

THIRD QUARTER BRIEF REPORT OF FINANCIAL RESULTS
 [under Japanese GAAP] (Consolidated)
 (Year ending March 31, 2018)

February 7, 2018

Registered
 Company Name: MINEBEA MITSUMI Inc. Common Stock Listings: Tokyo and Nagoya
 Code No: 6479 URL: <http://www.minebeamitsumi.com/>
 Representative: Yoshihisa Kainuma Representative Director, CEO & COO
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 Quarterly report filing date: February 14, 2018 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, 2017 through December 31, 2017)

(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, 2017	654,927	48.0	64,389	85.5	64,515	85.5
Nine months ended Dec 31, 2016	442,508	(6.7)	34,715	(19.1)	34,772	(9.6)

	Income attributable to owners of the parent (millions of yen)	% Change	Net income per share (yen)	Diluted net income per share (yen)
Nine months ended Dec 31, 2017	51,555	106.9	122.40	119.52
Nine months ended Dec 31, 2016	24,912	(15.8)	66.46	65.47

(Notes) Comprehensive income: Nine months ended December 31, 2017: 69,025 million yen 169.6 %
 Nine months ended December 31, 2016: 25,601 million yen 49.1 %

(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, 2017	741,050	381,943	50.5	892.18
As of March 31, 2017	643,312	326,218	50.0	759.15

(Reference) Shareholders' equity: As of December 31, 2017: 374,030 million yen
 As of March 31, 2017: 321,364 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, 2017	—	7.00	—	7.00	14.00
Year ending March 31, 2018	—	13.00	—		
Year ending March 31, 2018 (Forecast)				13.00	26.00

(Notes) Changes from the latest dividend forecast: None

3. Prospect for consolidated forecast for the fiscal year (April 1, 2017 through March 31, 2018)

(%: 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 ending March 31, 2018	850,000	33.0	80,000	63.2	79,500	64.3

	Income attributable to owners of the parent (millions of yen)	% Change	Net income per share (yen)
Year ending March 31, 2018	62,000	50.7	147.37

(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: None

3. Changes in accounting estimates: None

4. Restatements: None

(4) Number of shares outstanding (Common stock)

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

As of December 31, 2017: 427,080,606 shares

As of March 31, 2017: 427,080,606 shares

2. Number of treasury shares at end of period

As of December 31, 2017: 7,850,182 shares

As of March 31, 2017: 3,758,595 shares

3. Average number of shares (Quarterly cumulative period)

Nine months ended December 31, 2017: 421,215,907 shares

Nine months ended December 31, 2016: 374,856,097 shares

* Quarterly Brief Report of Financial Results is not subject to the quarterly review.

* 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 our corporate website (<http://www.minebeamitsumi.com/>) on Wednesday, February 7, 2018.

Index

1. Qualitative information related to the financial results for the quarter.....	4
(1) Explanation of Operating Results	4
(2) Explanation of Financial Position.....	5
(3) Explanation of Consolidated Forecast and Other Forecasts	5
2. Quarterly Consolidated Financial Statements and Major Notes.....	6
(1) Quarterly Consolidated Balance Sheets	6
(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income	8
(Quarterly Consolidated Statements of Income)	
(Nine months ended December 31, 2017).....	8
(Quarterly Consolidated Statements of Comprehensive Income)	
(Nine months ended December 31, 2017).....	9
(3) Quarterly Consolidated Statements of Cash Flows	10
(4) Notes on Quarterly Consolidated Financial Statements.....	12
(Notes on Going Concern Assumptions).....	12
(Notes on Significant Changes in Shareholder's Equity).....	12
(Additional Information).....	12
(Segment Information etc.)	12
3. Supplementary information	14
Supplementary Financial Data for the Third Quarter of Fiscal Year ending March 31, 2018	14

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

(1) Explanation of Operating Results

The Japanese economy continued on a gradual upward trajectory during the first nine months of the fiscal year (April 1, 2017 to December 31, 2017) as the growth in compensation of employees along with other factors boosted consumer spending and corporate earnings picked up. The U.S. economy saw steady consumer spending and corporate production due to improvements in the job market and both domestic and foreign demand. The European economy saw steady consumer spending up driven by an increase in compensation of employees, and corporate production, exports and capital expenditures also increased, backed by a strong global economy. In Asia, there were signs of uncertainty moving forward such as curbing of investment in infrastructure and real estate development due to rising interest rates, and strengthening of measures to prevent environmental pollution in the Chinese economy.

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

As a result, net sales rose 212,419 million yen (48.0%) year on year to total 654,927 million yen, marking the highest level on record for the first nine months of the fiscal year. Operating income rose 29,674 million yen (85.5%) year on year to total 64,389 million yen, ordinary income was up 29,743 million yen (85.5%) year on year at 64,515 million yen, and income attributable to owners of the parent increased 26,643 million yen (106.9%) year on year to reach 51,555 million yen, with all of these at record levels for the first nine months of the fiscal year.

Performance by segment was as follows:

Products in our Machined components segment include our mainstay product, ball bearings, 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. Sales of ball bearings to external customers hit a record high in November as needs for energy-efficient models equipped with safety devices expanded and demand for fan motors rose in the automobile market. Due to the effect of the HDD market shrinking, pivot assembly sales were down, yet revenues remained at the same level year on year due to currency fluctuations as well as other factors. Furthermore, although there was a decline in production of large models in the civil aircraft market, rod-end bearing sales increased due to impact of the foreign exchange market among other factors.

This resulted in net sales for the first nine months of 129,101 million yen, an increase of 14,111 million yen (12.3%) year on year. Operating income increased by 3,228 million yen (11.1%) year on year to 32,263 million yen.

The core products of our Electronic devices and components segment 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. Demand for our LED backlights for LCDs that offer a technological advantage in thin smartphones continued to soar. Sales of stepping motors and other motors grew mainly in the automobile and office automation markets.

This resulted in net sales for the first nine months of 349,764 million yen, an increase of 22,757 million yen (7.0%) year on year. Operating income increased by 7,442 million yen (45.7%) year on year to 23,734 million yen.

The main products in the MITSUMI business segment are semiconductor devices, optical devices, mechanical components, high frequency components and power supply components. Camera actuators, game console mechanism components, switches, products for smartphones such as protection IC, antennas, communication modules and connectors all performed well.

In the end, net sales for the first nine-month period came to 175,551 million yen and operating income totaled 20,135 million yen.

Machines produced in-house are the main products in our Other business segment. Net sales for the first nine months were around the same level year on year to total 510 million yen, while operating losses increased 42 million yen year on year to total 145 million yen.

In addition to the figures noted above, 11,597 million yen in corporate expenses, etc. not belonging to any particular segment is indicated as adjustments. The total amount of adjustments was 10,508 million yen during the same period last year.

(2) Explanation of Financial Position

Our 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 current third quarter amounted to 741,050 million yen, up 97,738 million yen compared to the end of the previous fiscal year. The main reasons for this uptick include increases in notes and accounts receivable, an increase in inventories, as well as an increase in tangible fixed assets. Total liabilities amounted to 359,106 million yen, representing an increase of 42,013 million yen over what it was at the end of the previous fiscal year. This jump was primarily due to an increase in notes and accounts payable. Net assets amounted to 381,943 million yen, resulting in an equity ratio of 50.5%, up 0.5 percentage points from what it was at the end of the previous fiscal year.

(Cash flow)

The balance of cash and cash equivalents at the end of the third quarter was 83,810 million yen, up 4,978 million yen from what it was at the end of the previous fiscal year. Furthermore, this was up 43,825 million yen compared to the end of the same period of the previous fiscal year because there was an increase of 32,472 million yen arising from the consolidation of MITSUMI ELECTRIC CO., LTD. and its subsidiaries.

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 60,605 million yen (an inflow of 53,423 million yen in the same period of the previous year). This is mainly due to increases and decreases in income before income taxes, depreciation and amortization, notes and accounts payable, notes and accounts receivable and inventories. Net cash used for investing activities amounted to 42,175 million yen (an outflow of 39,626 million yen in the same period of the previous year). This is mainly due to the purchase of tangible fixed assets and the purchase of investments in subsidiaries resulting in change in scope of consolidation, etc. Net cash used for financing activities amounted to 16,562 million yen (an outflow of 1,575 million yen in the same period of the previous year). This was mainly due to the purchase of treasury stock and cash dividends paid, etc.

(3) Explanation of Consolidated Forecast and Other Forecasts

It's 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 policies of the U.S. and other countries, 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 nine-month period will have on our operations, we have decided to revise the forecast as shown below.

Net sales	850,000 million yen	(133.0%)
Operating income	80,000 million yen	(163.2%)
Ordinary income	79,500 million yen	(164.3%)
Income attributable to owners of the parent	62,000 million yen	(150.7%)
(%) : Year-on-year change		

Sharing profits with our shareholders is job one at MinebeaMitsumi. That's why our basic dividend policy gives priority to enhancing equity efficiency and improving returns to our shareholders. Dividends, while reflecting performance, are determined in light of the overall business environment and with an eye to maintaining a stable and continuous distribution of profits.

Working in line with our basic policy, we paid the interim dividend of 13 yen per share in December, up 6 yen over what it was last fiscal year. While we plan to increase the year-end dividend by 6 yen over what it was last fiscal year and make it 13 yen per share, we will finalize the amount in light of our performance for this fiscal year with the aim of achieving a consolidated-basis dividend payout ratio of around 20%.

2. Quarterly Consolidated Financial Statements and Major Notes

(1) Quarterly Consolidated Balance Sheets

(Amount: millions of yen)

	As of March 31, 2017	As of December 31, 2017
ASSETS		
Current assets	405,574	473,907
Cash and deposits	93,125	100,776
Notes and accounts receivable.....	171,190	195,174
Marketable securities.....	1,840	1,651
Finished goods.....	33,394	40,732
Work in process	32,961	41,302
Raw materials	36,166	51,990
Supplies.....	7,566	6,052
Goods in transit.....	10,351	12,371
Deferred tax assets.....	5,846	6,220
Other.....	13,783	18,367
Allowance for doubtful receivables	(654)	(733)
Fixed assets	237,426	266,854
Tangible fixed assets	199,584	223,819
Buildings and structures	157,284	165,809
Machinery and transportation equipment	326,758	357,109
Tools, furniture and fixtures	55,670	63,282
Land	34,296	35,400
Leased assets.....	261	402
Construction in progress.....	7,314	16,450
Accumulated depreciation.....	(382,003)	(414,634)
Intangible assets	13,403	18,413
Goodwill.....	4,714	9,976
Other	8,689	8,437
Investments and other assets.....	24,438	24,621
Investment securities	8,970	9,395
Long-term loans receivable.....	300	368
Deferred tax assets	9,249	8,869
Other	6,340	6,412
Allowance for doubtful receivables.....	(421)	(424)
Deferred asset.....	311	287
Total assets.....	643,312	741,050

(Amount: millions of yen)

	As of March 31, 2017	As of December 31, 2017
LIABILITIES		
Current liabilities	200,128	248,361
Notes and accounts payable	86,570	110,876
Short-term debt	49,660	56,376
Current portion of long-term debt	17,916	19,305
Lease obligations	69	89
Asset retirement obligations	2	—
Accrued income taxes	4,621	7,050
Accrued bonuses	7,879	5,365
Accrued bonuses for directors	180	454
Provision for after-care of products	34	105
Provision for environmental remediation expenses	407	171
Provision for business restructuring losses	80	24
Other	32,706	48,540
Long-term liabilities	116,965	110,745
Bonds	15,000	15,000
Convertible bond-type bonds with subscription rights to shares	20,501	20,429
Long-term debt	60,933	53,472
Lease obligations	84	143
Asset retirement obligations	52	71
Provision for retirement benefits for executive officers	175	176
Provision for environmental remediation expenses	364	460
Net defined benefit liability	15,683	15,937
Other	4,169	5,053
Total liabilities	317,093	359,106
NET ASSETS		
Shareholders' equity	371,043	406,872
Common stock	68,258	68,258
Capital surplus	144,218	145,094
Retained earnings	159,910	203,049
Treasury stock	(1,345)	(9,530)
Accumulated other comprehensive income	(49,678)	(32,841)
Difference on revaluation of available-for-sale securities	1,233	1,701
Deferred gains or losses on hedges	1,031	522
Foreign currency translation adjustments	(50,290)	(33,729)
Remeasurements of defined benefit plans	(1,653)	(1,336)
Subscription rights to shares	30	18
Non-controlling interests	4,823	7,894
Total net assets	326,218	381,943
Total liabilities and net assets	643,312	741,050

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income
(Quarterly Consolidated Statements of Income)
(Nine months ended December 31, 2017)

(Amount: millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Net sales	442,508	654,927
Cost of sales	354,244	517,011
Gross profit	88,264	137,916
Selling, general and administrative expenses	53,548	73,527
Operating income	34,715	64,389
Other income	1,754	2,227
Interest income	319	724
Dividends income	122	149
Foreign exchange gains	548	—
Dividends from insurance	199	219
Other	563	1,133
Other expenses	1,696	2,100
Interest expenses	623	516
Foreign exchange losses	—	767
Other	1,073	817
Ordinary income	34,772	64,515
Extraordinary gain	350	181
Gain on sales of fixed assets	74	126
Gain on sales of affiliates	275	—
Gain on extinguishment of tie-in shares	—	54
Extraordinary loss	1,911	264
Loss on sales of fixed assets	155	11
Loss on disposal of fixed assets	46	163
Impairment loss	—	62
Loss on liquidation of affiliates	266	—
Loss on sales of affiliates	2	—
Business restructuring losses	9	—
Loss for after-care of products	12	—
Settlement loss	1,096	—
Provision for environmental remediation expenses	323	26
Income before income taxes	33,210	64,432
Income taxes		
Current income taxes (including enterprise tax)	6,608	11,551
Income taxes for prior periods	1,312	—
Deferred income taxes	243	1,141
Total income taxes	8,164	12,692
Net income	25,046	51,739
Income attributable to non-controlling interests	133	184
Income attributable to owners of the parent	24,912	51,555

(Quarterly Consolidated Statements of Comprehensive Income)
(Nine months ended December 31, 2017)

(Amount: millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Net income	25,046	51,739
Other comprehensive income:		
Difference on revaluation of available-for-sale securities	835	468
Deferred gains or losses on hedges	(61)	(509)
Foreign currency translation adjustments	(840)	17,010
Remeasurements of defined benefit plans	793	317
Share of other comprehensive income of associates accounted for using the equity method	(172)	—
Total other comprehensive income	554	17,286
Comprehensive income	25,601	69,025
Comprehensive income attributable to:		
Owners of the parent	26,353	68,391
Non-controlling interests	(752)	633

(3) Quarterly Consolidated Statements of Cash Flows

(Amount: millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
1. Cash flows from operating activities:		
Income before income taxes	33,210	64,432
Depreciation and amortization	20,871	23,109
Impairment loss	—	62
Amortization of goodwill	748	909
Interest and dividends income	(442)	(874)
Interest expenses	623	516
Settlement loss	1,096	—
Loss (gain) on sales of fixed assets	80	(114)
Loss on disposal of fixed assets	46	163
Loss (gain) on sales of affiliates	(273)	—
Loss (gain) on liquidation of affiliates	266	—
Loss (gain) on extinguishment of tie-in shares	—	(54)
Decrease (increase) in notes and accounts receivable	(35,101)	(17,187)
Decrease (increase) in inventories	6,714	(23,311)
Increase (decrease) in notes and accounts payable	34,934	20,951
Increase (decrease) in allowance for doubtful receivables	494	11
Increase (decrease) in accrued bonuses	(2,349)	(2,811)
Increase (decrease) in accrued bonuses for directors	(45)	274
Increase (decrease) in net defined benefit liability	(434)	(273)
Increase (decrease) in provision for retirement benefits for executive officers	(24)	0
Increase (decrease) in provision for after-care of products	(302)	71
Increase (decrease) in provision for environmental remediation expenses	(276)	(143)
Increase (decrease) in provision for business restructuring losses	(122)	(67)
Other	3,899	4,110
Sub-total	63,617	69,774
Interest and dividends received	424	823
Interest paid	(596)	(617)
Income taxes paid	(10,022)	(9,854)
Proceeds from income taxes refund	—	480
Net cash provided by operating activities	53,423	60,605
2. Cash flows from investing activities:		
Payments into time deposits	(13,308)	(14,365)
Proceeds from withdrawal of time deposits	8,540	12,651
Purchase of marketable securities	(13,896)	—
Proceeds from sales of marketable securities	29	—
Purchase of tangible fixed assets	(20,233)	(32,986)
Proceeds from sales of tangible fixed assets	1,313	839
Purchase of intangible assets	(1,473)	(559)
Purchase of investment securities	(1,726)	(1,410)
Proceeds from sales of investment securities	0	12
Proceeds from redemption of investment securities	1,204	1,265
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(1,032)	(7,717)
Proceeds from sales of affiliates	1,249	—
Payments for loans provided	(54)	(48)
Proceeds from collection of loans receivables	80	98
Other	(318)	45
Net cash used in investing activities	(39,626)	(42,175)

(Amount: millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
3. Cash flows from financing activities:		
Net increase (decrease) in short-term debt	(18,759)	5,647
Proceeds from long-term debt	35,598	—
Repayment of long-term debt	(2,665)	(6,360)
Payment for redemption of bonds	(10,000)	—
Purchase of treasury stock	(0)	(8,372)
Proceeds from disposal of treasury stock	744	1,051
Cash dividends paid	(6,368)	(8,410)
Dividends paid to non-controlling interests	(62)	(23)
Repayment of lease obligations	(60)	(90)
Other	0	(2)
Net cash used in financing activities	(1,575)	(16,562)
4. Effect of exchange rate changes on cash and cash equivalents	(1,377)	2,831
5. Net increase (decrease) in cash and cash equivalents	10,843	4,698
6. Cash and cash equivalents at beginning of period	29,141	78,832
7. Increase in cash and cash equivalents from newly consolidated subsidiaries	—	186
8. Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	—	92
9. Cash and cash equivalents at end of period	39,985	83,810

- (4) Notes on Quarterly Consolidated Financial Statements
 (Notes on Going Concern Assumptions)
 Not applicable.

(Notes on Significant Changes in Shareholders' Equity)

On September 22, 2017, the Company completed the acquisition of its own shares in accordance with resolution of the Board of Directors meeting held on February 13, 2017. 8,351 million yen increase resulting from this share buyback is reflected in the quarterly consolidated financial statements. A decrease of 179 million yen as a result of the disposal of our own shares via the Employee Stock Holding Exclusive Trust Account, etc. are accounted for in the 9,530 million yen total amount of our own shares as of the end of the third quarter consolidated financial period.

(Additional Information)

(Adoption of consolidated tax accounting system)

The Company and some of its domestic consolidated subsidiaries have adopted the consolidated taxation system, with MINEBEA MITSUMI Inc. as the consolidated taxable parent company, starting from the first quarter of the current fiscal year ending March 31, 2018.

(Segment Information etc.)

I Nine months ended December 31, 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	Electronic devices and components	MITSUMI business	Total				
Total sales								
(1) Sales to customers	114,990	327,007	—	441,997	510	442,508	—	442,508
(2) Sales to other segment	2,783	2,731	—	5,515	687	6,203	(6,203)	—
Total	117,774	329,739	—	447,513	1,198	448,711	(6,203)	442,508
Segment income (loss)	29,035	16,292	—	45,327	(103)	45,224	(10,508)	34,715

(Notes) *1. The classification of "Other" refers to business units not included in the reportable segments.
 Their products are mainly machines made in-house.

*2. Adjustments to segment income (loss) are amortization of goodwill -748 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 -9,760 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.

II Nine months ended December 31, 2017

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	Electronic devices and components	MITSUMI business	Total				
Total sales								
(1) Sales to customers	129,101	349,764	175,551	654,417	510	654,927	—	654,927
(2) Sales to other segment	5,592	4,358	887	10,838	2,223	13,062	(13,062)	—
Total	134,694	354,123	176,438	665,256	2,734	667,990	(13,062)	654,927
Segment income (loss)	32,263	23,734	20,135	76,132	(145)	75,986	(11,597)	64,389

(Notes) *1. The classification of “Other” refers to business units not included in the reportable segments.

Their products are mainly machines made in-house.

*2. Adjustments to segment income (loss) are amortization of goodwill -909 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 -10,688 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

(Significant impairment loss of fixed assets)

(Amount: millions of yen)

	Reportable segments				Other	All companies	Total
	Machined components	Electronic devices and components	MITSUMI business	Total			
Impairment loss	—	62	—	62	—	—	62

(Significant change in the amount of goodwill)

Not applicable.

(Significant gain on negative goodwill)

Not applicable.