

THIRD QUARTER BRIEF REPORT OF FINANCIAL RESULTS [IFRS] (Consolidated)
(Year ending March 31, 2024)

February 2, 2024

Registered

Company Name: MINEBEA MITSUMI Inc. Common Stock Listings: Tokyo
Code No: 6479 URL: <https://www.minebeamitsumi.com/>
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Quarterly report filing date: February 9, 2024 Phone: (03) 6758-6711
Expected date of payment for dividends: —
Preparation of supplementary explanation material for quarterly financial results : Yes
Holding of presentation meeting for quarterly financial results : Yes (For Analyst)

(Amounts less than one million yen have been rounded.)

1. Business Performance (April 1, 2023 through December 31, 2023)

(1) Consolidated Results of Operations (Year-to-date) (%: Changes from corresponding period of previous fiscal year)

	Net sales (millions of yen)	% Change	Operating income (millions of yen)	% Change	Profit before income taxes (millions of yen)	% Change
Nine months ended Dec. 31, 2023	1,053,324	10.6	51,253	(22.4)	51,002	(17.6)
Nine months ended Dec. 31, 2022	952,485	14.1	66,081	(6.2)	61,921	(10.8)

	Profit for the period (millions of yen)	% Change	Profit for the period attributable to owners of the parent (millions of yen)	% Change	Comprehensive income for the period (millions of yen)	% Change
Nine months ended Dec. 31, 2023	35,276	(18.1)	34,400	(20.1)	62,053	(1.7)
Nine months ended Dec. 31, 2022	43,045	(19.4)	43,027	(19.5)	63,108	6.8

	Earnings per share, basic (yen)	Earnings per share, diluted (yen)
Nine months ended Dec. 31, 2023	84.58	84.58
Nine months ended Dec. 31, 2022	104.83	104.18

(Notes) During the second quarter and third quarter of the fiscal year ending March 2024, the provisional accounting treatment for business combinations has been finalized. For the figures related to the third cumulative quarter ended March 2023, the contents of finalization of the provisional accounting treatment has been reflected.

(2) Consolidated Financial Position

	Total assets (millions of yen)	Total equity (millions of yen)	Total equity attributable to owners of the parent (millions of yen)	Equity ratio attributable to owners of the parent (%)
As of Dec. 31, 2023	1,402,586	678,250	667,126	47.6
As of Mar. 31, 2023	1,303,218	642,515	632,062	48.5

(Notes) During the second quarter and third quarter of the fiscal year ending March 2024, the provisional accounting treatment for business combinations has been finalized. For the figures related to the fiscal year ended March 2023, the contents of finalization of the provisional accounting treatment has been reflected.

2. Dividends

	Annual dividends				
	End of first quarter (yen)	End of second quarter (yen)	End of third quarter (yen)	Year-end (yen)	For the year (yen)
Year ended Mar. 31, 2023	—	20.00	—	20.00	40.00
Year ending Mar. 31, 2024	—	20.00	—		
Year ending Mar. 31, 2024 (Forecast)				20.00	40.00

(Notes) Changes from the latest dividend forecast: Yes

The year-end dividend will be 20 yen per share at the same level as the previous year.

3. Prospect for Consolidated Forecast for the Fiscal Year (April 1, 2023 through March 31, 2024)

(%: Changes from corresponding period of previous fiscal year)

	Net sales (millions of yen)	% Change	Operating income (millions of yen)	% Change
Year ending Mar. 31, 2024	1,400,000	8.3	70,000	(30.3)

	Profit for the period attributable to owners of the parent (millions of yen)	% Change	Earnings per share, basic (yen)
Year ending Mar. 31, 2024	49,000	(35.6)	120.65

(Notes) Changes from the latest consolidated results forecast: Yes

* Notes

(1) Changes in significant subsidiaries during the period (Changes in certain subsidiaries resulting in change in the scope of consolidation): None

(2) Changes in accounting policies, or changes in accounting estimates

1. Changes in accounting policies required by IFRS: Yes
2. Changes in accounting policies other than 1: None
3. Changes in accounting estimates: None

(3) Number of shares outstanding (Common stock)

1. Number of shares outstanding at the end of each period (Including treasury stock)

As of December 31, 2023: 427,080,606 shares

As of March 31, 2023: 427,080,606 shares

2. Number of treasury shares at the end of each period

As of December 31, 2023: 22,693,830 shares

As of March 31, 2023: 18,699,377 shares

3. Average number of shares (Quarterly cumulative period)

Nine months ended December 31, 2023: 406,708,488 shares

Nine months ended December 31, 2022: 410,444,690 shares

* These quarterly financial results are not subject to quarterly review procedures by a certified public accountant or an audit corporation.

* Explanation for appropriate use of financial forecasts and other special remarks

(Caution Concerning Forward-Looking Statements)

The aforementioned forecasts are based on the information available as of the date when this information is disclosed as well as on the assumptions as of the disclosing date of this information related to unpredictable parameters that will most likely affect our future business performance. As such, this is not intended for the Company to give assurance that the said forecast number would be achieved. In other words, our actual performances are likely to differ greatly from these estimates depending on a variety of factors that will take shape from now on. As for the assumptions used for these forecasts and other related items, please refer to “1. Qualitative information related to the financial results for the quarter, (3) Explanation of Consolidated Forecast and Other Forecasts” on page 5 of the documents attached hereunder.

(Investor Briefing Materials for Analysts)

Investor briefing materials will be made available via our corporate website (<https://www.minebeamitsumi.com/>) on Friday, February 2, 2024.

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1. Qualitative information related to the financial results for the quarter

During the second and third quarter of the current fiscal year, the provisional accounting treatment for the business combination has been finalized. For the Condensed Quarterly Consolidated Financial Statements and the Consolidated Financial Statements for the end of the previous fiscal year, the contents of finalization of the provisional accounting treatment has been reflected.

(1) Explanation of Operating Results

During the nine months ended December 31, 2023, the Japanese economy saw favorable corporate earnings due to progress in passing on cost increases and a pause in rising raw material prices. On the other hand, consumer spending was stagnant due to rising prices, and the recovery in the economy was moderate. In the U.S. economy, although personal consumption has been firm, the outlook is uncertain as firms' economic activity has been restrained by their continued monetary tightening policies. In Europe, the economy stagnated amid sluggish consumer spending due to prolonged inflation, as the prolonged high interest rate policy weighed on corporate activities. The Chinese economy slowed due to sluggish domestic demand centered on consumer spending, a decline in exports of mobile phones and other IT related products, and a prolonged real estate slump. In Southeast Asia, the slowdown in exports due to sluggish global demand pushed down the economy, but domestic demand was resilient and the economy remained firm.

Working against this backdrop, the MinebeaMitsumi Group (the "Group") has focused on cutting costs, creating high-value-added products, developing new technologies, and enhancing its marketing approach to boost profitability further.

As a result, net sales were up 100,839 million yen (10.6%) year on year to 1,053,324 million yen. Operating income was down 14,828 million yen (-22.4%) year on year to 51,253 million yen, profit before income taxes was down 10,919 million yen (-17.6%) to 51,002 million yen, and profit for the period attributable to owners of the parent was down 8,627 million yen (-20.1%) to 34,400 million yen.

The above includes the profit and loss of HONDA TSUSHIN KOGYO CO., LTD. acquired on September 16, 2022 and Minebea AccessSolutions Inc. (former Honda Lock Mfg. Co., Ltd.) acquired on January 27, 2023.

Performance by segment was as follows:

The previous names of "Machined Components segment", "Electronic Devices and Components segment", "MITSUMI Business segment" and "U-Shin Business segment" have been changed to "Precision Technologies segment", "Motor, Lighting & Sensing segment", "Semiconductor & Electronics segment", and "Access Solutions segment" respectively from the first quarter of the fiscal year. This change in the name of reportable segments has no impact on segment information.

In addition, as a result of the change in the corporate organization, some classification in "Other" and "Adjustments" have changed from the first quarter of the fiscal year. The segment information disclosed for the first nine months of the previous year has been prepared based on the classification of reporting segments after the corporate organization change.

The main products in Precision Technologies segment include our Group's anchor product line, ball bearings, in addition to mechanical components such as rod-end bearings used primarily in aircraft and hard disk drive (HDD) pivot assemblies, etc. as well as fasteners for aircraft. Sales and operating income of ball bearings, the Group's mainstay product, declined due to sluggish demand for use in data centers. Sales of pivot assemblies declined due to a delay in recovering demand for HDD applications, but sales of rod-end bearings increased due to a recovery in demand for aircraft-related products.

As a result, net sales were up 5,124 million yen (3.5%) year on year to 153,304 million yen, while operating income was down 7,230 million yen (-21.1%) to 27,045 million yen.

The main products of Motor, Lighting & Sensing segment include electronic devices (devices such as LED backlights for LCDs, sensing devices (measuring components), etc.), HDD spindle motors, stepping motors, DC motors, air movers, and special devices. Sales increased mainly due to an increase in demand for automotive motors.

As a result, net sales were up 2,299 million yen (0.9%) year on year to 272,364 million yen, and operating income was up 2,781 million yen (50.7%) to 8,274 million yen.

The main products in Semiconductor & Electronics segment are semiconductor devices, optical devices, mechanical components, power supply components, and smart products. Sales of mechanical components and optical devices for camera actuators declined, and both net sales and operating income decreased.

As a result, net sales were down 21,223 million yen (-5.2%) year on year to 385,253 million yen, and operating income was down 15,162 million yen (-36.9%) to 25,932 million yen.

The main products of Access Solutions segment are key sets, door latches, door handles, and other automotive components as well as industrial equipment components. In addition to the business integration of Minebea AccessSolutions Inc., net sales were up owing to recovered demand resulting from a recovery in automobile production.

As a result, net sales were up 113,870 million yen (90.9%) year on year to 239,100 million yen, and operating income was up 5,825 million yen to 6,385 million yen.

Software design, development, and machines produced in-house are the main products in our Other business segment. Net sales were up 769 million yen (30.3%) year on year to 3,303 million yen, and operating income was down 458 million yen for an operating loss of 516 million yen.

In addition to the figures noted above, 15,867 million yen in corporate expenses, etc. not belonging to any particular segment is indicated as adjustments. The total amount of adjustments was 15,283 million yen for the same period of the previous fiscal year.

(2) Explanation of Financial Position

1. Assets, liabilities and equity

Our Group sees “strengthening our financial position” as a top priority and is taking various steps, such as efficient controlling of capital investments, asset management, and reducing interest-bearing debt. We will reform our portfolio to increase the weight of our highly profitable core businesses and engage in highly effective M&A, promoting an appropriate and flexible financial strategy.

Total assets at the end of the third quarter were 1,402,586 million yen, up 99,368 million yen from the end of the previous fiscal year. This was primarily due to increases in inventories, property, plant and equipment, and other current assets.

Total liabilities at the end of the third quarter were 724,336 million yen, up 63,633 million yen from the end of the previous fiscal year. The main reason for this was an increase in bonds, and borrowings, trade and other payables.

Equity came to 678,250 million yen, bringing the equity ratio attributable to owners of the parent down 0.9 percentage points from the end of the previous fiscal year to 47.6%.

2. Cash flows

Cash and cash equivalents at the end of the third quarter were 138,762 million yen, down 5,909 million yen from the end of the previous fiscal year.

Cash flows from various business activities during the first nine months and relevant factors were as follows:

Net cash provided by operating activities came to 63,800 million yen (compared to 7,068 million yen in the same period of the previous year). This was primarily due to changes in profit before income taxes, depreciation and amortization, and trade and other payables. Net cash used in investing activities came to 69,179 million yen (compared to 112,666 million yen in the same period of the previous year). This was primarily due to purchase of property, plant and equipment, marketable securities, etc. Net cash used by financing activities came to 5,133 million yen (compared to 68,579 million yen provided in financing activities in the same period of the previous year). This was primarily due to a decrease in short-term borrowings.

(3) Explanation of Consolidated Forecast and Other Forecasts

We have reviewed the full-year consolidated forecast according to currently available information and revised it as shown below based on the results from the nine months ended December 31, 2023 and the most recent situation.

Full-year consolidated business forecast for the fiscal year ending March 31, 2024

(From April 1, 2023 to March 31, 2024)

	Net sales (millions of yen)	Operating income (millions of yen)	Profit for the period attributable to owners of the parent (millions of yen)
Previous forecast (A) (announced on November 2, 2023)	1,400,000	77,000	58,000
Revised forecast (B)	1,400,000	70,000	49,000
Difference (B – A)	—	(7,000)	(9,000)

(4) Basic Policy for Profit Sharing and Dividend for the Current Fiscal Year

Sharing profits with our Group's shareholders is first priority for MinebeaMitsumi. That is why its basic dividend policy gives priority to enhancing equity efficiency and improving returns to our shareholders. Dividends, while reflecting performance, are determined in light of the overall business environment and with an eye to maintaining a stable and continuous distribution of profits.

Based on the basic policy above, we made the interim dividend 20 yen per share. The year-end dividend will be 20 yen per share at the same level as the previous year.

2. Condensed Quarterly Consolidated Financial Statements and Major Notes
(1) Condensed Quarterly Consolidated Statements of Financial Position

	As of March 31, 2023	(Amount: millions of yen) As of December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	144,671	138,762
Trade and other receivables	287,374	297,452
Inventories	263,071	300,510
Other financial assets	10,948	12,448
Other current assets	26,628	40,829
Total current assets	732,692	790,001
Non-current assets		
Property, plant and equipment	454,947	488,186
Goodwill	46,332	47,284
Intangible assets	19,597	19,155
Other financial assets	24,481	34,310
Deferred tax assets	15,601	14,768
Other non-current assets	9,568	8,882
Total non-current assets	570,526	612,585
Total assets	1,303,218	1,402,586

(Continued)

(Amount: millions of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	172,011	211,834
Bonds and borrowings	183,044	165,818
Other financial liabilities	10,405	12,232
Income taxes payable	7,483	9,100
Provisions	3,944	3,818
Other current liabilities	62,475	55,564
Total current liabilities	439,362	458,366
Non-current liabilities		
Bonds and borrowings	171,287	218,029
Other financial liabilities	17,040	15,484
Net defined benefit liabilities	24,132	24,644
Provisions	1,574	1,085
Deferred tax liabilities	3,450	2,825
Other non-current liabilities	3,858	3,903
Total non-current liabilities	221,341	265,970
Total liabilities	660,703	724,336
Equity		
Common stock	68,259	68,259
Capital surplus	141,165	141,135
Treasury stock	(42,226)	(51,859)
Retained earnings	381,708	399,758
Other components of equity	83,156	109,833
Total equity attributable to owners of the Company	632,062	667,126
Non-controlling interests	10,453	11,124
Total equity	642,515	678,250
Total liabilities and equity	1,303,218	1,402,586

(2) Condensed Quarterly Consolidated Statements of Income
and Condensed Quarterly Consolidated Statements of Comprehensive Income
(Condensed Quarterly Consolidated Statements of Income)

Nine months ended December 31

(Amount: millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	952,485	1,053,324
Cost of sales	780,475	883,244
Gross profit	172,010	170,080
Selling, general and administrative expenses	105,176	119,681
Other income	3,736	2,322
Other expenses	4,489	1,468
Operating income	66,081	51,253
Finance income	1,389	2,992
Finance expenses	5,549	3,243
Profit before income taxes	61,921	51,002
Income taxes	18,876	15,726
Profit for the year	<u>43,045</u>	<u>35,276</u>
Profit for the year attributable to:		
Owners of the Company	43,027	34,400
Non-controlling interests	18	876
Profit for the year	<u>43,045</u>	<u>35,276</u>
Earnings per share (EPS)		
Basic (Yen)	104.83	84.58
Diluted (Yen)	104.18	84.58

Three months ended December 31

	Three months ended December 31, 2022	(Amount: millions of yen) Three months ended December 31, 2023
Net sales	371,424	381,207
Cost of sales	309,913	316,010
Gross profit	61,511	65,197
Selling, general and administrative expenses	36,788	41,644
Other income	1,588	851
Other expenses	816	377
Operating income	25,495	24,027
Finance income	(1,476)	(2,279)
Finance expenses	4,493	1,011
Profit before income taxes	19,526	20,737
Income taxes	7,242	5,528
Profit for the year	<u>12,284</u>	<u>15,209</u>
Profit for the year attributable to:		
Owners of the Company	12,271	14,754
Non-controlling interests	13	455
Profit for the year	<u>12,284</u>	<u>15,209</u>
Earnings per share (EPS)		
Basic (Yen)	29.74	36.49
Diluted (Yen)	29.56	36.48

(Condensed Quarterly Consolidated Statements of Comprehensive Income)

Nine months ended December 31

(Amount: millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit for the year	43,045	35,276
Other comprehensive income		
Components of other comprehensive income that will not be reclassified to profit or loss, net of tax:		
Net changes in revaluation of equity instruments measured at fair value through other comprehensive income	728	1,350
Remeasurement of defined benefit plans	—	(57)
Sub-total	728	1,293
Components of other comprehensive income that will be reclassified to profit or loss, net of tax:		
Foreign exchange differences on translation of foreign operations	17,336	26,752
Cash flow hedges	1,999	(1,268)
Sub-total	19,335	25,484
Other comprehensive income, net of tax	20,063	26,777
Comprehensive income for the year	63,108	62,053
Comprehensive income attributable to:		
Owners of the Company	63,023	61,020
Non-controlling interests	85	1,033
Comprehensive income for the year	63,108	62,053

Three months ended December 31

	Three months ended December 31, 2022	(Amount: millions of yen) Three months ended December 31, 2023
Profit for the year	12,284	15,209
Other comprehensive income		
Components of other comprehensive income that will not be reclassified to profit or loss, net of tax:		
Net changes in revaluation of equity instruments measured at fair value through other comprehensive income	456	(315)
Remeasurement of defined benefit plans	—	(38)
Sub-total	456	(353)
Components of other comprehensive income that will be reclassified to profit or loss, net of tax:		
Foreign exchange differences on translation of foreign operations	(21,118)	(15,084)
Cash flow hedges	15,271	4,603
Sub-total	(5,847)	(10,481)
Other comprehensive income, net of tax	(5,391)	(10,834)
Comprehensive income for the year	<u>6,893</u>	<u>4,375</u>
Comprehensive income attributable to:		
Owners of the Company	6,891	4,089
Non-controlling interests	2	286
Comprehensive income for the year	<u>6,893</u>	<u>4,375</u>

(3) Condensed Quarterly Consolidated Statements of Changes in Equity

(Amount: millions of yen)

	Equity attributable to owners of the Company					
	Common stock	Capital surplus	Treasury stock	Retained earnings	Other components of equity	
					Foreign currency translation	Cash flow hedge
Balance as of April 1, 2022	68,259	140,102	(43,964)	320,755	50,353	(568)
Profit for the period	—	—	—	43,027	—	—
Other comprehensive income	—	—	—	—	17,269	1,999
Comprehensive income for the period	—	—	—	43,027	17,269	1,999
Conversion of convertible bonds with warrants	—	1,535	11,735	—	—	—
Purchase of treasury stock	—	—	(3)	—	—	—
Disposal of treasury stock	—	0	7	—	—	—
Dividends	—	—	—	(15,561)	—	—
Change in scope of consolidation	—	—	—	—	—	—
Transactions with non-controlling interests	—	(457)	—	—	—	—
Transfer to retained earnings	—	—	—	4	—	—
Total transactions with owners	—	1,078	11,739	(15,557)	—	—
Balance as of December 31, 2022	68,259	141,180	(32,225)	348,225	67,622	1,431

	Equity attributable to owners of the Company					
	Other components of equity					
	Net changes in revaluation of equity instruments measured at fair value through other comprehensive income	Remeasurement of defined benefit plans	Subtotal	Total	Non-controlling interests	Total equity
Balance as of April 1, 2022	3,673	—	53,458	538,610	2,825	541,435
Profit for the period	—	—	—	43,027	18	43,045
Other comprehensive income	728	—	19,996	19,996	67	20,063
Comprehensive income for the period	728	—	19,996	63,023	85	63,108
Conversion of convertible bonds with warrants	—	—	—	13,270	—	13,270
Purchase of treasury stock	—	—	—	(3)	—	(3)
Disposal of treasury stock	—	—	—	7	—	7
Dividends	—	—	—	(15,561)	—	(15,561)
Change in scope of consolidation	—	—	—	—	1,804	1,804
Transactions with non-controlling interests	—	—	—	(457)	(1,817)	(2,274)
Transfer to retained earnings	(4)	—	(4)	—	—	—
Total transactions with owners	(4)	—	(4)	(2,744)	(13)	(2,757)
Balance as of December 31, 2022	4,397	—	73,450	598,889	2,897	601,786

(Amount: millions of yen)

	Equity attributable to owners of the Company					
	Common stock	Capital surplus	Treasury stock	Retained earnings	Other components of equity	
					Foreign currency translation	Cash flow hedge
Balance as of April 1, 2023	68,259	141,165	(42,226)	381,708	75,352	3,176
Profit for the period	—	—	—	34,400	—	—
Other comprehensive income	—	—	—	—	26,595	(1,268)
Comprehensive income for the period	—	—	—	34,400	26,595	(1,268)
Purchase of treasury stock	—	(30)	(9,645)	—	—	—
Disposal of treasury stock	—	0	12	—	—	—
Dividends	—	—	—	(16,293)	—	—
Transfer to retained earnings	—	—	—	(57)	—	—
Total transactions with owners	—	(30)	(9,633)	(16,350)	—	—
Balance as of December 31, 2023	68,259	141,135	(51,859)	399,758	101,947	1,908

	Equity attributable to owners of the Company					
	Other components of equity					
	Net changes in revaluation of equity instruments measured at fair value through other comprehensive income	Remeasurement of defined benefit plans	Subtotal	Total	Non-controlling interests	Total equity
Balance as of April 1, 2023	4,628	—	83,156	632,062	10,453	642,515
Profit for the period	—	—	—	34,400	876	35,276
Other comprehensive income	1,350	(57)	26,620	26,620	157	26,777
Comprehensive income for the period	1,350	(57)	26,620	61,020	1,033	62,053
Purchase of treasury stock	—	—	—	(9,675)	—	(9,675)
Disposal of treasury stock	—	—	—	12	—	12
Dividends	—	—	—	(16,293)	(362)	(16,655)
Transfer to retained earnings	—	57	57	—	—	—
Total transactions with owners	—	57	57	(25,956)	(362)	(26,318)
Balance as of December 31, 2023	5,978	—	109,833	667,126	11,124	678,250

(4) Condensed Quarterly Consolidated Statements of Cash Flows

	(Amount: millions of yen)	
	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Cash flows from operating activities:		
Profit before income taxes	61,921	51,002
Depreciation and amortization	38,452	46,021
Interest income and dividends income	(1,308)	(2,010)
Interest expenses	1,782	3,210
Net loss (gain) on sale and disposal of property, plant and equipment	(199)	(62)
Decrease (increase) in trade and other receivables	(24,859)	(2,931)
Decrease (increase) in inventories	(46,573)	(23,358)
Increase (decrease) in trade and other payables	9,346	27,308
Other	(12,448)	(18,106)
Sub-total	26,114	81,074
Interest received	1,090	1,587
Dividends received	266	261
Interest paid	(1,646)	(3,352)
Income taxes paid	(18,756)	(15,770)
Net cash flows provided (used in) by operating activities	7,068	63,800
Cash flows from investing activities:		
Net decrease (increase) in time deposits	14,322	870
Purchase of property, plant and equipment	(116,618)	(60,814)
Proceeds from sale of property, plant and equipment	921	1,159
Purchase of intangible assets	(1,429)	(1,655)
Purchase of securities	(702)	(12,249)
Proceeds from sale and redemption of securities	559	2,091
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	(10,150)	(1,688)
Other	431	151
Net cash flows used in investing activities	(112,666)	(69,179)

(Continued)

	Nine months ended December 31, 2022	(Amount: millions of yen) Nine months ended December 31, 2023
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	15,684	(17,550)
Proceeds from long-term borrowings	50,137	51,000
Repayments of long-term borrowings	(1,767)	(7,161)
Proceeds from issuance of bonds	25,000	—
Repayments of bonds	—	(26)
Proceeds from disposal of treasury stock	3	0
Purchase of treasury stock	(3)	(9,675)
Dividends paid	(15,561)	(16,293)
Dividends paid to non-controlling interests	—	(362)
Repayments of lease liabilities	(4,914)	(5,066)
Net cash flows provided by financing activities	68,579	(5,133)
Effect of exchange rate changes on cash and cash equivalents	3,752	4,603
Net increase (decrease) in cash and cash equivalents	(33,267)	(5,909)
Cash and cash equivalents at beginning of year	163,588	144,671
Cash and cash equivalents at end of year	130,321	138,762

(5) Notes on Condensed Quarterly Consolidated Financial Statements
 (Notes on Going Concern Assumptions)
 Not applicable.

(Change in Accounting Policy)

The accounting policies applied in the condensed quarterly consolidated financial statements are the same as the accounting policies applied in the consolidated financial statements for the previous fiscal year, except for the following:

IFRS		Outline of new standards and amendments
IAS 12	Income taxes	Clarified accounting for deferred taxes on assets and liabilities arising from a single transaction

The impact of the adoption of the aforementioned standards on the condensed quarterly consolidated financial statements is immaterial.

(Segment Information)

Information related to sales and income (loss) by reportable segments

(Nine months ended December 31, 2022)

(Amount: millions of yen)

	Reportable segment				Other *1	Adjustments *2	Consolidated
	Precision Technologies	Motor, Lighting & Sensing	Semiconductors & Electronics	Access Solutions			
Net sales							
Net sales to customers	148,180	270,065	406,476	125,230	2,534	—	952,485
Net sales to other segment	5,139	6,266	17,906	470	3,315	(33,096)	—
Total	153,319	276,331	424,382	125,700	5,849	(33,096)	952,485
Segment profit (loss)	34,275	5,493	41,094	560	(58)	(15,283)	66,081
Finance income	—	—	—	—	—	—	1,389
Finance expenses	—	—	—	—	—	—	5,549
Profit before income taxes	—	—	—	—	—	—	61,921

(Nine months ended December 31, 2023)

(Amount: millions of yen)

	Reportable segment				Other *1	Adjustments *2	Consolidated
	Precision Technologies	Motor, Lighting & Sensing	Semiconductors & Electronics	Access Solutions			
Net sales							
Net sales to customers	153,304	272,364	385,253	239,100	3,303	—	1,053,324
Net sales to other segment	4,985	6,117	17,411	828	2,414	(31,755)	—
Total	158,289	278,481	402,664	239,928	5,717	(31,755)	1,053,324
Segment profit (loss)	27,045	8,274	25,932	6,385	(516)	(15,867)	51,253
Finance income	—	—	—	—	—	—	2,992
Finance expenses	—	—	—	—	—	—	3,243
Profit before income taxes	—	—	—	—	—	—	51,002

(Notes) *1. The classification of "Other" refers to business units not included in the reportable segments. Their products are mainly software design, development, and machines made in-house.

*2. The amount of the adjustment is as follows.

Adjustments to segment profit (loss) are corporate expenses such as general and administrative expenses in addition to research and development expenses that do not belong to the reportable segments.

*3. The previous names of "Machined Components segment", "Electronic Devices and Components segment", "MITSUMI Business segment" and "U-Shin Business segment" have been changed to "Precision Technologies segment", "Motor, Lighting & Sensing segment", "Semiconductor & Electronics segment", and "Access Solutions segment" respectively from the first quarter of the fiscal year. This change in the name of reportable segments has no impact on segment information. The segment information disclosed for the first nine months of the previous year has also been presented using the name after the change.

*4. During the second and third quarter of the current fiscal year, the provisional accounting treatment for the business combination has been finalized. For the figures related to the third cumulative quarter ended March 2023, the contents of finalization of the provisional accounting treatment have been reflected.

*5. The products of HONDA TSUSHIN KOGYO CO., LTD., which was acquired on September 16, 2022, is included in Semiconductor & Electronics segment and Other business segment and the products of Minebea AccessSolutions Inc., which was acquired on January 27, 2023, is included in "Access Solutions segment".

*6. As a result of the change in the corporate organization, some classification in "Other" and "Adjustments" have changed from the first quarter of the fiscal year. The segment information disclosed for the first nine months of the previous year has been prepared based on the classification of reporting segments after the corporate organization change.