

FIRST QUARTER BRIEF REPORT OF FINANCIAL RESULTS [IFRS] (Consolidated)
(Year ending March 31, 2022)

August 4, 2021

Registered

Company Name: MINEBEA MITSUMI Inc. Common Stock Listings: Tokyo
Code No: 6479 URL: <https://www.minebeamitsumi.com/>

Representative: Yoshihisa Kainuma Representative Director, CEO & COO
Contact: Mitsunobu Yamamoto General Manager of Accounting Department

Quarterly report filing date: August 11, 2021

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, 2021 through June 30, 2021)

(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
Three months ended Jun. 30, 2021	248,305	32.5	19,628	475.7	19,603	490.6
Three months ended Jun. 30, 2020	187,463	(8.3)	3,409	2.6	3,319	(0.6)

	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
Three months ended Jun. 30, 2021	14,642	548.2	14,659	561.6	11,625	22.5
Three months ended Jun. 30, 2020	2,259	(10.0)	2,216	2.0	9,490	—

	Earnings per share, basic (yen)	Earnings per share, diluted (yen)
Three months ended Jun. 30, 2021	36.11	35.30
Three months ended Jun. 30, 2020	5.43	5.33

(Notes) At March 31, 2021, provisional accounting treatments for business combinations were finalized, and the contents of finalization of the provisional accounting treatments are reflected on the figures for the first quarter of the year ended March 31, 2021.

(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 Jun. 30, 2021	1,005,486	454,581	451,743	44.9
As of Mar. 31, 2021	976,771	453,998	451,141	46.2

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, 2021	—	14.00	—	22.00	36.00
Year ending Mar. 31, 2022	—				
Year ending Mar. 31, 2022 (Forecast)		—	—	—	—

(Notes) Changes from the latest dividend forecast: None

Regarding the annual dividends for the fiscal year ending March 31, 2022, we will determine the dividend payout of around 20% on a consolidated basis.

3. Prospect for Consolidated Forecast for the Fiscal Year (April 1, 2021 through March 31, 2022)

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

	Net sales (millions of yen)	% Change	Operating income (millions of yen)	% Change
Six months ending Sep. 30, 2021	537,000	16.3	45,000	115.1
Year ending Mar. 31, 2022	1,050,000	6.2	87,000	70.0

	Profit for the period attributable to owners of the parent (millions of yen)	% Change	Earnings per share, basic (yen)
Six months ending Sep. 30, 2021	34,500	123.7	84.99
Year ending Mar. 31, 2022	68,000	75.4	167.52

(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: None

2. Changes in accounting policies other than 1: None

3. Changes in accounting estimates: Yes

(Notes) For details, please refer to “2. Condensed Quarterly Consolidated Financial Statements and Major Notes,” “(5) Notes on Condensed Quarterly Consolidated Financial Statements (Change in Accounting Estimate)” on page 13 of the documents attached hereunder.

(3) Number of shares outstanding (Common stock)

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

As of June 30, 2021: 427,080,606 shares

As of March 31, 2021: 427,080,606 shares

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

As of June 30, 2021: 21,177,485 shares

As of March 31, 2021: 20,418,303 shares

3. Average number of shares (Quarterly cumulative period)

Three months ended June 30, 2021: 405,965,109 shares

Three months ended June 30, 2020: 408,404,225 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 Wednesday, August 4, 2021.

Index

1. Qualitative information related to the financial results for the quarter.....	4
(1) Explanation of Operating Results	4
(2) Explanation of Financial Position.....	5
(3) Explanation of Consolidated Forecast and Other Forecasts	5
(4) Basic Policy for Profit Sharing and Dividend for the Current Fiscal Year.....	5
2. Condensed Quarterly Consolidated Financial Statements and Major Notes.....	6
(1) Condensed Quarterly Consolidated Statements of Financial Position.....	6
(2) Condensed Quarterly Consolidated Statements of Income and Condensed Quarterly Consolidated Statements of Comprehensive Income	8
Condensed Quarterly Consolidated Statements of Income	8
Condensed Quarterly Consolidated Statements of Comprehensive Income.....	9
(3) Condensed Quarterly Consolidated Statements of Changes in Equity	10
(4) Condensed Quarterly Consolidated Statements of Cash Flows	12
(5) Notes on Condensed Quarterly Consolidated Financial Statements	13
(Notes on Going Concern Assumptions).....	13
(Change in Accounting Estimate)	13
(Segment Information).....	13

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

(1) Explanation of Operating Results

In the three months ended June 30, 2021, the Japanese economy exhibited a gentle recovery against the backdrop of a recovery in exports to Europe, the United States, and China even in the midst of a global semiconductor shortage and a spike in raw materials prices and despite the sluggishness of domestic consumption as a result of COVID-19. The U.S. economy is improving, driven by spending on services with the resumption of economic activity in conjunction with progress on COVID-19 vaccination among the public. In Europe, consumption is recovering in response to easing of restrictions in conjunction with rapid progress on vaccination and infections declining after reaching a peak. In addition, exports are on the rise driven by the manufacturing industry against the backdrop of a global economic recovery. The Chinese economy continues to expand as a result of a gentle recovery in internal demand owing to the effects of economic measures and a bounce-back from the stagnation caused by COVID-19 as well as a global recovery in exports. In Southeast Asia, the future remains uncertain due to the impact of restrictions on economic activities to curb infections of COVID-19 and a shortage of vaccines.

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 came to 248,305 million yen, up 60,842 million yen (32.5%) year on year. Operating income came to 19,628 million yen, up 16,219 million yen (475.7%) year on year, profit before income taxes came to 19,603 million yen, up 16,284 million yen (490.6%), and profit for the period attributable to owners of the parent came to 14,659 million yen, up 12,443 million yen (561.6%).

Provisional accounting treatments for business combinations 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 first quarter of the previous year.

Performance by segment was as follows:

From the first quarter of the fiscal year, the classification of reporting segments has been changed for some businesses. The segment information disclosed for the first quarter of the previous year has been prepared based on the classification of reporting segments after the corporate organization change.

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 up owing to solid automotive demand. Rod-end bearing sales decreased due to decreased aircraft-related demand.

As a result, net sales were up 8,583 million yen (24.2%) year on year to 44,090 million yen, and operating income was up 3,764 million yen (52.6%) to 10,918 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 LED backlights for LCDs was down due to a decrease in the number of smartphone models using them, but net sales were up owing to increased demand for automotive motors.

As a result, net sales were up 13,678 million yen (17.8%) year on year to 90,435 million yen, and operating income was up 5,564 million yen (239.6%) to 7,886 million yen.

The main products in the MITSUMI business segment are semiconductor devices, optical devices, mechanical components, power supply components and smart product. Net sales were up owing to a strong performance by semiconductor devices and camera actuators as well as strong sales of mechanical components in response to increased demand for game consoles as a result of global quarantine measures.

As a result, net sales were up 20,686 million yen (36.9%) year on year to 76,753 million yen, and operating income was 5,085 million yen, an improvement of 5,159 million yen.

The main products of U-Shin business are key sets, door latches, door handles, and other automotive components as well as industrial equipment components. Net sales were up owing to strong demand for automotive components associated with a recovery in the automotive market and favorable demand for industrial equipment components used in agricultural and construction machinery.

As a result, net sales were up 17,805 million yen (93.4%) year on year to 36,869 million yen, and operating loss was 83 million yen, an improvement of 2,733 million yen.

Machines produced in-house are the main products in our Other business segment. Net sales were up 90 million yen (131.1%) year on year to 158 million yen, and the operating loss increased 122 million yen to 549 million yen.

In addition to the figures noted above, 3,629 million yen in corporate expenses, etc. not belonging to any particular segment is indicated as adjustments. The total amount of adjustments was 2,750 million yen for the same period of the previous fiscal year.

(2) Explanation of Financial Position

1. Basic approach to financial strategy and capitalization

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.

2. Assets, Liabilities, and Equity

Total assets at the end of the first quarter were 1,005,486 million yen, up 28,715 million yen from the end of the previous fiscal year. This was primarily due to increases and decreases in inventories, other current assets, property, plant and equipment, and trade and other receivables.

Total liabilities at the end of the first quarter were 550,905 million yen, up 28,132 million yen from the end of the previous fiscal year. The main reason for this was an increase in trade and other payables, bonds, and borrowings.

Equity came to 454,581 million, bringing the equity ratio attributable to owners of the parent down 1.3 percentage points from the end of the previous fiscal year to 44.9%.

3. Cash flows

Cash and cash equivalents at the end of the first quarter were 159,282 million yen, down 6,197 million yen from the end of the previous fiscal year.

Cash flows from various business activities during the first three months of the fiscal year and relevant factors were as follows:

Net cash provided by operating activities came to 12,317 million yen (compared to 3,537 million yen in the same period of the previous year). This was primarily due to profit before income taxes, depreciation and amortization, increases and decreases in trade and other receivables, inventories, and trade and other payables. Net cash used in investing activities came to 10,731 million yen (compared to 34,108 million yen in the same period of the previous year). This was primarily due to purchase of property, plant and equipment and proceeds from sale and redemption of securities, etc. Net cash used in financing activities came to 7,847 million yen (compared to 35,962 million yen provided by financing activities in the same period of the previous year). This was primarily due to increases and decreases in short-term borrowings and dividends paid.

(3) Explanation of Consolidated Forecast and Other Forecasts

In regard to the consolidated forecast, in addition to the first quarter results exceeding the initial forecast, we expect demand for ball bearings, motors, semiconductors, and other products to remain strong in the second quarter and thereafter. As such, we have revised the net sales forecast announced in the brief report of financial results on May 7, 2021 upward from 1 trillion yen to 1.050 trillion yen, the forecast for operating income from 80,000 million yen to 87,000 million yen, and the forecast for profit for the period attributable to owners of the parent from 64,000 million yen to 68,000 million yen.

	<u>Six months ending Sep. 30, 2021</u>	<u>Year ending Mar. 31, 2022</u>
Net sales	537,000million yen (16.3%)	1,050,000million yen (6.2%)
Operating income	45,000million yen (115.1%)	87,000million yen (70.0%)
Profit for the year attributable to owners of the parent	34,500million yen (123.7%)	68,000million yen (75.4%)

(): Changes from corresponding period of previous fiscal year

(4) Basic Policy for Profit Sharing and Dividends for the Fiscal Year and the Following Fiscal Year

Sharing profits with our shareholders is first priority 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, have been 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, in the previous fiscal year, we provided an interim dividend of 14 yen, a year-end dividend of 14 yen, and a commemorative dividend of 8 yen per share in commemoration of the 70th anniversary and to express our gratitude to our shareholders, bringing the annual dividend to 36 yen per share. The interim and year-end dividends for the fiscal year under review will be decided at a later date aiming for a consolidated dividends payout ratio of around 20%.

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, 2021	As of June 30, 2021
Assets		
Current assets		
Cash and cash equivalents	165,479	159,282
Trade and other receivables	203,614	201,014
Inventories	171,368	195,472
Other financial assets	19,970	20,383
Other current assets.....	14,844	27,932
Total current assets.....	575,275	604,083
Non-current assets		
Property, plant and equipment.....	293,079	296,744
Goodwill	41,439	41,534
Intangible assets	18,666	18,343
Other financial assets	23,506	21,960
Deferred tax assets.....	16,892	16,942
Other non-current assets.....	7,914	5,880
Total non-current assets.....	401,496	401,403
Total assets	976,771	1,005,486

(Amount: millions of yen)

	As of March 31, 2021	As of June 30, 2021
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	142,673	163,573
Bonds and borrowings	137,141	142,243
Other financial liabilities	8,798	11,485
Income taxes payable	6,689	10,366
Provisions	4,445	5,293
Other current liabilities	46,026	42,756
Total current liabilities	345,772	375,716
Non-current liabilities		
Bonds and borrowings	131,480	130,901
Other financial liabilities	14,408	16,290
Net defined benefit liabilities	23,122	20,933
Provisions	4,518	3,402
Deferred tax liabilities	1,603	1,652
Other non-current liabilities	1,870	2,011
Total non-current liabilities	177,001	175,189
Total liabilities	522,773	550,905
Equity		
Common stock	68,259	68,259
Capital surplus	139,456	139,446
Treasury stock	(39,166)	(41,251)
Retained earnings	265,417	271,634
Other components of equity	17,175	13,655
Total equity attributable to owners of the parent	451,141	451,743
Non-controlling interests	2,857	2,838
Total equity	453,998	454,581
Total liabilities and equity	976,771	1,005,486

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

(Amount: millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Net sales.....	187,463	248,305
Cost of sales.....	155,858	198,966
Gross profit.....	31,605	49,339
Selling, general and administrative expenses	25,205	30,135
Other income.....	1,263	1,165
Other expenses.....	4,254	741
Operating income.....	3,409	19,628
Finance income	515	512
Finance expenses	605	537
Profit before income taxes.....	3,319	19,603
Income taxes.....	1,060	4,961
Profit for the period.....	2,259	14,642
Profit for the period attributable to:		
Owners of the parent.....	2,216	14,659
Non-controlling interests.....	43	(17)
Profit for the period.....	2,259	14,642
Earnings per share (EPS)		
Basic (Yen)	5.43	36.11
Diluted (Yen).....	5.33	35.30

(Condensed Quarterly Consolidated Statements of Comprehensive Income)

(Amount: millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Profit for the period.....	2,259	14,642
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.....	885	751
Sub-total	885	751
Components of other comprehensive income that will be reclassified to profit or loss, net of tax:		
Foreign exchange differences on translation of foreign operations	5,179	(2,259)
Cash flow hedges.....	1,167	(1,509)
Sub-total	6,346	(3,768)
Other comprehensive income, net of tax	7,231	(3,017)
Comprehensive income for the period	9,490	11,625
Comprehensive income attributable to:		
Owners of the parent.....	9,471	11,644
Non-controlling interests.....	19	(19)
Comprehensive income for the period.....	9,490	11,625

(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, 2020	68,259	134,707	(34,455)	234,667	(8,807)	(1,007)
Profit for the period	—	—	—	2,216	—	—
Other comprehensive income	—	—	—	—	5,204	1,167
Comprehensive income for the period	—	—	—	2,216	5,204	1,167
Purchase of treasury stock	—	—	(1)	—	—	—
Disposal of treasury stock	—	0	0	—	—	—
Dividends	—	—	—	(5,718)	—	—
Transactions with non-controlling interests	—	4,632	—	—	—	—
Total transactions with owners	—	4,632	(1)	(5,718)	—	—
Balance as of June 30, 2020	68,259	139,339	(34,456)	231,165	(3,603)	160

	Equity attributable to owners of the Company					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		—	—	2,216	43	2,259	
Other comprehensive income		884	7,255	7,255	(24)	7,231	
Comprehensive income for the period		884	7,255	9,471	19	9,490	
Purchase of treasury stock		—	—	(1)	—	(1)	
Disposal of treasury stock		—	—	0	—	0	
Dividends		—	—	(5,718)	—	(5,718)	
Transactions with non-controlling interests		—	—	4,632	(4,632)	—	
Total transactions with owners		—	—	(1,087)	(4,632)	(5,719)	
Balance as of June 30, 2020		1,892	(1,551)	402,756	3,291	406,047	

(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 reserve	Cash flow hedge reserve
Balance as of April 1, 2021	68,259	139,456	(39,166)	265,417	14,541	(676)
Profit for the period	—	—	—	14,659	—	—
Other comprehensive income	—	—	—	—	(2,257)	(1,509)
Comprehensive income for the period	—	—	—	14,659	(2,257)	(1,509)
Purchase of treasury stock	—	(11)	(2,085)	—	—	—
Disposal of treasury stock	—	1	0	—	—	—
Dividends	—	—	—	(8,947)	—	—
Transfer to retained earnings	—	—	—	505	—	—
Total transactions with owners	—	(10)	(2,085)	(8,442)	—	—
Balance as of June 30, 2021	<u>68,259</u>	<u>139,446</u>	<u>(41,251)</u>	<u>271,634</u>	<u>12,284</u>	<u>(2,185)</u>

	Equity attributable to owners of the Company					
	Other components of equity			Total	Non-controlling interests	Total equity
	Net changes in revaluation of equity instruments measured at fair value through other comprehensive income	Subtotal				
Balance as of April 1, 2021		3,310	17,175	451,141	2,857	453,998
Profit for the period		—	—	14,659	(17)	14,642
Other comprehensive income		751	(3,015)	(3,015)	(2)	(3,017)
Comprehensive income for the period		751	(3,015)	11,644	(19)	11,625
Purchase of treasury stock		—	—	(2,096)	—	(2,096)
Disposal of treasury stock		—	—	1	—	1
Dividends		—	—	(8,947)	—	(8,947)
Transfer to retained earnings		(505)	(505)	—	—	—
Total transactions with owners		(505)	(505)	(11,042)	—	(11,042)
Balance as of June 30, 2021		<u>3,556</u>	<u>13,655</u>	<u>451,743</u>	<u>2,838</u>	<u>454,581</u>

(4) Condensed Quarterly Consolidated Statements of Cash Flows

(Amount: millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Cash flows from operating activities:		
Profit before income taxes	3,319	19,603
Depreciation and amortization.....	11,789	10,692
Interest income and dividends income	(409)	(373)
Interest expenses	390	384
Loss (gain) on sale and disposal of property, plant and equipment	(287)	(70)
Decrease (increase) in trade and other receivables.....	24,140	2,558
Decrease (increase) in inventories.....	(24,642)	(24,222)
Increase (decrease) in trade and other payables.....	(6,772)	9,359
Other.....	(3,042)	(5,287)
Subtotal	4,486	12,644
Interest received.....	266	229
Dividends received	152	160
Interest paid.....	(371)	(373)
Income taxes paid.....	(996)	(343)
Net cash flows provided by operating activities	3,537	12,317
Cash flows from investing activities:		
Decrease (increase) in time deposits.....	(744)	(338)
Purchase of property, plant and equipment	(10,985)	(11,952)
Proceeds from sales of property, plant and equipment	639	324
Purchase of intangible assets.....	(367)	(395)
Purchase of securities	(330)	(147)
Proceeds from sale and redemption of securities.....	288	1,816
Purchase of investments in subsidiaries resulting in change in scope of consolidation.....	(22,686)	—
Other.....	77	(39)
Net cash flows used in investing activities	(34,108)	(10,731)
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings	48,239	5,048
Repayments of long-term borrowings.....	(837)	(666)
Acquisition of non-controlling interests.....	(4,620)	—
Proceeds from disposal of treasury stock	—	1
Purchase of treasury stock.....	(1)	(2,096)
Dividends paid	(5,718)	(8,947)
Repayments of lease liabilities.....	(1,101)	(1,187)
Other.....	0	—
Net cash flows used in financing activities	35,962	(7,847)
Effect of exchange rate changes on cash and cash equivalents	795	64
Increase (decrease) in cash and cash equivalents	6,186	(6,197)
Cash and cash equivalents at beginning of period	130,746	165,479
Cash and cash equivalents at end of period	136,932	159,282

(5) Notes on Condensed Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumptions)

Not applicable.

(Change in Accounting Estimate)

(Change of useful lives of property, plant and equipment)

The Group comprehensively reviewed the useful lives of its manufacturing facilities, triggered by the progress of the unification with the business integrated through the business combinations implemented in recent years throughout the Group, the progress made in ascertaining the actual long-term use of existing equipment with a view to future capital investment, and changes in product life cycle conditions in some businesses.

As a result, the useful lives of machinery and equipment in some businesses have been changed in the future from the first quarter of the fiscal year.

Because of this change, operating income and profit before income taxes for the first quarter of the fiscal year have each increased by 1,639 million yen compared to the previous method.

Please refer to “(Segment Information)” for the impact on segment profit (loss).

(Segment Information)

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

(Three months ended June 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	35,507	76,757	56,067	19,064	68	—	187,463
Net sales to other segment	1,166	1,184	8,465	—	394	(11,209)	—
Total	36,673	77,941	64,532	19,604	462	(11,209)	187,463
Segment profit (loss)	7,154	2,322	(74)	(2,816)	(427)	(2,750)	3,409
Finance income	—	—	—	—	—	—	515
Finance expenses	—	—	—	—	—	—	605
Profit before income taxes	—	—	—	—	—	—	3,319

(Three months ended June 30, 2021)

(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	44,090	90,435	76,753	36,869	158	—	248,305
Net sales to other segment	1,868	2,552	7,598	25	489	(12,532)	—
Total	45,958	92,987	84,351	36,894	647	(12,532)	248,305
Segment profit (loss)	10,918	7,886	5,085	(83)	(549)	(3,629)	19,628
Finance income	—	—	—	—	—	—	512
Finance expenses	—	—	—	—	—	—	537
Profit before income taxes	—	—	—	—	—	—	19,603

(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.

*3. Provisional accounting treatments for business combinations 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 first quarter of the previous year.

*4. The changes of reportable segments are as follows.

From the first quarter of the fiscal year, the Company changed its corporate organization to transfer the smart product included in the Electronic devices and components business to the MITSUMI business, the automotive device included in the MITSUMI business to the U-Shin business, and the home security units included in the U-Shin business to the MITSUMI business. Accordingly, segment information has been updated.

The segment information disclosed for the first quarter of the previous year has been prepared based on the classification of reporting segments after the corporate organization change.

*5. As described on “(Change of useful lives of property, plant and equipment)”, useful lives of machinery and equipment have been changed from the first quarter of the fiscal year.

Because of this, segment profit (loss) for the first quarter of the fiscal year has increased by 549 million yen in the Machined components, 511 million yen in the Electronic devices and components, and 579 million yen in the MITSUMI business compared to the previous method.