

Smart Company

Company President Message
Smart

Hironari Mitarai

Smart Company President

Profile

Hironari Mitarai took on the role of Smart Company President in April 2022.



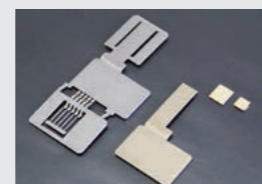
Value for Society

The Smart Company is contributing to sustainable global society and the creation of a prosperous society through advanced functional materials and their applicable products in the four value-creation fields of energy, safe and secure social infrastructure, healthy lifestyles, and food supplies.

Value-creation fields	Businesses	Main products
Energy	Electronic components business	Power card lead frames (inverter parts for electric vehicles)
Safe and secure social infrastructure	Magnets business	Electric Axle unit
	Sensor and metallic fiber business	Low-neodymium magnets
Healthy lifestyles	Dental business	GMPS autonomous driving support system
		Ultra-sensitive magnetic sensors
Food supplies	Iron fertilizer business	Dental magnetic attachments
		Iron fertilizers

Business Overview

We are developing, manufacturing, and selling a wide range of products across five fields, from electronic components, magnets, sensors, and dentistry, to iron fertilizers developed through knowledge of specialty steel manufacturing. This is based on manufacturing methods that combine material technologies, magnet technologies, and surface treatment technologies.



Power card lead frames (inverter parts for electric vehicles)



Dental magnetic attachments

Strategies in the Medium-Term Management Plan

In the electronic components business, we will maintain sustainable growth and competitiveness to steadily capture demand for electric vehicle parts in a market that is expected to grow. To do this, we will develop products in anticipation of customer and market needs while enhancing our production foundations and maintaining the quality that sets us apart from the competition.

In the magnets business, we aim to increase orders by developing products for motors while working to improve production efficiency by building optimal global production systems.

In the sensor and metallic fiber business, we will work to open new markets in security, medical and other fields that can utilize the strengths of MI sensors (high sensitivity, small size, power saving, and high-speed responsiveness). We will also commercialize our GMPS autonomous driving support system through solutions for streamlining logistics in factories.

In the dental business, we will launch new products able to support diverse dental techniques to expand sales, and work toward developing supply chains with a view to overseas expansion.

In the iron fertilizer business, we will establish mass production technologies and work toward developing a global sales network to achieve profitability in the future.

Fiscal 2021 Business Performance

Despite a global shortage of semiconductors impacting sales volumes in our magnets business, a post-COVID-19 demand recovery and increased HEV demand has dramatically boosted our electronic components business, once again resulting in record net sales and business profits, like last year.

Net sales (billion yen)



Business Environment

With the global trend toward decarbonization, in response to climate change, driving an accelerated shift toward CASE applications in the automotive industry, and toward electrification in particular, strong growth in the electric vehicle parts market is expected. Ahead of the social implementation of autonomous driving services in society in

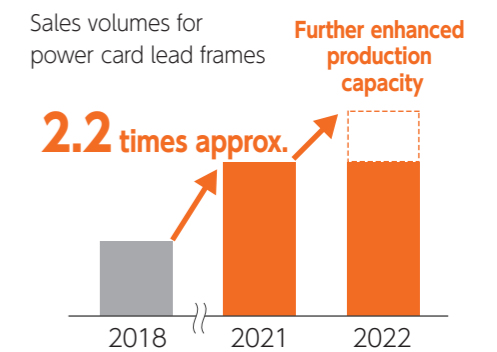
the 2020s, the need for autonomous driving support systems with vehicle-infrastructure cooperative systems is predicted to grow as well. With the materialization of social issues such as the aging population of advanced countries and global food supply shortages, markets are also expected to grow in the medical and agricultural fields.

Progress and Future Initiatives

Acceleration of business expansion through widespread use of electric vehicles

In the electronic components business, we leveraged the strong competitiveness of our products, focusing on the power card lead frames that are core parts of inverters used in electric vehicles, to achieve steady growth. As a result, production in fiscal 2021 was a record high, and 2.2 times greater than our production in fiscal 2018.

With the startup of new production lines in fiscal 2022, we will further increase production capacity and refine product competitiveness to grow this business more than ever.



Opening and expanding new markets through health insurance coverage

In the dental business, we developed and launched MAGFIT M, which is a magnetic attachment system covered by health insurance in Japan. Now available to more people than ever, sales are growing steadily. We are currently working globally to further expand our sales network going forward.

Investing in joint development partners to accelerate social implementation

In the sensor business, we invested in Unica Co., Ltd., a manufacturer of in-yard trucks, in fiscal 2021. Together we started jointly developing an autonomous driving conversion kit that uses our GMPS autonomous driving support system. While concurrently running field trials on public roads, we are accelerating efforts to commercialize these transportation solutions within defined areas, such as factories. We have also developed, and started sample sales of ultra-sensitive magnetic sensors with a wide measuring range for use in the security and medical fields.



Social implementation of GMPS autonomous driving support systems

