

SECOND QUARTER BRIEF REPORT OF FINANCIAL RESULTS [IFRS] (Consolidated)
(Year ending March 31, 2021)

November 6, 2020

Registered

Company Name: MINEBEA MITSUMI Inc. Common Stock Listings: Tokyo and Nagoya

Code No: 6479 URL: <https://www.minebeamitsumi.com/>

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Quarterly report filing date: November 11, 2020

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Expected date of payment for dividends: November 30, 2020

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, 2020 through September 30, 2020)

(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
Six months ended Sep. 30, 2020	461,730	(4.6)	22,921	(0.1)	22,249	(3.2)
Six months ended Sep. 30, 2019	483,898	7.7	22,947	(32.3)	22,973	(33.0)

	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
Six months ended Sep. 30, 2020	16,849	(1.0)	16,812	3.0	18,593	236.9
Six months ended Sep. 30, 2019	17,014	(37.1)	16,315	(39.2)	5,518	(84.8)

	Earnings per share, basic (yen)	Earnings per share, diluted (yen)
Six months ended Sep. 30, 2020	41.16	40.27
Six months ended Sep. 30, 2019	39.30	38.46

(Notes) At March 31, 2020, provisional accounting treatments for business combinations through acquisition of U-Shin Ltd. was finalized, and the contents of finalization of the provisional accounting treatments are reflected on the figures for the year ended March 31, 2020.

(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 Sep. 30, 2020	934,907	414,349	411,814	44.0
As of Mar. 31, 2020	864,481	402,276	394,372	45.6

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, 2020	—	14.00	—	14.00	28.00
Year ending Mar. 31, 2021	—	14.00			
Year ending Mar. 31, 2021 (Forecast)			—	—	—

(Notes) Changes from the latest dividend forecast: No

We will finalize the amount of the year-end dividend in light of our performance for this fiscal year.

3. Prospect for Consolidated Forecast for the Fiscal Year (April 1, 2020 through March 31, 2021)

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

	Net sales (millions of yen)	% Change	Operating income (millions of yen)	% Change
Year ending Mar. 31, 2021	940,000	(3.9)	50,000	(14.7)

	Profit for the period attributable to owners of the parent (millions of yen)	% Change	Earnings per share, basic (yen)
Year ending Mar. 31, 2021	39,000	(15.2)	95.49

(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): Yes

Anew: 1 company ABLIC Inc.

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

1. Changes in accounting policies required by IFRS: None

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 September 30, 2020: 427,080,606 shares

As of March 31, 2020: 427,080,606 shares

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

As of September 30, 2020: 18,677,254 shares

As of March 31, 2020: 18,676,128 shares

3. Average number of shares (Quarterly cumulative period)

Six months ended September 30, 2020: 408,403,852 shares

Six months ended September 30, 2019: 415,131,173 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, November 6, 2020.

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

(1) Explanation of Operating Results

During the first half of the fiscal year (April 1, 2020 through September 30, 2020), the Japanese economy was hit by the largest economic downturn since the global financial crisis triggered by the Lehman Brothers bankruptcy. The factors behind this downturn include substantial declines in exports and consumption, resulting from the spread of COVID-19, declining corporate earnings, and reduced capital investment. Economic activity levels remain below where they were pre-COVID-19. Although there were signs of a recovery in the US economy, particularly in manufacturing, exports and capital investment were down substantially due to the global economic downswing caused by the spread of COVID-19. The future remains uncertain due to factors including restrictions on economic activity in some states and the upcoming presidential election. In Europe, there were signs of a recovery following the decline caused by the extended lockdown and other such factors, but there is concern over a second wave of infections, so it will take some time for economic activity to return to pre-COVID-19 levels. In Asia, China saw resumed economic activity. In addition to investment by the Chinese government in real estate development and measures to promote infrastructure investment, resumption of activities overseas brought an increase in exports, which had been on the decline. As such, the trend is toward recovery, but the future remains uncertain due to concern over further intensification of trade friction between the United States and China.

Working against this backdrop, the MinebeaMitsumi Group concentrated 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 down 22,168 million yen (-4.6%) year on year to 461,730 million yen. Operating income was down 26 million yen (-0.1%) year on year to 22,921 million yen, profit before income taxes was down 724 million yen (-3.2%) to 22,249 million yen, and profit for the period attributable to owners of the parent was up 497 million yen (3.0%) to 16,812 million yen.

ABLIC Inc. was made a subsidiary on April 30, 2020. The company has been included in the scope of consolidation in conjunction with the business integration. This includes the company's profits and losses from the date of the business integration on.

Provisional accounting treatments for business combinations through acquisition of U-Shin Ltd. were finalized at the end of the previous fiscal year, and the contents of finalization of the provisional accounting treatments are reflected on the figures for the same period of the previous year.

Performance by segment was as follows:

The main products in our Machined components segment include our 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 of ball bearings were down due to decreased demand in the automobile market despite solid demand from fan motors. Rod-end bearing sales decreased due to decreased aircraft-related demand. Pivot assembly sales were down due to shrinking of the HDD market.

As a result, net sales were down 17,639 million yen (-19.3%) year on year to 73,548 million yen, and operating income was down 6,843 million yen (-32.7%) to 14,064 million yen.

The core products of our Electronic devices and components 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. Demand for stepping motors and other motors was down due to sluggishness in the automobile market, but demand for our LED backlights for LCDs that offer a technological advantage in thin devices remained strong, resulting in sales remaining flat.

As a result, net sales were down 645 million yen (-0.4%) year on year to 178,274 million yen, and operating income was up 1,605 million yen (26.4%) to 7,681 million yen.

The main products in the MITSUMI business segment are semiconductor devices, optical devices, mechanical components, high frequency components and power supply components. Semiconductor devices performed well as did game consoles and other mechanical components, resulting in an increase in net sales.

Profit and loss of ABLIC Inc. are included in the MITSUMI business segment in conjunction with its acquisition.

As a result, net sales were up 16,768 million yen (11.1%) year on year to 167,346 million yen, and operating income was up 1,835 million yen (25.6%) to 8,984 million yen.

The main products in the U-Shin business segment are key sets, door latches, door handles, and other automotive components as well as industrial components and housing equipment components (such as building and house locks). Sales of automotive components were down substantially due to deceleration of the automotive market. Market deceleration also caused a decrease in sales of industrial components.

As a result, net sales were down 20,639 million yen (-32.9%) year on year to 42,153 million yen, and the operating loss increased 974 million yen year on year to total 2,428 million yen.

Machines produced in-house are the main products in our Other business segment. Net sales were down 13 million yen (-3.1%) year on year to 409 million yen, and the operating loss increased 137 million yen year on year to total 831 million yen.

In addition to the figures noted above, 6,003 million yen in corporate expenses, etc. not belonging to any particular segment is indicated as adjustments. The total amount of adjustments was 11,945 million yen for the second quarter 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 second quarter were 934,907 million yen, up 70,426 million yen from the end of the previous fiscal year. The main reason for this uptick was an increase in inventories, goodwill, and property, plant and equipment.

Total liabilities at the end of the second quarter were 520,558 million yen, up 58,353 million yen from the end of the previous fiscal year. The main reason for this was an increase in bonds and borrowings.

Equity came to 414,349 million yen, bringing the equity ratio attributable to owners of the parent down 1.6 percentage points from the end of the previous fiscal year to 44.0%.

2. Cash flows

Cash and cash equivalents at the end of the second quarter were 124,569 million yen, down 6,177 million yen from the end of the previous fiscal year.

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

Net cash provided by operating activities came to 7,731 million yen (compared to 13,892 million yen in the same period of the previous year). This was primarily due to increases and decreases in profit before income taxes, depreciation and amortization, trade and other receivables, and inventories. Net cash flows used in investing activities came to 47,455 million yen (compared to 27,017 million yen in the same period of the previous year). This was primarily due to purchase of property, plant and equipment and purchase of investments in subsidiaries resulting in change in scope of consolidation, etc. Net cash flows provided by financing activities came to 33,425 million yen (compared to 1,481 million yen used in the same period of the previous year). This was primarily due to increases and decreases in short-term borrowings.

(3) Explanation of Consolidated Forecast and Other Forecasts

With regard to the forecasts for the consolidated fiscal year, although net sales, operating income and profit for the period attributable to owners of the parent were forecast with upper and lower limits, we have reviewed our consolidated full-year forecast and made the following revisions based on our best estimate of current market conditions as well as our performance during the first six-month period.

Full-year consolidated business forecast for the fiscal year ending March 31, 2021

(From April 1, 2020 to March 31, 2021)

	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	900,000	50,000	39,000
(announced on August 4, 2020)	~1,000,000	~60,000	~47,000
Forecast	940,000	50,000	39,000

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

Sharing profits with our shareholders is job one at MinebeaMitsumi. That is why our 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.

Under this basic policy, we paid an interim dividend of 14 yen per share and a year-end dividend of 14 yen per share to make the annual dividend payout 28 yen per share in the previous fiscal year based on consolidated results. We decide the specific amount of the interim dividend this year 14 yen per share.

2. Condensed Quarterly Consolidated Financial Statements and Major Notes

(1) Condensed Quarterly Consolidated Statements of Financial Position

(Amount: millions of yen)

	As of March 31, 2020	As of September 30, 2020
Assets		
Current assets		
Cash and cash equivalents	130,746	124,569
Trade and other receivables	182,890	198,600
Inventories	169,803	186,469
Other financial assets	18,057	18,866
Other current assets.....	14,375	15,057
Total current assets.....	515,871	543,561
Non-current assets		
Property, plant and equipment.....	275,064	288,257
Goodwill	18,626	43,715
Intangible assets	13,798	14,081
Other financial assets	18,896	20,781
Deferred tax assets.....	18,008	20,247
Other non-current assets.....	4,218	4,265
Total non-current assets.....	348,610	391,346
Total assets.....	864,481	934,907

(Amount: millions of yen)

	As of March 31, 2020	As of September 30, 2020
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	143,964	132,951
Bonds and borrowings	95,268	146,374
Other financial liabilities	6,984	6,290
Income taxes payable	2,905	7,778
Provisions	4,353	4,485
Other current liabilities	42,209	47,065
Total current liabilities	295,683	344,943
Non-current liabilities		
Bonds and borrowings	126,444	133,173
Other financial liabilities	13,639	15,473
Net defined benefit liabilities	22,482	23,063
Provisions	579	581
Deferred tax liabilities	1,702	1,709
Other non-current liabilities	1,676	1,616
Total non-current liabilities	166,522	175,615
Total liabilities	462,205	520,558
Equity		
Common stock	68,259	68,259
Capital surplus	134,707	139,361
Treasury stock	(34,455)	(34,468)
Retained earnings	234,667	245,761
Other components of equity	(8,806)	(7,099)
Total equity attributable to owners of the parent	394,372	411,814
Non-controlling interests	7,904	2,535
Total equity	402,276	414,349
Total liabilities and equity	864,481	934,907

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

Six months ended September 30

(Amount: millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Net sales	483,898	461,730
Cost of sales	408,533	384,979
Gross profit	75,365	76,751
Selling, general and administrative expenses	54,030	51,269
Other income	2,360	3,302
Other expenses	748	5,863
Operating income	22,947	22,921
Finance income	961	801
Finance expenses	935	1,473
Profit before income taxes	22,973	22,249
Income taxes	5,959	5,400
Profit for the period	17,014	16,849
Profit for the period attributable to:		
Owners of the parent	16,315	16,812
Non-controlling interests	699	37
Profit for the period	17,014	16,849
Earnings per share (EPS)		
Basic (Yen)	39.30	41.16
Diluted (Yen)	38.46	40.27

Three months ended September 30

(Amount: millions of yen)

	Three months ended September 30, 2019	Three months ended September 30, 2020
Net sales	279,473	274,267
Cost of sales	232,991	231,076
Gross profit	46,482	43,191
Selling, general and administrative expenses	27,285	26,064
Other income	663	2,039
Other expenses	237	1,609
Operating income	19,623	17,557
Finance income	407	286
Finance expenses	398	868
Profit before income taxes	19,632	16,975
Income taxes	5,128	3,742
Profit for the period	14,504	13,233
Profit for the period attributable to:		
Owners of the parent	14,142	13,239
Non-controlling interests	362	(6)
Profit for the period	14,504	13,233
Earnings per share (EPS)		
Basic (Yen)	34.07	32.42
Diluted (Yen)	33.32	31.69

(Condensed Quarterly Consolidated Statements of Comprehensive Income)

Six months ended September 30

(Amount: millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Profit for the period.....	17,014	16,849
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.....	(548)	950
Sub-total	(548)	950
Components of other comprehensive income that will be reclassified to profit or loss, net of tax:		
Foreign exchange differences on translation of foreign operations	(10,967)	(133)
Cash flow hedges	19	927
Sub-total	(10,948)	794
Other comprehensive income, net of tax	(11,496)	1,744
Comprehensive income for the period	5,518	18,593
Comprehensive income attributable to:		
Owners of the parent.....	5,266	18,519
Non-controlling interests.....	252	74
Comprehensive income for the period	5,518	18,593

Three months ended September 30

(Amount: millions of yen)

	Three months ended September 30, 2019	Three months ended September 30, 2020
Profit for the period.....	14,504	13,233
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.....	(105)	65
Sub-total	(105)	65
Components of other comprehensive income that will be reclassified to profit or loss, net of tax:		
Foreign exchange differences on translation of foreign operations	(2,461)	(5,312)
Cash flow hedges	4	(240)
Sub-total	(2,457)	(5,552)
Other comprehensive income, net of tax	(2,562)	(5,487)
Comprehensive income for the period	11,942	7,746
Comprehensive income attributable to:		
Owners of the parent.....	11,723	7,691
Non-controlling interests.....	219	55
Comprehensive income for the period	11,942	7,746

(3) Condensed Quarterly Consolidated Statements of Changes in Equity

(Amount: millions of yen)

	Equity attributable to owners of the parent					
	Common stock	Capital surplus	Treasury stock	Retained earnings	Other components of equity	
					Foreign currency translation	Cash flow hedge
Balance as of April 1, 2019	68,259	137,464	(19,448)	202,172	8,387	(76)
Profit for the period				16,315		
Other comprehensive income					(10,520)	19
Comprehensive income for the period	—	—	—	16,315	(10,520)	19
Purchase of treasury stock			(1)			
Dividends				(5,812)		
Increase of consolidated subsidiaries						
Transactions with non-controlling interests		(2,705)				
Transfer to retained earnings				29		
Total transactions with owners	—	(2,705)	(1)	(5,783)	—	—
Balance as of September 30, 2019	68,259	134,759	(19,449)	212,704	(2,133)	(57)

	Equity attributable to owners of the parent			Non-controlling interests	Total Equity
	Other components of equity		Total		
	Net changes in revaluation of equity instruments measured at fair value through other comprehensive income	Subtotal			
Balance as of April 1, 2019	2,945	11,256	399,703	7,557	407,260
Profit for the period			16,315	699	17,014
Other comprehensive income	(548)	(11,049)	(11,049)	(447)	(11,496)
Comprehensive income for the period	(548)	(11,049)	5,266	252	5,518
Purchase of treasury stock			(1)		(1)
Dividends			(5,812)		(5,812)
Increase of consolidated subsidiaries			—	4,904	4,904
Transactions with non-controlling interests			(2,705)	(5,071)	(7,776)
Transfer to retained earnings	(29)	(29)	—		—
Total transactions with owners	(29)	(29)	(8,518)	(167)	(8,685)
Balance as of September 30, 2019	2,368	178	396,451	7,642	404,093

(Amount: millions of yen)

	Equity attributable to owners of the parent					
	Common stock	Capital surplus	Treasury stock	Retained earnings	Other components of equity	
					Foreign currency translation	Cash flow hedge
Balance as of April 1, 2020	68,259	134,707	(34,455)	234,667	(8,807)	(1,007)
Profit for the period				16,812		
Other comprehensive income					(170)	927
Comprehensive income for the period	—	—	—	16,812	(170)	927
Purchase of treasury stock			(242)			
Disposal of treasury stock		11	229			
Dividends				(5,718)		
Transactions with non-controlling interests		4,643				
Total transactions with owners	—	4,654	(13)	(5,718)	—	—
Balance as of September 30, 2020	68,259	139,361	(34,468)	245,761	(8,977)	(80)

	Equity attributable to owners of the parent			Non-controlling interests	Total equity
	Other components of equity		Total		
	Net changes in revaluation of equity instruments measured at fair value through other comprehensive income	Subtotal			
Balance as of April 1, 2020	1,008	(8,806)	394,372	7,904	402,276
Profit for the period			16,812	37	16,849
Other comprehensive income	950	1,707	1,707	37	1,744
Comprehensive income for the period	950	1,707	18,519	74	18,593
Purchase of treasury stock			(242)		(242)
Disposal of treasury stock			240		240
Dividends			(5,718)	(43)	(5,761)
Transactions with non-controlling interests			4,643	(5,400)	(757)
Total transactions with owners	—	—	(1,077)	(5,443)	(6,520)
Balance as of September 30, 2020	1,958	(7,099)	411,814	2,535	414,349

(4) Condensed Quarterly Consolidated Statements of Cash Flows

(Amount: millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Cash flows from operating activities:		
Profit before income taxes	22,973	22,249
Depreciation and amortization	22,917	23,820
Interest income and dividends income	(875)	(614)
Interest expenses	779	804
Loss (gain) on sale and disposal of property, plant and equipment	(616)	(247)
Decrease (increase) in trade and other receivables	(20,996)	(12,276)
Decrease (increase) in inventories	(25,937)	(10,133)
Increase (decrease) in trade and other payables	13,995	(17,506)
Other	7,037	5,081
Subtotal	19,277	11,178
Interest received	667	435
Dividends received	182	174
Interest paid	(603)	(776)
Income taxes paid	(5,631)	(3,280)
Net cash flows provided by operating activities	13,892	7,731
Cash flows from investing activities:		
Decrease (increase) in time deposits	(325)	(1,326)
Purchase of property, plant and equipment	(26,127)	(23,873)
Proceeds from sales of property, plant and equipment	1,556	965
Purchase of intangible assets	(578)	(652)
Purchase of securities	(1,141)	(937)
Proceeds from sale and redemption of securities	1,191	920
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	47	—
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(1,822)	(22,686)
Other	182	134
Net cash flows used in investing activities	(27,017)	(47,455)
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings	33,176	48,463
Repayments of long-term borrowings	(27,310)	(1,628)
Redemption of bonds	(100)	—
Acquisition of non-controlling interests	—	(5,377)
Proceeds from disposal of treasury stock	—	240
Purchase of treasury stock	(1)	(242)
Dividends paid	(5,812)	(5,718)
Dividends paid to non-controlling interests	—	(43)
Repayments of lease liabilities	(1,434)	(2,270)
Net cash flows used in financing activities	(1,481)	33,425
Effect of exchange rate changes on cash and cash equivalents	(5,170)	122
Increase (decrease) in cash and cash equivalents	(19,776)	(6,177)
Cash and cash equivalents at beginning of period	122,432	130,746
Cash and cash equivalents at end of period	102,656	124,569

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

(Segment Information)

Information related to sales and income (loss) by reportable segments
 (Six months ended September 30, 2019)

(Amount: millions of yen)

	Reportable segment				Other *1	Adjustments *2	Consolidated
	Machined components	Electronic devices and components	MITSUMI business	U-Shin business			
Net sales							
Net sales to customers	91,187	178,919	150,578	62,792	422	—	483,898
Net sales to other segment	2,737	2,808	999	—	1,461	(8,005)	—
Total	93,924	181,727	151,577	62,792	1,883	(8,005)	483,898
Segment profit (loss)	20,907	6,076	7,149	1,454	(694)	(11,945)	22,947
Finance income	—	—	—	—	—	—	961
Finance expenses	—	—	—	—	—	—	935
Profit before income taxes	—	—	—	—	—	—	22,973

(Six months ended September 30, 2020)

(Amount: millions of yen)

	Reportable segment				Other *1	Adjustments *2	Consolidated
	Machined components	Electronic devices and components	MITSUMI business	U-Shin business			
Net sales							
Net sales to customers	73,548	178,274	167,346	42,153	409	—	461,730
Net sales to other segment	2,237	2,716	929	—	853	(6,735)	—
Total	75,785	180,990	168,275	42,153	1,262	(6,735)	461,730
Segment profit (loss)	14,064	7,681	8,984	(974)	(831)	(6,003)	22,921
Finance income	—	—	—	—	—	—	801
Finance expenses	—	—	—	—	—	—	1,473
Profit before income taxes	—	—	—	—	—	—	22,249

(Notes) *1. The classification of “Other” refers to business units not included in the reportable segments.

Their products are mainly 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. Retirement benefit expenses of 2,790 million yen is included as a result of the revision of the Labor Protection Act in Thailand for the first half of the previous year.

3. Provisional accounting treatments for business combinations through acquisition of U-Shin Ltd. was finalized at the end of the previous fiscal year, and the contents of finalization of the provisional accounting treatments are reflected on the figures for the first half of the previous year.