

THIRD QUARTER BRIEF REPORT OF FINANCIAL RESULTS
[under Japanese GAAP] (Consolidated)
(Year ending March 31, 2015)

February 3, 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: February 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, 2014 through December 31, 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
Nine months ended Dec. 31, 2014	361,961	30.2	43,842	88.0	43,235	114.9
Nine months ended Dec. 31, 2013	277,934	31.8	23,316	119.1	20,121	117.3

	Net income (millions of yen)	% Change	Net income per share (yen)	Fully diluted net income per share (yen)
Nine months ended Dec. 31, 2014	30,980	95.1	82.91	78.70
Nine months ended Dec. 31, 2013	15,880	231.1	42.56	40.43

(Notes) Comprehensive Income: Nine months ended Dec. 31, 2014: 65,258 million yen 110.8%
Nine months ended Dec. 31, 2013: 30,959 million yen 121.7%

(2) Consolidated Financial Position

	Total assets (millions of yen)	Net assets (millions of yen)	Equity ratio (%)	Net assets per share (yen)
As of December 31, 2014	487,212	225,990	45.0	585.89
As of March 31, 2014	381,278	163,463	41.4	422.62

(Reference) Shareholders' equity: As of December 31, 2014: 219,016 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	—	6.00	—		
Year ended March 31, 2015 (Forecast)				6.00	12.00

(Notes) Changes from the latest dividend forecast: None

3. Prospect for consolidated forecast for the 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
Year ended March 31, 2015	490,000	31.9	58,500	81.7	57,000	103.1

	Net income (millions of yen)	% Change	Net income per share (yen)
Year ended March 31, 2015	36,000	72.4	96.33

(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 December 31, 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 December 31, 2014: 25,350,953 shares

As of March 31, 2014: 25,637,546 shares

3. Average number of shares (Quarterly cumulative period)

Nine months ended December 31, 2014: 373,679,390 shares

Nine months ended December 31, 2013: 373,132,901 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 Tuesday, February 3, 2015.

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

(1) Explanation of Operating Results

The Japanese economy experienced a gradual overall recovery during the first nine months of the fiscal year (April 1, 2014 to December 31, 2014) as the Bank of Japan's monetary policy coupled with the weak yen boosted corporate earnings and employment despite a slowdown in consumer spending due to the consumption tax hike. Fueled by growing consumer spending as well as increased capital expenditures and improved employment that went hand in hand with higher corporate earnings, the U.S. economy continued to gradually pick up steam. The European economy managed to steadily inch forward in the shadow of the lingering sovereign debt crisis and Ukrainian political crisis that triggered economic sanctions against Russia whose economy was already reeling from declining crude oil prices. In Asia, on the other hand, ASEAN countries enjoyed moderate economic recoveries while China saw its economic growth rate decline in the face of an assortment of major problems.

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

As a result, net sales increased by 84,027 million yen (30.2%) year on year to reach 361,961 million yen. Operating income rose 20,526 million yen (88.0%) year on year to total 43,842 million yen, and ordinary income was up 23,114 million yen (114.9%) year on year at 43,235 million yen. Net income for the quarter also increased 15,100 million yen (95.1%) year on year to reach 30,980 million yen. The positive effect of the foreign exchange market, including the weak yen, gave an extra boost to our financial performance and we achieved substantial earnings and profit increases.

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. Ball bearings enjoyed increases in both sales and profits as demand grew in major markets. Buoyed by growing demand for electric as well as other energy-efficient vehicles, sales to the automobile industry were particularly robust. Sales of aircraft rod-end bearings rose on the wings of soaring sales in the civil aviation market where demand was particularly strong for energy-efficient planes. Pivot assembly sales and profits were also up thanks to growing demand from the HDD market for high-end products used in PCs, data centers, etc.

All these factors combined brought net sales for the first nine-month period up 9,978 million yen (9.6%) year on year to total 113,463 million yen. Operating income also jumped 5,361 million yen (22.3%) year on year to total 29,410 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, information motors (stepping motors, DC brushless motors, DC brush motors, and fan motors), precision motors, and special devices. Sales and profits of LED backlights for LCDs soared. This increase resulted from a surge in demand for Minebea products boasting both a technological and supply edge in the growing market for high-end smartphones. Efforts to expand the customer base for our measuring components paid off and we saw both sales and profits steadily increase. Our Electro Mechanics Solutions (EMS) business also enjoyed sales and profit growth. Sales of rotary components like HDD spindle motors, information motors, etc. also rose. The information motors business, in particular, saw increases in both sales and profits thanks to growing sales to the office automation, automobile, and other markets. Cost cutting efforts aligned with the transfer of manufacturing operations for some products to our Cambodian plant, as well as improved quality and production efficiency also contributed to the better performance.

In the end, net sales for the first nine-month period were up 73,584 million yen (42.4%) year on year to total 247,285 million yen. Operating income rose 13,973 million yen (190.7%) year on year to reach 21,302 million yen.

Net sales for the first nine months in our Other business segment, which includes dies and parts produced in-house, were up 463 million yen (61.9%) year-on-year to total 1,211 million yen. Operating income also increased, rising 55 million yen (6.5%) year on year to total 905 million yen.

In addition to the figures noted above, 7,776 million yen in corporate expenses, etc. not belonging to any particular segment has been recorded as adjustments. Adjustments for the first nine-month period of last fiscal year amounted to 8,912 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. While we aim for efficient asset management and reducing capital expenditure along with interest-bearing debts, over the past few years we have been making aggressive capital investments with an eye to expanding our business operations.

Total assets at the end of the current third quarter amounted to 487,212 million yen, up 105,934 million yen compared to the end of the previous fiscal year. The main reasons for this uptick include increases in notes and accounts receivable, inventories, as well as tangible fixed assets. Total liabilities amounted to 261,222 million yen, up 43,408 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 225,990 million yen, up 62,527 million yen over what it was at the end of the previous fiscal year. Equity ratio rose 3.6 percentage points above what it was at the end of the last fiscal year to reach 45.0%.

(Cash flow)

The balance of cash and cash equivalents at the end of the current third quarter was 37,030 million yen, up 7,998 million yen from what it was at the end of the previous fiscal year and up 11,479 million yen on a year-on-year basis.

Cash flows from various business activities for the first three quarters and other relevant factors are as follows:

Net cash provided by operating activities amounted to 32,493 million yen, up 545 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 decreased 3,050 million yen year on year to total 16,878 million yen due to the acquisition of tangible and intangible fixed assets, the sales of stocks of subsidiaries and affiliates, etc. Net cash used for financing activities declined 6,792 million yen year on year due to a cash outflow of 9,806 million yen for the repayment of short-term loans as well as dividend payments, etc.

(3) Explanation of Consolidated Forecast and Other Forecasts

Working in a rapidly shifting market, we were able to achieve significant increases in earnings and profits during the first nine months of this fiscal year due to various factors, including the weak yen and other favorable effects of the foreign exchange market. Despite various economic changes and risk factors that are expected to occur across the globe, in light of our projection that demand for our products will remain strong during the upcoming fourth quarter, we have decided to revise our consolidated forecast for this fiscal year based on our best estimate of the total impact current market factors will have on our operations.

	<u>Full year</u> <u>announced on February 3, 2015</u>		<u>Full year</u> <u>announced on October 28, 2014</u>	
Net sales	490,000 million yen	(131.9%)	460,000 million yen	(123.8%)
Operating income	58,500 million yen	(181.7%)	50,000 million yen	(155.3%)
Ordinary income	57,000 million yen	(203.1%)	48,000 million yen	(171.0%)
Net income	36,000 million yen	(172.4%)	31,000 million yen	(148.5%)
(%): 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 fiscal year. Accordingly, the method to calculate retirement benefit obligations and service costs has been revised, and the method to attribute expected retirement benefits to each period 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 service costs is recognized in retained earnings on a consolidated basis at the beginning of the first quarter of the 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 fiscal year. The effect of these adjustments on consolidated operating income, ordinary income and income before income taxes and minority interests for the third 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 the 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 LED backlights for LCDs products, some of our consolidated subsidiaries changed their useful life estimate from 5 to 10 years to 2 years beginning with the first quarter of the fiscal year.

As a result, depreciation and amortization costs for the third quarter of the current fiscal year increased while operating income, ordinary income, and income before income taxes and minority interests decreased by 1,296 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 Trustee 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 first quarter of the fiscal year. As such, the accounting for those transactions has been conducted according to the conventional method.

(c) The 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 December 31, 2014: 1,396 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 December 31, 2014: 4,323,000 shares

Average number of shares owned by the Trust

Nine months ended December 31, 2013: 5,020,512 shares

Nine months ended December 31, 2014: 4,464,814 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 December 31, 2014
ASSETS		
Current assets	189,637	272,673
Cash and cash equivalents	38,615	43,597
Notes and accounts receivable	74,340	120,928
Marketable securities	1,284	1,851
Finished goods	23,697	32,834
Work in process	17,157	24,655
Raw materials	11,046	16,548
Supplies	4,581	5,493
Goods in transit	7,169	10,031
Deferred tax assets	4,198	2,867
Other	7,735	14,070
Allowance for doubtful receivables	(188)	(206)
Fixed assets	191,602	214,512
Tangible fixed assets	166,899	187,307
Buildings and structures	132,084	147,608
Machinery and transportation equipment	280,366	326,249
Tools, furniture and fixtures	50,402	56,389
Land	24,893	26,356
Leased assets	972	930
Construction in progress	2,811	5,471
Accumulated depreciation	(324,631)	(375,698)
Intangible fixed assets	5,529	7,613
Goodwill	2,998	2,671
Other	2,530	4,941
Investments and other assets	19,173	19,591
Investments in securities	10,947	9,470
Long-term loans receivable	368	357
Deferred tax assets	5,965	7,076
Other	2,521	3,425
Allowance for doubtful receivables	(630)	(738)
Deferred charges	37	27
Total assets	381,278	487,212

(Amount: millions of yen)

	As of March 31, 2014	As of December 31, 2014
LIABILITIES		
Current liabilities.....	120,937	164,193
Notes and accounts payable.....	29,898	66,444
Short-term loans payable.....	48,794	45,787
Current portion of long-term loans payable.....	15,250	16,100
Lease obligations.....	201	192
Accrued income taxes.....	3,189	4,236
Accrued bonuses.....	4,923	2,812
Allowance for bonuses to directors.....	193	150
Allowance for after-care of products.....	—	417
Allowance for environmental remediation expenses.....	356	333
Allowance for business restructuring losses.....	265	499
Other.....	17,864	27,219
Long-term liabilities.....	96,877	97,028
Bonds.....	10,000	10,000
Convertible bond-type bonds with subscription rights to shares.....	7,700	7,700
Long-term loans payable.....	66,754	64,924
Lease obligations.....	255	225
Allowance for retirement benefits to executive officers.....	165	172
Allowance for environmental remediation expenses.....	848	740
Net defined benefit liability.....	8,850	10,141
Other.....	2,303	3,125
Total liabilities.....	217,814	261,222
NET ASSETS		
Shareholders' equity.....	212,818	239,812
Common stock.....	68,258	68,258
Capital surplus.....	94,874	95,151
Retained earnings.....	59,190	85,823
Treasury stock.....	(9,505)	(9,421)
Total accumulated other comprehensive income..	(54,955)	(20,795)
Difference on revaluation of available-for-sale securities.....	1,153	1,340
Deferred gains or losses on hedges.....	(7)	(5)
Foreign currency translation adjustments.....	(52,365)	(18,978)
Remeasurements of defined benefit plans.....	(3,737)	(3,151)
Subscription rights to shares.....	116	124
Minority interests in consolidated subsidiaries....	5,483	6,849
Total net assets.....	163,463	225,990
Total liabilities and net assets.....	381,278	487,212

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income
(Quarterly Consolidated Statements of Income)
(Nine months ended December 31, 2014)

(Amount: millions of yen)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Net sales.....	277,934	361,961
Cost of sales.....	214,921	274,020
Gross profit	63,013	87,940
Selling, general and administrative expenses	39,697	44,098
Operating income.....	23,316	43,842
Other income.....	1,298	1,882
Interest income.....	408	422
Dividends income	143	152
Foreign currency exchange gains	—	334
Dividends income of insurance	189	218
Other.....	557	755
Other expenses.....	4,493	2,489
Interest expenses.....	1,669	1,133
Foreign currency exchange losses	410	—
Equity in losses of affiliates	777	70
Other.....	1,636	1,285
Ordinary income	20,121	43,235
Extraordinary income.....	1,322	296
Gain on sales of fixed assets	38	82
Insurance income	—	50
Gain on sales of subsidiaries and affiliates' stocks.....	1,230	163
Gain on sales of investments in securities	53	—
Extraordinary loss	1,360	3,834
Loss on sales of fixed assets.....	32	20
Loss on disposal of fixed assets.....	111	242
Impairment loss	963	67
Loss on disaster.....	—	5
Loss on sales of subsidiaries and affiliates' stocks.....	—	1,261
Business restructuring losses	157	945
Loss on abolishment of retirement benefit plan ...	—	280
Loss for after-care of products	74	417
Loss related to Anti-Monopoly Act	—	527
Allowance for environmental remediation expenses	20	67
Income before income taxes and minority interests	20,084	39,698
Income taxes		
Income taxes (including enterprise tax)	3,457	7,606
Adjustment of income taxes.....	1,121	1,223
Total income taxes	4,578	8,830
Income before minority interests	15,505	30,868
Minority interests in loss.....	(374)	(112)
Net income	15,880	30,980

(Quarterly Consolidated Statements of Comprehensive Income)
(Nine months ended December 31, 2014)

(Amount: millions of yen)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Income before minority interests	15,505	30,868
Other comprehensive income:		
Difference on revaluation of available-for-sale securities.....	511	186
Deferred gains or losses on hedges	(3)	1
Foreign currency translation adjustments	14,784	33,743
Unfunded retirement benefit obligation of foreign subsidiaries	160	—
Remeasurements of defined benefit plans.....	—	585
Share of other comprehensive income of associates accounted for using equity method	—	(127)
Total other comprehensive income	15,453	34,389
Total comprehensive income	30,959	65,258
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	30,695	65,141
Comprehensive income attributable to minority interests	263	117

(3) Quarterly Consolidated Statements of Cash Flows

(Amount: millions of yen)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014
1. Cash flows from operating activities:		
Income before income taxes and minority interests	20,084	39,698
Depreciation and amortization	17,750	20,628
Impairment loss	963	76
Amortization of goodwill	459	435
Loss on disaster	—	5
Business restructuring losses	53	188
Loss on abolishment of retirement benefit plan	—	280
Loss related to Anti-Monopoly Act	—	527
Equity in (earnings) losses of affiliates	777	70
Insurance income	—	(50)
Interest and dividends income.....	(552)	(574)
Interest expenses.....	1,669	1,133
Loss (gain) on sales of fixed assets	(6)	(62)
Loss on disposal of fixed assets.....	111	242
Loss (gain) on sales of investments in securities	(53)	—
Loss (gain) on sales of stocks of subsidiaries and affiliates.....	(1,230)	1,097
Decrease (increase) in notes and accounts receivable	(13,677)	(36,684)
Decrease (increase) in inventories.....	(1,862)	(16,520)
Increase (decrease) in notes and accounts payable	12,457	31,673
Increase (decrease) in allowance for doubtful receivables.....	42	30
Increase (decrease) in accrued bonuses.....	(2,085)	(2,530)
Increase (decrease) in allowance for bonuses to directors.....	120	(43)
Increase (decrease) in net defined benefit liability.....	—	102
Decrease (increase) in net defined benefit asset.....	—	(605)
Increase (decrease) in allowance for retirement benefits	(733)	—
Decrease (increase) in prepaid pension cost	762	—
Increase (decrease) in allowance for retirement benefits to executive officers	(23)	6
Increase (decrease) in allowance for after-care of products	—	417
Increase (decrease) in allowance for environmental remediation expenses	(126)	(289)
Increase (decrease) in allowance for business restructuring losses	(454)	163
Other.....	513	441
Sub-total	34,958	39,856
Interest and dividends received.....	534	557
Interest paid	(1,523)	(1,032)
Income taxes paid.....	(2,579)	(6,888)
Proceeds from income taxes refund.....	558	—
Net cash provided by operating activities	31,948	32,493

(Amount: millions of yen)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014
2. Cash flows from investing activities:		
Payments into time deposits.....	(11,312)	(5,602)
Proceeds from withdrawal of time deposits	8,778	9,588
Purchase of marketable securities	(220)	(100)
Proceeds from sales of marketable securities	27	204
Purchase of tangible fixed assets.....	(14,244)	(21,657)
Proceeds from sales of tangible fixed assets	594	500
Purchase of intangible fixed assets	(642)	(2,459)
Purchase of investments in securities.....	(498)	(370)
Proceeds from sales of investments in securities.....	156	68
Proceeds from redemption of investment securities.....	—	1,089
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(1,888)	(22)
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
Purchase of investments in subsidiaries.....	—	(400)
Proceeds from sales of shares in subsidiaries and affiliates	—	1,314
Payments for loans provided	(311)	(107)
Proceeds from collection of loans receivables.....	70	136
Other.....	(436)	(373)
Net cash used in investing activities	(19,928)	(16,878)
3. Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable.....	(13,182)	(4,913)
Proceeds from long-term loans	5,000	850
Repayment of long-term loans.....	(5,407)	(1,832)
Payment for redemption of bonds with subscription rights to shares	(256)	—
Purchase of treasury stock.....	(259)	(11)
Proceeds from disposal of treasury stock	323	372
Cash dividends paid	(2,613)	(4,109)
Repayment of lease obligations	(202)	(160)
Other.....	0	—
Net cash used in financing activities	(16,598)	(9,806)
4. Effect of exchange rate changes on cash and cash equivalents	2,203	2,190
5. Net increase (decrease) in cash and cash equivalents	(2,373)	7,998
6. Cash and cash equivalents at beginning of period	28,223	29,031
7. Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	(298)	—
8. Cash and cash equivalents at end of period	25,551	37,030

(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 Nine months ended December 31, 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	103,485	173,701	277,186	748	277,934	—	277,934
(2) Sales to other segment	2,801	1,051	3,853	17,807	21,660	(21,660)	—
Total	106,286	174,752	281,039	18,555	299,595	(21,660)	277,934
Segment income	24,049	7,329	31,378	850	32,229	(8,912)	23,316

(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 -459 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 -8,453 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	—	963	963	—	—	963

(Significant change in the amount of goodwill)
 Not applicable.

(Significant gain on negative goodwill)
 Not applicable.

II Nine months ended December 31, 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	113,463	247,285	360,749	1,211	361,961	—	361,961
(2) Sales to other segment	2,851	1,694	4,545	21,285	25,831	(25,831)	—
Total	116,315	248,980	365,295	22,496	387,792	(25,831)	361,961
Segment income	29,410	21,302	50,712	905	51,618	(7,776)	43,842

(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 -435 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 -7,340 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	—	9	9	—	67	76

(Significant change in the amount of goodwill)

Not applicable.

(Significant gain on negative goodwill)

Not applicable.

3. Information related to change 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 fiscal year. Accordingly, the method to calculate retirement benefit obligations and service costs has been revised, and the method to attribute expected retirement benefits to each period 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 segment income for the third quarter of the 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 LED backlights for LCDs products, some of our consolidated subsidiaries changed their useful life estimate from 5 to 10 years to 2 years beginning with the first quarter of the fiscal year.

Due to this change, depreciation and amortization costs for the third quarter of the current fiscal year rose while segment income for Electronic devices and components business fell 1,296 million yen.

**Supplementary Financial Data
for the Third Quarter of Fiscal Year ending March 31, 2015**

1. Consolidated Results of Operations

(Millions of yen)	Fiscal year ended Mar. '14					Fiscal year ending Mar. '15			3Q %Change	
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	Q/Q*1	Y/Y*2
Net sales	85,317	95,482	97,135	93,608	371,543	99,531	117,025	145,403	+24.2%	+49.7%
Operating income	3,538	9,465	10,312	8,883	32,199	10,524	14,237	19,080	+34.0%	+85.0%
Ordinary income	3,068	8,682	8,370	7,943	28,065	10,473	14,162	18,599	+31.3%	+122.2%
Net income	2,852	5,920	7,107	4,998	20,878	6,831	10,985	13,163	+19.8%	+85.2%
Net income per share (yen)	7.65	15.86	19.04	13.38	55.94	18.29	29.40	35.22	+19.8%	+85.0%
Fully diluted net income per share (yen)	7.27	15.08	18.08	12.71	53.14	17.37	27.90	33.43	+19.8%	+84.9%

2. Consolidated Sales and Operating Income by Segments

(Millions of yen)	Fiscal year ended Mar. '14					Fiscal year ending Mar. '15			3Q %Change	
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	Q/Q*1	Y/Y*2
Machined components	34,092	34,597	34,795	36,547	140,032	36,602	37,085	39,776	+7.3%	+14.3%
Electronic devices and components	50,982	60,646	62,073	56,812	230,514	62,687	79,672	104,924	+31.7%	+69.0%
Other	242	238	267	248	996	241	267	702	+162.9%	+162.9%
Adjustment	—	—	—	—	—	—	—	—	—	—
Total sales	85,317	95,482	97,135	93,608	371,543	99,531	117,025	145,403	+24.2%	+49.7%
Machined components	6,889	8,537	8,622	9,500	33,550	9,554	9,776	10,079	+3.1%	+16.9%
Electronic devices and components	-327	3,420	4,235	2,252	9,581	2,984	6,901	11,416	+65.4%	+169.6%
Other	15	386	447	16	866	289	354	262	-26.0%	-41.4%
Adjustment	-3,040	-2,879	-2,993	-2,886	-11,799	-2,303	-2,794	-2,677	—	—
Total operating income	3,538	9,465	10,312	8,883	32,199	10,524	14,237	19,080	+34.0%	+85.0%

3. Forecast for the Full Year for the Fiscal Year Ending March 31, 2015

(Millions of yen)	Fiscal year ending Mar. '15			Full Year ended Mar. '14	%Change Y/Y Full Year	Forecast for the 4Q ending Mar. '15
	Previous f'cast (A)	New f'cast (B)	New vs. previous (B/A)			
Net sales	460,000	490,000	+6.5%	371,543	+31.9%	128,039
Operating income	50,000	58,500	+17.0%	32,199	+81.7%	14,658
Ordinary income	48,000	57,000	+18.8%	28,065	+103.1%	13,765
Net income	31,000	36,000	+16.1%	20,878	+72.4%	5,020
Net income per share (yen)	82.96	96.33	+16.1%	55.94	+72.2%	13.42

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

(Millions of yen)	Fiscal year ending Mar. '15			Full Year ended Mar. '14	%Change Y/Y Full Year	Forecast for the 4Q ending Mar. '15
	Previous f'cast (A)	New f'cast (B)	New vs. previous (B/A)			
Machined components	148,000	153,500	+3.7%	140,032	+9.6%	40,037
Electronic devices and components	310,000	334,500	+7.9%	230,514	+45.1%	87,215
Other	2,000	2,000	+0.0%	996	+100.8%	789
Adjustment	—	—	—	—	—	—
Total sales	460,000	490,000	+6.5%	371,543	+31.9%	128,039
Machined components	38,300	39,700	+3.7%	33,550	+18.3%	10,290
Electronic devices and components	21,200	28,300	+33.5%	9,581	+195.4%	6,998
Other	800	1,100	+37.5%	866	+27.0%	195
Adjustment	-10,300	-10,600	—	-11,799	—	-2,824
Total operating income	50,000	58,500	+17.0%	32,199	+81.7%	14,658

5. Capital Expenditure, Depreciation, Research and Development Expenses

(Millions of yen)	Fiscal year ended Mar. '14					Fiscal year ending Mar. '15			Forecast for the FY ending Mar. '15
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	
Capital expenditure	5,852	4,192	4,428	6,207	20,679	6,636	9,096	8,760	35,000
Depreciation	5,896	5,833	6,020	5,989	23,740	5,940	6,195	8,492	30,000
Research and development expenses	2,025	2,057	2,284	2,195	8,561	2,152	2,216	2,244	8,500

6. Exchange Rates

		Fiscal year ended Mar. '14					Fiscal year ending Mar. '15			Assumption for the FY ending Mar. '15
		1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	
US\$	PL	97.72	98.34	99.56	103.40	99.76	102.40	102.65	112.34	108.85
	BS	98.59	97.75	105.39	102.92	102.92	101.36	109.45	120.55	118.00
EURO	PL	126.96	129.61	135.53	141.41	133.38	140.57	137.62	141.29	141.62
	BS	128.53	131.87	145.05	141.65	141.65	138.31	138.87	146.54	147.00
THAI BAHT	PL	3.30	3.12	3.16	3.15	3.18	3.15	3.20	3.45	3.35
	BS	3.16	3.11	3.20	3.17	3.17	3.12	3.38	3.67	3.60
RMB	PL	15.84	16.02	16.31	16.96	16.28	16.40	16.60	18.30	17.65
	BS	16.03	15.98	17.35	16.55	16.55	16.29	17.78	19.36	19.30

*1 3Q % change Q/Q: 3Q in comparison with 2Q.

*2 3Q % change Y/Y: 3Q in comparison with 3Q of the previous fiscal year.