109.38	1,326.15	1,540.53	1,741.25
Performance Indicators																	
ROE (Profit to equity attributable to owners of the parent ratio)	%	6.3	11.6	5.5	1.5	14.4	20.8	15.9	14.9	17.3	14.8	15.9	11.6	9.2	13.9	12.5	8.1
ROA (Profit before income taxes to total assets ratio)	%	2.4	4.4	2.0	0.5	5.6	9.2	7.7	7.5	8.8	9.9	9.9	7.2	5.4	8.7	7.7	5.6
ROIC	%	3.7	6.4	2.6	2.1	7.9	11.8	10.9	10.4	13.1	10.7	12.4	8.8	6.6	10.0	9.0	5.3
Interest-bearing debt	Millions of yen	123,399	133,212	142,543	170,411	148,498	138,461	137,109	164,010	157,414	156,471	162,042	221,712	268,621	270,711	354,331	362,383
Net interest-bearing debt	Millions of yen	96,892	103,622	114,213	136,229	109,883	93,134	97,515	70,885	52,520	51,505	21,673	75,175	84,368	86,931	201,671	208,564
Net debt-to-equity (D/E) ratio	Times	0.9	0.9	1.0	1.0	0.7	0.4	0.4	0.2	0.1	0.1	0.1	0.2	0.2	0.2	0.3	0.3
Equity ratio attributable to owners of the parent	%	38.5	37.1	35.7	36.2	41.4	46.1	50.2	50.0	51.7	50.6	53.9	45.6	46.2	48.8	48.4	49.7
Cash flows from operating activities	Millions of yen	30,408	24,439	20,233	22,990	49,173	59,864	43,582	83,125	96,606	92,201	100,722	86,486	93,763	78,417	44,093	101,759
Cash flows from investing activities	Millions of yen	(12,733)	(28,631)	(29,018)	(37,813)	(24,957)	(35,326)	(44,642)	(46,800)	(59,453)	(54,853)	(54,190)	(43,540)	(70,581)	(63,605)	(106,275)	(76,299)
Cash flows from financing activities	Millions of yen	(20,118)	7,984	4,761	17,409	(25,233)	(19,627)	(4,200)	(17,339)	(27,026)	(27,026)	(13,334)	(28,758)	9,257	(25,547)	37,875	(30,208)
Free cash flows	Millions of yen	17,675	(4,192)	(8,785)	(14,823)	24,216	24,538	(1,060)	36,325	37,153	37,348	46,532	42,946	23,182	14,812	(62,182)	25,461
Investments, etc.																	
Depreciation and amortization	Millions of yen	21,140	20,805	19,588	20,800	23,740	28,775	34,787	28,164	31,596	30,491	36,398	46,245	48,628	45,231	53,022	58,359
CAPEX	Millions of yen	11,081	27,335	27,306	43,687	20,679	37,557	43,878	31,847	54,171	50,789	54,199	50,144	45,522	73,504	147,040	83,570
R&D expenses	Millions of yen	8,410	7,895	7,490	7,743	8,561	8,972	9,680	12,347	24,381	24,381	25,453	28,886	32,154	37,065	38,754	42,662
Ratio of R&D expenses to net sales	%	3.7	2.9	3.0	2.7	2.3	1.8	1.6	1.9	2.8	2.8	2.9	3.0	3.3	3.3	3.0	3.0
Non-financial Data																	
Greenhouse gas emissions *8	Tons	423,099	508,081	505,012	484,288	510,766	543,254	518,013	522,812	756,589	756,589	744,731	817,182	855,302	923,775	861,586	868,140
Environmental accounting	Billions of yen	3.0	4.0	3.9	4.1	4.9	5.2	6.2	5.7	5.7	5.7	4.8	5.8	5.5	7.4	7.4	9.5
Investment	Billions of yen	0.1	0.6	0.5	0.7	0.8	0.8	1.4	0.9	1.3	1.3	1.1	1.3	1.4	2.7	2.5	3.6
Expense	Billions of yen	2.9	3.4	3.4	3.4	4.1	4.4	4.8	4.8	4.4	4.4	3.7	4.5	4.1	4.7	4.9	5.9
Use of water	Thousand m3	2,301	4,032	3,992	3,986	4,089	4,630	4,525	4,883	7,694	7,694	7,542	8,141	8,744	9,684	8,616	8,955
Number of employees *9	Persons	49,091	53,827	51,406	53,327	54,768	63,967	62,480	78,957	78,351	78,351	77,957	82,617	83,011	81,659	87,752	83,893
Proportion of overseas employees *9	%	-	-	-	93.6	93.8	94.5	94.2	92.3	92.1	92.1	91.9	91.1	89.9	89.4	88.0	87.4
Global proportion of female managers *10 *11	%	-	-	-	-	-	-	-	-	-	-	-	-	17.4	16.4	18.8	18.7
Ratio of persons other than Japanese nationals in head office management *11 *12	%	-	-	-	-	-	-	-	-	-	-	-	-	5.7	7.2	10.1	7.4

*1 MITSUMI ELECTRIC was included in the scope of consolidation on January 27, 2017.
*2 From the fiscal year ended March 2019, we have adopted IFRS, and account titles are shown in accordance with IFRS.
*3 U-Shin was included in the scope of consolidation on April 10, 2019.
*4 ABLIC was included in the scope of consolidation on April 30, 2020.
*5 HONDA TSUSHIN KOGYO, Minebea Connect (former SUMIKO TEC), and Minebea AccessSolutions (former Honda Lock) were included in the scope of consolidation on September 16, 2022, November 1, 2022, and January 27, 2023, respectively.
*6 The provisional accounting treatment for the business combination has been finalized for the fiscal year ended March 2024, and reflected the content of provisional accounting treatment finalization for the consolidated financial statements for the fiscal year ended March 2023.
*7 Minebea Power Semiconductor Device (former Hitach Power Semiconductor Device) was included in the scope of consolidation on May 2, 2024.
*8 The calculation method for Scope 2 has been changed from a location-based to a market-based approach, retroactively to the fiscal year ended March 2020.
*9 The data shown on page 27 are the data as of the end of June in order to disclose the latest figures.
*10 Data as of the end of May of each year are shown.
*11 Data has been compiled since the fiscal year ending March 2021.
*12 Data as of the end of June of each year are shown.

Consolidated Statements of Financial Position

As of March 31, 2024 and 2023

(Millions of yen)

Assets	2023	2024
Current assets		
Cash and cash equivalents	144,671	146,664
Trade and other receivables	287,374	308,420
Inventories	263,062	294,921
Other financial assets	10,948	9,706
Other current assets	26,341	32,595
Total current assets	732,396	792,306
Non-current assets		
Property, plant, and equipment	451,370	497,870
Goodwill	46,332	47,722
Intangible assets	19,599	19,042
Other financial assets	24,481	34,116
Deferred tax assets	16,607	17,952
Other non-current assets	9,043	7,114
Total non-current assets	567,432	623,816
Total assets	1,299,828	1,416,122

*The provisional accounting treatment for the business combination has been finalized for the fiscal year ended March 2024, and reflected the content of provisional accounting treatment finalization for the consolidated financial statements for the fiscal year ended March 2023.

(Millions of yen)

Liabilities	2023	2024
Current liabilities		
Trade and other payables	172,011	196,542
Bonds and borrowings	183,044	147,238
Other financial liabilities	10,178	12,840
Income taxes payable	7,384	7,981
Provisions	3,944	3,959
Other current liabilities	62,481	65,324
Total current liabilities	439,042	433,884
Non-current liabilities		
Bonds and borrowings	171,287	215,145
Other financial liabilities	17,040	16,391
Net defined benefit liabilities	24,132	24,784
Provisions	1,574	850
Deferred tax liabilities	3,777	3,310
Other non-current liabilities	3,858	6,034
Total non-current liabilities	221,668	266,514
Total liabilities	660,710	700,398

Equity		
Common stock	68,259	68,259
Capital surplus	141,165	141,135
Treasury stock	(42,226)	(51,860)
Retained earnings	378,805	415,318
Other components of equity	83,122	131,287
Total equity attributable to owners of the parent	629,125	704,139
Non-controlling interests	9,993	11,585
Total equity	639,118	715,724
Total liabilities and equity	1,299,828	1,416,122

Consolidated Statements of Income

Fiscal years ended March 31, 2024 and 2023

(Millions of yen)

	2023	2024
Net sales	1,292,203	1,402,127
Cost of sales	1,071,668	1,170,774
Gross profit	220,535	231,353
Selling, general and administrative expenses	144,347	162,377
Other income	40,688	6,371
Other expenses	19,346	1,811
Operating income	97,530	73,536
Finance income	2,058	6,471
Finance expenses	7,460	4,462
Profit before income taxes	92,128	75,545
Income taxes	18,807	20,299
Profit for the year	73,321	55,246
Profit for the year attributable to:		
Owners of the parent	73,152	54,035
Non-controlling interests	169	1,211
Profit for the year	73,321	55,246
Earnings per share (EPS)		
Basic (Yen)	178.23	133.05
Diluted (Yen)	177.38	133.04

*The provisional accounting treatment for the business combination has been finalized for the fiscal year ended March 2024, and reflected the content of provisional accounting treatment finalization for the consolidated financial statements for the fiscal year ended March 2023.

Consolidated Statements of Cash Flows

Fiscal years ended March 31, 2024 and 2023

(Millions of yen)

	2023	2024
Cash flows from operating activities:		
Profit before income taxes	92,128	75,545
Depreciation and amortization	53,022	58,359
Impairment losses	11,066	–
Gain on bargain purchase	(23,719)	(160)
Interest income and dividends income	(1,947)	(3,037)
Interest expenses	2,743	4,295
Net loss (gain) on sale and disposal of property, plant and equipment	(12,366)	(2,990)
Decrease (increase) in trade and other receivables	(7,705)	(5,389)
Decrease (increase) in inventories	(10,854)	(7,853)
Increase (decrease) in trade and other payables	(23,887)	13,528
Other	(11,919)	(9,077)
Subtotal	66,562	123,221
Interest received	1,644	2,741
Dividends received	351	318
Interest paid	(2,525)	(4,418)
Income taxes paid	(21,939)	(20,103)
Net cash flows used in investing activities	44,093	101,759
Cash flows from investing activities:		
Net decrease (increase) in time deposits	12,627	1,382
Purchase of property, plant and equipment	(134,449)	(77,578)
Proceeds from sales of property, plant and equipment	26,305	7,926
Purchase of intangible assets	(2,268)	(2,058)
Purchase of securities	(1,103)	(12,718)
Proceeds from sale and redemption of securities	2,349	2,473
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	–	2,956
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(10,213)	(1,688)
Proceeds from government grants	–	2,517
Other	477	489
Net cash flows used in investing activities	(106,275)	(76,299)
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	5,843	(37,189)
Proceeds from long-term borrowings	50,503	51,500
Repayments of long-term borrowings	(8,975)	(11,071)
Proceeds from issuance of bonds	25,000	–
Redemption of bonds	–	(26)
Acquisition of non-controlling interests	(2,274)	–
Proceeds from disposal of treasury stock	3	0
Purchase of treasury stock	(10,018)	(9,676)
Dividends paid	(15,561)	(16,293)
Dividends paid to non-controlling interests	–	(362)
Repayments of lease liabilities	(6,646)	(7,091)
Net cash flows provided by (used in) financing activities	37,875	(30,208)
Effect of exchange rate changes on cash and cash equivalents	5,390	6,741
Net increase (decrease) in cash and cash equivalents	(18,917)	1,993
Cash and cash equivalents at beginning of year	163,588	144,671
Cash and cash equivalents at end of year	144,671	146,664

*The provisional accounting treatment for the business combination has been finalized for the fiscal year ended March 2024, and reflected the content of provisional accounting treatment finalization for the consolidated financial statements for the fiscal year ended March 2023.

Corporate Data

Corporate Information (As of March 31, 2024)

MinebeaMitsumi Tokyo X Tech Garden
1-9-3, Higashi-shimbashi, Minato-ku, Tokyo, 105-0021, Japan
Tel: 81-3-6758-6711
Fax: 81-3-4511-3943
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, 2024)

Common Stock
Authorized: 1,000,000,000 shares
Issued: 427,080,606 shares
Capital: ¥68,259 million
Shares per unit: 100

Common Stock Listings
Prime Market of the Tokyo
Stock Exchange
Security Code: 6479

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/procedure/agency

• Overview of Shareholders

Classification by Ownership of Shares

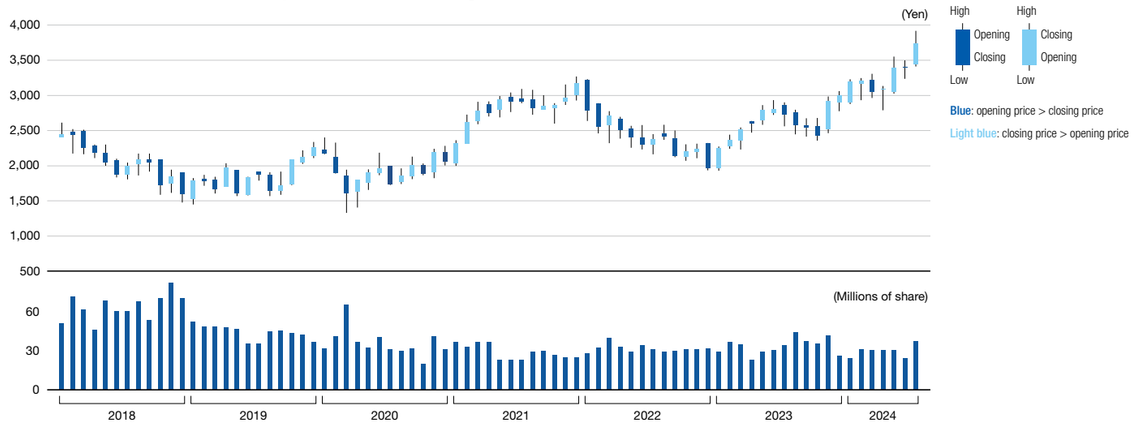
	Number of shareholders	Percentage of shares outstanding (%)	Number of shares held (Hundreds of shares)	Percentage of shares outstanding (%)
Japanese financial institutions	96	0.4	1,756,215	41.1
Overseas institutions	694	2.6	1,679,628	39.3
Other Japanese corporations	284	1.1	312,087	7.3
Individuals and others	19,077	71.9	518,650	12.1
Subtotal	20,151	75.9	4,266,580	99.9
Others	6,389	24.1	4,226	0.1
Total	26,540	100.0	4,270,806	100.0

Top Ten Major Shareholders

	Number of shares (Thousands of shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	68,079	16.83
Custody Bank of Japan, Ltd. (Trust account)	30,012	7.41
Takahashi Industrial and Economic Research Foundation	15,447	3.81
Sumitomo Mitsui Trust Bank, Limited	15,413	3.81
BNYM AS AGT/CLTS NON TREATY JASDEC	10,712	2.64
Sumitomo Mitsui Banking Corporation	10,223	2.52
MUFG Bank, Ltd.	10,181	2.51
KEIAISHA Co., Ltd.	10,100	2.49
SSBTC CLIENT OMNIBUS ACCOUNT	8,604	2.12
STATE STREET BANK CLIENT OMNIBUS OM04	6,929	1.71

Notes: 1. The Company holds 22,582,371 shares of treasury stock, and is excluded from the major shareholders list above.
2. The number of shares owned by the trust account, which was opened for the Board Benefit Trust is not included in the above number of treasury stock because they are not owned by the Company.
The number of shares owned by the given trust account is 118,898 shares.
3. Shareholding ratio is calculated exclusive of treasury stock.
The number of shares and shareholding ratio are rounded down to the nearest unit of presentation.

• Stock Prices on the Tokyo Stock Exchange



(Yen)	2018	2019	2020	2021	2022	2023	2024*
Yearly high (Yen)	2,632	2,350	2,418	3,380	3,340	2,956	3,799
Yearly low (Yen)	1,461	1,430	1,304	2,000	1,934	1,928	2,690

*Data from January to July

Status of Dialogue with Shareholders

Items	Initiatives
Main respondents in dialogue with shareholders	Representative Director, Chairman CEO, Director, President COO & CFO, senior management, and the Corporate Communications/Investor Relations Office (dedicated office for dialogue with shareholders), and undertakes this task in cooperation with related departments.
Shareholders with whom dialogue was conducted	Domestic and foreign analysts and institutional investors
Main themes of dialogue and shareholder items of interest	Medium- to long-term management strategies, growth strategies, financial strategies, strategies by business, ESG initiatives, etc.
Status of feedback of shareholder opinions and concerns to management and Directors	Shareholder opinions, etc. obtained through dialogue activities are fed back to management and related divisions as necessary through reports at Board of Directors meetings and the distribution of reports, etc., in order to share and utilize the information.
Items incorporated based on feedback	Enhancing disclosure of financial and non-financial information (e.g., segment name changes, etc.)
Issues under consideration based on feedback	Enhancement of KPIs for non-financial data, etc.

Fiscal year ended March 2024	Number of events
Financial results briefing	4
Inidividual meetings	361
Conference at securities company	42
Engagement with institutional investors	15
Overseas IR roadshows	42
Total	460

Status of MinebeaMitsumi as a Constituent of Certain Indexes (As of August 2024)

FTSE Blossom Japan Sector Relative Index

2024 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

2024 CONSTITUENT MSCI NIHON ESG SELECT LEADERS INDEX

S&P/JPX Carbon Efficient Index

*The inclusion of MinebeaMitsumi in any MSCI index, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement or promotion of MinebeaMitsumi by MSCI or any of its affiliates. The MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI index names and logos are trademarks or service marks of MSCI or its affiliates.

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/csr/
Corporate governance information — https://www.minebeamitsumi.com/english/corp/company/aboutus/governance/

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 judgment 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.

Note: "Electro Mechanics Solutions" is a registered trademark in Japan of MinebeaMitsumi Inc. Its registration No. is 5322479.
"QCDESS" is a registered trademark in Japan of MinebeaMitsumi Inc. Its registration No. is 6538154.
"Bed Sensor System" is a registered trademark in Japan of MinebeaMitsumi Inc. Its registration No. is 6152256.
"MINEGE" is a registered trademark in Japan of MinebeaMitsumi Inc. Its registration No. is 6069512.