

August 8, 2019

To whom it may concern:

Company Name: MINEBEA MITSUMI Inc.
Representative: Yoshihisa Kainuma
Representative Director,
CEO & COO
(Code No. 6479, TSE Div. No. 1)
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Disclosure of financial results of delisted subsidiary U-Shin Ltd.

MINEBEA MITSUMI Inc. hereby announces the financial results of U-Shin Ltd., which was delisted on August 5, 2019, for the first six months of the fiscal year ending December 31, 2019, as shown in the attached table.

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SECOND QUARTER BRIEF REPORT OF FINANCIAL RESULTS

[under Japanese GAAP](Consolidated)

(Year ending December 31, 2019)

August 8, 2019

Registered

Company Name : U-Shin Ltd.

URL : <http://www.u-shin.co.jp/>

Representative : Kanae Okabe

Representative Director, President and CEO

Contact : Kazuya Tao

Executive Officer, Executive General Manager of Accounting and Finance Division

Phone : +81-(0)3-5539-6063

Quarterly report filing date : —

Expected data of payment for dividends : —

Preparation of supplementary explanation material for quarterly financial results : None

Holding of presentation meeting for quarterly financial results : None

(Amounts less than one million yen have been omitted)

1. Business performance (January 1, 2019 through June 30, 2019)

(1) Consolidated Results of Operations (Year-to-date) (%: Changes from corresponding period of previous fiscal year)

	Net sales (millions of yen)	% Change	Operation income (millions of yen)	% Change	Ordinary income (millions of yen)	% Change
Six months ended Jun. 30, 2019	69,917	(12.6)	1,674	(49.1)	1,491	(35.8)
Six months ended Jun. 30, 2018	80,013	—	3,288	—	2,324	—

	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 Jun. 30, 2019	(1,378)	—	(41.63)	—
Six months ended Jun. 30, 2018	982	—	31.05	—

(Notes) Comprehensive Income: Six months ended June 30, 2019: (472) million yen - %

Six months ended June 30, 2018: (692) million yen - %

Along with a change of accounting period to December 31 from November 30 at the fiscal year ended December 31, 2017, the comparing period is different for the previous second quarter (January 1, 2018 through June 30, 2018). Therefore, percentage changes from the same period of the year ended on December 31, 2017 are not shown.

(2) Consolidated Financial Position

	Total assets (millions of yen)	Net assets (millions of yen)	Equity ratio (%)
As of Jun. 30, 2019	120,206	24,614	20.5
As of Dec. 31, 2018	117,238	25,456	21.7

(Reference) Shareholders' equity: As of June 30, 2019: 24,592 million yen

As of December 31, 2018: 25,433 million yen

(Note) The Company has been applying "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No.28, on February 16, 2018) from the beginning of the first three months ended March 31, 2019. Figures of total assets and equity ratio related to the period ended December 31, 2018 have had the accounting standard applied retroactively.

2. Dividends

	Annual Report				
	End of first quarter (yen)	End of second quarter (yen)	End of third quarter (yen)	Year-end (yen)	For the year (yen)
Year ended Dec. 31, 2018	—	0.00	—	0.00	0.00
Year ending Dec. 31, 2019	—	0.00			

(Note) The Company was concluded tender offer for the Company's common stock by MINEBEA MITSUMI Inc. as of April 10, 2019, and MINEBEA MITSUMI became a parent company and the largest major shareholder of the Company. After that, the Company submitted proposals regarding a share consolidation, the abolishment of share unit number provisions, and a partial amendment to the Articles of Incorporation at an extraordinary general meeting of shareholders held on July 8, 2019, and all of them were approved and passed as proposed.

As the result, the common shares of the Company came to fall under the delisting criteria prescribed in the Securities Listing Regulations of the Tokyo Stock Exchange, Inc., and the Company Shares were delisted on August 5, 2019. Therefore, forecast of consolidated results and dividend for FY2019 is not stated.

* Notes

(1) Significant changes in scope of consolidation (changes in scope of consolidation of specified subsidiaries): Yes

Newly consolidated: None

Excluded from consolidation: One company (Name of company) YUHSHIN U.S.A. LTD.

(Significant changes in scope of consolidation for the six months ended June 30, 2019)

At the first quarter, a specified subsidiary of the Company, YUHSHIN U.S.A. LTD. completed necessary procedures in accordance with local laws, and completed the liquidation as of March 5, 2019. Therefore, YUHSHIN U.S.A. LTD. no longer fall into a specified subsidiary of the Company from the first quarter, and was excluded from scope of consolidation.

(2) Application of accounting peculiar to preparation of quarterly consolidation financial statement : 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: None

4. Restatements: None

(Changes in accounting policy)

IFRS 16 (Leases) has been adopted since the beginning of first quarter for the consolidated overseas subsidiaries. In adopting IFRS 16, the Company used a transition method by which the cumulative effect of initially adopting this standard was recognized at the date of initial application.

Along with this method, for leases previously classified as operating leases adopting IAS 17, were recognized as tangible fixed assets and

lease obligations at the date of initial application of IFRS 16.

The effect of the change on profits and losses for the second-quarter cumulative period of the fiscal year under review is insignificant.

(4) Number of shares outstanding (Common stock)

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

As of June 30, 2019: 33,791,586 shares

As of December 31, 2018: 33,791,586 shares

2. Number of treasury shares at end of period

As of June 30, 2019: 672,647 shares

As of December 31, 2018: 672,202 shares

3. Average number of shares (Quarterly cumulative period)

Six months ended June 30, 2019: 33,119,161 shares

Six months ended June 30, 2018: 31,637,092 shares

* Other special matters

As stated in "2. Dividends," the Company was delisted from Tokyo Stock Exchange as of August 5, 2019.

This summary of financial results was prepared in accordance with the quarterly financial results announcement.

Consolidated Quarterly Financial Statements and Major Notes

(1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	Year ended December 31, 2018 (as of December 31, 2018)	Second-quarter period of the year ending December 31, 2019 (as of June 30, 2019)
Assets		
Current assets		
Cash and deposits	21,698	22,513
Notes and accounts receivable – trade	24,199	24,730
Electronically recorded monetary claims - operating	3,085	6,306
Merchandise and finished goods	6,944	6,408
Work in process	1,696	1,669
Raw materials and supplies	7,884	7,149
Other	5,360	5,187
Allowance for doubtful accounts	(738)	(712)
Total current assets	70,133	73,252
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	12,677	14,080
Machinery, equipment and vehicles, net	7,514	7,346
Tools, furniture and fixtures, net	3,715	3,864
Land	8,543	9,414
Construction in progress	3,055	2,270
Total property, plant and equipment	35,506	36,975
Intangible assets	892	770
Investments and other assets		
Investment securities	6,659	6,099
Other	4,126	3,191
Allowance for doubtful accounts	(83)	(83)
Total investments and other assets	10,702	9,207
Total non-current assets	47,102	46,953
Deferred assets	2	0
Total assets	117,238	120,206

(Millions of yen)

	Year ended December 31, 2018 (as of December 31, 2018)	Second-quarter period of the year ending December 31, 2019 (as of June 30, 2019)
Liabilities		
Current liabilities		
Notes and accounts payable – trade	18,114	18,318
Electronically recorded obligations - operating	7,280	7,023
Short-term loans payable	13,506	26,343
Current portion of bonds	200	100
Current portion of long-term loans payable	8,838	18,703
Provision for product warranties	762	3,994
Other provision	1,771	2,449
Other	17,252	10,822
Total current liabilities	67,726	87,754
Non-current liabilities		
Long-term loans payable	19,784	3,385
Provision	404	377
Net defined benefit liability	3,210	3,242
Other	656	832
Total non-current liabilities	24,055	7,837
Total liabilities	91,782	95,591
Net assets		
Shareholders' equity		
Capital stock	15,206	15,206
Capital surplus	15,308	15,308
Retained earnings	(2,832)	(4,580)
Treasury stock	(513)	(514)
Total shareholders' equity	27,168	25,420
Accumulated other comprehensive income		
Unrealized gain on available-for-sale securities	1,626	1,422
Deferred gains or losses on hedges	(154)	-
Foreign currency translation adjustments	(3,149)	(2,199)
Remeasurements of defined benefit plans	(57)	(50)
Total accumulated other comprehensive income	(1,734)	(828)
Non-controlling interests	23	22
Total net assets	25,456	24,614
Total liabilities and net assets	117,238	120,206

(2) Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income
Consolidated Quarterly Statements of Income
(For the consolidated second-quarter cumulative period)

(Millions of yen)

	Second-quarter cumulative period of the year ended December 31, 2018 (January 1, 2018 through June 30, 2018)	Second-quarter cumulative period of the year ended December 31, 2019 (January 1, 2019 through June 30, 2019)
Net sales	80,013	69,917
Cost of sales	70,788	62,047
Gross profit	9,225	7,869
Selling, general and administrative expenses	5,936	6,194
Operating profit	3,288	1,674
Non-operating income		
Interest and dividend income	254	196
Foreign exchange gains	-	143
Other	135	124
Total non-operating income	390	465
Non-operating expenses		
Interest expenses	214	144
Commitment line fee	243	11
Interest rate swap expenses	-	252
Foreign exchange losses	489	-
Amortization of bond with warrants	130	-
Other	276	240
Total non-operating expenses	1,354	648
Ordinary profit	2,324	1,491
Extraordinary income		
Gain on sales of non-current assets	6	89
Gain on sales of investment securities	867	735
Other	17	78
Total extraordinary income	891	902
Extraordinary losses		
Loss on sales and retirement of non-current assets	6	11
Impairment loss	70	45
Loss on product warranties	105	2,503
Loss on business structure improvement	348	413
Loss on reversal of foreign currency translation adjustments	-	582
Other	26	1
Total extraordinary losses	558	3,559
Profit (loss) before income taxes	2,657	(1,164)
Income taxes - current	1,330	203
Income taxes - deferred	343	10
Total income taxes	1,674	214
Profit (loss)	983	(1,378)
Profit (loss) attributable to non-controlling interests	1	(0)
Profit (loss) attributable to owners of parent	982	(1,378)

Consolidated Quarterly Statements of Comprehensive Income
(For the consolidated second-quarter cumulative period)

(Millions of yen)

	Second-quarter cumulative period of the year ended December 31, 2018 (January 1, 2018 through June 30, 2018)	Second-quarter cumulative period of the year ended December 31, 2019 (January 1, 2019 through June 30, 2019)
Profit (Loss)	983	(1,378)
Other comprehensive income		
Unrealized gain on available-for-sale securities	(1,062)	(204)
Deferred gains or losses on hedges	1	154
Foreign currency translation adjustments	(606)	949
Remeasurements of defined benefit plans, net of tax	(8)	7
Total other comprehensive income	(1,676)	906
Comprehensive income	(692)	(472)
Comprehensive income attributable to		
Owners of parent	(693)	(471)
Non-controlling interests	1	(0)

(3) Notes on Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumptions)

Not applicable.

(Notes on Significant Changes in Shareholders' Equity)

Not applicable.