

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

November 2, 2023

Registered

Company Name: MINEBEA MITSUMI Inc. Common Stock Listings: Tokyo
Code No: 6479 URL: <https://www.minebeamitsumi.com/>
Representative: Yoshihisa Kainuma Representative Director, Chairman CEO
Contact: Jun Yutani General Manager of Accounting Department
Quarterly report filing date: November 10, 2023 Phone: (03) 6758-6711
Expected date of payment for dividends: November 29, 2023
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 September 30, 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
Six months ended Sep. 30, 2023	672,117	15.7	27,162	(33.1)	30,201	(28.8)
Six months ended Sep. 30, 2022	581,061	9.6	40,586	(9.1)	42,395	(4.3)

	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, 2023	20,021	(34.9)	19,600	(36.3)	57,632	2.5
Six months ended Sep. 30, 2022	30,761	(12.2)	30,756	(12.3)	56,215	143.1

	Earnings per share, basic (yen)	Earnings per share, diluted (yen)
Six months ended Sep. 30, 2023	48.06	48.05
Six months ended Sep. 30, 2022	75.13	74.43

(Notes) During the second quarter of the fiscal year ending March 2024, the provisional accounting treatment for business combinations has been finalized. For the figures related to the second 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 Sep. 30, 2023	1,422,789	687,203	676,365	47.5
As of Mar. 31, 2023	1,303,981	643,278	632,825	48.5

(Notes) During the second 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)			—	—	—

(Notes) Changes from the latest dividend forecast: Yes

Regarding the annual dividends for the fiscal year ending March 31, 2024, we will determine the dividend payout ratio of around 20% on a consolidated basis.

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	77,000	(23.9)

	Profit for the period attributable to owners of the parent (millions of yen)	% Change	Earnings per share, basic (yen)
Year ending Mar. 31, 2024	58,000	(24.5)	142.48

(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 September 30, 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 September 30, 2023: 20,824,028 shares

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

3. Average number of shares (Quarterly cumulative period)

Six months ended September 30, 2023: 407,875,617 shares

Six months ended September 30, 2022: 409,378,248 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 Thursday, November 2, 2023.

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

During the second 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 six months ended September 30, 2023, the Japanese economy saw a gradual recovery as economic activities normalized from the COVID pandemic and personal consumption and corporate earnings were favorable. In the U.S. economy, although personal consumption and exports have been firm, the outlook is uncertain as firms' economic activity has been restrained by their continued monetary tightening policies. In Europe, the economy was sluggish due to stagnant personal consumption caused by prolonged high inflation and soaring energy prices. In China, the real estate market was sluggish and economic activity was slowing. Against this backdrop, exports of mobile phones and other IT related products fell sharply, and the economy stagnated. In Southeast Asia, despite the downward pressure on the economy caused by a decline in exports due to a slowdown in global demand, domestic demand, particularly personal consumption, was favorable, and the economy remained steady.

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 91,056 million yen (15.7%) year on year to 672,117 million yen. Operating income was down 13,424 million yen (-33.1%) year on year to 27,162 million yen, profit before income taxes was down 12,194 million yen (-28.8%) to 30,201 million yen, and profit for the period attributable to owners of the parent was down 11,156 million yen (-36.3%) to 19,600 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. As a result of the change in the corporate organization, some classifications in "Semiconductor & Electronics" and "Other" have changed from the third quarter of the previous year. The segment information disclosed for the first six 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 of ball bearings, the Group's mainstay product, decreased mainly due to a decrease in demand for use in data centers, despite firm demand for use in automobiles. In addition, sales of pivot assemblies declined as demand for HDD applications did not recover, but sales of rod-end bearings increased due to a recovery in demand for aircraft-related products.

As a result, net sales were up 1,673 million yen (1.7%) year on year to 99,361 million yen, while operating income was down 5,476 million yen (-24.1%) to 17,250 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 1,064 million yen (0.6%) year on year to 180,469 million yen, and operating income was up 1,982 million yen (57.4%) to 5,445 million yen.

The main products in Semiconductor & Electronics segment are semiconductor devices, optical devices, mechanical components, power supply components, and smart products. Sales increased due to steady sales of mechanical components.

As a result, net sales were up 15,024 million yen (6.7%) year on year to 238,803 million yen, and operating income was down 11,591 million yen (-47.0%) to 13,094 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 72,271 million yen (91.5%) year on year to 151,217 million yen, and operating income was up 359 million yen (118.9%) to 660 million yen.

Software design, development, and machines produced in-house are the main products in our Other business segment.

Net sales were up 1,024 million yen (82.2%) year on year to 2,267 million yen, and operating income was down 130 million yen for an operating loss of 194 million yen.

In addition to the figures noted above, 9,093 million yen in corporate expenses, etc. not belonging to any particular segment is indicated as adjustments. The total amount of adjustments was 10,525 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 second quarter were 1,422,789 million yen, up 118,808 million yen from the end of the previous fiscal year. This was primarily due to increases in property, plant and equipment, inventories, and trade and other receivables.

Total liabilities at the end of the second quarter were 735,586 million yen, up 74,883 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 687,203 million yen, bringing the equity ratio attributable to owners of the parent down 1.0 percentage points from the end of the previous fiscal year to 47.5%.

2. Cash flows

Cash and cash equivalents at the end of the second quarter were 140,433 million yen, down 4,238 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 in operating activities came to 26,600 million yen (compared to 5,800 million yen used in operating activities 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 46,305 million yen (compared to 94,882 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 provided by financing activities came to 7,984 million yen (compared to 69,236 million yen in the same period of the previous year). This was primarily due to proceeds from long-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 fiscal half-year ended September 30, 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 August 4, 2023)	1,450,000	95,000	70,000
Revised forecast (B)	1,400,000	77,000	58,000
Difference (B – A)	(50,000)	(18,000)	(12,000)

(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 (the "Company"). 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, the interim dividend for the current fiscal year will be 20 yen per share. The year-end dividend is undecided, and while considering the results this fiscal year, the dividends payout ratio will be set at around 20%.

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

(Amount: millions of yen)

	<u>As of March 31, 2023</u>	<u>As of September 30, 2023</u>
Assets		
Current assets		
Cash and cash equivalents	144,671	140,433
Trade and other receivables	287,374	324,793
Inventories	263,071	302,766
Other financial assets	10,948	10,218
Other current assets	26,628	32,022
Total current assets	<u>732,692</u>	<u>810,232</u>
Non-current assets		
Property, plant and equipment	455,892	486,220
Goodwill	46,332	47,416
Intangible assets	19,597	19,427
Other financial assets	24,481	33,867
Deferred tax assets	15,419	16,242
Other non-current assets	9,568	9,385
Total non-current assets	<u>571,289</u>	<u>612,557</u>
Total assets	<u><u>1,303,981</u></u>	<u><u>1,422,789</u></u>

(Continued)

(Amount: millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	172,011	207,497
Bonds and borrowings	183,044	163,832
Other financial liabilities	10,405	14,669
Income taxes payable	7,483	9,899
Provisions	3,944	3,870
Other current liabilities	62,475	66,208
Total current liabilities	439,362	465,975
Non-current liabilities		
Bonds and borrowings	171,287	218,489
Other financial liabilities	17,040	16,730
Net defined benefit liabilities	24,132	25,569
Provisions	1,574	1,192
Deferred tax liabilities	3,450	3,399
Other non-current liabilities	3,858	4,232
Total non-current liabilities	221,341	269,611
Total liabilities	660,703	735,586
Equity		
Common stock	68,259	68,259
Capital surplus	141,165	141,164
Treasury stock	(42,226)	(47,402)
Retained earnings	382,471	393,884
Other components of equity	83,156	120,460
Total equity attributable to owners of the Company	632,825	676,365
Non-controlling interests	10,453	10,838
Total equity	643,278	687,203
Total liabilities and equity	1,303,981	1,422,789

(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, 2022	Six months ended September 30, 2023
Net sales	581,061	672,117
Cost of sales	470,562	567,298
Gross profit	110,499	104,819
Selling, general and administrative expenses	68,388	78,037
Other income	2,148	1,471
Other expenses	3,673	1,091
Operating income	40,586	27,162
Finance income	2,865	5,271
Finance expenses	1,056	2,232
Profit before income taxes	42,395	30,201
Income taxes	11,634	10,180
Profit for the year	<u>30,761</u>	<u>20,021</u>
Profit for the year attributable to:		
Owners of the Company	30,756	19,600
Non-controlling interests	5	421
Profit for the year	<u>30,761</u>	<u>20,021</u>
Earnings per share (EPS)		
Basic (Yen)	75.13	48.06
Diluted (Yen)	74.43	48.05

Three months ended September 30

	Three months ended September 30, 2022	(Amount: millions of yen) Three months ended September 30, 2023
Net sales	330,021	379,747
Cost of sales	267,981	318,731
Gross profit	62,040	61,016
Selling, general and administrative expenses	35,649	39,924
Other income	1,087	616
Other expenses	1,147	598
Operating income	26,331	21,110
Finance income	2,402	2,369
Finance expenses	612	1,089
Profit before income taxes	28,121	22,390
Income taxes	8,102	6,137
Profit for the year	<u>20,019</u>	<u>16,253</u>
Profit for the year attributable to:		
Owners of the Company	20,022	15,958
Non-controlling interests	(3)	295
Profit for the year	<u>20,019</u>	<u>16,253</u>
Earnings per share (EPS)		
Basic (Yen)	48.53	39.17
Diluted (Yen)	48.08	39.17

(Condensed Quarterly Consolidated Statements of Comprehensive Income)

Six months ended September 30

(Amount: millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit for the year	30,761	20,021
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	272	1,665
Remeasurement of defined benefit plans	—	(19)
Sub-total	272	1,646
Components of other comprehensive income that will be reclassified to profit or loss, net of tax:		
Foreign exchange differences on translation of foreign operations	38,454	41,836
Cash flow hedges	(13,272)	(5,871)
Sub-total	25,182	35,965
Other comprehensive income, net of tax	25,454	37,611
Comprehensive income for the year	56,215	57,632
Comprehensive income attributable to:		
Owners of the Company	56,132	56,885
Non-controlling interests	83	747
Comprehensive income for the year	56,215	57,632

Three months ended September 30

	Three months ended September 30, 2022	(Amount: millions of yen) Three months ended September 30, 2023
Profit for the year	20,019	16,253
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	204	529
Remeasurement of defined benefit plans	—	(25)
Sub-total	204	504
Components of other comprehensive income that will be reclassified to profit or loss, net of tax:		
Foreign exchange differences on translation of foreign operations	6,264	12,054
Cash flow hedges	(6,018)	(1,758)
Sub-total	246	10,296
Other comprehensive income, net of tax	450	10,800
Comprehensive income for the year	<u>20,469</u>	<u>27,053</u>
Comprehensive income attributable to:		
Owners of the Company	20,491	26,570
Non-controlling interests	(22)	483
Comprehensive income for the year	<u>20,469</u>	<u>27,053</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	—	—	—	30,756	—	—
Other comprehensive income	—	—	—	—	38,376	(13,272)
Comprehensive income for the period	—	—	—	30,756	38,376	(13,272)
Conversion of convertible bonds with warrants	—	1,535	11,735	—	—	—
Purchase of treasury stock	—	—	(1)	—	—	—
Disposal of treasury stock	—	0	7	—	—	—
Dividends	—	—	—	(7,310)	—	—
Change in scope of consolidation	—	—	—	—	—	—
Transfer to retained earnings	—	—	—	4	—	—
Total transactions with owners	—	1,535	11,741	(7,306)	—	—
Balance as of September 30, 2022	68,259	141,637	(32,223)	344,205	88,729	(13,840)

	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	—	—	—	30,756	5	30,761
Other comprehensive income	272	—	25,376	25,376	78	25,454
Comprehensive income for the period	272	—	25,376	56,132	83	56,215
Conversion of convertible bonds with warrants	—	—	—	13,270	—	13,270
Purchase of treasury stock	—	—	—	(1)	—	(1)
Disposal of treasury stock	—	—	—	7	—	7
Dividends	—	—	—	(7,310)	—	(7,310)
Change in scope of consolidation	—	—	—	—	1,803	1,803
Transfer to retained earnings	(4)	—	(4)	—	—	—
Total transactions with owners	(4)	—	(4)	5,966	1,803	7,769
Balance as of September 30, 2022	3,941	—	78,830	600,708	4,711	605,419

(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)	382,471	75,352	3,176
Profit for the period	—	—	—	19,600	—	—
Other comprehensive income	—	—	—	—	41,510	(5,871)
Comprehensive income for the period	—	—	—	19,600	41,510	(5,871)
Purchase of treasury stock	—	(1)	(5,188)	—	—	—
Disposal of treasury stock	—	0	12	—	—	—
Dividends	—	—	—	(8,168)	—	—
Transfer to retained earnings	—	—	—	(19)	—	—
Total transactions with owners	—	(1)	(5,176)	(8,187)	—	—
Balance as of September 30, 2023	68,259	141,164	(47,402)	393,884	116,862	(2,695)

	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	632,825	10,453	643,278
Profit for the period	—	—	—	19,600	421	20,021
Other comprehensive income	1,665	(19)	37,285	37,285	326	37,611
Comprehensive income for the period	1,665	(19)	37,285	56,885	747	57,632
Purchase of treasury stock	—	—	—	(5,189)	—	(5,189)
Disposal of treasury stock	—	—	—	12	—	12
Dividends	—	—	—	(8,168)	(362)	(8,530)
Transfer to retained earnings	—	19	19	—	—	—
Total transactions with owners	—	19	19	(13,345)	(362)	(13,707)
Balance as of September 30, 2023	6,293	—	120,460	676,365	10,838	687,203

(4) Condensed Quarterly Consolidated Statements of Cash Flows

	Six months ended September 30, 2022	(Amount: millions of yen) Six months ended September 30, 2023
Cash flows from operating activities:		
Profit before income taxes	42,395	30,201
Depreciation and amortization	24,965	29,962
Interest income and dividends income	(776)	(1,249)
Interest expenses	1,048	2,196
Net loss (gain) on sale and disposal of property, plant and equipment	(216)	22
Decrease (increase) in trade and other receivables	(31,763)	(26,235)
Decrease (increase) in inventories	(36,465)	(21,654)
Increase (decrease) in trade and other payables	9,683	30,690
Other	(3,512)	(8,674)
Sub-total	5,359	35,259
Interest received	676	1,035
Dividends received	165	144
Interest paid	(979)	(2,317)
Income taxes paid	(11,021)	(7,521)
Net cash flows provided (used in) by operating activities	(5,800)	26,600
Cash flows from investing activities:		
Net decrease (increase) in time deposits	13,888	1,288
Purchase of property, plant and equipment	(100,854)	(40,092)
Proceeds from sale of property, plant and equipment	943	927
Purchase of intangible assets	(936)	(1,064)
Purchase of securities	(549)	(11,036)
Proceeds from sale and redemption of securities	559	839
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	(8,330)	(160)
Other	397	37
Net cash flows used in investing activities	(94,882)	(46,305)

(Continued)

	Six months ended September 30, 2022	(Amount: millions of yen) Six months ended September 30, 2023
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	30,428	(19,684)
Proceeds from long-term borrowings	50,126	51,000
Repayments of long-term borrowings	(1,182)	(6,044)
Repayments of bonds	—	(26)
Proceeds from disposal of treasury stock	2	0
Purchase of treasury stock	(1)	(5,189)
Dividends paid	(7,310)	(8,168)
Dividends paid to non-controlling interests	—	(362)
Repayments of lease liabilities	(2,827)	(3,543)
Net cash flows provided by financing activities	69,236	7,984
Effect of exchange rate changes on cash and cash equivalents	8,955	7,483
Net increase (decrease) in cash and cash equivalents	(22,491)	(4,238)
Cash and cash equivalents at beginning of year	163,588	144,671
Cash and cash equivalents at end of year	141,097	140,433

(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
 (Six months ended September 30, 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	97,688	179,405	223,779	78,946	1,243	—	581,061
Net sales to other segment	3,261	4,021	11,266	265	2,025	(20,838)	—
Total	100,949	183,426	235,045	79,211	3,268	(20,838)	581,061
Segment profit (loss)	22,726	3,463	24,685	301	(64)	(10,525)	40,586
Finance income	—	—	—	—	—	—	2,865
Finance expenses	—	—	—	—	—	—	1,056
Profit before income taxes	—	—	—	—	—	—	42,395

(Six months ended September 30, 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	99,361	180,469	238,803	151,217	2,267	—	672,117
Net sales to other segment	3,281	4,103	11,239	453	1,993	(21,069)	—
Total	102,642	184,572	250,042	151,670	4,260	(21,069)	672,117
Segment profit (loss)	17,250	5,445	13,094	660	(194)	(9,093)	27,162
Finance income	—	—	—	—	—	—	5,271
Finance expenses	—	—	—	—	—	—	2,232
Profit before income taxes	—	—	—	—	—	—	30,201

(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 six months of the previous year has also been presented using the name after the change.

*4. During the second quarter of the current fiscal year, the provisional accounting treatment for the business combination has been finalized. For the figures related to the second cumulative quarter ended March 2023, the contents of finalization of the provisional accounting treatment has 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. In addition, as a result of the change in the corporate organization, some classifications in "Semiconductor & Electronics" and "Other" have changed from the third quarter of the previous year. The segment information disclosed for the first six months of the previous year has been prepared based on the classification of reporting segments after the corporate organization change.