

Passion is POWER, Passion is SPEED, Passion is the FUTURE

Minebea conceived the “Medium-term Business Plan”, which starts in the fiscal year March 2011. “Towards profit recovery and expansion”—We pursue the fulfillment of this plan through aggressive capital investment and intensifying our vertical and horizontal strengths.



Representative Director, President and Chief Executive Officer
Yoshihisa Kainuma

Consolidated Results of Operations for the fiscal year ended March 31, 2010

The fiscal year March 2010 proceeded under the lingering influence of the worldwide recession—stemming from the financial crisis in the U.S.—and forced Minebea to conduct its business under harsh market conditions. The first half in particular suffered from reduced net sales from the deteriorated market environment and drastic fluctuations in foreign exchange rates, notably the appreciation of the yen. In addition, adverse impact on manufacturing cost deriving from large-scale production cuts conducted towards the end of the previous fiscal year remained, creating continued unfavorable conditions in terms of profit. However, in the latter half of the period, along with the signs of recovery observed in the global economy, a recovery in demand has become more prominent in a variety of product fields, including those of the personal computer and HDD markets. As a result, our consolidated net sales recorded ¥228.4 billion, which is a 10.8% decrease from the previous period. In spite of the enormous

impact of the global recession, operating income recorded ¥12.1 billion, a 10% decrease from the previous period, owing to the contribution of the increased sales in the latter half, the output increase in ball bearings and pivot assemblies, and reduced manufacturing cost from cost cuts across a broad range of our business.

The recovery of demand in the latter half of the period led to the expansion of production in ball bearings, pivot assemblies, and lighting devices, and the efforts we have been putting into the electronic devices and components segment fruited into a major improvement in business performance. In the fourth quarter, the PC keyboard business achieved a surplus and evolved into a positive factor in terms of business performance.

On the other hand, it is our greatest regret that we did not attain a surplus in the HDD spindle motor business and speaker business. For the HDD spindle motor business, we expect to achieve our surplus target early in the period through our efforts in improving yield and production capacity backed by good

conditions in the environment, notably the rapid expansion of the market. In the speaker business, we plan to launch high-power micro speakers into the LCD television market, aiming for increased profitability from sales expansion and the reinforcement of our outsourcing policies.

Management Policies for the fiscal year March 2010

Since I took the post of president, I have implemented various measures with speed and address under Minebea's two major goals: "To aim for the enhancement of corporate values through maximizing the earnings per share" and "To solidify our foundation in the momentum of Minebea's 100th anniversary." Our first approach involved the restructuring of the company and the power shift. The intended goal of this is to intensify Minebea's signature vertically integrated production method and the hybrid components business based on our inter-business unit collaboration. Our other business moves include the acquisition of the information motor business from the Motor Company of Panasonic Corporation, the establishment of European Motion Technologies (EMT), which specializes in high added value motors for the European market, the release of "COOL LEAF", a novel input device realized from the combination of different technologies including PC keyboards, lighting devices, measuring components, and vibration motors, as well as repurchasing of shares. The results of these efforts are yet to be fully seen, but I have confidence that these implementations will contribute to Minebea's growth strategy.

On the other hand, in order to share our objectives and the achievements of our share price-focused management with our employees, we introduced the employees' stock ownership incentive plan: "E-Ship®." Consequently, I am realizing the company-wide penetration of our management policies, as can be assumed from the fact that the enrollment ratio of our employees for the plan doubled.

Towards the achievement of the goal for the year ending March 2011

Our goal for the fiscal year March 2011 is net sales of ¥265.0 billion and an operating income of ¥23.5 billion. We will conduct business administration with business segment-specific strategies for the attainment of this goal.

Our machined components business will be driven on the "Market leader strategy," simply expressed as "Number-one

strategy." The core of the fiscal year's strategy is to follow the expansion of the market.

We, as a leading manufacturer, assume the responsibility to develop and maintain the capacity to supply as much product as is desired by our customers, which is particularly important in the face of recovering demand. Minebea takes a step ahead to prepare for the sure delivery of goods required in the medium to long-term roadmaps of our customers.

In the ball bearing business, we made a resolution to build a new integrated production plant in Thailand for the first time in 18 years. Given the rapid expansion of demand in pivot assemblies for HDDs, Minebea plans to set up a 45-million-unit production system during this fiscal year through the steady stepping-up of production. It is clear that the HDD market is witnessing a major upwards trend, and Minebea, as top manufacturer, will respond to that expanding demand. For the rod-end and fastener business, although we were anticipating a less promising market environment, the aircraft market in fact is coming to an early stage of recovery with major aircraft manufacturers moving on towards production increase. Notably, the Boeing 787 program has shifted into gear, which is a great boost to our business. We have already reinforced our production structure, specifically, constructed new facilities in Karuizawa and Fujisawa. We believe that this will contribute significantly in the coming recovery period.

The rotary components business is planning to develop and carry out the "Strategies to provide low-price and solutions" by product group.

Minebea manufactures wide-ranging types of motors. Product groups that function on their own, such as fan motors and vibration motors, must be subject to thorough cost reduction and also pursue quantities that allow for the attainment of economies of scale. On the other hand, in the brush motor, brushless motor, and stepping motor businesses we continue to promote the strategy of providing solutions involving hybrid components of motor and machined components through intra-company cooperation in accordance with our customers' needs.

In addition, the acquisition of the information motor business (brushless motor business) from Panasonic Corporation and the establishment of the EMT business that produces high added value products targeting the European market—the two lines of motor business expected to generate future growth and profit—have considerably enriched our second pillar of business. We are also

planning to select a location during this term for building new facilities to remedy the narrowing workspace in motor plants.

Electronic devices business and special devices business are managed under the “Differentiation strategy (One and only strategy)” based on our peerless, high added value products. Instead of targeting the majority in the whole market, we intend to lay our foundation in specific fields drawing on our core technologies to ensure profitability.

In contrast, for the LED backlight business, we adopt the strategy to maintain and develop capacity to supply products required by our customers considering the rapid growth of the market and our technical responsive capability. Currently, we are producing 15 million units monthly and were originally planning to shift to a monthly 24 million-unit production in three years, but due to customer demand, we decided to build two new factories in China in addition to the expansion in Thai plant to accelerate the establishment of production ramp-up structure.

It is our theme for this fiscal year to promote measuring components, circuit components, PC keyboards, speakers, and special devices, aimed at the high added value fields different from our competitors.

The HDD spindle motor business will inevitably be run with a focus on profitability. Although we are behind in pushing the business into the black the result of our committed efforts from the previous year is steadily taking form, including contributions to profit such as quality improvement. Taking advantage of the favorable condition of the HDD market, which has entered a new growth period, we aim to achieve a monthly surplus in the first half of this fiscal year through infusing efforts into yield improvement and implementing measures to increase production.

“Towards profit recovery and expansion”—Our medium-term business plan

The three-year business plan specifies the goal for the fiscal year ending March 31, 2013 as net sales of ¥400 billion and an operating income of ¥40 billion. The plan is to ensure an operating margin of 9% in the first year, and 10% in the subsequent two years. The net sales are to be increased by at least 10% every year. An aggressive capital investment with an eye for the future is necessary to carry out this medium-term business plan aimed “towards profit recovery and expansion”—we plan to make an investment of ¥93 billion over the next three years in this regard.

The core project is the construction of the new facilities for ball

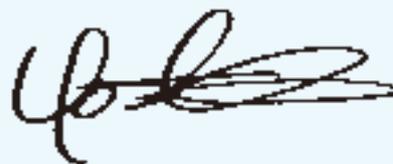
bearings and pivot assemblies; however, we also consider the construction of new facilities for lighting devices and motors critical, which we will plan to make a resolution on the details this fiscal year. Through these measures, we aim to reinforce our two strengths, the vertically integrated production method (vertical strength) and the hybrid component business based on the collaboration of different businesses (horizontal strength), and attain the goal of the medium-term business plan.

Passion is POWER

I, as the Representative Director, President and Chief Executive Officer, will lead the officers and employees of the Minebea Group and continue to strive for the improvement of our corporate value and sustainable growth in combined efforts. In the past year, we have seen passionate attitudes in our associates across the company in addressing business. I believe this passion will inevitably realize the growth of the Minebea Group and improve its corporate value. This passion is also a cornerstone of management.

We appreciate your continued understanding and support for the Minebea Group.

June 29, 2010



Yoshihisa Kainuma
Representative Director,
President, and Chief Executive Officer