Minebea
Passion to Exceed Precision

FASF MEMBERSHIP

FIRST QUARTER BRIEF REPORT OF FINANCIAL RESULTS
〔under Japanese GAAP〕 (Consolidated)
(Year ending March 31 , 2016)

July 31, 2015

Registered
Company Name: MINEBEA CO., LTD. Common Stock Listings: Tokyo and Nagoya
Code No: 6479 URL: http://www.minebea.co.jp/
Representative: Yoshihisa Kainuma Representative Director, President and Chief Executive Officer
Contact: Satoshi Yoneda Executive Officer, General Manager of Accounting Department
Quarterly report filing date: August 12, 2015 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 omitted.)

1. Business performance (April 1, 2015 through June 30, 2015)

(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	Ordinary income (millions of yen)	% Change
Three months ended June 30, 2015	127,391	28.0	12,512	18.9	12,872	22.9
Three months ended June 30, 2014	99,531	16.7	10,524	197.5	10,473	241.3

	Net income attributable to owners of the parent (millions of yen)	% Change	Net income per share (yen)	Diluted net income per share (yen)
Three months ended June 30, 2015	10,058	47.2	26.90	25.54
Three months ended June 30, 2014	6,831	139.5	18.29	17.37

(Notes) Comprehensive Income: Three months ended June 30, 2015: 11,501 million yen 139.5%
Three months ended June 30, 2014: 4,801 million yen (15.0)%

(2) Consolidated Financial Position

	Total assets (millions of yen)	Net assets (millions of yen)	Equity ratio (%)	Net assets per share (yen)
As of June 30, 2015	490,517	243,210	48.0	630.11
As of March 31, 2015	490,043	233,679	46.1	604.83

(Reference) Shareholders' equity: As of June 30, 2015: 235,614 million yen
As of March 31, 2015: 226,138 million yen

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 March 31, 2015	—	6.00	—	6.00	12.00
Year ended March 31, 2016	—				
Year ended March 31, 2016 (Forecast)		10.00	—	—	—

(Notes) Changes from the latest dividend forecast: Yes
Regarding the annual dividend for the fiscal year ending March 31, 2016, we will strive to increase the specific level of dividend payout of around 20% on a consolidated basis.

3. Prospect for the next fiscal year (April 1, 2015 through March 31, 2016)

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

	Net sales (millions of yen)	% Change	Operating income (millions of yen)	% Change	Ordinary income (millions of yen)	% Change
Six months ended Sep. 30, 2015	294,500	36.0	28,900	16.7	28,400	15.3
Year ended March 31, 2016	650,000	29.8	67,500	12.3	66,500	10.6

	Net income attributable to owners of the parent (millions of yen)	% Change	Net income per share (yen)
Six months ended Sep. 30, 2015	22,200	24.6	59.37
Year ended March 31, 2016	50,000	25.4	133.72

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

* Notes

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

(2) Application of accounting peculiar to preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policy, changes in accounting estimates, and restatements

1. Changes in accounting policy associated with revision of accounting standards, etc: Yes
2. Change in accounting policy other than 1: Yes
3. Changes in accounting estimates: Yes
4. Restatements: None

(Notes) Changes subject to Article 10 (5) of the Ordinance on Terminology, Forms and Preparation Methods of Quarterly Consolidated Financial Statements. For details, please refer to "(2) Changes in accounting policy, changes in accounting estimates, and restatements" under "2. Other summary information" on page 6.

(4) Number of shares outstanding (Common stock)

1. Number of shares outstanding at end of period (Including treasury stock)
   As of June 30, 2015: 399,167,695 shares
   As of March 31, 2015: 399,167,695 shares
2. Number of treasury shares at end of period
   As of June 30, 2015: 25,242,412 shares
   As of March 31, 2015: 25,281,915 shares
3. Average number of shares (Quarterly cumulative period)
   Three months ended June 30, 2015: 373,912,996 shares
   Three months ended June 30, 2014: 373,568,542 shares

* Explanation for implementation of the quarterly review presentations

When disclosing this Quarter Brief Report of Financial Results, the review procedures for quarterly financial statements under the Financial Instruments and Exchange Law have not been brought to completion.

* 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 this 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 the Minebea corporate website (http://www.minebea.co.jp/) on Friday, July 31, 2015.

Index

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

(1) Explanation of Operating Results

The global economy overall continued to bounce back during the first quarter under review (April 1, 2015 to June 30, 2015). The U.S. saw employment conditions improve while consumer spending remained upbeat despite the appreciation of the U.S. dollar and low crude oil prices which put a damper on some industries and local economies. Despite a rising tide of exports that were buoyed by the weak euro, the economic recovery in Europe remained modest due in part to concerns over the Ukrainian political crisis and Greek sovereign debt crisis. The growth of many Asian economies, like China, slowed down while robust corporate earnings kept the Japanese economy on track to gradual recovery despite a temporary lag in exports, production, and consumer spending.

Working against this backdrop, the Minebea Group has been focusing on cutting costs, creating high-value-added products, developing new technologies, and honing its marketing approach in order to boost profitability further.

As a result, net sales increased by 27,860 million yen (28.0%) year on year to reach 127,391 million yen. Operating income rose 1,988 million yen (18.9%) year on year to total 12,512 million yen, and ordinary income was up 2,399 million yen (22.9%) year on year at 12,872 million yen. Net income attributable to owners of the parent also increased 3,227 million yen (47.2%) year on year to reach 10,058 million yen.

Performance by segment was as follows:

Commencing with this current first quarter consolidated accounting period, Minebea has made some organizational changes, including incorporating its in-house manufacturing division into the Electronic devices and components manufacturing headquarters. Due to these changes, the segment information has also been changed.

Segment information for last fiscal year's first quarter is disclosed using the new classification for reportable business segments implemented subsequent to the structural reorganization.

Products in our Machined components business segment include our mainstay 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 automobiles and aircraft. Growing demand fueled sales of ball bearings, our anchor product line, in every market. Sales were particularly robust in the automobile market where demand for energy-efficient models equipped with safety devices soared. Sales of rod-end bearings used in aircraft were also upbeat. Pivot assembly sales declined due to the negative impact of inventory adjustments in the HDD market.

In the end, net sales for the first quarter were up 4,372 million yen (11.9%) year on year to total 40,974 million yen. Operating income was also up 402 million yen (4.2%) year on year, totaling out at 9,956 million yen.

The core products of our Electronic devices and components business include electronic devices (LED backlights for LCDs and measuring components, etc.), HDD spindle motors, stepping motors, DC motors, fan motors, precision motors, and special devices. Sales of LED backlights for LCDs soared this quarter. This increase was due to the ongoing surge in demand for Minebea products offering a technological advantage in thin smartphones amid the current market shift to high-end products. Sales of measuring components also rose substantially due partly to the acquisition of the Sartorius Mechatronics T&H Group in the previous fiscal year. While inventory adjustments in the HDD market put a dent in HDD spindle motor sales, sales of other motors including stepping motors increased.

All these factors combined brought net sales for the quarter up 23,419 million yen (37.2%) year on year to total 86,311 million yen. Operating income soared by 2,370 million yen (73.2%) year on year to reach 5,608 million yen.

Net sales for the first quarter in our Other business segment, which includes machines produced in-house, were up 69 million yen (189.7%) year on year to total 105 million yen. The segment posted an operating loss of 41 million yen, bringing operating income down 107 million yen year on year.

In addition to the figures noted above, 3,010 million yen in corporate expenses, etc. not belonging to any particular segment has been recorded as adjustments. Adjustments for the first quarter of last fiscal year amounted to 2,334 million yen.

(2) Explanation of Financial Position

The Minebea Group sees “strengthening our financial position” as a top priority and is taking various steps toward that end. We have been reducing total assets and interest-bearing debts as well as cutting back on capital investments. Over the past few years, however, we have been making aggressive capital investments to enhance our business performance.

Total assets at the end of the first quarter amounted to 490,517 million yen, up 474 million yen compared to the end of the previous fiscal year. Total liabilities amounted to 247,306 million yen, down 9,057 million yen below what it was at the end of the previous fiscal year. This decline was primarily due to decreases in notes and accounts payable. Net assets totaled 234,210 million yen, up 9,531 million yen over what it was at the end of the previous fiscal year while the equity ratio rose 1.9 percentage points above what it was at the end of the last fiscal year to reach 48.0%.

(Cash flow)

The balance of cash and cash equivalents at the end of the first quarter was 29,302 million yen, down 6,835 million yen from what it was at the end of the previous fiscal year but up 2,275 million yen on a year-on-year basis.

Cash flows from various business activities during the current first quarter and relevant factors are as follows:

Net cash provided by operating activities amounted to 10,606 million yen, up 2,384 million yen year on year due to income before income taxes, decreases in notes and accounts receivable, notes and accounts payable, and increase in inventories, depreciation and amortization costs, etc. Net cash used for investment activities increased 9,373 million yen year on year, to total 13,465 million yen due primarily to the acquisition of tangible fixed assets. Net cash used for financing activities declined 1,701 million yen year on year due to a cash outflow of 4,151 million yen for the repayment of short-term loans as well as dividend payments, etc.

(3) Explanation of Consolidated Forecast and Other Forecasts

The Japanese and U.S. economies are likely to remain on an upward trajectory for the rest of this fiscal year. Eurozone countries are also expected to see economic growth as Greece begins to see the light at the end of its debt crisis tunnel. It’s still too early to tell how China's slowing economic growth and soon-to-be increased U.S. interest rates will affect the global economy.

Given this backdrop, we have decided to revise our consolidated forecast for the first six-month based on our best estimate of the total impact current market conditions will have on our operations. No revision has been made to the forecasts for the third quarter and onward. Consolidated business forecasts for the first six-month period and for the entire fiscal year have been revised as follows.

	Six-month period		Full year	
Net sales	294,500 million yen	(136.0%)	650,000 million yen	(129.8%)
Operating income	28,900 million yen	(116.7%)	67,500 million yen	(112.3%)
Ordinary income	28,400 million yen	(115.3%)	66,500 million yen	(110.6%)
Net income attributable to owners of the parent	22,200 million yen	(124.6%)	50,000 million yen	(125.4%)

(%): Year-on-year change

Our dividend forecast is based on our basic dividend policy that gives priority to enhancing equity efficiency and improving returns to our shareholders. Dividends are calculated to reflect performance in light of the overall business environment as we aim to maintain a stable and continuous distribution of profits. Working in line with our basic policy and in consideration of good performance projections for this fiscal year, we have increased the interim dividend by 4 yen to make it 10 yen per share.

We have also announced that we will work to distribute a higher year-end dividend this fiscal year with an aim to increasing the consolidated-basis dividend payout ratio to around 20%. This payout ratio will be used to finalize the dividend.

2. Other summary information

(1) Summary of changes to major subsidiaries during the quarter

Not applicable.

(2) Changes in accounting policy, changes in accounting estimates, and restatements

Changes in accounting policy

(Adoption of accounting standard for business combinations, etc.)

Revised Accounting Standard for Business Combinations (ASBJ Statement No. 21, September 13, 2013), Revised Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22, September 13, 2013), Revised Accounting Standard for Business Divestitures (ASBJ Statement No. 7, September 13, 2013) and others have been applied effective from the first quarter of the fiscal year ending March 31, 2016. As a result, any change resulting from the Company's ownership interests in its subsidiary when the Company retains control over the subsidiary is accounted for as capital surplus, and acquisition related costs are expensed in the year in which the costs are incurred. For any business combinations on or after the beginning of the current first quarter, subsequent measurement of the provisional amount recognized based on the purchase price allocation due to the completion of accounting for the business combination are reflected in the quarterly consolidated financial statements for the period to which the date of that business combination occurs. In addition, the presentation method of net income was amended as well as "minority interests" to "non-controlling interests." To reflect these changes in presentation, adjustments have been made to the consolidated financial statements for the previous first quarter and the previous fiscal year presented herein.

The aforementioned accounting standards are adopted as of the beginning of the current first quarter and thereafter, according to the transitional treatment provided for in paragraph 58-2 (4) of the Accounting Standard for Business Combinations, paragraph 44-5 (4) of the Consolidated Accounting Standard and paragraph 57-4 (4) of the Accounting Standard for Business Divestitures.

There is no effect of these changes on the quarterly consolidated financial statements for the current first quarter.

(Changes in the accounting method of significant hedge transactions)

The Company adopted the allocation method to account for the forward exchange contracts for foreign currency-denominated receivables and payables, and the deferred hedge method to account for the forward exchange contracts for foreign currency-denominated anticipated transactions. However, as a result of the change in the hedge policy, etc. adopted by the Company, the accounting method of significant hedge transactions has been changed to the deferred hedge accounting since the start of the first quarter of this current fiscal year, aiming at more accurately presenting the status of foreign currency-denominated receivables and payables as well as derivatives transactions.

The said changes in the accounting method have minor impacts on the financial results of the past accounting periods, and as such, no restatements have been made for the past accounting periods.

In addition, there are very minor impacts of the said changes on the profit and loss of the current quarterly consolidated statement of operations.

Change in accounting policy which is difficult to distinguish from the change in accounting estimates

(Change in the depreciation method of buildings)

The Company and consolidated domestic subsidiaries adopted the declining balance method primarily for the depreciation method of buildings; however, the Company has adopted the straight-line method since the first quarter of the current fiscal year.

This change has been adopted based on our decision that the straight-line depreciation method can account for the current economic situation of the Company more accurately and adequately than the declining balance method as a result of reviewing the depreciation methods. When the Company acquired its Headquarters building, and the constructions of the Matsuida Plant as well as the Kashiwazaki Plant, the Company came up with the conclusion that the straight-line depreciation method is appropriate for such buildings that are to be used stably for a long-period of time, irrespective of the profitability and operational situation of the facilities so that the benefits of utilization shall be realized in proportion to the lapse of time.

Due to the change, depreciation and amortization costs decreased in the first quarter of the current fiscal year, while quarterly operating income, ordinary income and income before income taxes increased 90 million yen, respectively, as compared with the corresponding quarter of the previous fiscal year.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Amount: millions of yen)

	As of March 31, 2015	As of June 30, 2015
ASSETS		
Current assets	265,185	260,751
Cash and cash equivalents	45,327	39,084
Notes and accounts receivable	110,518	107,188
Marketable securities	1,487	1,924
Finished goods	36,900	37,689
Work in process	22,620	23,083
Raw materials	17,381	17,827
Supplies	5,162	5,226
Goods in transit	10,097	10,671
Deferred tax assets	3,631	2,845
Other	12,233	15,392
Allowance for doubtful receivables	(175)	(182)
Fixed assets	224,834	229,746
Tangible fixed assets	192,597	197,302
Buildings and structures	149,865	153,689
Machinery and transportation equipment	329,876	329,738
Tools, furniture and fixtures	55,742	55,238
Land	26,586	26,482
Leased assets	881	1,258
Construction in progress	9,035	12,769
Accumulated depreciation	(379,389)	(381,875)
Intangible fixed assets	12,152	12,028
Goodwill	6,539	6,227
Other	5,613	5,801
Investments and other assets	20,083	20,415
Investments in securities	10,929	11,218
Long-term loans receivable	330	404
Deferred tax assets	6,666	6,611
Other	2,893	2,931
Allowance for doubtful receivables	(735)	(750)
Deferred charges	23	20
Total assets	490,043	490,517

(Amount: millions of yen)

	As of March 31, 2015	As of June 30, 2015
LIABILITIES		
Current liabilities	167,620	159,663
Notes and accounts payable	59,906	53,074
Short-term loans payable	46,656	45,335
Current portion of long-term loans payable	20,100	20,100
Lease obligations	172	263
Accrued income taxes	8,219	7,096
Accrued bonuses	6,251	5,599
Allowance for bonuses to directors	201	60
Allowance for after-care of products	345	332
Allowance for environmental remediation expenses	410	606
Allowance for business restructuring losses	587	241
Other	24,768	26,953
Long-term liabilities	88,743	87,643
Bonds	10,000	10,000
Convertible bond-type bonds with subscription rights to shares	7,700	7,700
Long-term loans payable	54,005	53,355
Lease obligations	205	291
Allowance for retirement benefits to executive officers	182	151
Allowance for environmental remediation expenses	650	493
Net defined benefit liability	12,975	12,446
Other	3,024	3,205
Total liabilities	256,363	247,306
NET ASSETS		
Shareholders' equity	248,820	256,901
Common stock	68,258	68,258
Capital surplus	95,237	95,304
Retained earnings	94,730	102,733
Treasury stock	(9,406)	(9,394)
Total accumulated other comprehensive income	(22,682)	(21,287)
Difference on revaluation of available-for-sale securities	1,677	2,126
Deferred gains or losses on hedges	(2)	12
Foreign currency translation adjustments	(21,144)	(20,851)
Remeasurements of defined benefit plans	(3,213)	(2,574)
Subscription rights to shares	127	134
Non-controlling interests	7,413	7,461
Total net assets	233,679	243,210
Total liabilities and net assets	490,043	490,517

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

(Quarterly Consolidated Statements of Income)

(Three months ended June 30, 2015)

(Amount: millions of yen)

	Three months ended June 30, 2014	Three months ended June 30, 2015
Net sales	99,531	127,391
Cost of sales	75,241	97,918
Gross profit	24,290	29,472
Selling, general and administrative expenses	13,765	16,960
Operating income	10,524	12,512
Other income	736	1,109
Interest income	145	157
Dividends income	81	69
Foreign currency exchange gains	66	473
Dividends income of insurance	206	194
Other	234	215
Other expenses	787	749
Interest expenses	392	323
Other	395	425
Ordinary income	10,473	12,872
Extraordinary income	155	600
Gain on sales of fixed assets	10	12
Insurance income	25	504
Gain on liquidation of affiliates	—	83
Gain on sales of subsidiaries and affiliates' stocks	119	—
Extraordinary loss	1,726	415
Loss on sales of fixed assets	11	10
Loss on disposal of fixed assets	71	48
Impairment loss	67	—
Loss on disaster	—	137
Loss on sales of subsidiaries and affiliates' stocks	1,261	—
Business restructuring losses	302	60
Loss on abolishment of retirement benefit plan	—	4
Allowance for environmental remediation expenses	12	154
Income before income taxes	8,901	13,058
Income taxes		
Income taxes (including enterprise tax)	1,384	2,246
Adjustment of income taxes	703	664
Total income taxes	2,087	2,911
Net income	6,814	10,146
Net income (loss) attributable to non-controlling interests	(17)	88
Net income attributable to owners of the parent	6,831	10,058

(Quarterly Consolidated Statements of Comprehensive Income)
(Three months ended June 30, 2015)

(Amount: millions of yen)

	Three months ended June 30, 2014	Three months ended June 30, 2015
Net income	6,814	10,146
Other comprehensive income:		
Difference on revaluation of available-for-sale securities	154	446
Deferred gains or losses on hedges	5	14
Foreign currency translation adjustments	(2,168)	226
Remeasurements of defined benefit plans	119	638
Share of other comprehensive income of associates accounted for using equity method	(123)	29
Total other comprehensive income	(2,012)	1,354
Total comprehensive income	4,801	11,501
Comprehensive income attributable to:		
Owners of the parent	4,980	11,453
Non-controlling interests	(179)	48

(3) Quarterly Consolidated Statements of Cash Flows

(Amount: millions of yen)

	Three months ended June 30, 2014	Three months ended June 30, 2015
1. Cash flows from operating activities:		
Income before income taxes	8,901	13,058
Depreciation and amortization	5,940	7,494
Impairment loss	69	—
Amortization of goodwill	144	214
Loss on disaster	—	137
Loss on abolishment of retirement benefit plan	—	4
Insurance income	(25)	(504)
Interest and dividends income	(227)	(226)
Interest expenses	392	323
Loss (gain) on sales of fixed assets	1	(1)
Loss on disposal of fixed assets	71	48
Loss (gain) on sales of stocks of subsidiaries and affiliates	1,141	—
Loss (gain) on liquidation of affiliates	—	(83)
Decrease (increase) in notes and accounts receivable	(8,143)	4,391
Decrease (increase) in inventories	(5,376)	(1,709)
Increase (decrease) in notes and accounts payable	7,005	(6,523)
Increase (decrease) in allowance for doubtful receivables	(6)	(5)
Increase (decrease) in accrued bonuses	(431)	(626)
Increase (decrease) in allowance for bonuses to directors	(163)	(141)
Increase (decrease) in net defined benefit liability	(164)	(234)
Increase (decrease) in allowance for retirement benefits to executive officers	(14)	(31)
Increase (decrease) in allowance for after-care of products	—	(13)
Increase (decrease) in allowance for environmental remediation expenses	(151)	18
Increase (decrease) in allowance for business restructuring losses	89	(351)
Other	283	648
Sub-total	9,335	15,885
Interest and dividends received	221	221
Interest paid	(297)	(242)
Income taxes paid	(1,037)	(3,371)
Proceeds from income taxes refund	—	177
Payments related to Anti-Monopoly Act	—	(2,164)
Proceeds from insurance income	—	101
Net cash provided by operating activities	8,222	10,606
2. Cash flows from investing activities:		
Payments into time deposits	(1,740)	(3,079)
Proceeds from withdrawal of time deposits	2,296	2,640
Purchase of marketable securities	(100)	—
Proceeds from sales of marketable securities	—	34
Purchase of tangible fixed assets	(6,964)	(12,714)
Proceeds from sales of tangible fixed assets	163	72
Purchase of intangible fixed assets	(120)	(309)
Purchase of investments in securities	(0)	(411)
Proceeds from sales of investments in securities	25	1
Proceeds from redemption of investment securities	—	393
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	49	—
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	1,261	—
Proceeds from sales of stocks of subsidiaries and affiliates	977	—
Payments for loans provided	(4)	(100)
Proceeds from collection of loans receivables	30	36
Other	32	(27)
Net cash used in investing activities	(4,092)	(13,465)

(Amount: millions of yen)

	Three months ended June 30, 2014	Three months ended June 30, 2015
3. Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable	(3,981)	(1,288)
Repayment of long-term loans	—	(650)
Purchase of treasury stock	(2)	(0)
Proceeds from disposal of treasury stock	54	79
Cash dividends paid	(1,867)	(2,243)
Repayment of lease obligations	(55)	(49)
Net cash used in financing activities	(5,852)	(4,151)
4. Effect of exchange rate changes on cash and cash equivalents	(282)	174
5. Net increase (decrease) in cash and cash equivalents	(2,004)	(6,835)
6. Cash and cash equivalents at beginning of period	29,031	36,137
7. Cash and cash equivalents at end of period	27,027	29,302

(4) Notes on Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumptions)

Not applicable.

(Notes for Significant Change in the Amount of Net Assets)

Not applicable.

(Segment Information etc.)

I Three months ended June 30, 2014

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

(Amount: millions of yen)

	Reportable segments			Other *1	Total	Adjustment *2	Quarterly Consolidated Statements of Income amount *3
	Machined components business	Electronic devices and components business	Total				
Total sales							
(1) Sales to customers	36,602	62,892	99,495	36	99,531	—	99,531
(2) Sales to other segment	891	1,131	2,022	255	2,278	(2,278)	—
Total	37,493	64,024	101,517	292	101,809	(2,278)	99,531
Segment income	9,554	3,238	12,792	66	12,858	(2,334)	10,524

(Notes) *1. The classification of “Other” is the operating segment, which is not included in the reportable segments, and its products are mainly machine made in-house.

*2. Adjustments to segment income are amortization of goodwill -144 million yen as well as corporate expenses such as general and administrative expenses in addition to research and development expenses that do not belong to the reportable segments -2,189 million yen.

*3. Segment income is reconciled to operating income in the quarterly consolidated statements of income.

2. Information related to impairment loss of fixed assets or goodwill, etc. by reportable segments

(Significant impairment loss of fixed assets)

(Amount: millions of yen)

	Reportable segments			Other	All companies	Total
	Machined components business	Electronic devices and components business	Total			
Impairment loss	—	1	1	—	67	69

(Significant change in the amount of goodwill)

Not applicable.

(Significant gain on negative goodwill)

Not applicable.

Ⅱ Three months ended June 30, 2015

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

(Amount: millions of yen)

	Reportable segments			Other *1	Total	Adjustment *2	Quarterly Consolidated Statements of Income amount *3
	Machined components business	Electronic devices and components business	Total				
Total sales							
(1) Sales to customers	40,974	86,311	127,285	105	127,391	—	127,391
(2) Sales to other segment	1,011	1,358	2,370	404	2,775	(2,775)	—
Total	41,986	87,669	129,655	510	130,166	(2,775)	127,391
Segment income (loss)	9,956	5,608	15,564	(41)	15,523	(3,010)	12,512

(Notes) *1. The classification of "Other" is the operating segment, which is not included in the reportable segments, and its products are mainly machine made in-house.

*2. Adjustments to segment income or loss are amortization of goodwill -214 million yen as well as corporate expenses such as general and administrative expenses in addition to research and development expenses that do not belong to the reportable segments -2,796 million yen.

*3. Segment income or loss is reconciled to operating income in the quarterly consolidated statements of income.

2. Information related to impairment loss of fixed assets or goodwill, etc. by reportable segments

Not applicable.

3. Information related to changes reportable segments, etc.

Commencing with this current first quarter consolidated accounting period, Minebea has made some organizational changes, including incorporating its in-house manufacturing division into the Electronic devices and components manufacturing headquarters. Due to these changes, the segment information has also been changed.

Segment information for last fiscal year's first quarter is disclosed using the new classification for reportable business segments implemented subsequent to the structural reorganization.

(Change in the depreciation method of buildings)

The Company and consolidated domestic subsidiaries adopted the declining balance method primarily for the depreciation method of buildings; however, the Company has adopted the straight-line method since the first quarter of the current fiscal year.

This change has been adopted based on our decision that the straight-line depreciation method can account for the current economic situation of the Company more accurately and adequately than the declining balance method as a result of reviewing the depreciation methods. When the Company acquired its Headquarters building, and the constructions of the Matsuida Plant as well as the Kashiwazaki Plant, the Company came up with the conclusion that the straight-line depreciation method is appropriate for such buildings that are to be used stably for a long-period of time, irrespective of the profitability and operational situation of the facilities so that the benefits of utilization shall be realized in proportion to the lapse of time.

Due to this change, depreciation and amortization costs for the first quarter of the current fiscal year decreased, while the segment income for Machined components, that for Electronic devices and components and that for Adjustment (all companies) segment rose 7, 25, and 57 million yen, respectively.

July 31, 2015
Minebea Co., Ltd.

Supplementary Financial Data
for the First Quarter of Fiscal Year ending March 31, 2016

1. Consolidated Results of Operations

	Fiscal year ended Mar. '15					FY ending Mar. '16	%Change	
(Millions of yen)	1Q	2Q	3Q	4Q	Full Year	**1Q**	Q/Q *1	Y/Y *2
Net sales	99,531	117,025	145,403	138,715	500,676	**127,391**	-8.2%	+28.0%
Operating income	10,524	14,237	19,080	16,259	60,101	**12,512**	-23.0%	+18.9%
Ordinary income	10,473	14,162	18,599	16,905	60,140	**12,872**	-23.9%	+22.9%
Net income attributable to owners of the parent	6,831	10,985	13,163	8,906	39,887	**10,058**	+12.9%	+47.2%
Net income per share (yen)	18.29	29.40	35.22	23.82	106.73	**26.90**	+12.9%	+47.1%
Diluted net income per share (yen)	17.37	27.90	33.43	22.62	101.32	**25.54**	+12.9%	+47.0%

2. Consolidated Sales and Operating Income by Segments

	Fiscal year ended Mar. '15					FY ending Mar. '16	%Change	
(Millions of yen)	1Q*3	2Q*3	3Q*3	4Q*3	Full Year*3	**1Q**	Q/Q *1	Y/Y *2
Machined components	36,602	37,085	40,185	41,911	155,785	**40,974**	-2.2%	+11.9%
Electronic devices and components	62,892	79,899	105,173	96,759	344,724	**86,311**	-10.8%	+37.2%
Other	36	41	44	44	166	**105**	+138.6%	+189.7%
Adjustment	-	-	-	-	-	**-**	-	-
Total sales	99,531	117,025	145,403	138,715	500,676	**127,391**	-8.2%	+28.0%
Machined components	9,554	9,776	10,088	10,303	39,722	**9,956**	-3.4%	+4.2%
Electronic devices and components	3,238	7,195	11,723	8,590	30,747	**5,608**	-34.7%	+73.2%
Other	66	52	-17	-129	-28	**-41**	-	-
Adjustment	-2,334	-2,786	-2,713	-2,505	-10,340	**-3,010**	-	-
Total operating income	10,524	14,237	19,080	16,259	60,101	**12,512**	-23.0%	+18.9%

3. Forecast for the Fiscal Year ending March 31, 2016

	Fiscal year ending Mar. '16			Full Year ended Mar. '15	%Change Y/Y Full Year	Forecast for the 1H ending Mar. '16	Forecast for the 2H ending Mar. '16*5
(Millions of yen)	Previous f'cast (A)	New f'cast (B)	New vs. previous (B/A)				
Net sales	650,000	650,000	+0.0%	500,676	+29.8%	294,500	355,500
Operating income	67,000	67,500	+0.7%	60,101	+12.3%	28,900	38,600
Ordinary income	66,000	66,500	+0.8%	60,140	+10.6%	28,400	38,100
Net income attributable to owners of the parent	48,000	50,000	+4.2%	39,887	+25.4%	22,200	27,800
Net income per share (yen)	128.38	133.72	+4.2%	106.73	+25.3%	59.37	74.35

4. Forecast for the Consolidated Sales and Operating Income by Segments

	Fiscal year ending Mar. '16			Full Year ended Mar. '15*3	%Change Y/Y Full Year	Forecast for the 1H ending Mar. '16*3	Forecast for the 2H ending Mar. '16*3
(Millions of yen)	Previous f'cast (A)*3	New f'cast (B)*3	New vs. previous (B/A)				
Machined components	170,000	170,000	+0.0%	155,785	+9.1%	84,000	86,000
Electronic devices and components	479,300	479,300	+0.0%	344,724	+39.0%	210,200	269,100
Other	700	700	+0.0%	166	+321.7%	300	400
Adjustment	-	-	-	-	-	-	-
Total sales	650,000	650,000	+0.0%	500,676	+29.8%	294,500	355,500
Machined components	42,600	42,600	+0.0%	39,722	+7.2%	21,300	21,300
Electronic devices and components	36,100	36,600	+1.4%	30,747	+19.0%	13,550	23,050
Other	-500	-500	-	-28	-	-350	-150
Adjustment	-11,200	-11,200	-	-10,340	-	-5,600	-5,600
Total operating income	67,000	67,500	+0.7%	60,101	+12.3%	28,900	38,600

5. Capital Expenditure, Depreciation and Amortization, Research and Development Expenses

(Millions of yen)	Fiscal year ended Mar. '15					FY ending Mar. '16	Forecast for the FY ending Mar. '16*4
	1Q	2Q	3Q	4Q	Full Year	**1Q**	
Capital expenditure	6,636	9,096	8,760	13,065	37,557	**13,787**	32,200
Depreciation and amortization	5,940	6,195	8,492	8,147	28,775	**7,494**	37,000
Research and development expenses	2,152	2,216	2,244	2,360	8,972	**2,284**	9,000

6. Exchange Rates

(Yen)		Fiscal year ended Mar. '15					FY ending Mar. '16	Assumption for the 2Q ending Mar. '16*5	Assumption for the 2H ending Mar. '16*5
		1Q	2Q	3Q	4Q	Full Year	**1Q**		
US$	PL	102.40	102.65	112.34	119.36	109.19	**120.97**	118.00	118.00
	BS	101.36	109.45	120.55	120.17	120.17	**122.45**	118.00	118.00
EURO	PL	140.57	137.62	141.29	138.02	139.38	**132.74**	130.00	130.00
	BS	138.31	138.87	146.54	130.32	130.32	**137.23**	130.00	130.00
THAI BAHT	PL	3.15	3.20	3.45	3.66	3.37	**3.66**	3.60	3.60
	BS	3.12	3.38	3.67	3.70	3.70	**3.62**	3.60	3.60
RMB	PL	16.40	16.60	18.30	19.11	17.60	**19.49**	19.30	19.30
	BS	16.29	17.78	19.36	19.34	19.34	**19.72**	19.30	19.30

*1 1Q % change Q/Q: 1Q in comparison with 4Q of the previous fiscal year.

*2 1Q % change Y/Y: 1Q in comparison with 1Q of the previous fiscal year.

*3 Due to some organizational changes, including incorporating its in-house manufacturing division into the Electronic devices and components manufacturing headquarters from FY 3/16, business segment classification is changed, and FY3/15 numbers are also adjusted for comparison.

*4 Forecast for the fiscal year was announced on May 8, 2015.

*5 Forecast and assumption for the second half and the 2Q were announced on May 8, 2015.