

FIRST QUARTER BRIEF REPORT OF FINANCIAL RESULTS [IFRS] (Consolidated)
 (Year ending March 31, 2020)

August 2, 2019

Registered

Company Name: **MINEBEA MITSUMI Inc.** Common Stock Listings: Tokyo and Nagoya

Code No: 6479 URL: <https://www.minebeamitsumi.com/>

Representative: Yoshihisa Kainuma Representative Director, CEO & COO

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Quarterly report filing date: August 13, 2019

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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 rounded.)

1. Business Performance (April 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	Operating income (millions of yen)	% Change	Profit before income taxes (millions of yen)	% Change
Three months ended Jun. 30, 2019	204,425	(4.0)	3,663	(74.4)	3,680	(74.0)
Three months ended Jun. 30, 2018	213,038	9.2	14,291	(14.4)	14,170	(12.4)

	Profit for the period (millions of yen)	% Change	Profit for the period attributable to owners of the parent (millions of yen)	% Change	Comprehensive income for the period (millions of yen)	% Change
Three months ended Jun. 30, 2019	2,672	(75.7)	2,297	(78.9)	(6,180)	—
Three months ended Jun. 30, 2018	10,988	(12.8)	10,886	(13.6)	9,664	(42.5)

	Earnings per share, basic (yen)	Earnings per share, diluted (yen)
Three months ended Jun. 30, 2019	5.53	5.44
Three months ended Jun. 30, 2018	25.95	25.40

(2) Consolidated Financial Position

	Total assets (millions of yen)	Total equity (millions of yen)	Total equity attributable to owners of the parent (millions of yen)	Equity ratio attributable to owners of the parent (%)
As of Jun. 30, 2019	847,612	401,173	387,619	45.7
As of Mar. 31, 2019	742,127	407,260	399,703	53.9

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 Mar. 31, 2019	—	14.00	—	14.00	28.00
Year ending Mar. 31, 2020	—				
Year ending Mar. 31, 2020 (Forecast)		—	—	—	—

(Notes) Changes from the latest dividend forecast: None

Regarding the annual dividends for the fiscal year ending March 31, 2020, we will determine the dividend payout of around 20% on a consolidated basis.

3. Prospect for Consolidated Forecast for the Fiscal Year (April 1, 2019 through March 31, 2020)

(%: Changes from corresponding period of previous fiscal year)

	Net sales (millions of yen)	% Change	Operating income (millions of yen)	% Change
Six months ending Sep. 30, 2019	496,500	10.5	27,000	(20.4)
Year ending Mar. 31, 2020	1,030,000	16.4	77,000	6.9

	Profit for the period attributable to owners of the parent (millions of yen)	% Change	Earnings per share, basic (yen)
Six months ending Sep. 30, 2019	21,400	(20.3)	51.55
Year ending Mar. 31, 2020	62,000	3.1	149.35

(Notes) Changes from the latest consolidated results forecast: None

* Notes

(1) Changes in significant subsidiaries during the period (Changes in certain subsidiaries resulting in change in the scope of consolidation): Yes

Anew: 1 company U-Shin Ltd.

(2) Changes in accounting policies, or changes in accounting estimates

1. Changes in accounting policies required by IFRS: Yes

2. Changes in accounting policies other than ①: None

3. Changes in accounting estimates: None

(3) Number of shares outstanding (Common stock)

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

As of June 30, 2019: 427,080,606 shares

As of March 31, 2019: 427,080,606 shares

2. Number of treasury shares at the end of each period

As of June 30, 2019: 11,949,359 shares

As of March 31, 2019: 11,949,033 shares

3. Average number of shares (Quarterly cumulative period)

Three months ended June 30, 2019: 415,131,317 shares

Three months ended June 30, 2018: 419,430,599 shares

* These quarterly financial results are not subject to quarterly review procedures by a certified public accountant or an audit corporation.

* 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 the 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 (<https://www.minebeamitsumi.com/>) on Friday, August 2, 2019.

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

(1) Explanation of Operating Results

During the first quarter of the fiscal year (April 1, 2019 through June 30, 2019), business sentiment continued to worsen in the Japanese economy as corporate production activities slowed, especially in the manufacturing industry. This was due to declining external demand against a backdrop of trade friction between the United States and China, while inventory that had accumulated through the end of the previous year was liquidated. In the United States, there was increasing uncertainty over the future due to an increasing risk of additional tariffs, primarily in the manufacturing industry, and deceleration in the job market. The European economy was sluggish due to persistent uncertainty over the future resulting from the possibility of a no-deal Brexit as well as a slowdown in external demand and inventory adjustment in the manufacturing industry despite improvements in the employment and income environment. In Asia, the Chinese economy slowed due to continued sluggishness of exports, primarily to the United States, as well as stunted growth in the domestic automotive market in which investment control measures implemented through the previous year caused a delay in the recovery of internal demand.

Working against this backdrop, the MinebeaMitsumi Group concentrated 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 were down 8,613 million yen (-4.0%) year on year to 204,425 million yen. Operating income was down 10,628 million yen (-74.4%) year on year to 3,663 million yen, profit before income taxes was down 10,490 million yen (-74.0%) to 3,680 million yen, and profit for the period attributable to owners of the parent was down 8,589 million yen (-78.9%) to 2,297 million yen.

U-Shin Ltd. was made a subsidiary through a tender offer on April 10. The company has been included in the scope of consolidation as of the date of the business integration. This includes the company's profits and losses from the date of the business integration on.

Performance by segment was as follows:

In conjunction with the acquisition of U-Shin Ltd., the U-Shin business is disclosed as a reporting segment as of the first quarter. Additionally, the battery module products that were included under the MITSUMI business were transferred to the Electronic devices and components business. Accordingly, segment information has been updated to reflect this change in company organization.

The segment information disclosed for the first quarter of the previous year has been prepared based on the post-change reportable segments.

The main products in our Machined components segment include our anchor product line, ball bearings, in addition to mechanical components such as rod-end bearings used primarily in aircraft and hard disk drive (HDD) pivot assemblies, etc. as well as fasteners for aircraft. Sales of ball bearings were down both in volume and amount due to decreased demand from fan motors despite solid demand in the automobile market. Rod-end bearing sales increased owing to favorable orders in the small and medium aircraft market. Pivot assembly sales were down both in volume and amount due to shrinking of the HDD market.

As a result, net sales were down 1,202 million yen (-2.5%) year on year to 46,053 million yen, and operating income was down 1,002 million yen (-8.6%) to 10,699 million yen.

The core products of our Electronic devices and components segment include electronic devices (devices such as LED backlights for LCDs, sensing devices (measuring components), etc.), HDD spindle motors, stepping motors, DC motors, air movers, and special devices. Sales of stepping motors and other motors were down due to decreased demand in the automobile market. LED backlights for LCDs sales were down due to the shrinking of the smartphone market.

As a result, net sales were down 17,010 million yen (-18.0%) year on year to 77,639 million yen, and the operating loss increased 2,782 million yen year on year to total 577 million yen.

The main products in the MITSUMI business segment are semiconductor devices, optical devices, mechanical components, high frequency components and power supply components. Although camera actuators, switches, protection IC, and connectors performed well, sales were down due to the decrease in game consoles and other mechanism components.

As a result, net sales were down 21,302 million yen (-30.0%) year on year to 49,654 million yen, and operating income was down 2,670 million yen (-99.4%) to 16 million yen.

The main products in the U-Shin business segment are key sets, door latches, door handles, and other automotive components as well as industrial machinery components and housing equipment components (such as building and house locks). Automotive components performed well in the domestic market, but demand was sluggish in the European, Chinese, and Central and South American markets. Demand for industrial machinery components for use in agricultural and construction equipment was strong.

As a result, net sales were 30,734 million yen, and operating income was 1,016 million yen.

Machines produced in-house are the main products in our Other business segment. Net sales were up 167 million yen (94.3%) year on year to 345 million yen, while the operating loss increased 272 million yen year on year to total 367 million yen.

In addition to the figures noted above, 7,124 million yen in corporate expenses, etc. not belonging to any particular segment is indicated as adjustments. The total amount of adjustments was 2,206 million yen for the first quarter of the previous fiscal year.

(2) Explanation of Financial Position

1. Assets, liabilities and equity

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

Total assets at the end of the first quarter were 847,612 million yen, up 105,485 million yen from the end of the previous fiscal year. The main reason for this uptick was an increase in property, plant and equipment and inventories.

Total liabilities at the end of the first quarter were 446,439 million yen, up 111,572 million yen from the end of the previous fiscal year. The main reason for this was bonds and borrowings and trade and other payables.

Equity came to 401,173 million yen, bringing the equity ratio attributable to owners of the parent down 8.2 percentage points from the end of the previous fiscal year to 45.7%.

2. Cash flows

Cash and cash equivalents at the end of the first quarter were 100,948 million yen, down 21,484 million yen from the end of the previous fiscal year.

Cash flows from various business activities during the first three months of the fiscal year and relevant factors were as follows:

Net cash provided by operating activities amounted to 2,934 million yen (compared to 14,907 million yen in the same period of the previous year). This was primarily due to increases and decreases in profit before income taxes, depreciation and amortization, trade and other receivable, and inventories, etc. Net cash used in investing activities amounted to 11,787 million yen (compared to 14,754 million yen in the same period of the previous year). This was primarily due to purchase of property, plant and equipment, etc. Net cash used in financing activities amounted to 10,112 million yen (compared to 5,567 million yen in the same period of the previous year). This was primarily due to repayments of long-term borrowings and dividends paid, etc.

(3) Explanation of Consolidated Forecast and Other Forecasts

It is difficult to get a clear picture of where the global economy is headed from the second quarter of this fiscal year due to the trade policies of the United States and other countries, fluctuating exchange rates and geopolitical risks. This outlook does not have any changes to our earnings forecasts announced on May 8, 2019.

Full-year consolidated business forecast for the fiscal year ending March 31, 2020

(From April 1, 2019 to March 31, 2020)

	Net sales (millions of yen)	Operating income (millions of yen)	Profit for the period attributable to owners of the parent (millions of yen)
Previous forecast (A) (announced on May 8, 2019)	1,030,000	77,000	62,000

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.

Under this basic policy, we paid an interim dividend of 14 yen per share and a year-end dividend of 14 yen per share to make the annual dividend payout 28 yen per share in the previous fiscal year based on consolidated results. We plan to decide the specific amounts of the interim and year-end dividends this year with the aim of achieving a consolidated-basis dividend payout ratio of around 20%.

2. Condensed Quarterly Consolidated Financial Statements and Major Notes

(1) Condensed Quarterly Consolidated Statements of Financial Position

(Amount: millions of yen)

	As of March 31, 2019	As of June 30, 2019
Assets		
Current assets		
Cash and cash equivalents	122,432	100,948
Trade and other receivables	151,349	172,698
Inventories	141,385	174,441
Other financial assets	21,045	20,407
Other current assets.....	9,343	20,689
Total current assets	445,554	489,183
Non-current assets		
Property, plant and equipment.....	244,388	288,212
Goodwill	8,284	14,103
Intangible assets	9,375	9,843
Other financial assets	14,635	21,803
Deferred tax assets.....	16,650	19,979
Other non-current assets.....	3,241	4,489
Total non-current assets.....	296,573	358,429
Total assets	742,127	847,612

(Amount: millions of yen)

	As of March 31, 2019	As of June 30, 2019
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	109,344	139,228
Bonds and borrowings	86,642	131,255
Other financial liabilities	1,983	9,787
Income taxes payable	5,448	3,882
Provisions	200	4,310
Other current liabilities	31,848	38,585
Total current liabilities	235,465	327,047
Non-current liabilities		
Bonds and borrowings	75,400	78,762
Other financial liabilities	5,138	15,385
Net defined benefit liabilities	14,577	20,534
Provisions	1,196	1,310
Deferred tax liabilities	1,754	1,696
Other non-current liabilities	1,337	1,705
Total non-current liabilities	99,402	119,392
Total liabilities	334,867	446,439
Equity		
Common stock	68,259	68,259
Capital surplus	137,464	137,464
Treasury stock	(19,448)	(19,449)
Retained earnings	202,172	198,686
Other components of equity	11,256	2,659
Total equity attributable to owners of the parent	399,703	387,619
Non-controlling interests	7,557	13,554
Total equity	407,260	401,173
Total liabilities and equity	742,127	847,612

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

(Amount: millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Net sales	213,038	204,425
Cost of sales	175,663	175,091
Gross profit	37,375	29,334
Selling, general and administrative expenses	23,499	26,796
Other income	500	1,636
Other expenses	85	511
Operating income	14,291	3,663
Finance income	390	554
Finance expenses	511	537
Profit before income taxes	14,170	3,680
Income taxes	3,182	1,008
Profit for the period	10,988	2,672
Profit for the period attributable to:		
Owners of the parent	10,886	2,297
Non-controlling interests	102	375
Profit for the period	10,988	2,672
Earnings per share (EPS)		
Basic (Yen)	25.95	5.53
Diluted (Yen)	25.40	5.44

(Condensed Quarterly Consolidated Statements of Comprehensive Income)

(Amount: millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Profit for the period.....	10,988	2,672
Other comprehensive income		
Components of other comprehensive income that will not be reclassified to profit or loss, net of tax:		
Net changes in revaluation of equity instruments measured at fair value through other comprehensive income.....	(510)	(383)
Sub-total	(510)	(383)
Components of other comprehensive income that will be reclassified to profit or loss, net of tax:		
Foreign exchange differences on translation of foreign operations	(398)	(8,484)
Cash flow hedges	(416)	15
Sub-total	(814)	(8,469)
Other comprehensive income, net of tax	(1,324)	(8,852)
Comprehensive income for the period	9,664	(6,180)
Comprehensive income attributable to:		
Owners of the parent.....	9,433	(6,271)
Non-controlling interests.....	231	91
Comprehensive income for the period	9,664	(6,180)

(3) Condensed Quarterly Consolidated Statements of Changes in Equity

(Amount: millions of yen)

	Equity attributable to owners of the parent					
	Common stock	Capital surplus	Treasury stock	Retained earnings	Other components of equity	
					Foreign currency translation	Cash flow hedge
Balance as of April 1, 2018	68,259	134,615	(9,496)	154,778	4,280	99
Profit for the period				10,886		
Other comprehensive income					(527)	(416)
Comprehensive income for the period	—	—	—	10,886	(527)	(416)
Purchase of treasury stock			(1)			
Disposal of treasury stock		227	40			
Dividends				(5,452)		
Share-based payment transactions		(13)	13			
Total transactions with owners	—	214	52	(5,452)	—	—
Balance as of June 30, 2018	68,259	134,829	(9,444)	160,212	3,753	(317)

	Equity attributable to owners of the parent			Non-controlling interests	Total equity
	Other components of equity		Total		
	Net changes in revaluation of equity instruments measured at fair value through other comprehensive income	Subtotal			
Balance as of April 1, 2018	3,556	7,935	356,091	7,130	363,221
Profit for the period			10,886	102	10,988
Other comprehensive income	(510)	(1,453)	(1,453)	129	(1,324)
Comprehensive income for the period	(510)	(1,453)	9,433	231	9,664
Purchase of treasury stock			(1)		(1)
Disposal of treasury stock			267		267
Dividends			(5,452)		(5,452)
Share-based payment transactions			0		0
Total transactions with owners	—	—	(5,186)	—	(5,186)
Balance as of June 30, 2018	3,046	6,482	360,338	7,361	367,699

(Amount: millions of yen)

	Equity attributable to owners of the parent					
	Common stock	Capital surplus	Treasury stock	Retained earnings	Other components of equity	
					Foreign currency translation	Cash flow hedge
Balance as of April 1, 2019	68,259	137,464	(19,448)	202,172	8,387	(76)
Profit for the period				2,297		
Other comprehensive income					(8,140)	15
Comprehensive income for the period	—	—	—	2,297	(8,140)	15
Purchase of treasury stock			(1)			
Dividends				(5,812)		
Increase of consolidated subsidiaries						
Transfer to retained earnings				29		
Total transactions with owners	—	—	(1)	(5,783)	—	—
Balance as of June 30, 2019	68,259	137,464	(19,449)	198,686	247	(61)

	Equity attributable to owners of the parent			Non- controlling interests	Total equity
	Other components of equity		Total		
	Net changes in revaluation of equity instruments measured at fair value through other comprehensive income	Subtotal			
Balance as of April 1, 2019	2,945	11,256	399,703	7,557	407,260
Profit for the period			2,297	375	2,672
Other comprehensive income	(443)	(8,568)	(8,568)	(284)	(8,852)
Comprehensive income for the period	(443)	(8,568)	(6,271)	91	(6,180)
Purchase of treasury stock			(1)		(1)
Dividends			(5,812)		(5,812)
Increase of consolidated subsidiaries			—	5,906	5,906
Transfer to retained earnings	(29)	(29)	—		—
Total transactions with owners	(29)	(29)	(5,813)	5,906	93
Balance as of June 30, 2019	2,473	2,659	387,619	13,554	401,173

(4) Condensed Quarterly Consolidated Statements of Cash Flows

(Amount: millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Cash flows from operating activities:		
Profit before income taxes	14,170	3,680
Depreciation and amortization	7,754	11,126
Share-based payment expenses	(472)	—
Interest income and dividends income	(346)	(495)
Interest expenses	242	401
Loss (gain) on sale and disposal of property, plant and equipment	(25)	(641)
Decrease (increase) in trade and other receivables	8,584	8,810
Decrease (increase) in inventories	(18,307)	(18,754)
Increase (decrease) in trade and other payables	12,610	(2,119)
Other	(5,374)	4,021
Subtotal	18,836	6,029
Interest received	259	325
Dividends received	85	156
Interest paid	(312)	(310)
Income taxes paid	(3,961)	(3,266)
Net cash flows provided by operating activities	14,907	2,934
Cash flows from investing activities:		
Decrease (increase) in time deposits	119	(150)
Purchase of property, plant and equipment	(14,888)	(12,754)
Proceeds from sales of property, plant and equipment	290	1,035
Purchase of intangible assets	(267)	(256)
Purchase of securities	(389)	(515)
Proceeds from sale and redemption of securities	319	556
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	—	47
Other	62	250
Net cash flows used in investing activities	(14,754)	(11,787)
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings	1,235	6,163
Proceeds from long-term borrowings	1,100	—
Repayments of long-term borrowings	(2,700)	(9,819)
Proceeds from disposal of treasury stock	267	—
Purchase of treasury stock	(1)	(1)
Dividends paid	(5,452)	(5,812)
Repayments of lease obligations	(16)	(643)
Other	0	—
Net cash flows used in financing activities	(5,567)	(10,112)
Effect of exchange rate changes on cash and cash equivalents	(116)	(2,519)
Increase (decrease) in cash and cash equivalents	(5,530)	(21,484)
Cash and cash equivalents at beginning of period	88,777	122,432
Cash and cash equivalents at end of period	83,247	100,948

(5) Notes on Condensed Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumptions)

Not applicable.

(Change in Accounting Policy)

The significant accounting policies applied by our Group in this condensed quarterly consolidated financial statements are the same as those for the previous fiscal year, except for the following.

Income tax related to the condensed quarterly consolidated financial statements is calculated based on the estimated average annual effective tax rate.

Our Group has applied the following standards since April 1, 2019.

	IFRS	Outline of establishment and amendment
IFRS 16	Leases	Amendment of accounting for leases

This standard abolishes the classification into finance leases and operating leases that was prescribed in the previous standards document for leases, IAS 17 Leases, and requires the lessee to recognize right-of-use assets and lease liabilities from the commencement date of every lease. However, the standard also provides for exemptions to the recognition of short-term leases and leases of low-value assets, and our group has elected to apply these exemption provisions.

When applying the standard, our group has chosen an approach, approved as a transitional measure, whereby the cumulative impact of the application is recognized at the date of application. In addition, for the application of the standard, as a practical expedient our group is not required to reassess whether an agreement existing on the date of application contains a lease, and makes use of practical expedients permitted for leases that were previously classified as operating leases.

As a result of applying the standard, property, plant and equipment, other financial liabilities (current) and other financial liabilities (non-current) on the date of application increased by 9,142 million yen, 2,890 million yen and 9,510 million yen respectively.

In condensed quarterly consolidated statements of cash flows, lease related cash flows had been classified as cash flows from operating activities. However, under the implementation of IFRS 16, lease transactions, except short-term and low value leases and including payments for lease liabilities which were presented as finance leases, are classified in cash flows from financing activities as “Repayments of lease obligations”

Accounting policies (leases) in accordance with this standard are as follows.

(Lessee side)

Lease liabilities in a lease transaction are measured on the commencement day of the lease at the present value of remaining lease payments, discounted by the lessee's incremental borrowing rate. Initial measurement of right-of-use assets shall be performed by adjusting the initial measurement of the lease liability on the commencement date by initial direct costs, etc., and by adding costs associated with the obligation to restore the asset to its original condition, as required by the lease agreement. Right-of-use assets shall be depreciated systematically over the lease term. Our group shall determine the lease term as the non-cancelable period of a lease, together with the periods covered by an option to extend a lease if it is reasonably certain that the lessee will exercise that option, and the periods covered by an option to terminate a lease if it is reasonably certain that the lessee will not exercise that option.

Lease payments shall be allocated between finance costs and the repayable portion of the remaining balance of the lease liability, so as to produce a constant periodic rate of interest on the remaining balance of the lease liability. Finance costs shall be classified and shown on the consolidated statements of income as a depreciation charge for the right-of-use asset.

With regard to whether an agreement is, or contains, a lease, even if the agreement does not have the legal form of lease, our group arrives at a judgment based on the substance of the agreement.

Moreover, for leases in which the lease term ends within 12 months, or leases for which the underlying asset is of low value, lease payments for the lease in question may be recognized as expenses on either a straight-line basis or some other systematic basis over the lease term.

(Lessor side)

Leases are classified as either operating leases or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and economic rewards associated with ownership of the underlying asset, and as an operating lease if it does not transfer substantially all the risks and economic rewards associated with ownership of the underlying asset. The assessment of whether a lease is a finance lease or an operating lease is dependent not on the form of the agreement, but on the substance of the transaction.

Furthermore, when classifying a sublease, the intermediate lessor shall perform the classification with reference to the right-of-use asset arising from the head lease.

(Segment Information)

Information related to sales and income (loss) by reportable segments
(Three months ended June 30, 2018)

(Amount: millions of yen)

	Reportable segment				Other *1	Adjustments *2	Consolidated
	Machined components	Electronic devices and components	MITSUMI business	U-Shin business			
Net sales							
Net sales to customers	47,255	94,649	70,956	—	178	—	213,038
Net sales to other segment	1,378	1,559	350	—	524	(3,811)	—
Total	48,633	96,208	71,306	—	702	(3,811)	213,038
Segment profit (loss)	11,701	2,205	2,686	—	(95)	(2,206)	14,291
Finance income	—	—	—	—	—	—	390
Finance expenses	—	—	—	—	—	—	511
Profit before income taxes	—	—	—	—	—	—	14,170

(Three months ended June 30, 2019)

(Amount: millions of yen)

	Reportable segment				Other *1	Adjustments *2	Consolidated
	Machined components	Electronic devices and components	MITSUMI business	U-Shin business			
Net sales							
Net sales to customers	46,053	77,639	49,654	30,734	345	—	204,425
Net sales to other segment	1,339	1,549	689	—	837	(4,414)	—
Total	47,392	79,188	50,343	30,734	1,182	(4,414)	204,425
Segment profit (loss)	10,699	(577)	16	1,016	(367)	(7,124)	3,663
Finance income	—	—	—	—	—	—	554
Finance expenses	—	—	—	—	—	—	537
Profit before income taxes	—	—	—	—	—	—	3,680

(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. The amount of the adjustment is as follows.

Adjustments to segment income are corporate expenses such as general and administrative expenses in addition to research and development expenses that do not belong to the reportable segments

3. The changes of reportable segments are as follows.

The U-Shin business is disclosed as a reporting segment as of the first quarter. Additionally, the battery module products that were included under the MITSUMI business were transferred to the Electronic devices and components business. Accordingly, segment information has been updated to reflect this change in company organization.

The segment information disclosed for the first quarter of the previous year has been prepared based on the post-change reportable segments.