FIRST QUARTER BRIEF REPORT OF FINANCIAL RESULTS
〔under Japanese GAAP〕 (Consolidated)
(Year ending March 31 , 2015)

July 31, 2014

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, 2014 Tel. (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, 2014 through June 30, 2014)

(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, 2014	99,531	16.7	10,524	197.5	10,473	241.3
Three months ended June 30, 2013	85,317	24.3	3,538	(4.2)	3,068	(8.9)

	Net income (millions of yen)	% Change	Net income per share (yen)	Fully diluted net income per share (yen)
Three months ended June 30, 2014	6,831	139.5	18.29	17.37
Three months ended June 30, 2013	2,852	66.0	7.65	7.27

(Notes) Comprehensive Income: Three months ended June 30, 2014: 4,801 million yen (15.0)%
Three months ended June 30, 2013: 5,646 million yen —%

(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, 2014	389,402	166,235	41.3	430.40
As of March 31, 2014	381,278	163,463	41.4	422.62

(Reference) Shareholders' equity: As of June 30, 2014: 160,790 million yen
As of March 31, 2014: 157,862 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, 2014	—	3.00	—	5.00	8.00
Year ended March 31, 2015	—				
Year ended March 31, 2015 (Forecast)		5.00	—	5.00	10.00

(Notes) Changes from the latest dividend forecast: Yes

3. Prospect for the next fiscal year (April 1, 2014 through March 31, 2015)

(%: 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, 2014	204,000	12.8	21,200	63.0	20,500	74.4
Year ended March 31, 2015	408,000	9.8	40,000	24.2	38,000	35.4

	Net income (millions of yen)	% Change	Net income per share (yen)
Six months ended Sep. 30, 2014	15,200	73.3	40.69
Year ended March 31, 2015	26,000	24.5	69.60

(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: None
3. Changes in accounting estimates: Yes
4. Restatements: None

(Notes) 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, 2014: 399,167,695 shares
   As of March 31, 2014: 399,167,695 shares
2. Number of treasury shares at end of period
   As of June 30, 2014: 25,580,877 shares
   As of March 31, 2014: 25,637,546 shares
3. Average number of shares (Quarterly cumulative period)
   Three months ended June 30, 2014: 373,568,542 shares
   Three months ended June 30, 2013: 372,817,372 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 Thursday, July 31, 2014.

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

(1) Explanation of Operating Results

The Japanese economy continued to improve during the first quarter (April 1, 2014 to June 30, 2014). Major government initiatives led to a virtuous economic cycle while increased corporate earnings boosted capital investments and employment despite some negative impact from the consumption tax increase. In the U.S., the economy remained on a gradual recovery track fueled by increasing industrial production and employment as well as strong consumer spending although new housing construction remained relatively downbeat. The European economy generally stayed on track to recovery. Although Germany and the U.K. watched their economies pick up steam, the sovereign debt and Ukrainian political crises have cast a dark shadow over the economic horizon. In Asia, economic growth slowed down as China's housing market lost momentum and capital expenditures declined. All ASEAN countries enjoyed moderate economic recoveries with the exception of Thailand whose economy remained stagnant due to political upheaval.

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

As a result, net sales increased by 14,214 million yen (16.7%) year on year to reach 99,531 million yen. Operating income rose 6,986 million yen (197.5%) year on year to total 10,524 million yen, and ordinary income was up 7,405 million yen (241.3%) year on year at 10,473 million yen. Net income for the quarter also increased 3,979 million yen (139.5%) year on year to reach 6,831 million yen.

Performance by segment was as follows:

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 in every market. Sales to the automobile industry were especially robust, with sales volumes hitting record highs in May as well as June. This jump was triggered by increased demand for automobiles equipped with energy-saving and safety features. Sales of rod-end bearings used in aircraft were also upbeat. Pivot assembly sales were driven up primarily by the growth of high-end products as the market for pivot assemblies used in PCs showed a stronger-than-expected upturn.

In the end, net sales for the quarter increased 2,510 million yen (7.4%) year on year to total 36,602 million yen. Operating income was also up 2,665 million yen (38.7%) year on year, totaling out at 9,554 million yen.

The core products of our Electronic devices and components business include electronic devices (liquid crystal display backlights and measuring components, etc.), HDD spindle motors, information motors (stepping motors, DC brushless motors, DC brush motors, and fan motors), precision motors, and special devices. Sales of liquid crystal display (LCD) backlights soared. This increase was due to the surging demand for Minebea products offering a technological advantage in thin smartphones amid the current market shift to high-end products. Sales of HDD spindle motors and information motors also rose. Performance for the information motor business, in particular, improved with growing sales to the office automation and automobile markets as well as reduced costs resulting from the transfer of manufacturing operations to our Cambodian plant.

All these factors combined brought net sales for the quarter up 11,705 million yen (23.0%) year on year to total 62,687 million yen. Operating income substantially increased by 3,311 million yen year on year to reach 2,984 million yen.

First quarter net sales for our Other business segment, which includes dies and parts produced in-house, totaled 241 million yen, down 1 million yen (-0.4%) year on year. Operating income rose 274 million yen year on year to total 289 million yen.

In addition to the figures noted above, 2,303 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 3,040 million yen.

(2) Explanation of Financial Position

The Minebea Group sees strengthening its financial standing as a top priority and is taking various steps toward that end, including reducing total assets and interest-bearing debts as well as cutting back 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 current first quarter amounted to 389,402 million yen, up 8,124 million yen over what it was at the end of the previous fiscal year. The main reasons for this uptick are increases in notes and accounts receivable as well as inventories. Total liabilities amounted to 223,167 million yen, up 5,353 million yen over what it was at the end of the previous fiscal year. This jump was primarily due to increases in notes and accounts payable. Net assets totaled 166,235 million yen for an increase of 2,772 million yen over what it was at the end of the previous fiscal year. Equity ratio declined 0.1 percentage points below what it was at the end of the last fiscal year to reach 41.3%.

(Cash flow)

The balance of cash and cash equivalents at the end of the first quarter was 27,027 million yen, down 2,004 million yen from what it was at the end of the previous fiscal year but up 7,690 million yen on a year-on-year basis.

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

Net cash provided by operating activities amounted to 8,222 million yen, up 2,908 million yen year on year due to increases in income before income taxes and minority interests, notes and accounts receivable, notes and accounts payable, as well as inventories along with depreciation and amortization costs, etc. Net cash used for investment activities dropped 3,049 million yen year on year, to total 4,092 million yen due to the acquisition of tangible fixed assets as well as the sale of shares in affiliates. Net cash used for financing activities declined 2,035 million yen year on year due to a cash outflow of 5,852 million yen for the repayment of short-term loans as well as a dividend payment, etc.

(3) Explanation of Consolidated Forecast and Other Forecasts

The Japanese economy continued on an upward trajectory during the first quarter although there was some impact from the consumption tax increase. At the same time, the economy in the U.S. and the rest of the globe also remained on the path toward recovery. Despite various risk factors threatening the global economy (including the sovereign debt crisis in Europe, the Ukrainian political crisis, and the Palestinian problem in the Middle East), the Japanese economy is expected to remain healthy while the global economy continues to pick up steam the rest of this fiscal year. Strong demand in our major markets is expected to drive sales of ball bearings and information motors up. Sales of LCD backlights should remain upbeat since we are seeing a substantial increase in orders from smartphone manufacturers.

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

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 light of good performance projections for this fiscal year, we revised our forecast for the annual dividend from 8 yen per share to 10 yen per share, increasing the interim and year-end dividends by 1 yen each.

	Six-month period		Full year	
Net sales	204,000 million yen	(112.8%)	408,000 million yen	(109.8%)
Operating income	21,200 million yen	(163.0%)	40,000 million yen	(124.2%)
Ordinary income	20,500 million yen	(174.4%)	38,000 million yen	(135.4%)
Net income	15,200 million yen	(173.3%)	26,000 million yen	(124.5%)

(%): Year-on-year change

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 retirement benefits, etc.)

The Accounting Standard for Retirement Benefits (ASBJ Statement No. 26, May 17, 2012) and the Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, May 17, 2012) have been adopted with regard to the provisions set forth in Article 35 of the Accounting Standard for Retirement Benefits and Article 67 of the Guidance on Accounting Standard for Retirement Benefits in the preparation of consolidated financial statements since the first quarter of the current fiscal year. Accordingly, the calculation of retirement benefit obligations and past service costs has been revised from the method of attributing expected retirement benefits to periods up to the end of the current fiscal year has been changed from the straight-line basis to the benefit formula basis. In addition, the determination of the discount rate has been changed from a single discount rate based on the average number of years approximating the residual terms of all employees to plural discount rates that have been set forth based on the expected benefit payments attributed to periods of service of relevant employees.

In accordance with transitional accounting as stipulated in Article 37 of the Accounting Standard for Retirement Benefits, the effect of the changes in accounting policies arising from the revision of liabilities for retirement benefits and past service costs is recognized in retained earnings on a consolidated basis at the beginning of the first quarter of the current fiscal year.

As a result of these adjustments, liabilities for retirement benefits have increased by 368 million yen, and retained earnings have decreased by 237 million yen at the beginning of the first quarter of the current fiscal year. The effect of these adjustments on consolidated operating income, ordinary income and income before income taxes and minority interests for the first quarter of the current fiscal year is immaterial.

(Application of practical solution on transactions of delivering the Company's own stock to employees etc. through trusts)

Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts (ASBJ Practical Issues Task Force (PITF) No. 30, issued on Dec 25, 2013), have been applied since the first quarter of this fiscal year. The accounting for those transactions has been conducted according to the conventional method which had been put into practice previously.

(Change in accounting estimates)

(Change in the useful life of fixed assets)

After taking a comprehensive and more realistic look at the product life cycle of certain machinery used for manufacturing LCD backlight products, some of our consolidated subsidiaries changed their useful life estimate from 5 to 10 years to 2 years beginning with this first quarter.

As a result, depreciation and amortization costs for the first quarter increased by 244 million yen while operating income, ordinary income, and income before income taxes and minority interests decreased by 244 million yen respectively.

(3) Additional Information

(Transactions to transfer the Company shares to the employees through the trust)

(a) Outline of the transactions

The Company has introduced the "Trust-type Employee Shareholding Incentive Plan" (the "Plan"), in order to provide the Company group's employees with incentives to increase the enterprise value of the Company, and to promote the benefit and welfare of the employees of the Company group and others. The Plan is an incentive plan, in which all employees of the Company group who are members of the "Minebea Employee Stock Holding Partnership" ("Stock Holding Partnership") (a Company group employee who is a member of the Stock Holding Partnership is hereinafter referred to as an "Employee") may participate. Based on the Plan, as of May 10, 2012, Minebea entered into the Minebea Employee Stock Holding Partnership Exclusive Trust Agreement (the "Trust Agreement") with the bank in which the Company is Truster and the Bank is Trustee. As per the Plan and the Trust Agreement, the "Minebea Employee Stock Holding Partnership Exclusive Trust Account" (the "Trust"), which had been established for the purpose of securing the Company shares for the Stock Holding Partnership to effect purchases, has borrowed money from banks (the Company guarantees the Trust's borrowings) for a considerable number of Company shares that were expected to be acquired by the Stock Holding Partnership by the end of May 2017, and acquired Company shares in a number equal to such borrowings from the market at the time the Plan was introduced in May 2012. Subsequently, the Trust is to continuously transfer the Company shares to the Stock Holding Partnership in accordance with certain plans (conditions and methods) and terminate, e.g. if all of the Company shares belonging to the trust assets of the Trust are transferred. If any capital gains, such as gains on sale of the Company shares, accumulate within the Trust by the time of its termination, and if any money remains within the Trust after repaying all the debts such as borrowings to be borne by the Trust, then such money is to be distributed as residual assets to those Employees that fulfill the requirements for eligible beneficiaries.

A trust administrator or an agent of the beneficiaries gives instructions to the trustee of the Trust with regard to preserving and exercising the rights (including the exercise of voting rights) relating to the Company shares held as the trust assets in the Trust, while eligible beneficiaries of the Trust will preserve and exercise their rights in accordance with such instructions. A trust administrator or an agent of the beneficiaries of the Trust shall follow the guidelines relating to the exercise of the voting rights stipulated in the Trust Agreement, in case of executing instructions regarding the exercise of voting rights on behalf of beneficiaries.

(b) Aforementioned transactions have been carried out in accordance with the Trust Agreement that had been entered into before the beginning of the fiscal quarter of the current fiscal year. As such, the accounting for those transactions has been conducted according to the conventional method.

(c) The following items relating to the Company shares owned by the Trust

1. Book value of the Company shares owned by the Trust

   As of March 31, 2014: 1,491 million yen

   As of June 30, 2014: 1,472 million yen

2. The Company shares owned by the Trust are accounted for as treasury stock.

3. Number of the Company shares owned by the Trust at the end of the last fiscal year and the average number of shares owned by the Trust

   Number of the Company shares owned by the Trust at the end of the last fiscal year

   As of March 31, 2014: 4,619,000 shares

   As of June 30, 2014: 4,560,000 shares

   Average number of shares owned by the Trust

   Three months ended June 30, 2013: 5,330,626 shares

   Three months ended June 30, 2014: 4,578,648 shares

4. The number of the Company shares mentioned in part 3. was included in the treasury stock to be deducted in terms of calculating relevant per share indicators.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Amount: millions of yen)

	As of March 31, 2014	As of June 30, 2014
ASSETS		
Current assets	189,637	202,136
Cash and cash equivalents	38,615	35,988
Notes and accounts receivable	74,340	81,014
Marketable securities	1,284	1,539
Finished goods	23,697	24,252
Work in process	17,157	18,686
Raw materials	11,046	12,505
Supplies	4,581	4,561
Goods in transit	7,169	7,368
Deferred tax assets	4,198	3,976
Other	7,735	12,434
Allowance for doubtful receivables	(188)	(191)
Fixed assets	191,602	187,232
Tangible fixed assets	166,899	164,359
Buildings and structures	132,084	131,446
Machinery and transportation equipment	280,366	276,289
Tools, furniture and fixtures	50,402	49,047
Land	24,893	24,763
Leased assets	972	969
Construction in progress	2,811	2,500
Accumulated depreciation	(324,631)	(320,656)
Intangible fixed assets	5,529	5,339
Goodwill	2,998	2,848
Other	2,530	2,491
Investments and other assets	19,173	17,533
Investments in securities	10,947	9,887
Long-term loans receivable	368	332
Deferred tax assets	5,965	5,486
Other	2,521	2,448
Allowance for doubtful receivables	(630)	(621)
Deferred charges	37	34
Total assets	381,278	389,402

(Amount: millions of yen)

	As of March 31, 2014	As of June 30, 2014
LIABILITIES		
Current liabilities	120,937	126,739
Notes and accounts payable	29,898	36,412
Short-term loans payable	48,794	44,603
Current portion of long-term loans payable	15,250	15,900
Lease obligations	201	199
Accrued income taxes	3,189	3,218
Accrued bonuses	4,923	4,453
Allowance for bonuses to directors	193	30
Allowance for environmental remediation expenses	356	267
Allowance for business restructuring losses	265	344
Other	17,864	21,310
Long-term liabilities	96,877	96,427
Bonds	10,000	10,000
Convertible bond-type bonds with subscription rights to shares	7,700	7,700
Long-term loans payable	66,754	66,101
Lease obligations	255	264
Allowance for retirement benefits to executive officers	165	151
Allowance for environmental remediation expenses	848	769
Net defined benefit liability	8,850	9,069
Other	2,303	2,371
Total liabilities	217,814	223,167
NET ASSETS		
Shareholders' equity	212,818	217,597
Common stock	68,258	68,258
Capital surplus	94,874	94,910
Retained earnings	59,190	63,916
Treasury stock	(9,505)	(9,488)
Total accumulated other comprehensive income	(54,955)	(56,807)
Difference on revaluation of available-for-sale securities	1,153	1,308
Deferred gains or losses on hedges	(7)	(1)
Foreign currency translation adjustments	(52,365)	(54,496)
Remeasurements of defined benefit plans	(3,737)	(3,618)
Subscription rights to shares	116	91
Minority interests in consolidated subsidiaries	5,483	5,353
Total net assets	163,463	166,235
Total liabilities and net assets	381,278	389,402

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

(Quarterly Consolidated Statements of Income)

(Three months ended June 30, 2014)

(Amount: millions of yen)

	Three months ended June 30, 2013	Three months ended June 30, 2014
Net sales	85,317	99,531
Cost of sales	68,796	75,241
Gross profit	16,520	24,290
Selling, general and administrative expenses	12,982	13,765
Operating income	3,538	10,524
Other income	652	736
Interest income	131	145
Dividends income	79	81
Foreign currency exchange gains	79	66
Dividends income of insurance	189	206
Other	172	234
Other expenses	1,121	787
Interest expenses	612	392
Other	508	395
Ordinary income	3,068	10,473
Extraordinary income	66	155
Gain on sales of fixed assets	12	10
Insurance income	—	25
Gain on sales of subsidiaries and affiliates' stocks	—	119
Gain on sales of investments in securities	53	—
Extraordinary loss	134	1,726
Loss on sales of fixed assets	6	11
Loss on disposal of fixed assets	15	71
Impairment loss	—	67
Loss on sales of subsidiaries and affiliates' stocks	—	1,261
Business restructuring losses	104	302
Allowance for environmental remediation expenses	7	12
Income before income taxes and minority interests	3,000	8,901
Income taxes		
Income taxes (including enterprise tax)	454	1,384
Adjustment of income taxes	(205)	703
Total income taxes	248	2,087
Income before minority interests	2,752	6,814
Minority interests in loss	(99)	(17)
Net income	2,852	6,831

(Quarterly Consolidated Statements of Comprehensive Income)
(Three months ended June 30, 2014)

(Amount: millions of yen)

	Three months ended June 30, 2013	Three months ended June 30, 2014
Income before minority interests	2,752	6,814
Other comprehensive income:		
Difference on revaluation of available-for-sale securities	144	154
Deferred gains or losses on hedges	10	5
Foreign currency translation adjustments	2,578	(2,168)
Unfunded retirement benefit obligation of foreign subsidiaries	160	—
Remeasurements of defined benefit plans	—	119
Share of other comprehensive income of associates accounted for using equity method	—	(123)
Total other comprehensive income	2,894	(2,012)
Total comprehensive income	5,646	4,801
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	5,391	4,980
Comprehensive income attributable to minority interests	254	(179)

(3) Quarterly Consolidated Statements of Cash Flows

(Amount: millions of yen)

	Three months ended June 30, 2013	Three months ended June 30, 2014
1. Cash flows from operating activities:		
Income before income taxes and minority interests	3,000	8,901
Depreciation and amortization	5,896	5,940
Impairment loss	—	69
Amortization of goodwill	146	144
Insurance income	—	(25)
Interest and dividends income	(211)	(227)
Interest expenses	612	392
Loss (gain) on sales of fixed assets	(6)	1
Loss on disposal of fixed assets	15	71
Loss (gain) on sales of shares of subsidiaries and affiliates	—	1,141
Loss (gain) on sales of investments in securities	(53)	—
Decrease (increase) in notes and accounts receivable	(6,505)	(8,143)
Decrease (increase) in inventories	775	(5,376)
Increase (decrease) in notes and accounts payable	6,820	7,005
Increase (decrease) in allowance for doubtful receivables	11	(6)
Increase (decrease) in accrued bonuses	(172)	(431)
Increase (decrease) in allowance for bonuses to directors	30	(163)
Increase (decrease) in net defied benefit liability	—	(164)
Increase (decrease) in allowance for retirement benefits	(354)	—
Decrease (increase) in prepaid pension cost	250	—
Increase (decrease) in allowance for retirement benefits to executive officers	(45)	(14)
Increase (decrease) in allowance for environmental remediation expenses	(75)	(151)
Increase (decrease) in allowance for business restructuring losses	(381)	89
Other	(3,734)	283
Sub-total	6,018	9,335
Interest and dividends received	205	221
Interest paid	(464)	(297)
Income taxes paid	(445)	(1,037)
Net cash provided by operating activities	5,314	8,222
2. Cash flows from investing activities:		
Payments into time deposits	(3,643)	(1,740)
Proceeds from withdrawal of time deposits	1,942	2,296
Purchase of marketable securities	(24)	(100)
Purchase of tangible fixed assets	(4,999)	(6,964)
Proceeds from sales of tangible fixed assets	324	163
Purchase of intangible fixed assets	(277)	(120)
Purchase of investments in securities	(369)	(0)
Proceeds from sales of investments in securities	145	25
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	—	49
Proceeds from sales of investments in shares of subsidiaries resulting in change in scope of consolidation	—	1,261
Proceeds from sales of shares in subsidiaries and affiliates	—	977
Payments for loans provided	(17)	(4)
Proceeds from collection of loans receivables	18	30
Other	(241)	32
Net cash used in investing activities	(7,141)	(4,092)

(Amount: millions of yen)

	Three months ended June 30, 2013	Three months ended June 30, 2014
3. Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable	(6,995)	(3,981)
Proceeds from long-term loans	2,000	—
Repayment of long-term loans	(1,137)	—
Purchase of treasury stock	(254)	(2)
Proceeds from disposal of treasury stock	63	54
Cash dividends paid	(1,493)	(1,867)
Repayment of lease obligations	(69)	(55)
Net cash used in financing activities	(7,887)	(5,852)
4. Effect of exchange rate changes on cash and cash equivalents	829	(282)
5. Net increase (decrease) in cash and cash equivalents	(8,885)	(2,004)
6. Cash and cash equivalents at beginning of period	28,223	29,031
7. Cash and cash equivalents at end of period	19,337	27,027

(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, 2013

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	34,092	50,982	85,074	242	85,317	—	85,317
(2) Sales to other segment	929	220	1,150	5,712	6,862	(6,862)	—
Total	35,022	51,202	86,224	5,955	92,179	(6,862)	85,317
Segment income (loss)	6,889	(327)	6,562	15	6,578	(3,040)	3,538

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

*2. Adjustments to segment income or loss are amortization of goodwill -146 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 -2,893 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.

Ⅱ 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	62,687	99,290	241	99,531	—	99,531
(2) Sales to other segment	891	489	1,380	6,616	7,996	(7,996)	—
Total	37,493	63,176	100,670	6,857	107,527	(7,996)	99,531
Segment income	9,554	2,984	12,538	289	12,827	(2,303)	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 dies and parts produced 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 -2,158 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.

3. Information related to changes reportable segments, etc.

(Adoption of accounting standard for retirement benefits, etc.)

The Accounting Standard for Retirement Benefits (ASBJ Statement No. 26, May 17, 2012) and the Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, May 17, 2012) have been adopted with regard to the provisions set forth in Article 35 of the Accounting Standard for Retirement Benefits and Article 67 of the Guidance on Accounting Standard for Retirement Benefits in the preparation of consolidated financial statements since the first quarter of the current fiscal year. Accordingly, the calculation of retirement benefit obligations and past service costs has been revised from the method of attributing expected retirement benefits to periods up to the end of the current fiscal year has been changed from the straight-line basis to the benefit formula basis. In addition, the determination of the discount rate has been changed from a single discount rate based on the average number of years approximating the residual terms of all employees to plural discount rates that have been set forth based on the expected benefit payments attributed to periods of service of relevant employees.

As a result, the effect of this change on the consolidated statement of operations for the first quarter of this current fiscal year is immaterial.

(Change in the useful life of fixed assets)

After taking a comprehensive and more realistic look at the product life cycle of certain machinery used for manufacturing LCD backlight products, some of our consolidated subsidiaries changed their useful life estimate from 5 to 10 years to 2 years beginning with this first quarter.

Due to this change, depreciation and amortization costs for the first quarter rose 244 million yen while segment income for Electronic devices and components fell 244 million yen.