MinebeaMitsumi
Passion to Create Value through Difference

BRIEF REPORT OF FINANCIAL RESULTS〔IFRS〕(Consolidated)

(Year ended March 31, 2024)

May 10, 2024

Registered
Company Name: MINEBEA MITSUMI Inc. Common Stock Listings: Tokyo
Code No: 6479 URL https://www.minebeamitsumi.com/
Representative: Yoshihisa Kainuma Representative Director & CEO
Contact: Jun Yutani General Manager of Accounting Department
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Date planned to hold ordinary general meeting of shareholders: June 27, 2024
Expected date of payment for dividends: June 28, 2024
Date planned to file report of securities: June 27, 2024
Preparation of supplementary explanation material for financial results : Yes
Holding of presentation meeting for financial results : Yes (For Analyst)

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

1. Business Performance (April 1, 2023 through March 31, 2024)

(1) Consolidated Results of Operations

(%: Changes from previous fiscal year)

	Net sales (millions of yen)	% Change	Operating income (millions of yen)	% Change	Profit before income taxes (millions of yen)	% Change
Year ended March 31, 2024	1,402,127	8.5	73,536	(24.6)	75,545	(18.0)
Year ended March 31, 2023	1,292,203	15.0	97,530	5.9	92,128	1.5

	Profit for the year (millions of yen)	% Change	Profit for the year attributable to owners of the parent (millions of yen)	% Change	Comprehensive income for the year (millions of yen)	% Change
Year ended March 31, 2024	55,246	(24.7)	54,035	(26.1)	102,925	(0.6)
Year ended March 31, 2023	73,321	6.4	73,152	6.1	103,549	(4.1)

	Earnings per share, basic (yen)	Earnings per share, diluted (yen)	Profit to equity attributable to owners of the parent ratio (%)	Profit before income taxes to total assets ratio (%)	Operating income to net sales ratio (%)
Year ended March 31, 2024	133.05	133.04	8.1	5.6	5.2
Year ended March 31, 2023	178.23	177.38	12.5	7.7	7.5

(Reference) Share of profit (loss) of investments accounted for using the equity method:
Year ended March 31, 2024: — million yen
Year ended March 31, 2023: — million yen

(Notes) During the fiscal year ended March 31, 2024, the provisional accounting treatment for business combinations has been finalized. For the figures for the fiscal year ended March 31, 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 (%)	Equity attributable to owners of the parent per share (yen)
As of March 31, 2024	1,416,122	715,724	704,139	49.7	1,741.25
As of March 31, 2023	1,299,828	639,118	629,125	48.4	1,540.53

(Notes) During the fiscal year ended March 31, 2024, the provisional accounting treatment for business combinations has been finalized. For the figures for the fiscal year ended March 31, 2023, the contents of finalization of the provisional accounting treatment has been reflected.

(3) Consolidated Cash Flows

	Cash flows from operating activities (millions of yen)	Cash flows from investing activities (millions of yen)	Cash flows from financing activities (millions of yen)	Year end balance of cash and cash equivalents (millions of yen)
Year ended March 31, 2024	101,759	(76,299)	(30,208)	146,664
Year ended March 31, 2023	44,093	(106,275)	37,875	144,671

2. Dividends

	Dividends per share					Total dividends (for the year) (millions of yen)	Dividends payout ratio (Consolidated)	Dividends on equity (total) (Consolidated)
	End of first quarter (yen)	End of second quarter (yen)	End of third quarter (yen)	Year-end (yen)	For the year (yen)			
Year ended March 31, 2023	—	20.00	—	20.00	40.00	16,424	22.4	2.8
Year ended March 31, 2024	—	20.00	—	20.00	40.00	16,217	30.1	2.4
Year ending March 31, 2025 (Forecast)	—	—	—	—	—		—	

(Notes) Regarding the annual dividends for the fiscal year ending March 31, 2025, we will determine the dividend payout of around 20% on a consolidated basis.

3. Prospect for the Next Fiscal Year (April 1, 2024 through March 31, 2025)

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

	Net sales (millions of yen)	% Change	Operating income (millions of yen)	% Change
Six months ending September 30, 2024	704,000	4.7	42,000	47.4
Year ending March 31, 2025	1,500,000	7.0	100,000	36.0

	Profit for the period attributable to owners of the parent (millions of yen)	% Change	Earnings per share, basic (yen)
Six months ending September 30, 2024	29,000	41.5	71.71
Year ending March 31, 2025	71,000	31.4	175.57

*Notes

(1) Changes in significant subsidiaries during the year (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 policy 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 year (Including treasury stock)
As of March 31, 2024: 427,080,606 shares
As of March 31, 2023: 427,080,606 shares
② Number of treasury shares at the end of year
As of March 31, 2024: 22,694,269 shares
As of March 31, 2023: 18,699,377 shares
③ Average number of shares
As of March 31, 2024: 406,131,156 shares
As of March 31, 2023: 410,445,103 shares

*Brief Report of Financial Results is not subject to an audit 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. Analysis of Operating Performance and Financial Position," "(1) Explanation of Operating Performance") on page 4 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, May 10, 2024.

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1. Analysis of Operating Performance and Financial Position

(1) Explanation of Operating Performance

① Overview of the year

During the consolidated fiscal year, the Japanese economy showed a moderate recovery due to a recovery in capital investment demand and improvements in the employment and income environments. On the other hand, an increase in interest rates pushed down demand. The U.S. economy continued to show resilient movements due to steady personal consumption and increased demand for capital investment and housing investment. In Europe, both domestic and foreign demand were sluggish due to financial tightening and the stagnation of the Chinese economy. However, signs of recovery in personal consumption were observed as the trend of easing inflationary pressures continued. The Chinese economy saw an increase in fixed asset investments in the private sector and infrastructure. However, the real estate market continued to be on a downward trend, and the economy remained sluggish. In Southeast Asia, the economy remained firm, supported by steady domestic demand and a recovery trend in exports.

Working against this backdrop, the MinebeaMitsumi Group (our "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 up 109,924 million yen (8.5%) year on year to 1,402,127 million yen. Operating income was down 23,994 million yen (−24.6%) year on year to 73,536 million yen, profit before income taxes was down 16,583 million yen (−18.0%) year on year to 75,545 million yen, and profit for the year attributable to owners of the parent was down 19,117 million yen (−26.1%) year on year to 54,035 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. During the current consolidated fiscal year, the provisional accounting treatment for the business combination has been finalized. For the Consolidated Financial Statements for the previous year, the contents of finalization of the provisional accounting treatment have been reflected.

Performance by segment is 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 current consolidated 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 current consolidated fiscal year. The segment information disclosed for the previous fiscal 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, but sales of rod-end bearings increased due to a recovery in demand for aircraft-related products.

As a result, net sales were up 14,106 million yen (7.1%) year on year to 211,406 million yen, while operating income was down 4,916 million yen (−11.4%) year on year to 38,035 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, fan motors, automotive motors, and special devices. Sales increased mainly due to an increase in demand for automotive motors.

As a result, net sales were up 3,113 million yen (0.8%) year on year to 369,388 million yen, and operating income was up 10,945 million yen year on year to 11,867 million yen.

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

As a result, net sales were down 35,362 million yen (−6.7%) year on year to 494,717 million yen, and operating income was down 6,194 million yen (−14.9%) year on year to 35,450 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, but operating income declined because in conjunction with the acquisition of Minebea AccessSolutions Inc. the gain on bargain purchase of the company had been included in the previous fiscal year.

As a result, net sales were up 127,409 million yen (65.4%) year on year to 322,108 million yen, and operating income was down 8,760 million yen (−45.2%) year on year to 10,601 million yen.

Software design, development, and machines produced in-house are the main products in our Other business segment. Net sales were up 658 million yen (17.1%) year on year to 4,508 million yen, and operating income was down 680 million yen for an operating loss of 728 million yen.

In addition to the figures noted above, 21,689 million yen in corporate expenses, etc. not belonging to any particular segment is indicated as adjustments. Adjustments in the previous fiscal year came to 7,300 million yen.

② Outlook for the next fiscal year

Our Group has put together the full-year consolidated business forecast below based on currently available information.

(Amount: millions of yen)

Net sales	1,500,000
Operating income	100,000
Profit for the year attributable to owners of the parent	71,000

(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. Our Group will reform its portfolio to increase the weight of its highly profitable core businesses and engage in highly effective M&A, promoting an appropriate and flexible financial strategy.

Growth investments

The cash flow generated will first be applied to R&D and capital investment as funding for organic growth. Our Group will also look into effective M&A using 50% of free cash flow and borrowings while maintaining fiscal discipline keeping the debt-to-equity ratio at 0.2.

Shareholder return

Our Group takes a flexible approach to dividends, aiming for a consolidated payout ratio of around 20% for our full-year dividend based on its policy of enhancing shareholder return. Our Group will promote an appropriate and dynamic financial strategy, with its top priority being to enhance equity efficiency, that reflects its financial standing, stock market trends, and other factors, and improves shareholder return while maintaining a stable and continuous distribution of profits.

Financial base

Ensuring a stable financial base is of paramount importance so that our Group can provide continuous distribution of profits to shareholders. As far as our rating goes, our Group has earned high marks from both Rating and Investment Information, Inc. (R&I) and the Japan Credit Rating Agency (JCR), receiving ratings of A and A+, respectively. Our Group's equity ratio attributable to owners of the parent fluctuates in the short term with M&A, but in the medium to long term, our Group keeps it above 50% in the aim of maintaining a solid financial base.

Our Group is also working to lengthen fund procurement, and as of March 31, 2024, long-term interest-bearing debt (excluding current portion of long-term loans payable) accounted for 59% of bonds and borrowings.

② Assets, Liabilities, and Net Assets

Total assets at the end of the fiscal year under review were 1,416,122 million yen, up 116,294 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 were up 39,688 million yen year on year to 700,398 million yen. The main reason for this was an increase in bonds, and borrowings, trade and other payables.

Equity came to 715,724 million yen, bringing the equity ratio attributable to owners of the parent up 1.3 percentage points from the end of the previous fiscal year to 49.7%.

③ Condition of cash flows

The balance of cash and cash equivalents at the end of the fiscal year under review was up 1,993 million yen year on year to 146,664 million yen.

Cash flows from various business activities during the fiscal year under review and other relevant factors are as follows:

Net cash provided by operating activities amounted to 101,759 million yen (an inflow of 44,093 million yen in the previous fiscal year). This was primarily due to changes in profit before income taxes, depreciation and amortization, and trade and other payables. Net cash used for investing activities amounted to 76,299 million yen (an outflow of

106,275 million yen in the previous fiscal year). This was primarily due to purchase of property, plant and equipment, marketable securities. Net cash used for financing activities amounted to 30,208 million yen (an inflow of 37,875 million yen in the previous fiscal year). This was primarily due to a decrease in short-term borrowings.

(3) Basic Policy for Profit Sharing and Dividends for the Fiscal Year and the Following 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 above basic policy, the Company plans to submit a proposal to the 78th Ordinary General Meeting of Shareholders, which is scheduled to be held in June of this year, for a year-end dividend of 20 yen per share for the current consolidated fiscal year. As the Company has already paid an interim dividend of 20 yen per share, the annual dividends will be 40 yen per share.

Regarding the annual dividends for the following fiscal year, the Company will determine the dividend payout of around 20% on a consolidated basis.

(4) Risk Management

Our Group defines risk as uncertain events that may directly or indirectly impact its operations or business activities and has established a Risk Management Committee, which reports directly to the President and Chief Executive Officer, to properly provide guidance on risk management, of which chief risk management officer is the Representative Director, Chairman CEO. The Risk Management Committee attempts to predict and classify tangible risks, and remains vigilant against such risks. In the unlikely event that an incident occurs, a management headquarters and local countermeasures office will be established according to the severity category of the circumstances as defined in the MinebeaMitsumi Group Basic Rules for Risk Management to respond rapidly and effectively to the situation. Further, the Risk Management Committee has established a system under which, depending on the nature of the risk, a supervisory division can be appointed to handle a situation to draft and implement risk prevention measures. The Risk Management Committee reports to the Board of Directors on matters of risk management.

Based on the identification and assessment of risks by the supervising department and the Risk Management Committee, our Group recognizes a variety of risks and uncertainties, both internal and external, that have the potential to affect its operating results and/or financial position. The main risks and the actions our Group has taken to address them are provided here. The main future risks and responses to them mentioned in this document are those recognized by our Group as of the end of the current fiscal year. Not all risks are covered here. There may be some risks that are unforeseeable at this time.

(External environment)

① Risk related to natural and other disasters

Damages or reduced operations at the operational bases of our Group or its suppliers arising from natural disasters such as typhoons, earthquakes, floods, volcanic eruptions, fires, and other accidents, or the spread of new infectious diseases, could impact our Group's operating results and financial position.

In response, our Group tracks risks using the results of hazard maps, risk surveys, etc. about natural disasters at each base, and implements suppliers mapping, stockpiling, disaster prevention drills, etc. during normal times. Additionally, the headquarters (Risk Management Committee) and each base work closely together to further strengthen the crisis management system.

In addition, in the event of a large-scale natural disaster (including a new infectious disease, etc.), the financial markets could be temporarily disrupted.

To prepare for this, the Group endeavors to keep a long-term funding procurement and to maintain close cooperation with financial institutions that it transacts with in normal times.

② Latent risk related to operations overseas

Our Group has 126 manufacturing and R&D facilities and 101 sales facilities in 28 countries and regions, including regions where there are risks of unexpected changes to laws or regulations, large-scale labor disputes, acts of terrorism, war, or other occurrences that could disrupt social order.

In response, our Group has established crisis management manuals for our overseas bases and are working to enhance our preparation for unexpected situations. At the same time, our Group coordinates closely with the relevant authority in each country and region and work to ensure the safety of the companies and employees in the event of an emergency. In addition, our Group is working on gaining recognition as a community-based company not only from the relevant authorities but also from local residents by actively engaging in social contribution activities in each area.

With a diverse business portfolio and global production bases that complement each other, our Group has established a risk diversification system that can maintain revenue even during environmental changes.

③ Risk associated with exchange rate fluctuation

Sudden and unpredictable fluctuations in the currencies may impact our Group's operating results and financial position because a significant portion of our Group's consolidated net sales and production occur outside Japan. For this reason, our Group has entered into currency exchange contracts based on pre-established rules to hedge against the risk of sudden changes of currency exchange rates in the future.

④ Risk associated with sudden changes in market environment and low-priced competition

The principal markets for our Group's products, including those for PCs and peripheral equipment, information and telecommunications equipment, household electrical appliances, automobiles, and aircraft parts, are intensely competitive both in and outside of the country and are subject to significant fluctuations in demand. A sudden decline in demand or price competition from low-priced products made overseas could impact our Group's operating results and financial position.

For this reason, our Group has established a management strategy of reinforcing core businesses, diversified niches (Eight Spears), and generating synergy through the integration. Under this strategy, our Group strengthens credit management by such means as avoiding the risk of relying too much on individual customers as much as possible and negotiating maintenance activities with suppliers that have questionable credit. At the same time, our Group addresses the risk of changes in the market environment and low-price competition by focusing on creating one-of-a-kind, high value-added products that do not get caught up in price competition.

⑤ Risks related to raw material procurement and logistics

Our Group procures various raw materials from suppliers and outsources the storage and transportation of products to logistics providers. Damages, pandemics, bankruptcies, capacity reductions, strikes, accidents, illegal activities, etc. at suppliers or logistics providers may disrupt our Group's supply and have a significant impact on our Group's production and sales activities.

Our Group has established rules for procurement and logistics divisions as a countermeasure for this risk, and it is working to secure a stable supply chain and reduce risk by diversifying and consolidating suppliers and logistics providers as appropriate. In addition, in order to build healthy partnerships with our suppliers, our Group has established a Basic Procurement Policies. Our Group starts a new business relationship after confirming that the supplier agrees with our Group's thinking on material procurement and is capable of maintaining ongoing trade, observing our Group's procedures and standards related to chemical substances contained in our Group's products, and consenting to the MinebeaMitsumi Group CSR Procurement Guidelines and conducting continuous and stable business.

⑥ Risk related to disputes over intellectual property and flooding of the market with counterfeit products (knock-offs)

There is a risk that a third party may bring a lawsuit against our Group in relation to its products for infringement of intellectual property rights. In addition, were counterfeits of our Group's products to be distributed, it could impact our Group's sales and harm our brand or credibility.

Our Group is responding to these risks as follows. In order to reduce the risk of lawsuits related to infringement of intellectual property rights, our Group researches the intellectual property rights of other companies during the development and design stage and avoids or eliminates intellectual property rights that could present a problem. Furthermore, our Group has registered our Group's trademarks with customs and has established a system for monitoring the distribution of counterfeit products. It also actively acquires intellectual property rights for its newly developed products. The Patent Committee manages and implements the above actions as appropriate.

⑦ Legal risk

As our Group engages in a wide range of business activities in Japan and overseas, serious disputes and lawsuits could potentially arise between it and its customers, consumers, suppliers, competitors, governments and others in relation to contract violations, illegal activities, or other matters.

Our Group has established Guideline for Consultations with the Legal Department in order to prevent serious disputes and lawsuits. Important management matters and contracts requiring legal review must be brought to the Legal Division in Japan and overseas beforehand. In addition, in the event of a serious dispute or lawsuit, the Legal Division and legal advisors will play a central role in coordinating with the related internal departments to resolve the dispute/lawsuit appropriately and in a timely manner. However, lawsuits etc. may affect our Group's operating results and financial position.

⑧ Risk related to environmental laws and regulations

Our Group's business is subject to various environmental laws and regulations that are in effect in the regions where our Group operates. Although our Group pays due attention to ensuring compliance with all such laws and regulations, our Group could be subject to losses in the event that an incident involving environmental contamination were to occur or in the event that the possibility of such an incident were to arise.

For this reason, our Group has established an environmental management system (Environment Management Committee) under the MinebeaMitsumi Group Environmental Policy and assigned environmental managers to promote strict activities to prevent environmental pollution during normal times and address such risk.

Further, policies aimed at achieving a decarbonized society could cause production costs to increase and in turn the need to change raw materials.

As such, while carefully monitoring policy movements, our Group will seek to respond to climate change-related risks and opportunities through support for the TCFD, etc., and take the lead in shifting to a business model ideally suited to a decarbonized society.

⑨ Risk related to M&As and alliances

Our Group has positioned M&A and alliances as one of its most important measures and is promoting them accordingly. However, if the acquired company or alliance partner's business suffers a greater-than-anticipated decline in profitability or deterioration of its financial position due to changes in the market environment, this could impact our Group's operating results and financial position. In addition, there is a risk that they may not generate the initially anticipated effect due to strategies that are in conflict with those of alliance partners.

In order to address such risks, our Group places priority on harmonization of human resources and organizations in M&A and mutual utilization of knowledge in alliances to create synergy.

(Internal environment)

① Risk related to compliance

Our Group engages in a wide range of businesses all around the world and is subject to the laws and regulations that are in effect in each region. As such, there is a possibility of future legal violations, and in addition, changes in laws and regulations as well as the interpretation by authorities, may make compliance more complex and could even incur higher costs related to compliance.

Our Group has established the MinebeaMitsumi Group Code of Conduct for labor, safety and health, environmental protection, and ethical management, and the MinebeaMitsumi Group Officer and Employee Compliance Guidelines which provide specific standards for all officers and employees to observe. To ensure thorough compliance with them, our Group has established a Compliance Committee to build a system for verifying that our Group's legal compliance structure is properly managed. On the practical side, the department in charge stipulated within the MinebeaMitsumi Group Officer and Employee Compliance Guidelines is in charge of complying with laws and regulations in operations and the Internal Auditing Office conducts audits.

Meanwhile, on the internal control side, the Internal Control Promotion Office has primary responsibility for ensuring the reliability of financial reporting. These organizations work to increase the effectiveness of legal compliance throughout the entire Group.

② Risk related to quality problems

Our Group's products are used in applications that require a high degree of precision in the general market and many industrial fields (including products that could affect human health and safety such as automobiles, aircraft, medical devices, etc.). Our Group recognizes that social responsibility our Group bears and have a system in place to ensure our Group's products are of the highest quality. At the same time, our Group has a mission (expectations) to provide customers with environments, health, peace of mind, and safety by selecting primary materials, parts, and secondary materials and engaging in design and development that takes the application into careful consideration. If any of our Group's products were found to be defective and resulted in a serious accident in the market, the suspension of our customers' manufacturing operations, a product recall, etc., our Group could incur significant expenses or lose public confidence, both of which could result in a material adverse effect on its operating results and financial status.

Our Group has implemented the countermeasures below, fully recognizing its social responsibility based on the MinebeaMitsumi Group Quality Policy.

- Thorough action on lessons learned from quality problems (prevention of occurrence and recurrence)
- Investigation and verification in design stage and strengthening of management structure within supply chain
- Thorough familiarization and compliance with various laws and regulations and customer requirements
- Information sharing and deployment of measures through company-wide meetings, on-site audits, etc.

③ Risk related to information security

Through the course of our Group's business operations, our Group obtains large amounts of important information, including personal information. While our Group maintains information security policies that prevent the undesired disclosure as well as unintended use of information, a security breach could occur due to unforeseen circumstances. Addressing such an incident could incur huge losses and expose our Group to the risk of losing public confidence.

To reinforce the Group's information security system, our Group has therefore established the Security Promotion Office, an organization dedicated to implementing cyber security measures.

The Company's Chief Information Security Officer is a director of the Security Promotion Office, and is tasked with improving security measures, formulating and promoting strengthening measures, responding to cyber incidents, and in-house security education. Further, our Group has put in place a system for verifying that its information security system is operating properly, which includes formulating an Information Security Policy and establishing an Information Security Committee. Our Group also implements information security education and administer tests to ensure comprehension, working to prevent information leaks resulting from loss or theft of devices, carelessness, etc.

In addition to the above, our Group updates the network devices, computers, servers, etc. used in our operations by updating to the latest versions that have been confirmed to be stable. This is done as a measure to prevent suspension of operations and information leaks due to computer viruses, malware, unauthorized access and other cyber attacks or system intrusions. Our Group has also installed anti-virus and anti-malware software and introduced 24 hours a day, every day threat detection system to ensure proper operations.

④ Risk related to research and development

Our Group conducts research and development activities that include basic research, development of elemental technology, product development, and production process development so that it can continuously bring new products to market and contribute to the achievement of future sales and revenue targets. However, in the event that our Group were unable to bring our R&D efforts to fruition, or a competitor were to create a superior product to its products, or if technological advances and market demands changed due to the transition to a carbon-free society, this could prevent our Group from achieving future sales and revenue targets, thereby impacting its operating results and financial position.

There are no guarantees that our Group's R&D efforts will come to fruition. This must be considered, so our Group engages in effective and efficient management of R&D project progress and costs in accordance with Research and Development Management Manual.

2. Condition of Group of Enterprises

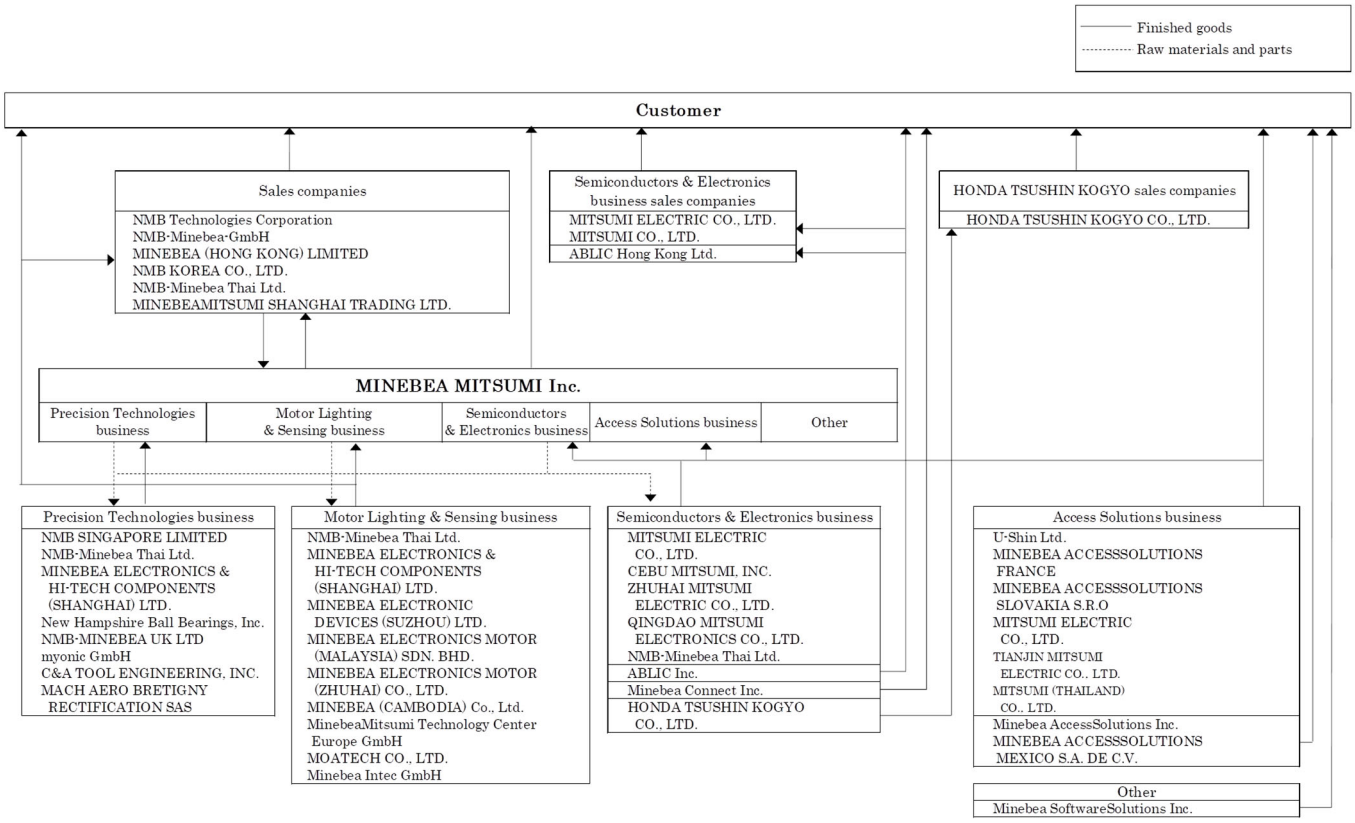
Our Group consists of the Company and 145 subsidiaries. Our Group produces and sells products of Precision Technologies segment, Motor, Lighting & Sensing segment, Semiconductor & Electronics segment, and Access Solutions segment.

The Company along with its domestic consolidated subsidiaries as well as its consolidated subsidiaries in Asia such as China, Thailand, Philippines, Malaysia, Cambodia, South Korea and Singapore, the U.S. and Europe are responsible for production. The Company and its domestic consolidated subsidiaries markets its products directly to customers in Japan, while overseas marketing is handled through its subsidiaries and branches in Asia such as China, Thailand and South Korea, the U.S. and Europe.

Manufacturing and sales companies within each segment

Segments	Main products	Manufacturing companies	Sales companies
Precision Technologies segment	Bearings Rod-end bearings and fasteners Mechanical components	MINEBEA MITSUMI Inc. NMB SINGAPORE LIMITED NMB-Minebea Thai Ltd. MINEBEA ELECTRONICS & HI-TECH COMPONENTS (SHANGHAI) LTD. New Hampshire Ball Bearings, Inc. NMB-MINEBEA UK LTD myonic GmbH C&A TOOL ENGINEERING, INC. MACH AERO BRETIGNY RECTIFICATION SAS	MINEBEA MITSUMI Inc. NMB Technologies Corporation NMB-Minebea-GmbH MINEBEA (HONG KONG) LIMITED NMB KOREA CO., LTD. NMB-Minebea Thai Ltd. MINEBEAMITSUMI SHANGHAI TRADING LTD.
Motor, Lighting & Sensing segment	Electronic devices Motors Sensing devices	MINEBEA MITSUMI Inc. NMB-Minebea Thai Ltd. MINEBEA ELECTRONICS & HI-TECH COMPONENTS (SHANGHAI) LTD. MINEBEA ELECTRONIC DEVICES (SUZHOU) LTD. MINEBEA ELECTRONICS MOTOR (MALAYSIA) SDN.BHD. MINEBEA ELECTRONICS MOTOR (ZHUHAI) CO., LTD. MINEBEA (CAMBODIA) Co., Ltd. MinebeaMitsumi Technology Center Europe GmbH MOATECH CO., LTD. Minebea Intec GmbH	
Semiconductors & Electronics segment	Semiconductor devices Optical devices Mechanical parts	MINEBEA MITSUMI Inc. MITSUMI ELECTRIC CO., LTD. CEBU MITSUMI, INC. ZHUHAI MITSUMI ELECTRIC CO., LTD. QINGDAO MITSUMI ELECTRONICS CO., LTD. NMB-Minebea Thai Ltd. ABLIC Inc. Minebea Connect Inc. HONDA TSUSHIN KOGYO CO., LTD.	MINEBEA MITSUMI Inc. MITSUMI ELECTRIC CO., LTD. MITSUMI CO., LTD. ABLIC Hong Kong Ltd. HONDA TSUSHIN KOGYO CO., LTD.
Access Solutions segment	Automotive components Industrial machinery components	U-Shin Ltd. MINEBEA ACCESSSOLUTIONS FRANCE MINEBEA ACCESSSOLUTIONS SLOVAKIA S.R.O MITSUMI ELECTRIC CO., LTD. TIANJIN MITSUMI ELECTRIC CO., LTD. MITSUMI (THAILAND) CO., LTD. Minebea AccessSolutions Inc. MINEBEA ACCESSSOLUTIONS MEXICO S.A. DE C.V.	MINEBEA MITSUMI Inc. U-Shin Ltd. MINEBEA ACCESSSOLUTIONS FRANCE MINEBEA ACCESSSOLUTIONS SLOVAKIA S.R.O MITSUMI ELECTRIC CO., LTD. MITSUMI (THAILAND) CO., LTD.
Other	Software design, development, system operation	Minebea SoftwareSolutions Inc.	Minebea SoftwareSolutions Inc.

Operational flowchart



3.Basic Rationale for Selection of Accounting Standards

The Group has adopted International Financial Reporting Standard (IFRS) for the purpose of enhancing comparability with the financial information in the capital market and unification of accounting treatment across the Group.

4. Consolidated Financial Statements and Major Notes
(1) Consolidated Statements of Financial Position

(Amount: millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and cash equivalents	144,671	146,664
Trade and other receivables	287,374	308,420
Inventories	263,062	294,921
Other financial assets	10,948	9,706
Other current assets	26,341	32,595
Total current assets	732,396	792,306
Non-current assets		
Property, plant and equipment	451,370	497,870
Goodwill	46,332	47,722
Intangible assets	19,599	19,042
Other financial assets	24,481	34,116
Deferred tax assets	16,607	17,952
Other non-current assets	9,043	7,114
Total non-current assets	567,432	623,816
Total assets	1,299,828	1,416,122

(Continued)

(Amount: millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	172,011	196,542
Bonds and borrowings	183,044	147,238
Other financial liabilities	10,178	12,840
Income taxes payable	7,384	7,981
Provisions	3,944	3,959
Other current liabilities	62,481	65,324
Total current liabilities	439,042	433,884
Non-current liabilities		
Bonds and borrowings	171,287	215,145
Other financial liabilities	17,040	16,391
Net defined benefit liabilities	24,132	24,784
Provisions	1,574	850
Deferred tax liabilities	3,777	3,310
Other non-current liabilities	3,858	6,034
Total non-current liabilities	221,668	266,514
Total liabilities	660,710	700,398
Equity		
Common stock	68,259	68,259
Capital surplus	141,165	141,135
Treasury stock	(42,226)	(51,860)
Retained earnings	378,805	415,318
Other components of equity	83,122	131,287
Total equity attributable to owners of the Company	629,125	704,139
Non-controlling interests	9,993	11,585
Total equity	639,118	715,724
Total liabilities and equity	1,299,828	1,416,122

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

(Amount: millions of yen)

	Year ended March 31, 2023	Year ended March 31, 2024
Net sales	1,292,203	1,402,127
Cost of sales	1,071,668	1,170,774
Gross profit	220,535	231,353
Selling, general and administrative expenses	144,347	162,377
Other income	40,688	6,371
Other expenses	19,346	1,811
Operating income	97,530	73,536
Finance income	2,058	6,471
Finance expenses	7,460	4,462
Profit before income taxes	92,128	75,545
Income taxes	18,807	20,299
Profit for the year	73,321	55,246
Profit for the year attributable to:		
Owners of the Company	73,152	54,035
Non-controlling interests	169	1,211
Profit for the year	73,321	55,246
Earnings per share (EPS)		
Basic (Yen)	178.23	133.05
Diluted (Yen)	177.38	133.04

(Consolidated Statements of Comprehensive Income)

(Amount: millions of yen)

	Year ended March 31, 2023	Year ended March 31, 2024
Profit for the year	73,321	55,246
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	1,644	1,652
Remeasurement of defined benefit plans	(230)	(1,229)
Sub-total	1,414	423
Components of other comprehensive income that will be reclassified to profit or loss, net of tax:		
Foreign exchange differences on translation of foreign operations	25,070	51,914
Cash flow hedges	3,744	(4,658)
Sub-total	28,814	47,256
Other comprehensive income, net of tax	30,228	47,679
Comprehensive income for the year	103,549	102,925
Comprehensive income attributable to:		
Owners of the Company	103,275	100,971
Non-controlling interests	274	1,954
Comprehensive income for the year	103,549	102,925

(3) Consolidated Statements of Changes in Equity

(Amount: millions of yen)

	Equity attributable to owners of the Company					
					Other components of equity	
	Common stock	Capital surplus	Treasury stock	Retained earnings	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	—	—	—	73,152	—	—
Other comprehensive income	—	—	—	—	24,965	3,744
Comprehensive income for the period	—	—	—	73,152	24,965	3,744
Conversion of convertible bonds with warrants	—	1,535	11,735	—	—	—
Purchase of treasury stock	—	(14)	(10,004)	—	—	—
Disposal of treasury stock	—	0	7	—	—	—
Dividends	—	—	—	(15,561)	—	—
Change in scope of consolidation	—	—	—	—	—	—
Transactions with non-controlling interests	—	(458)	—	—	—	—
Transfer to retained earnings	—	—	—	459	—	—
Total transactions with owners	—	1,063	1,738	(15,102)	—	—
Balance as of March 31, 2023	68,259	141,165	(42,226)	378,805	75,318	3,176
Profit for the period	—	—	—	54,035	—	—
Other comprehensive income	—	—	—	—	51,171	(4,658)
Comprehensive income for the period	—	—	—	54,035	51,171	(4,658)
Purchase of treasury stock	—	(30)	(9,646)	—	—	—
Disposal of treasury stock	—	0	12	—	—	—
Dividends	—	—	—	(16,293)	—	—
Transfer to retained earnings	—	—	—	(1,229)	—	—
Total transactions with owners	—	(30)	(9,634)	(17,522)	—	—
Balance as of March 31, 2024	68,259	141,135	(51,860)	415,318	126,489	(1,482)

(Continued)

(Amount: millions of yen)

	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	—	—	—	73,152	169	73,321
Other comprehensive income	1,644	(230)	30,123	30,123	105	30,228
Comprehensive income for the period	1,644	(230)	30,123	103,275	274	103,549
Conversion of convertible bonds with warrants	—	—	—	13,270	—	13,270
Purchase of treasury stock	—	—	—	(10,018)	—	(10,018)
Disposal of treasury stock	—	—	—	7	—	7
Dividends	—	—	—	(15,561)	—	(15,561)
Change in scope of consolidation	—	—	—	—	8,710	8,710
Transactions with non-controlling interests	—	—	—	(458)	(1,816)	(2,274)
Transfer to retained earnings	(689)	230	(459)	—	—	—
Total transactions with owners	(689)	230	(459)	(12,760)	6,894	(5,866)
Balance as of March 31, 2023	4,628	—	83,122	629,125	9,993	639,118
Profit for the period	—	—	—	54,035	1,211	55,246
Other comprehensive income	1,652	(1,229)	46,936	46,936	743	47,679
Comprehensive income for the period	1,652	(1,229)	46,936	100,971	1,954	102,925
Purchase of treasury stock	—	—	—	(9,676)	—	(9,676)
Disposal of treasury stock	—	—	—	12	—	12
Dividends	—	—	—	(16,293)	(362)	(16,655)
Transfer to retained earnings	—	1,229	1,229	—	—	—
Total transactions with owners	—	1,229	1,229	(25,957)	(362)	(26,319)
Balance as of March 31, 2024	6,280	—	131,287	704,139	11,585	715,724

(4) Consolidated Statements of Cash Flows

(Amount: millions of yen)

	Year ended March 31, 2023	Year ended March 31, 2024
Cash flows from operating activities:		
Profit before income taxes	92,128	75,545
Depreciation and amortization	53,022	58,359
Impairment loss	11,066	—
Gain on bargain purchase	(23,719)	(160)
Interest income and dividends income	(1,947)	(3,037)
Interest expenses	2,743	4,295
Net loss (gain) on sale and disposal of property, plant and equipment	(12,366)	(2,990)
Decrease (increase) in trade and other receivables	(7,705)	(5,389)
Decrease (increase) in inventories	(10,854)	(7,853)
Increase (decrease) in trade and other payables	(23,887)	13,528
Other	(11,919)	(9,077)
Sub-total	66,562	123,221
Interest received	1,644	2,741
Dividends received	351	318
Interest paid	(2,525)	(4,418)
Income taxes paid	(21,939)	(20,103)
Net cash flows provided by operating activities	44,093	101,759
Cash flows from investing activities:		
Net decrease (increase) in time deposits	12,627	1,382
Purchase of property, plant and equipment	(134,449)	(77,578)
Proceeds from sale of property, plant and equipment	26,305	7,926
Purchase of intangible assets	(2,268)	(2,058)
Purchase of securities	(1,103)	(12,718)
Proceeds from sale and redemption of securities	2,349	2,473
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	(10,213)	(1,688)
Proceeds from government grants	—	2,517
Other	477	489
Net cash flows used in investing activities	(106,275)	(76,299)

(Continued)

(Amount: millions of yen)

	Year ended March 31, 2023	Year ended March 31, 2024
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	5,843	(37,189)
Proceeds from long-term borrowings	50,503	51,500
Repayments of long-term borrowings	(8,975)	(11,071)
Proceeds from issuance of bonds	25,000	—
Repayments of bonds	—	(26)
Acquisition of non-controlling interests	(2,274)	—
Proceeds from disposal of treasury stock	3	0
Purchase of treasury stock	(10,018)	(9,676)
Dividends paid	(15,561)	(16,293)
Dividends paid to non-controlling interests	—	(362)
Repayments of lease liabilities	(6,646)	(7,091)
Net cash flows provided by (used in) financing activities	37,875	(30,208)
Effect of exchange rate changes on cash and cash equivalents	5,390	6,741
Net increase (decrease) in cash and cash equivalents	(18,917)	1,993
Cash and cash equivalents at beginning of year	163,588	144,671
Cash and cash equivalents at end of year	144,671	146,664

(5) Notes on Consolidated Financial Statements

(Notes on Going Concern Assumptions)

Not applicable.

(Change in Accounting Policy)

The accounting policies applied in the fiscal 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
IAS 12	Income taxes	Amendments requiring disclosures of an entity's exposure to income taxes resulting from tax legislation enacted or substantially enacted to introduce the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD)

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

(Segment Information)

(1) Summary of reportable segments

Our group's reportable segments are segments which separate financial information is available and subject to periodical reviews and in order for the Company's Board of Directors to determine the distribution of management resources and evaluate performance.

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 current consolidated fiscal year. This change in the name of reportable segments has no impact on segment information. The segment information disclosed for the previous year has also been presented using the name after the change.

The Company established business divisions by product in key business centers, therein Precision Technologies Headquarters supervises the production of machined components, while Motor, Lighting & Sensing Headquarters oversees the manufacture of small-sized motors, electronic devices and components, and optical products, etc., Semiconductor & Electronics Headquarters is responsible for the production of semiconductor devices, optical devices, mechanical components, etc., and Access Solutions Headquarters is responsible for the production of automotive components and industrial equipment components and formulates comprehensive business strategies to be implemented for both domestic and foreign operations. Therefore, our Group have four reportable segments consisting of "Precision Technologies", "Motor, Lighting & Sensing", "Semiconductors & Electronics" and "Access Solutions". There are no reportable segments that aggregate business segments.

Our Group's core products in the "Precision Technologies segment" are mechanical parts, such as ball bearings, rod-end bearings, pivot assemblies of HDDs, etc. as well as fasteners for aircraft. The "Motor, Lighting & Sensing segment" includes electronic devices (devices such as LED backlights for LCDs, sensing devices (measuring components), etc.), HDD spindle motors, stepping motors, DC motors, fan motors, automotive motors and special devices. The staple products of "Semiconductor & Electronics segment" include semiconductor devices, optical devices, mechanical parts, power supply components, smart product, etc. The main products of "Access Solutions segment" are automotive components, such as key sets, door latches, door handles, etc. as well as industrial equipment components.

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".

As a result of the change in the corporate organization, some classification in "Other" and "Adjustments" have changed from the current consolidated fiscal year. The segment information for the previous consolidated fiscal year and the current consolidated fiscal year have been prepared based on the classification of reporting segments after the corporate organization change.

(2) Reportable segments information

Reportable segment earnings are operating income-based figures.

Net sales to other segment are calculated based on invoice prices－the comprehensive judgment made after having considered factors including market prices and manufacturing costs.

(Year ended March 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 sale to customers	197,300	366,275	530,079	194,699	3,850	—	1,292,203
Net sale to other segment	6,750	8,329	22,777	61	4,421	(42,338)	—
Total	204,050	374,604	552,856	194,760	8,271	(42,338)	1,292,203
Segment profit (loss)	42,951	922	41,644	19,361	(48)	(7,300)	97,530
Finance income	—	—	—	—	—	—	2,058
Finance expenses	—	—	—	—	—	—	7,460
Profit before income taxes	—	—	—	—	—	—	92,128
(Other income and expenses)							
Depreciation	8,651	15,737	15,125	5,482	125	7,902	53,022
Gain on bargain purchase	—	—	857	22,862	—	—	23,719
Impairment loss	113	5,212	2,496	3,245	—	—	11,066
Segment assets	190,153	230,562	284,098	184,234	3,569	407,212	1,299,828
(Other assets)							
Capital expenditures	17,021	17,026	28,335	4,755	(3)	79,906	147,040

(Year ended March 31, 2024) (Amount: millions of yen)

	Reportable segment				Other *1	Adjustments *2	Consolidated
	Precision Technologies	Motor, Lighting & Sensing	Semiconductors & Electronics	Access Solutions			
Net sales							
Net sale to customers	211,406	369,388	494,717	322,108	4,508	—	1,402,127
Net sale to other segment	6,710	8,021	23,001	178	2,655	(40,565)	—
Total	218,116	377,409	517,718	322,286	7,163	(40,565)	1,402,127
Segment profit (loss)	38,035	11,867	35,450	10,601	(728)	(21,689)	73,536
Finance income	—	—	—	—	—	—	6,471
Finance expenses	—	—	—	—	—	—	4,462
Profit before income taxes	—	—	—	—	—	—	75,545
(Other income and expenses)							
Depreciation	9,524	15,505	16,193	8,145	137	8,855	58,359
Gain on bargain purchase	160	—	—	—	—	—	160
Impairment loss	—	—	—	—	—	—	—
Segment assets	219,691	253,495	303,602	203,418	4,014	431,902	1,416,122
(Other assets)							
Capital expenditures	10,214	18,818	31,401	11,248	150	11,739	83,570

(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.

① Adjustments to segment income (loss) include corporate expenses such as selling, general & administrative expenses in addition to research and development costs that do not belong to the reportable segments (−7,300 million yen last fiscal year, −21,689 million this fiscal year).

② Adjustments to segment assets include assets of cash and cash equivalents, tangible fixed assets and deferred tax assets, etc. related to administrative divisions that do not belong to the reportable segments (407,212 million yen last fiscal year, 431,902 million yen this fiscal year).

③ The major part of the adjustments in depreciation is depreciation of equipment related to the administrative division, which does not belong to the reportable segments.

④ The major part of the adjustments related to capital expenditures is capital investments in equipment related to the administrative division, which does not belong to the reportable segments.

*3. During the current consolidated fiscal year, the provisional accounting treatment for the business combination has been finalized. For the figures related to the previous consolidated fiscal year, the contents of finalization of the provisional accounting treatment have been reflected.

(Per Share Data)

(1) Basic and diluted earnings per share

	Year ended March 31, 2023	Year ended March 31, 2024
Earnings per share, basic (yen)	178.23	133.05
Earnings per share, diluted (yen)	177.38	133.04

(2) Basis of calculation for basic and diluted earnings per share

	Year ended March 31, 2023	Year ended March 31, 2024
Profit for the year used for the calculation of basic and diluted earnings per share		
Profit for the year attributable to owners of the parent (millions of yen)	73,152	54,035
Adjustments	—	—
Profit for the year used for the calculation of diluted earnings per share (millions of yen)	73,152	54,035
Average number of common share used for the calculation of basic and diluted earnings per share		
Average number of common shares used for the calculation of basic earnings per share (shares)	410,445,103	406,131,156
Effect of dilutive potential common shares due to convertible bonds with warrants (shares)	1,922,405	—
Effect of dilutive potential common shares due to warrants (shares)	25,989	25,990
Average number of common shares used for the calculation of diluted earnings per share (shares)	412,393,497	406,157,146

(Subsequent Events)

Not applicable.