

SECOND QUARTER BRIEF REPORT OF FINANCIAL RESULTS
[under Japanese GAAP] (Consolidated)
(Year ending March 31, 2017)

November 2, 2016

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: November 11, 2016

Phone: (03) 6758-6711

Expected date of payment for dividends: December 5, 2016

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, 2016 through September 30, 2016)

(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
Six months ended Sep 30, 2016	275,133	(6.9)	18,594	(32.2)	18,915	(18.9)
Six months ended Sep 30, 2015	295,554	36.5	27,417	10.7	23,326	(5.3)

	Net income attributable to owners of the parent (millions of yen)	% Change	Net income per share (yen)	Diluted net income per share (yen)
Six months ended Sep 30, 2016	12,745	(28.2)	34.01	33.26
Six months ended Sep 30, 2015	17,758	(0.3)	47.49	45.09

(Notes) Comprehensive Income: Six months ended September 30, 2016: (14,181) million yen — %
Six months ended September 30, 2015: 5,018 million yen (84.5) %

(2) Consolidated Financial Position

	Total assets (millions of yen)	Net assets (millions of yen)	Equity ratio (%)	Net assets per share (yen)
As of September 30, 2016	499,966	220,426	42.9	571.70
As of March 31, 2016	459,427	237,973	50.2	616.43

(Reference) Shareholders' equity: As of September 30, 2016: 214,384 million yen
As of March 31, 2016: 230,785 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, 2016	—	10.00	—	10.00	20.00
Year ended March 31, 2017	—	7.00	—	—	—
Year ended March 31, 2017 (Forecast)	—	—	—	7.00	14.00

(Notes) Changes from the latest dividend forecast: Yes

3. Prospect for consolidated forecast for the fiscal year (April 1, 2016 through March 31, 2017)

(%: 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
Year ended March 31, 2017	560,000	(8.2)	45,000	(12.5)	44,000	(5.7)

	Net income attributable to owners of the parent (millions of yen)	% Change	Net income per share (yen)
Year ended March 31, 2017	26,500	(27.2)	70.69

(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: None

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 September 30, 2016: 399,167,695 shares

As of March 31, 2016: 399,167,695 shares

2. Number of treasury shares at end of period

As of September 30, 2016: 24,175,888 shares

As of March 31, 2016: 24,775,093 shares

3. Average number of shares (Quarterly cumulative period)

Six months ended September 30, 2016: 374,718,371 shares

Six months ended September 30, 2015: 373,969,057 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 Wednesday, November 2, 2016.

Index

1. Qualitative information related to the financial results for the quarter.....	4
(1) Explanation of Operating Results	4
(2) Explanation of Financial Position.....	4
(3) Explanation of Consolidated Forecast and Other Forecasts	5
2. Other summary information	6
(1) Summary of changes to major subsidiaries during the quarter	6
(2) Changes in accounting policy, changes in accounting estimates, and restatements	6
(3) Additional Information.....	6
3. Quarterly Consolidated Financial Statements	7
(1) Quarterly Consolidated Balance Sheets	7
(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income	9
(Quarterly Consolidated Statements of Income) (Six months ended September 30, 2016)	9
(Quarterly Consolidated Statements of Comprehensive Income) (Six months ended September 30, 2016)	10
(3) Quarterly Consolidated Statements of Cash Flows	11
(4) Notes on Quarterly Consolidated Financial Statements.....	13
(Notes on Going Concern Assumptions).....	13
(Notes for Significant Change in the Amount of Net Assets)	13
(Segment Information etc.)	13
4. Supplementary information	15
Supplementary Financial Data for the Second Quarter of Fiscal Year ending March 31, 2017.....	15

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

(1) Explanation of Operating Results

During the first half of the fiscal year (April 1, 2016 to September 30, 2016) the Japanese economy saw the drop in consumer spending bottom out. On the down side, both manufacturing and exports remained flat as corporations continued to take a cautious approach to making capital investments. In the U.S. growing consumer spending fueled modest economic growth although the manufacturing sector lost steam. The European economy remained on a moderate upward trajectory mainly in the household sector as employment and income opportunities increased despite declining exports to non-EU countries due to production cutbacks in the German steel industry. In Asia, although in China, dark clouds loomed over the horizon as private corporations put the brakes on investing and cut back on labor.

Under such economic circumstances, the Minebea Group has been focusing on thoroughgoing cost cutting, development of high-value-added products and new technologies, and sales expansion initiatives aiming at boosting profitability further.

As a result, net sales decreased by 20,421 million yen (-6.9%) year on year to hit 275,133 million yen. Operating income fell 8,823 million yen (-32.2%) year on year to total 18,594 million yen, and ordinary income was down 4,411 million yen (-18.9%) year on year at 18,915 million yen. Net income attributable to owners of the parent decreased 5,013 million yen (-28.2%) year on year to total 12,745 million yen. Such decreases are due to the accrual of 1,302 million yen of income taxes for prior periods, as a result of the court ruling on the petition filed by our Thai subsidiary against the local tax authorities.

Performance by segment was as follows:

Products in our Machined components business segment include our anchor product line, ball bearings, in addition to mechanical components such as rod-end bearings used primarily in aircraft and hard disk drive (HDD) pivot assemblies, etc. as well as fasteners for automobiles and aircraft. Growing demand in all major markets kept ball bearing sales volumes up. Sales were particularly robust in the automobile market where demand for energy-efficient models equipped with safety devices soared. The pivot assembly sales volume remained flat year on year despite the adverse effect of the shrinking HDD market. While sales of rod-end bearings used in aircraft were also steady mainly in Europe, revenue declined year on year due to the effects of currency fluctuations as well as other factors.

In the end, net sales for the first six-month period were down 6,780 million yen (-8.1%) year on year at 76,467 million yen. Operating income also fell 650 million yen (-3.2%) year on year to total out at 19,525 million yen.

The core products of our Electronic devices and components business include electronic devices (LED backlights for LCDs, sensing devices (measuring components), etc.), HDD spindle motors, stepping motors, DC motors, air movers (fan motors), precision motors, and special devices. Sales of LED backlights for LCDs remained strong due to surging demand for Minebea products that offer a technological advantage in thinner products. Sales of stepping motors and other motors have continued strong centering on the automobile market.

As a result, net sales for the first six-month period were down 13,710 million yen (-6.5%) year on year to total 198,354 million yen and operating income decreased 5,497 million yen (-44.5%) year on year to total 6,852 million yen due to negative foreign exchange effects, inventory adjustments, as well as other factors.

Net sales for the first half of the fiscal year in our Other business segment, which includes machines produced in-house, were up 69 million yen (28.4%) year-on-year to total 311 million yen. The segment also posted an operating loss of 53 million yen, bringing operating income down 77 million yen year on year.

In addition to the figures noted above, 7,730 million yen in corporate expenses, etc. not belonging to any particular segment has been recorded as adjustments. Adjustments for the first half of last fiscal year amounted to 5,130 million yen.

(2) Explanation of Financial Position

The Minebea Group sees “strengthening our financial position” as a top priority and is taking various steps, such as efficient asset management, controlling capital investments, and reducing interest-bearing debt.

Total assets at the end of the second quarter amounted to 499,966 million yen. That’s 40,539 million yen more than what they were at the end of the previous fiscal year. The main reason for this uptick includes an increase in notes and accounts receivable. Total liabilities amounted to 279,539 million yen. That’s an increase of 58,085 million yen over what they were at the end of the previous fiscal year. This jump was primarily due to an increase in notes and accounts payable. Net assets, totaling 220,426 million yen, were down 17,547 million yen below what they were at the end of the previous fiscal year. The equity ratio dropped 7.3 percentage points below what it was at the end of the last fiscal year to hit 42.9%.

(Cash flow)

The balance of cash and cash equivalents at the end of the second quarter was 38,229 million yen, up 9,087 million yen from what it was at the end of the previous fiscal year and up 7,458 million yen on a year-on-year basis.

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

Net cash provided by operating activities amounted to 25,167 million yen. That's a year-on-year jump of 11,953 million yen resulting from income before income taxes, notes and accounts receivable, notes and accounts payable, and inventories as well as the posting of depreciation and amortization costs, etc. Net cash used for investing activities decreased 1,836 million yen year on year, to total 25,314 million yen due primarily to the acquisition of marketable securities and tangible fixed assets. Net cash from financing activities was up 3,442 million yen year on year due to cash inflows of 12,409 million yen resulting from an increase in short-term loans, etc.

(3) Explanation of Consolidated Forecast and Other Forecasts

It is difficult to get a clear picture of where the global economy is headed for the remainder of this fiscal year. It is too early to tell how it will be affected by the death of Thailand's king and the events that may follow, the outcome of the U.S. presidential election, geopolitical risks, and fluctuating exchange rates.

After reviewing our consolidated full-year forecast in light of this backdrop and making our best estimate of the total impact current market conditions as well as our performance during the first six-month period will have on our operations, we have decided to revise the forecast for net income attributable to owners of the parent as shown below.

Net sales	560,000 million yen	(91.8%)
Operating income	45,000 million yen	(87.5%)
Ordinary income	44,000 million yen	(94.3%)
Net income attributable to owners of the parent	26,500 million yen	(72.8%)

(%): 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 performance projections for this fiscal year, we have lowered the interim dividend by 3 yen to make it 7 yen per share and lowered the year-end dividend by 3 yen to make it 7 yen per share.

We also bought back convertible bonds worth 13,896 million yen in order to prevent the dilution of our shares resulting from the integration with MITSUMI ELECTRIC CO., LTD. that will occur through a share exchange scheduled to take place this fiscal year.

In addition, our consolidated forecast mentioned above has not taken the said company's earnings forecast into consideration.

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

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

(Change in the depreciation method of tangible fixed assets other than buildings)

The Company and consolidated domestic subsidiaries have hitherto adopted the declining-balance method for the depreciation method of tangible fixed assets other than buildings; however, we have adopted the straight-line method since the first quarter of the current fiscal year.

Minebea Group plans to make an investment in the aircraft components business in Japan and Thailand. In the wake of the decision on the investment project, we reviewed the depreciation method of tangible fixed assets. As a result, we decided to change the depreciation method of tangible fixed assets to the straight-line method, since the adoption of such method will more accurately and adequately reflect the actual state of economic conditions, given the stable operating situations of our facilities and equipment throughout their period of use.

Due to the change, depreciation cost for the first half of the current fiscal year decreased, while operating income, ordinary income, and net income before income taxes rose 228 million, respectively.

(3) Additional Information

(Adoption of revised implementation guidance on recoverability of deferred tax assets)

Revised Implementation Guidance on Recoverability of Deferred Tax Assets (ASBJ Guidance No. 26, March 28, 2016) has been applied effective from the first quarter consolidated accounting period.

3. Quarterly Consolidated Financial Statements
(1) Quarterly Consolidated Balance Sheets

(Amount: millions of yen)

	As of March 31, 2016	As of September 30, 2016
ASSETS		
Current assets	249,820	308,820
Cash and cash equivalents	39,594	47,102
Notes and accounts receivable.....	92,275	132,530
Marketable securities.....	1,545	15,067
Finished goods.....	39,717	34,641
Work in process	29,873	28,911
Raw materials	18,799	18,102
Supplies.....	4,939	4,672
Goods in transit.....	9,681	10,119
Deferred tax assets.....	4,016	3,916
Other.....	9,557	14,188
Allowance for doubtful receivables	(179)	(432)
Fixed assets	209,597	191,142
Tangible fixed assets	177,993	161,067
Buildings and structures	146,446	138,702
Machinery and transportation equipment	312,225	287,315
Tools, furniture and fixtures	51,198	48,453
Land	25,573	23,816
Leased assets.....	366	411
Construction in progress.....	6,250	4,931
Accumulated depreciation.....	(364,068)	(342,563)
Intangible fixed assets	12,905	12,501
Goodwill.....	5,721	5,210
Other	7,184	7,291
Investments and other assets.....	18,699	17,573
Investments in securities.....	8,760	8,242
Long-term loans receivable.....	240	197
Deferred tax assets	7,643	7,191
Other	2,076	2,125
Allowance for doubtful receivables.....	(22)	(184)
Deferred charges.....	9	2
Total assets.....	459,427	499,966

(Amount: millions of yen)

	As of March 31, 2016	As of September 30, 2016
LIABILITIES		
Current liabilities	165,424	226,344
Notes and accounts payable	35,807	78,881
Short-term loans payable	66,165	81,151
Current portion of bonds	10,000	10,000
Current portion of convertible bond-type bonds with subscription rights to shares	7,700	7,700
Current portion of long-term loans payable	13,479	13,402
Lease obligations	64	40
Accrued income taxes	5,385	4,847
Accrued bonuses	6,157	8,944
Allowance for bonuses to directors	180	90
Allowance for after-care of products	302	—
Allowance for environmental remediation expenses	463	159
Allowance for business restructuring losses	216	104
Other	19,502	21,022
Long-term liabilities	56,029	53,194
Long-term loans payable	39,765	38,482
Lease obligations	45	111
Allowance for retirement benefits to executive officers	187	150
Allowance for environmental remediation expenses	513	377
Net defined benefit liability	13,246	11,978
Other	2,271	2,094
Total liabilities	221,454	279,539
NET ASSETS		
Shareholders' equity	279,914	289,380
Common stock	68,258	68,258
Capital surplus	95,772	96,042
Retained earnings	125,133	134,134
Treasury stock	(9,249)	(9,055)
Total accumulated other comprehensive income ..	(49,129)	(74,996)
Difference on revaluation of available-for-sale securities	588	570
Deferred gains or losses on hedges	283	617
Foreign currency translation adjustments	(47,390)	(74,120)
Remeasurements of defined benefit plans	(2,611)	(2,063)
Subscription rights to shares	130	105
Non-controlling interests	7,058	5,936
Total net assets	237,973	220,426
Total liabilities and net assets	459,427	499,966

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income
(Quarterly Consolidated Statements of Income)
(Six months ended September 30, 2016)

(Amount: millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Net sales	295,554	275,133
Cost of sales	232,866	220,417
Gross profit	62,687	54,716
Selling, general and administrative expenses	35,269	36,121
Operating income	27,417	18,594
Other income.....	949	1,435
Interest income.....	299	210
Dividends income	69	68
Foreign currency exchange gains.....	—	538
Dividends income of insurance	206	199
Other	373	418
Other expenses.....	5,041	1,114
Interest expenses.....	569	421
Foreign currency exchange losses.....	3,434	—
Other	1,037	693
Ordinary income.....	23,326	18,915
Extraordinary income	1,577	102
Gain on sales of fixed assets	15	36
Insurance income.....	504	—
Government subsidy.....	973	—
Gain on liquidation of affiliates	83	—
Gain on sales of subsidiaries and affiliates' stocks.....	—	66
Extraordinary loss	1,661	542
Loss on sales of fixed assets.....	13	152
Loss on disposal of fixed assets.....	62	28
Loss on reduction of fixed assets.....	928	—
Loss on disaster	137	—
Loss on liquidation of affiliates.....	—	266
Business restructuring losses	61	9
Loss on abolishment of retirement benefit plan....	50	—
Loss for after-care of products	220	12
Allowance for environmental remediation expenses.....	187	72
Income before income taxes	23,241	18,474
Income taxes		
Income taxes (including enterprise tax).....	6,869	4,905
Income taxes for prior periods.....	—	1,302
Adjustment of income taxes	(1,653)	(515)
Total income taxes.....	5,215	5,692
Net income	18,026	12,782
Net income attributable to non-controlling interests	267	37
Net income attributable to owners of the parent.....	17,758	12,745

(Quarterly Consolidated Statements of Comprehensive Income)
(Six months ended September 30, 2016)

(Amount: millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Net income	18,026	12,782
Other comprehensive income:		
Difference on revaluation of available-for-sale securities	(191)	(31)
Deferred gains or losses on hedges	(12)	333
Foreign currency translation adjustments	(13,678)	(27,683)
Remeasurements of defined benefit plans	864	548
Share of other comprehensive income of associates accounted for using equity method	10	(130)
Total other comprehensive income	(13,007)	(26,963)
Total comprehensive income	5,018	(14,181)
Comprehensive income attributable to:		
Owners of the parent	4,666	(13,121)
Non-controlling interests	351	(1,059)

(3) Quarterly Consolidated Statements of Cash Flows

(Amount: millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
1. Cash flows from operating activities:		
Income before income taxes	23,241	18,474
Depreciation and amortization	16,431	14,243
Amortization of goodwill.....	461	502
Loss on disaster	137	—
Loss on abolishment of retirement benefit plan.....	50	—
Insurance income.....	(504)	—
Government subsidy.....	(973)	—
Interest and dividends income.....	(369)	(278)
Interest expenses.....	569	421
Loss (gain) on sales of fixed assets.....	(1)	116
Loss on disposal of fixed assets.....	62	28
Loss on reduction of fixed assets.....	928	—
Loss (gain) on sales of stocks of subsidiaries and affiliates.....	—	(66)
Loss (gain) on liquidation of affiliates.....	(83)	266
Decrease (increase) in notes and accounts receivable	(31,045)	(48,044)
Decrease (increase) in inventories	(31,464)	(2,221)
Increase (decrease) in notes and accounts payable	37,080	46,870
Increase (decrease) in allowance for doubtful receivables.....	(708)	466
Increase (decrease) in accrued bonuses	3,224	3,148
Increase (decrease) in allowance for bonuses to directors	(111)	(90)
Increase (decrease) in net defined benefit liability.....	(38)	(241)
Increase (decrease) in allowance for retirement benefits to executive officers	(18)	(36)
Increase (decrease) in allowance for after-care of products.....	(31)	(302)
Increase (decrease) in allowance for environmental remediation expenses	49	(357)
Increase (decrease) in allowance for business restructuring losses.....	(434)	(96)
Other	5,885	(454)
Sub-total	22,337	32,351
Interest and dividends received.....	357	266
Interest paid.....	(552)	(415)
Income taxes paid.....	(7,063)	(7,036)
Proceeds from income taxes refund	197	—
Payments related to Anti-Monopoly Act.....	(2,164)	—
Proceeds from insurance income.....	101	—
Net cash provided by operating activities	13,214	25,167

(Amount: millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
2. Cash flows from investing activities:		
Payments into time deposits.....	(9,694)	(6,022)
Proceeds from withdrawal of time deposits	7,284	6,275
Purchase of marketable securities.....	—	(13,896)
Proceeds from sales of marketable securities.....	34	29
Purchase of tangible fixed assets.....	(23,902)	(10,832)
Proceeds from sales of tangible fixed assets.....	271	1,012
Purchase of intangible fixed assets.....	(473)	(1,007)
Purchase of investments in securities.....	(883)	(1,107)
Proceeds from sales of investments in securities	1	—
Proceeds from redemption of investment securities.....	690	928
Purchase of investments in subsidiaries resulting in change in scope of consolidation.....	(257)	(1,032)
Proceeds from sales of stocks of subsidiaries and affiliates.....	—	474
Payments for loans provided.....	(186)	(37)
Proceeds from collection of loans receivables.....	75	35
Other	(110)	(134)
Net cash used in investing activities	(27,150)	(25,314)
3. Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable	13,117	17,157
Proceeds from long-term loans.....	—	98
Repayment of long-term loans	(2,138)	(1,456)
Purchase of treasury stock.....	(5)	(0)
Proceeds from disposal of treasury stock	315	452
Cash dividends paid	(2,243)	(3,743)
Dividends paid to non-controlling interests	—	(62)
Repayment of lease obligations.....	(78)	(35)
Other	—	0
Net cash used in financing activities	8,967	12,409
4. Effect of exchange rate changes on cash and cash equivalents	(398)	(3,173)
5. Net increase (decrease) in cash and cash equivalents	(5,366)	9,087
6. Cash and cash equivalents at beginning of period	36,137	29,141
7. Cash and cash equivalents at end of period	30,771	38,229

(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 Six months ended September 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	83,247	212,064	295,311	242	295,554	—	295,554
(2) Sales to other segment	2,110	2,380	4,490	765	5,255	(5,255)	—
Total	85,357	214,444	299,801	1,008	300,810	(5,255)	295,554
Segment income	20,175	12,349	32,524	24	32,548	(5,130)	27,417

(Notes) *1. The classification of “Other” is the business 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 -461 million yen, and corporate expenses such as general and administrative expenses in addition to research and development expenses that do not belong to the reportable segments -4,669 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
 Not applicable.

II Six months ended September 30, 2016

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	76,467	198,354	274,821	311	275,133	—	275,133
(2) Sales to other segment	1,835	1,894	3,730	432	4,162	(4,162)	—
Total	78,302	200,248	278,551	744	279,296	(4,162)	275,133
Segment income (loss)	19,525	6,852	26,378	(53)	26,325	(7,730)	18,594

(Notes) *1. The classification of “Other” is the business 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 -502 million yen, and corporate expenses such as general and administrative expenses in addition to research and development expenses that do not belong to the reportable segments -7,227 million yen.

*3. Segment income (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.

(Change in the depreciation method of tangible fixed assets other than buildings)

The Company and consolidated domestic subsidiaries have hitherto adopted the declining-balance method for the depreciation method of tangible fixed assets other than buildings; however, we have adopted the straight-line method since the first quarter of the current fiscal year.

Minebea Group plans to make an investment in the aircraft components business in Japan and Thailand. In the wake of the decision on the investment project, we reviewed the depreciation method of tangible fixed assets. As a result, we decided to change the depreciation method of tangible fixed assets to the straight-line method, since the adoption of such method will more accurately and adequately reflect the actual state of economic conditions, given the stable operating situations of our facilities and equipment throughout their period of use.

Due to this change, depreciation cost for the first half of the current fiscal year decreased, while the segment income for Machined components, that for Electronic devices and components, that for Other and that for Adjustment (all companies) segment rose 61, 88, 53, and 24 million yen, respectively.