Minebea

BRIEF REPORT OF FINANCIAL RESULTS
〔under Japanese GAAP〕 (Consolidated)
(Year ended March 31 , 2011)

May 10, 2011

Registered
Company Name: MINEBEA CO., LTD. Common Stock Listings: Tokyo, Osaka and Nagoya
Code No: 6479 URL http://www.minebea.co.jp
Representative: Yoshihisa Kainuma Representative Director, President and Chief Executive Officer
Contact: Satoshi Yoneda General Manager of Accounting Department
Date planned to hold ordinary general meeting of shareholders: June 29, 2011
Expected date of payment for dividends: June 30, 2011
Date planned to file report of securities: June 29, 2011 Tel. (03) 5434-8611
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, 2010 through March 31, 2011)

(1) Consolidated Results of Operations (%: Changes from 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, 2011	269,139	17.8	22,163	83.8	20,364	99.6
Year ended March 31, 2010	228,446	(10.8)	12,059	(10.0)	10,203	(11.7)

	Net income (millions of yen)	% Change	Net income per share (yen)	Fully diluted net income per share (yen)
Year ended March 31, 2011	12,465	87.1	32.61	—
Year ended March 31, 2010	6,662	172.8	17.20	—

(Reference) Comprehensive Income: Year ended March 31, 2011: 4,009 million yen (35.9) %
Year ended March 31, 2010: 6,254 million yen — %

	Return (net income) on equity (%)	Return (ordinary income) on assets (%)	Return (operating income) on sales (%)
Year ended March 31, 2011	11.6	7.2	8.2
Year ended March 31, 2010	6.3	3.6	5.3

(Reference) Income or loss on investments: Year ended March 31, 2011: 4 million yen
Year ended March 31, 2010: (7) million yen

(2) Consolidated Financial Position

	Total assets (millions of yen)	Net assets (millions of yen)	Equity ratio (%)	Net assets per share (yen)
As of March 31, 2011	291,092	109,967	37.1	282.03
As of March 31, 2010	277,967	108,381	38.5	279.87

(Reference) Shareholders' equity: As of March 31, 2011: 107,918 million yen
As of March 31, 2010: 106,896 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities (millions of yen)	Cash flows from investing activities (millions of yen)	Cash flows from financing activities (millions of yen)	Year end balance of cash and cash equivalents (millions of yen)
Year ended March 31, 2011	24,439	(28,631)	7,984	27,621
Year ended March 31, 2010	30,408	(12,733)	(20,118)	24,855

2. Dividends

	Dividends per share					Total dividends (for the year) (millions of yen)	Dividends payout (total) (%)	Dividends on net assets (total) (%)
	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, 2010	―	3.00	―	4.00	7.00	2,694	40.7	2.5
Year ended March 31, 2011	―	3.00	―	4.00	7.00	2,677	21.5	2.5
Year ended March 31, 2012 (Forecast)	―	3.00	―	4.00	7.00		―	

(Notes) Our forecast for dividends payout applicable to the fiscal year ended March 31, 2012 are 20.6% to 24.3%.

3. Prospect for the Next Fiscal Year (April 1, 2011 through March 31, 2012)

(%: 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
Six months ended Sep. 30, 2011	123,000 ～135,000	(10.7) ～(2.0)	8,100 ～9,700	(34.5) ～(21.6)	7,100 ～8,700	(38.5) ～(24.6)
Year ended March 31, 2012	260,000 ～285,000	(3.4) ～5.9	21,000 ～24,500	(5.3) ～10.5	19,000 ～22,500	(6.7) ～10.5

	Net income (millions of yen)	% Change	Net income per share (yen)
Six months ended Sep. 30, 2011	3,300 ～4,400	(54.9) ～(39.9)	8.62 ～11.50
Year ended March 31, 2012	11,000 ～13,000	(11.8) ～4.3	28.75 ～33.97

(Notes) As described on page 5 of the attached document ("2. Outlook for the next fiscal year," "(1) Analysis of Operating Performance," "1. Operating Performance"), we will disclose a range of business performance forecasts instead of presenting specific figures.

4. Others

(1) Changes in significant subsidiaries during the year (Changes in certain subsidiaries resulting in change in the scope of consolidation): None

(2) Changes in accounting principles, procedures, presentations, etc. for preparation of consolidated financial statements (Changes to be stated in changes in significant matters that are fundamental to preparation of consolidated financial statements)
1. Changes associated with revision of accounting standards, etc: Yes
2. Changes other than 1: None
(Notes) For details, see Basis of Presenting Consolidated Financial Statements on page 19.

(3) Number of shares outstanding (Common stock)
1. Number of shares outstanding at end of year (including treasury stock):
As of March 31, 2011: 399,167,695 shares
As of March 31, 2010: 399,167,695 shares
2. Number of treasury shares at end of year:
As of March 31, 2011: 16,523,203 shares
As of March 31, 2010: 17,224,534 shares
3. Average number of shares:
As of March 31, 2011: 382,318,700 shares
As of March 31, 2010: 387,296,335 shares

* Explanation for related to implementation of audit procedures

Audit procedures for financial statements under the Financial Instruments and Exchange Law are not completed at the time of disclosure of this Brief Report of Financial Results.

* Explanation for appropriate use of financial forecasts and other special remarks

The above-mentioned 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 with unpredictable parameters that are probable to affect our future business performances in the end. In other words, our actual performances are likely to differ greatly from these estimates depending on various factors that will take shape from now on. As for the assumptions used for these forecasts and other related items, please refer to ("1. Operating Performance," "(1) Analysis of Operating Performance") on page 4 of the documents attached hereunder.

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1. Operating Performance

(1) Analysis of Operating Performance

1. Overview of the year

During the fiscal year ended March 31, 2011, the Japanese economy saw a moderate recovery, such as an improvement in corporate earnings and a turnaround in capital spending, although the employment environment remained severe. The massive earthquake (the Pacific coast of Tohoku Earthquake) that rocked northeastern Japan on March 11 and the resulting tsunami that crippled the nuclear power plant at Fukushima not only devastated the areas of immediate impact but also sent shockwaves through the Japanese economy. In the wake of these multiple disasters it is difficult to make predictions about production, employment, consumption, etc. The U.S. economy also continued a moderate recovery, such as improved corporate earnings, helped by the effectiveness of economic stimulus measures and the recovery of overseas economies, despite slow personal consumption due to the continued high unemployment. In Europe, the economies tended to turn around as a whole, although they differed greatly from one country to another. The Chinese economy expanded, supported chiefly by domestic demand due to an active fiscal stimulus package, and other Asian economies were also firm mainly due to exports to China.

Under these management circumstances, although we strove to implement sweeping cost reduction measures, develop new technologies and high value-added products, and promote sales expansion activities, in order to further increase earnings. Owing to the improved market conditions and other business factors, sales substantially increased and profits improved, although they were affected by the appreciation of the Japanese yen.

As a result, net sales increased 40,693 million yen (17.8%) year on year, to 269,139 million yen, and operating income increased 10,104 million yen (83.8%) year on year, to 22,163 million yen. Ordinary income increased 10,161 million yen (99.6%) year on year, to 20,364 million yen, and net income increased 5,803 million yen (87.1%) to 12,465 million yen.

Performance by segment is as follows:

Our products in the Machined components business segment include ball bearings, which are our mainstay product; mechanical components such as rod-end bearings primarily for use in aircraft and pivot assemblies for use in hard disk drives (HDDs) and fasteners for automobiles and aircraft. Sales of ball bearings and rod-end bearings, our mainstay products, were buoyed by an upbeat market. Pivot assemblies sales remained flat due to the strong yen despite an increased sales volume to the hard disc industry, our primary market. Net sales for this fiscal year totaled 107,841 million yen, up 8,550 million yen (8.6%) year on year. Operating income increased 7,454 million yen (36.1%) to total 28,088 million yen due to ongoing efforts to lower costs via improvements to basic technologies, product technologies and manufacturing techniques.

Our core products in the Rotary components business are information motors (fan motors, stepping motors, DC brushless motors, vibration motors and DC brush motors), HDD spindle motors and other precision motors. Information motor sales were up thanks to better market conditions as well as the addition of DC brushless motors to our product line. Sales of HDD spindle motors were affected by the appreciation of the Japanese yen, but increased owing to solid performance in the hard disc industry, our sale destination. These factors brought net sales up 26,954 million yen (36.3%) year on year to total 101,139 million yen. A drop in sales of precision motors had a significant impact on our bottom line despite ongoing cost reduction efforts aimed at information motors (excluding vibration and DC brush motors). The decline brought sales down 1,602 million yen year on year with an operating loss totaling 224 million yen.

Our core products in the Electronic devices and components business are LCD backlights, inverters and measuring instruments. Resulting net sales totaled 40,502 million yen for a year on year increase of 4,722 million yen (13.2%). Operating income fell 1,224 million yen (-22.7%) year on year to 4,160 million yen as the discontinuation of some measuring component products narrowed down the profit margin.

Our main products in the Other businesses are PC keyboards, speakers and defense related special components. Net sales increased 468 million yen (2.4%) year on year to 19,657 million yen. At the same time the turnaround in the keyboard and other businesses brought operating income up 1,182 million yen year on year to total 498 million yen.

Other than the above, 10,358 million yen of corporate expenses, etc. not belonging to each segment is shown as adjustments. Adjustments for this fiscal year amounted to 11,447 million yen on a consolidated basis.

2. Outlook for the next fiscal year

In the aftermath of the Pacific coast of Tohoku Earthquake we expect the Japanese economy to move forward slowly while the impact of delays in component procurement and halted production of automobiles will continue to ripple throughout global economy.

The outlook for the future remains clouded by deteriorating conditions created by shortages of materials and components in the markets we supply. Since these circumstances make it extremely difficult to accurately predict future performance, we've calculated our forecast figures within ranges as follows: Sales are expected to fall between 260,000 million and 285,000 million yen, operating income between 21,000 million and 24,500 million yen, ordinary income between 19,000 million and 22,500 million yen, and net income between 11,000 million and 13,000 million yen.

We will revise these figures when the outlook for the future becomes clearer.

Outlook by segment for the full year is as follows:

Machined components business

We expect demand for ball bearings, our primary product line, to increase in major markets during the latter half of this fiscal year despite the negative impact of the earthquake during the first half. We will continue to aggressively expand sales of ball bearings to the automobile, information and telecommunications equipment industries as we enhance production capacity with our new production facility in Thailand. Expanding sales and cutting costs will give us the economies of scale in manufacturing needed to boost performance even further.

Rotary components business

We will work to tap into new markets for information motors and continue to increase production efficiency, improve product mix, and start mass production at the newly launched Cambodian plant with an eye to boosting sales. The spindle motors business currently has only a small share of the market, but we intend to improve performance through cost reductions. Although the outlook for our major customers in the hard disc industry is clouded by murky market waters we will do our best to chart a course forward. We look forward to turning the rotary component business around as these business operations rebound during the second half of this fiscal year.

Electronic devices and components business

We will work to quickly launch the Suzhou plant in China for producing LCD backlights and boost production and sales with an eye to garnering the lion's share of the market.

Other businesses

Both the special devices and keyboard business operations are expected to grow steadily. We will now concentrate on improving the ailing speaker business to boost our bottom line.

(2) Analysis of Financial Position

1. Assets, Liabilities, and Net Assets

The Minebea Group has adopted strengthening its financial position as a principal business policy, and is taking various measures, such as squeezing total assets, controlling capital investment and reducing liabilities.

Total assets at the end of the current consolidated fiscal year amounted to 291,092 million yen, up 13,125 million yen compared with the end of previous year. Major reasons for this uptick include an increase in inventories due to rebounding production and sales as well as an upswing in notes and accounts receivable.

Total liabilities at the end of the current consolidated fiscal year amounted to 181,125 million yen, with a year on year increase of 11,539 million yen. This surge was primarily due to increases in notes and accounts payable, long-term loans and short-term loans, and due to decreases in bonds.

Net assets were 109,967 million yen, and this decreased the equity ratio by 1.4% year on year, to 37.1%.

2. Condition of cash flows

The balance of cash and cash equivalents in the current consolidated fiscal year totaled 27,621 million yen, up 2,766 million yen year on year.

Cash flows from various business activities during the current consolidated fiscal year and relevant factors are as follows:

Operating activities: Net cash provided by operating activities totaled 24,439 million yen due mainly to increases in earnings before income taxes and minority interests, notes and accounts receivable, notes and accounts payable, inventory assets, as well as depreciation and amortization costs. This amount includes a year on year decrease of 5,969 million yen due largely to an increase in inventories despite the higher earnings before income taxes and minority interests.

Investing activities: Cash flows from investment activities included expenditures totaling 28,631 million yen due primarily to the acquisition of tangible fixed assets. This figure includes a year on year increase of 15,898 million yen in expenditures.

Financing activities: Cash flows from financing activities included an income of 7,984 million yen due to an increase in loans despite the redemption of corporate bonds and dividend payments.

(3) Basic Policy for Profit Sharing and Dividends for the Current and the Next Fiscal Years

By considering our management condition from a comprehensive standpoint and maintaining stable profit sharing on an ongoing basis, our basic policy is to provide improved equity capital efficiency and better profit sharing to shareholders first aiming for profit distribution to shareholders at levels reflecting operating results.

For the current consolidated fiscal year, we paid an interim dividend of 3 yen per share in December 2010.

Under our basic policy described above, for the current consolidated fiscal year, we plan to propose paying a 4 yen per share year-end dividend at our 65th ordinary general meeting of shareholders scheduled to be held in June this year.

Regarding the dividends for the next fiscal year, we plan to pay an interim dividend of 3 yen per share, the same as the current year, and a year-end dividend of 4 yen per share (average of 7 yen for the entire year).

(4) Risk Management

As of the end of the current consolidated fiscal year, the company recognizes that the Minebea Group has the following risks and uncertainties that have the potential to affect its group operating results and/or financial position:

1. Market risk

Principal markets for Minebea products, including those for PCs and peripheral equipment, information and telecommunications equipment and household electrical appliances, are intensely competitive and subject to significant fluctuations in demand. Our operating results and financial position are vulnerable to these fluctuations.

2. Foreign exchange risk

A significant portion of our consolidated net sales and production are outside of Japan. Our business is thus vulnerable to risks associated with fluctuations in foreign currency exchange rates. We have entered into various currency exchange contracts and other derivatives transactions to hedge these risks, but fluctuations in foreign currency exchange rates may affect our operating results and/or financial position over the long term.

3. R&D risk

While we focus on R&D to introduce a constant stream of new, high-quality products, we are subject to the risk that significant R&D expenditures may not be rewarded with successes, as there are no guarantees that R&D efforts will come to fruition.

4. Legal risk

The Legal Department is responsible for managing risk related to lawsuits and other legal actions brought against Minebea Group operations in Japan and/or overseas. We are subject to the risk that lawsuits or other actions with the potential to affect our operating results and/or financial position may be brought against us in the future.

5. Risk related to price negotiations

We continue to face intense competition from lower-priced products made overseas. We are subject to the risk that we will be unable to maintain or increase our share should market needs shift to low-quality, low-priced products.

6. Risk related to raw materials and logistics costs

We purchase a variety of materials from external suppliers and strive to ensure optimal purchase inventory volumes for such materials and access to stable supplies of materials with stable prices. However, we are subject to the risk that rising prices for such materials may affect our operating results and/or financial position in the future.

7. Latent risk related to operations overseas

The Minebea Group's manufacturing activities are conducted primarily in Thailand, China, and Singapore. While considerable time has passed since we established operations in these countries, our operations overseas are subject to the following risks, any of which may have a negative impact on our operating results and/or financial position:

(a) Unexpected changes to laws or regulations.
(b) Difficulty in attracting and securing appropriate human resources.
(c) Acts of terrorism or war, or other acts that may cause social disruption.

2. Condition of Group of Enterprises

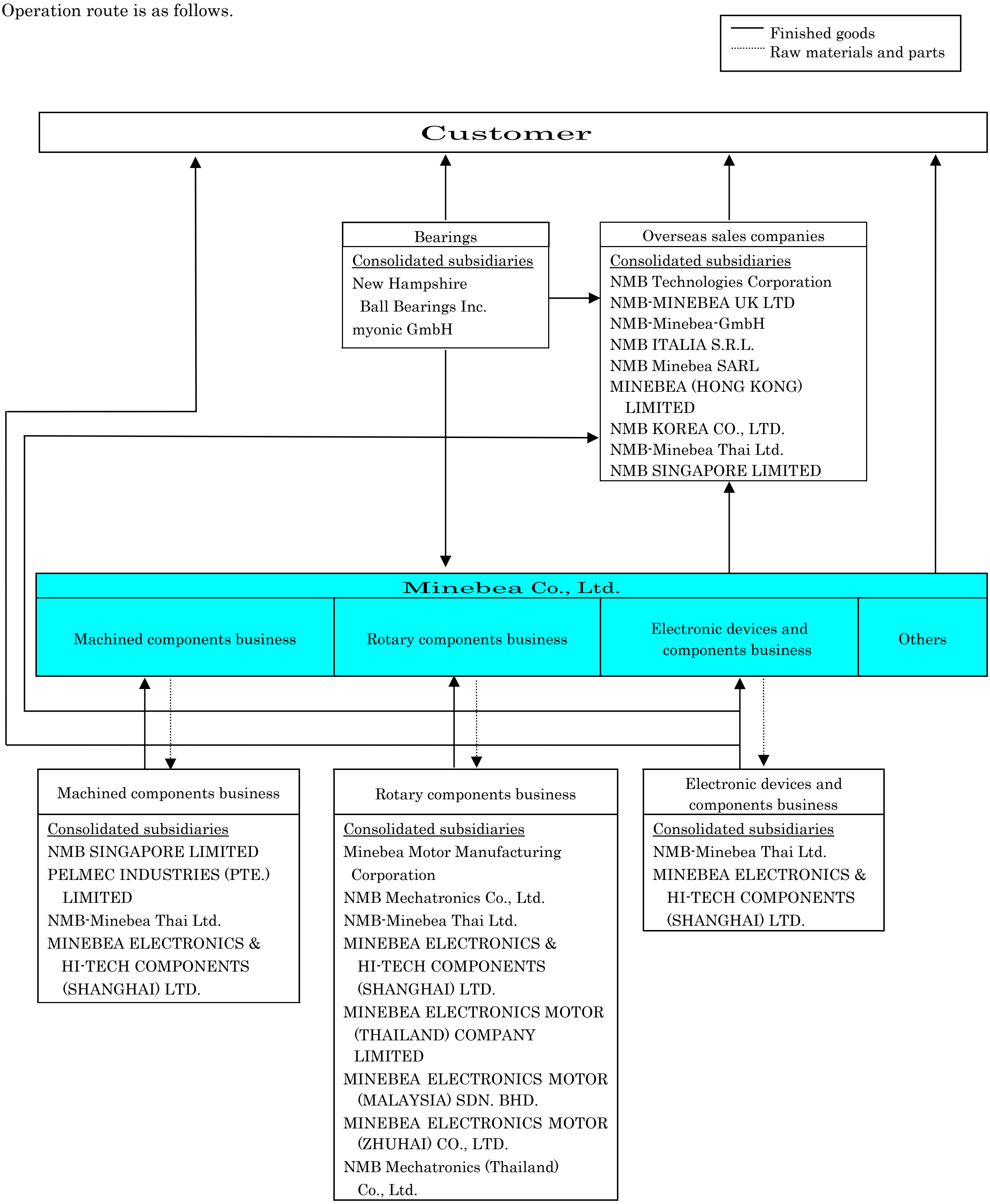
Minebea group consists of Minebea Co., Ltd. (the Company) and 40 related companies (40 consolidated subsidiaries). Minebea group produces and sells machined components, rotary components and electronic devices.

The Company and domestic consolidated subsidiaries, consolidated subsidiaries in U.S.A., Europe and Asia are in charge of production. The Company markets its products directly to Japanese customers. In overseas markets, the Company markets its products through its subsidiaries and branches in the United States, Europe and Asia.

The relationship between each segments, and main manufacturing and sales companies are as follows.

Segments	Operations	Manufacturing companies	Sales companies
Machined components business	Bearings	Minebea Co., Ltd. New Hampshire Ball Bearings, Inc. myonic GmbH NMB SINGAPORE LIMITED PELMEC INDUSTRIES (PTE.) LIMITED NMB-Minebea Thai Ltd. MINEBEA ELECTRONICS & HI-TECH COMPONENTS (SHANGHAI) LTD.	Minebea Co., Ltd. NMB Technologies Corporation NMB-MINEBEA UK LTD NMB-Minebea-GmbH NMB ITALIA S.R.L. NMB Minebea SARL NMB-Minebea Thai Ltd. NMB SINGAPORE LIMITED MINEBEA (HONG KONG) LIMITED NMB KOREA CO., LTD.
	Rod-end bearings	Minebea Co., Ltd. New Hampshire Ball Bearings, Inc. NMB-MINEBEA UK LTD NMB-Minebea Thai Ltd.	
	Mechanical components Fasteners for automobiles and aircraft	Minebea Co., Ltd. NMB-Minebea Thai Ltd.	
Rotary components business	Information motors	Minebea Motor Manufacturing Corporation NMB-Minebea Thai Ltd. MINEBEA ELECTRONICS & HI-TECH COMPONENTS (SHANGHAI) LTD. MINEBEA ELECTRONICS MOTOR (THAILAND) COMPANY LIMITED MINEBEA ELECTRONICS MOTOR (MALAYSIA) SDN.BHD. MINEBEA ELECTRONICS MOTOR (ZHUHAI) CO., LTD.	
	Spindle motors	NMB-Minebea Thai Ltd.	
	Precision motors	Minebea Co., Ltd. NMB Mechatronics Co., Ltd. NMB-Minebea Thai Ltd. NMB Mechatronics (Thailand) Co., Ltd.	
Electronic devices and components business	LCD backlights Inverters Measuring instruments	Minebea Co., Ltd. NMB-Minebea Thai Ltd. MINEBEA ELECTRONICS & HI-TECH COMPONENTS (SHANGHAI) LTD.	

Operation route is as follows.



3. Management Policy

(1) Basic Management Policy

The Minebea Group has adopted the following five principles as its basic policy for management.

(a) Be a company where our employees are proud to work
(b) Earn and preserve the trust of our valued customers
(c) Respond to our shareholders' expectations
(d) Work in harmony with the local community
(e) Promote and contribute to global society

Under this basic management policy, we have actively addressed the development of high value-added products and the sophistication of product quality. In addition we have focused company resources on areas where we can display ultra-precision machining technologies and mass production technologies that are both the source of our competitiveness. At the same time, we have strengthened our operations based on financial improvements, and have striven to practice a transparent management form that is easier to understand within and across the company.

Furthermore, as a key theme in the development of business in various parts of the world, we have has continued our commitment to environmental protection activities.

(2) Management Index

Our consolidated forecasts for fiscal year ending March 31, 2012 are as follows:

(Amount: millions of yen)

	Fiscal year ending March 2012	
Net sales	260,000～285,000	(96.6%～105.9%)
Operating income	21,000～24,500	(94.7%～110.5%)
Ordinary income	19,000～22,500	(93.3%～110.5%)
Net income	11,000～13,000	(88.2%～104.3%)
Capital investment	25,000	(91.5%)

(%): Year-on-year rate of change

(3) Future Management Strategies and Tasks

In accordance with the basic management policies as mentioned earlier, we aim to improve profitability and enhance corporate value based on a "vertically integrated manufacturing system" that takes advantage of "ultra-precision machining technologies", "large-scale volume production system," and "well-developed R&D system," which have been established worldwide, in order to ensure our place as "a company that leads the competition through manufacturing and technological excellence".

Our growth drivers to achieve this goal and sustainable growth are "utilization of the vertical and horizontal collective strengths of our group" and "increase of corporate values through M&As and alliances" in addition to "development of new products," "improvement of existing products," "constant improvement of production technologies," etc..

(a) In ball bearings, create and expand new demands by strengthening production capacity of miniature ball bearings that have much potential for growth and developing new products (micro miniature ball bearings and other key products). We will also focus on manufacturing and selling low-priced products and medium-size ball bearings to emerging markets.
(b) We will lay the foundation needed to increase pivot assembly and ball bearing production in order to keep pace with the growing demand from hard disk-related markets.
(c) In the spindle motor business, we will strive for earnings improvement by responding to market demands and at the same time, implementing increased production and cost reductions.
(d) To further reinforce aircraft parts for which demand is expected to increase, build our operations in the area of aircraft mechanical parts using advanced machining technologies, in addition to existing rod-end and spherical bearings.
(e) We will aim for increase of sales and earnings by achieving substantially increased production of LED backlights.
(f) Build our operations in the area of fan motors and other precision small motors into a second pillar of our operations after bearings and bearing-related products.
(g) Increase the ratio of high-value-added products in all product categories and diversify offerings to serve a broader market.
(h) We will strengthen our ability to provide flexible prices and ability to satisfy the requirements of our customers by always considering the re-organization of our business portfolios and demonstrating across-the-board management resources covering manufacturing, sales and marketing, engineering and development.
(i) We will aim for new market cultivation and sales increase by combining technologies in our electronic devices and components and machined components, as well as cultivating hybrid products.
(j) We will strive for improved results by aggressively undertaking thorough and full-scale cost reduction initiatives as well as furthering the strengthening of our business structure.
(k) We will continue to keep an eye out for optimal production locations in order to minimize regional risks and be ready to expand production to multiple locations.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Amount: millions of yen)

	As of March 31, 2010	As of March 31, 2011
ASSETS		
Current assets	130,004	144,177
Cash and cash equivalents	26,507	29,590
Notes and accounts receivable	52,184	56,020
Marketable securities	857	828
Finished goods	11,718	16,433
Work in process	11,036	11,985
Raw materials	6,728	7,548
Supplies	2,849	3,581
Goods in transit	3,579	4,448
Deferred tax assets	5,779	3,779
Others	8,894	10,108
Allowance for doubtful receivables	(129)	(147)
Fixed assets	147,963	146,914
Tangible fixed assets	124,227	124,096
Buildings and structures	97,148	93,766
Machinery and transportation equipment	230,213	230,985
Tools, furniture and fixtures	44,006	43,025
Land	14,016	13,139
Leased assets	1,872	1,694
Construction in progress	1,650	4,853
Accumulated depreciation	(264,681)	(263,369)
Intangible fixed assets	9,671	7,430
Goodwill	7,000	5,555
Others	2,671	1,875
Investments and other assets	14,063	15,387
Investments in securities	7,525	8,003
Long-term loans receivable	23	19
Deferred tax assets	4,923	5,279
Others	1,606	2,100
Allowance for doubtful receivables	(15)	(14)
Total assets	277,967	291,092

(Amount: millions of yen)

	As of March 31, 2010	As of March 31, 2011
LIABILITIES		
Current liabilities	102,961	116,862
Notes and accounts payable	16,464	18,630
Short-term loans payable	51,655	52,237
Current portion of long-term loans payable	3,100	12,632
Current portion of bonds	10,000	11,500
Lease obligations	471	364
Accrued income taxes	1,830	2,115
Accrued bonuses	3,700	3,976
Allowance for bonuses to directors	24	71
Allowance for after-care of products	300	37
Allowance for environmental remediation expenses	220	108
Allowance for business restructuring losses	113	112
Others	15,080	15,076
Long-term liabilities	66,625	64,262
Bonds	11,500	—
Long-term loans payable	47,144	56,843
Lease obligations	492	403
Allowance for retirement benefits	4,807	4,280
Allowance for retirement benefits to executive officers	129	166
Allowance for environmental remediation expenses	854	1,005
Others	1,697	1,563
Total liabilities	169,586	181,125
NET ASSETS		
Shareholders' equity	182,604	195,337
Common stock	68,258	68,258
Capital surplus	94,767	94,823
Retained earnings	26,149	38,535
Treasury stock	(6,571)	(6,280)
Total accumulated other comprehensive income	(75,708)	(87,418)
Difference on revaluation of available-for-sale securities	91	(497)
Deferred gains or losses on hedges	7	0
Foreign currency translation adjustments	(75,808)	(84,638)
Unfunded liabilities related to overseas subsidiaries' accounting for pensions	—	(2,283)
Minority interests in consolidated subsidiaries	1,485	2,049
Total net assets	108,381	109,967
Total liabilities and net assets	277,967	291,092

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

(Amount: millions of yen)

	Year ended March 31, 2010	Year ended March 31, 2011
Net sales	228,446	269,139
Cost of sales	175,285	202,145
Gross profit	53,160	66,994
Selling, general and administrative expenses	41,100	44,830
Operating income	12,059	22,163
Other income	681	740
Interest income	206	230
Dividends income	98	158
Equity in net income of affiliate	—	4
Others	377	348
Other expenses	2,537	2,539
Interest expenses	1,897	1,832
Foreign currency exchange loss	216	286
Equity in net loss of affiliate	7	—
Others	415	420
Ordinary income	10,203	20,364
Extraordinary income	194	114
Gain on sales of fixed assets	39	46
Gain on sales of investments in securities	32	—
Reversal of allowance for doubtful receivables	8	—
Reversal of loss for after-care of products	—	47
Reversal of allowance for business restructuring losses	—	20
Reversal of special severance payments	79	—
Insurance claim	35	—
Extraordinary loss	1,136	1,822
Loss on disposal of inventories	108	—
Loss on sales of fixed assets	39	82
Loss on disposal of fixed assets	212	301
Impairment loss	31	553
Loss on sales of stocks of subsidiaries and affiliates	—	38
Loss on liquidation of affiliates	159	—
Loss for after-care of products	510	245
Allowance for environmental remediation expenses	—	203
Business restructuring loss	75	105
Spoilage expenses	—	291
Income before income taxes and minority interests	9,261	18,656
Income taxes		
Income taxes (including enterprise tax)	4,051	4,580
Refund of income taxes	(1,911)	—
Adjustment of income taxes	109	964
Total income taxes	2,249	5,544
Income before minority interests	—	13,112
Minority interests in earnings of consolidated subsidiaries	350	646
Net income	6,662	12,465

(Consolidated Statements of Comprehensive Income)

(Amount: millions of yen)

	Year ended March 31, 2010	Year ended March 31, 2011
Income before minority interests	—	13,112
Other comprehensive income:		
Difference on revaluation of available-for-sale securities	—	(589)
Deferred gains or losses on hedges	—	(7)
Foreign currency translation adjustments	—	(8,913)
Unfunded retirement benefit obligation of foreign subsidiaries	—	406
Total other comprehensive income	—	(9,103)
Total comprehensive income	—	4,009
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	—	3,444
Comprehensive income attributable to minority interests	—	564

(3) Consolidated Statements of Changes in Net Assets

(Amount: millions of yen)

	Year ended March 31, 2010	Year ended March 31, 2011
Shareholders' equity		
Common stock		
Balance at end of previous fiscal year	68,258	68,258
Changes		
Total changes	—	—
Balance at end of current fiscal year	68,258	68,258
Capital surplus		
Balance at end of previous fiscal year	94,756	94,767
Changes		
Sales of own shares	11	55
Total changes	11	55
Balance at end of current fiscal year	94,767	94,823
Retained earnings		
Balance at end of previous fiscal year	20,819	26,149
Rearrangement of unfunded retirement benefit obligation of foreign subsidiaries	—	2,689
Changes		
Increase resulting from change of foreign subsidiaries financial closing date	53	—
Cash dividend from retained earnings	(1,944)	(2,674)
Change of scope of equity method	—	(94)
Net income	6,662	12,465
Increase due to decrease in unfunded retirement benefit obligation of foreign subsidiaries	559	—
Total changes	5,330	9,696
Balance at end of current fiscal year	26,149	38,535
Treasury stock		
Balance at end of previous fiscal year	(3,255)	(6,571)
Changes		
Change of scope of equity method	—	3
Purchase of own shares	(3,390)	(23)
Sales of own shares	74	310
Total changes	(3,315)	290
Balance at end of current fiscal year	(6,571)	(6,280)
Total shareholders' equity		
Balance at end of previous fiscal year	180,579	182,604
Rearrangement of unfunded retirement benefit obligation of foreign subsidiaries	—	2,689
Changes		
Increase resulting from change of overseas subsidiaries financial closing date	53	—
Cash dividend from retained earnings	(1,944)	(2,674)
Change of scope of equity method	—	(90)
Net income	6,662	12,465
Increase due to decrease in unfunded retirement benefit obligation of foreign subsidiaries	559	—
Purchase of own shares	(3,390)	(23)
Sales of own shares	85	365
Total changes	2,025	10,043
Balance at end of current fiscal year	182,604	195,337

(Amount: millions of yen)

	Year ended March 31, 2010	Year ended March 31, 2011
Accumulated other comprehensive income		
Difference on revaluation of available-for-sale securities		
Balance at end of previous fiscal year	(189)	91
Changes		
Changes (net) in non-shareholders' equity items	281	(589)
Total changes	281	(589)
Balance at end of current fiscal year	91	(497)
Deferred gains or losses on hedges		
Balance at end of previous fiscal year	2	7
Changes		
Changes (net) in non-shareholders' equity items	5	(7)
Total changes	5	(7)
Balance at end of current fiscal year	7	0
Foreign currency translation adjustments		
Balance at end of previous fiscal year	(74,615)	(75,808)
Changes		
Changes (net) in non-shareholders' equity items	(1,192)	(8,830)
Total changes	(1,192)	(8,830)
Balance at end of current fiscal year	(75,808)	(84,638)
Unfunded retirement benefit obligation of foreign subsidiaries		
Balance at end of previous fiscal year	—	—
Rearrangement of unfunded retirement benefit obligation of foreign subsidiaries	—	(2,689)
Changes		
Changes (net) in non-shareholders' equity items	—	406
Total changes	—	406
Balance at end of current fiscal year	—	(2,283)
Total accumulated other comprehensive income		
Balance at end of previous fiscal year	(74,802)	(75,708)
Rearrangement of unfunded retirement benefit obligation of foreign subsidiaries	—	(2,689)
Changes		
Changes (net) in non-shareholders' equity items	(905)	(9,020)
Total changes	(905)	(9,020)
Balance at end of current fiscal year	(75,708)	(87,418)
Minority interests in consolidated subsidiaries		
Balance at end of previous fiscal year	986	1,485
Changes		
Changes (net) in non-shareholders' equity items	498	564
Total changes	498	564
Balance at end of current fiscal year	1,485	2,049

(Amount: millions of yen)

	Year ended March 31, 2010	Year ended March 31, 2011
Total net assets		
Balance at end of previous fiscal year	106,762	108,381
Rearrangement of unfunded retirement benefit obligation of foreign subsidiaries	—	—
Changes		
Increase resulting from change of overseas subsidiaries financial closing date	53	—
Cash dividend from retained earnings	(1,944)	(2,674)
Change of scope of equity method	—	(90)
Net income	6,662	12,465
Increase due to decrease in unfunded retirement benefit obligation of foreign subsidiaries	559	—
Purchase of own shares	(3,390)	(23)
Sales of own shares	85	365
Changes (net) in non-shareholders' equity items	(407)	(8,456)
Total changes	1,618	1,586
Balance at end of current fiscal year	108,381	109,967

(4) Consolidated Statements of Cash Flows

(Amount: millions of yen)

	Year ended March 31, 2010	Year ended March 31, 2011
1. Cash flows from operating activities:		
Income before income taxes and minority interests	9,261	18,656
Depreciation and amortization	21,140	20,805
Impairment loss	31	553
Amortization of goodwill	1,352	1,320
Equity in net (income) loss of affiliate	7	(4)
Interest and dividends income	(304)	(388)
Interest expenses	1,897	1,832
Loss (gain) on sales of fixed assets	(0)	35
Loss on disposal of fixed assets	212	301
Loss (gain) on sales of investments in securities	(32)	38
Loss (gain) on liquidation of affiliates	159	—
Decrease (increase) in notes and accounts receivable	(9,574)	(7,140)
Decrease (increase) in inventories	2,286	(10,207)
Increase (decrease) in notes and accounts payable	6,571	2,906
Increase (decrease) in allowance for doubtful receivables	16	26
Increase (decrease) in accrued bonuses	(59)	346
Increase (decrease) in allowance for bonuses to directors	24	47
Increase (decrease) in allowance for retirement benefits	655	556
Decrease (increase) in prepaid pension cost	741	(488)
Increase (decrease) in allowance for retirement benefits to executive officers	(7)	36
Increase (decrease) in allowance for after-care of products	280	(256)
Increase (decrease) in allowance for environmental remediation expenses	(71)	146
Increase (decrease) in allowance for business restructuring losses	(824)	(4)
Others	(98)	371
Sub-total	33,665	29,495
Interest and dividends received	304	388
Interest paid	(1,891)	(1,859)
Income taxes paid	(2,545)	(4,197)
Proceeds from income taxes refund	875	612
Net cash provided by operating activities	30,408	24,439
2. Cash flows from investing activities:		
Payments into time deposits	(2,780)	(3,753)
Proceeds from withdrawal of time deposits	1,139	3,315
Purchase of tangible fixed assets	(10,495)	(26,517)
Proceeds from sales of tangible fixed assets	683	953
Purchase of intangible fixed assets	(323)	(343)
Purchase of investments in securities	(1,165)	(165)
Proceeds from investments in securities	64	18
Purchase of investments in subsidiaries	—	(1,328)
Long-term loans receivables	(23)	(199)
Recovery of long-term loans receivables	18	91
Others	149	(703)
Net cash used in investing activities	(12,733)	(28,631)

	Year ended March 31, 2010	Year ended March 31, 2011
3. Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable	(6,872)	1,583
Proceeds from long-term loans	14,920	23,600
Repayment of long-term loans	(22,175)	(4,369)
Payment for redemption of bonds	—	(10,000)
Purchase of treasury stock	(3,390)	(23)
Proceeds from disposal of treasury stock	85	365
Cash dividends paid	(1,944)	(2,674)
Repayment of lease obligations	(741)	(497)
Net cash used in financing activities	(20,118)	7,984
4. Effect of exchange rate changes on cash and cash equivalents	(513)	(1,025)
5. Net increase (decrease) in cash and cash equivalents	(2,956)	2,766
6. Cash and cash equivalents at beginning of year	27,895	24,855
7. Decrease resulting from change of consolidated subsidiaries balance sheet date	(83)	—
8. Cash and cash equivalents at end of year	24,855	27,621

(5) Notes on Going Concern Assumptions

Not applicable.

(6) Basis of Presenting Consolidated Financial Statements

1. Scope of consolidation

(a) Number of consolidated companies..............40 companies

The names of principal consolidated subsidiaries, stated in 2. Condition of Group of Enterprises, are omitted.

(b) Non-consolidated subsidiaries etc.

Non-consolidated subsidiaries

DAIICHI SEIMITSU SANGYO CO., LTD.
DAIICHI PRECISION MOLD (HK) LIMITED
DONGGUAN CHENGQU DAIICHI PRECISION MOLD CO. LTD

(Reason for exclusion from the scope of consolidation)

The reason is that non-consolidated subsidiaries are all small operations, and each of their total assets, sales, net income (amount equivalent to equity), retained earnings (amount equivalent to equity), etc. has no significant impact on our consolidated financial statements.

2. Changes in the scope of consolidation

Anew：	Establishment	(2 companies)	MINEBEA ELECTRONICS DEVICES (SUZHOU) LTD.
			MINEBEA (CAMBODIA) Co., Ltd.
	Acquisition of stock	(3 companies)	DAIICHI SEIMITSU SANGYO CO., LTD.
			DAIICHI PRECISION MOLD (HK) LIMITED
			DONGGUAN CHENGQU DAIICHI PRECISION MOLD CO. LTD

3. Application of the equity method

(a) Number of affiliated companies....................0 company

Shonan Seiki Co., Ltd. was excluded from the scope of equity method accounting this fiscal year since we sold off shares we had in the company.

(b) Non-consolidated subsidiaries not accounted for by the equity method

DAIICHI SEIMITSU SANGYO CO., LTD., DAIICHI PRECISION MOLD (HK) LIMITED and DONGGUAN CHENGQU DAIICHI PRECISION MOLD CO. LTD are excluded from the scope of application by the equity method, because their net income (amount equivalent to equity), retained earnings (amount equivalent to equity), etc. are not important for our consolidated financial statements.

4. Fiscal years, etc. of consolidated subsidiaries

Of the consolidated subsidiaries, regarding those whose balance sheet dates differ from the consolidated balance sheet date, the Company uses their financial statements based on the provisional settlements of accounts implemented as of the consolidated balance sheet date, in order to prepare the consolidated financial statements for the current fiscal year.

5. Accounting policies

(a) Valuation basis and method of significant assets

1. Securities

Other marketable securities

Securities with market value

The Company adopted the market value method based on market prices and other conditions at the end of the term. Also, the Company accounted for all valuation differences based on the direct net asset method and the sales costs are calculated by the moving average method.

The Company's consolidated overseas subsidiaries also used primarily the same accounting method.

Securities without market value.

Non listed securities are stated at cost determined by the moving average method.

2. Derivatives

Market value method

The Company's consolidated overseas subsidiaries also used primarily the same accounting method.

3. Inventories

The Company and consolidated domestic subsidiaries state primarily at the moving average cost. (The balance sheet amounts of the inventories are calculated at the lowered book values reflecting potential decline in profitability).

Consolidated overseas subsidiaries state at the lower of average cost or market.

(b) Method of significant depreciation

1. Tangible fixed assets (excluding leased assets)

The Company and consolidated domestic subsidiaries adopt the declining balance method.

Their major useful lives are as follows:

Buildings and structures	2 to 50 years
Machinery and transportation equipment	2 to 15 years
Tools, furniture and fixtures	2 to 20 years

They also collectively show equal charges for small depreciable assets (whose acquisition values are not less than 100,000 yen and less than 200,000 yen) over the 3 years each consolidated fiscal year.

Consolidated overseas subsidiaries mainly adopt the straight-line method.

2. Intangible fixed assets (excluding leased assets)

The Company and consolidated domestic subsidiaries mainly adopt the straight-line method. However, depreciation of software (for internal use) is computed on the straight-line method based on our expected useful period (5 years).

Consolidated overseas subsidiaries mainly adopt the straight-line method.

3. Leased assets

Lease assets related to finance lease transactions that do not involve transfer of ownership

The Company adopts the straight-line method of making lease periods depreciable lives and salvage values zero.

The Company's consolidated overseas subsidiaries also used primarily the same accounting method.

(c) Valuation basis of significant allowances

1. Allowance for doubtful receivables

The Company and consolidated domestic subsidiaries make the record in the amount required for the estimated uncollectible receivables based on actual losses of trade receivables and on collectability of specific receivables with loss possibilities.

Consolidated overseas subsidiaries make the record in the amount required for the estimated uncollectible receivables based on the collectability of each receivable for possible losses on the receivables.

2. Accrued bonuses

The Company and consolidated domestic subsidiaries make preparations for the payment of bonuses to employees, accrued bonuses are shown based on the anticipated amounts of payment in the current term.

Consolidated overseas subsidiaries make the record on accrual basis.

3. Allowance for bonuses to directors

To provide for payment of bonuses to directors, the Company records an amount, based upon the estimated amount of payment for the current consolidated fiscal year.

4. Allowance for retirement benefits

Regarding the Company and its consolidated Japanese subsidiaries, to provide for payment of employee retirement benefits, the Company reported allowance for retirement benefits or prepaid pension costs, based on estimated retirement benefit debts and pension assets at the end of the current consolidated fiscal year.

At the end of the current consolidated fiscal year, prepaid pension costs is included in others of investments and other assets.

Unrecognized prior service cost is amortized using the straight-line method over a period of 10 years as cost.

Over the 5 years within the average remaining length of employees' service, the Company will charge differences in mathematical calculation to expenses from the next term, in accordance with the straight-line method.

Regarding the Company's consolidated overseas subsidiaries, each subsidiary stated retirement benefits or prepaid pension costs estimated to accrue at the end of the current consolidated fiscal year to provide for employee retirement benefits.

At the end of the current consolidated fiscal year, prepaid pension costs is included in others of investments and other assets.

Unrecognized prior service cost is amortized using the straight-line method over a period of 10 years as cost.

Actuarial gains and losses are amortized using the straight-line method over a period of 5 to 10 years, from the period subsequent to the period in which they are incurred.

5. Allowance for retirement benefits to executive officers

We posted retirement allowances to be required for payment at the end of the current consolidated fiscal year in accordance with regulations.

6. Allowance for after-care of products

Our consolidated overseas subsidiaries post reasonably projected amounts to be incurred in the future as expenses for after-care of products.

7. Allowance for environmental remediation expenses

Our consolidated overseas subsidiaries post reasonably projected amounts to be incurred in the future as environment-related expenses in the U.S.

8. Allowance for business restructuring losses

Our consolidated overseas subsidiaries post reasonably projected amounts to be incurred in the future, based on the decision of restructuring plans, such as the closures.

(d) Translation of foreign currency assets and liabilities in financial statements of the Company and consolidated subsidiaries

The Company and consolidated domestic subsidiaries translate monetary receivables and payables in foreign currency into yen at the spot exchange rates on the balance sheets date. The resulting exchange differences are accounted for as an exchange gain or loss.

Our consolidated overseas subsidiaries, assets and liabilities are translated into yen at the spot exchange rates at the consolidation date, while revenues and expenses are translated into yen at the average rates for the year. Exchange differences are included in foreign currency translation adjustments and minority interests in net assets.

(e) Accounting method of significant hedge transactions

1. Method of hedge accounting

The Company adopts the allocation method to account for the forward exchange contracts for foreign currency-denominated receivables and payables, and the deferred hedge method to account for the forward exchange contracts for foreign currency-denominated anticipated transactions. The Company also adopts the special method to account for the interest rate swaps, which meet the requirements of special accounting.

2. Hedging vehicles and hedged items

(Hedging vehicles)
Forward exchange contracts
Interest rate swaps
(Hedged items)
Monetary receivables and payables in foreign currency
Anticipated transactions in foreign currencies
Interest rates on borrowings

3. Hedge policy

Under the guidance of its Corporate Finance Department, the Company makes forward exchange contracts to hedge risks in foreign exchange fluctuations arising from export and import transactions, and from lending in foreign currency. The Company also makes interest rate swaps to hedge fluctuation risks in interest rates on borrowings.

4. Method of assessing hedge effectiveness

Regarding forward exchange contracts, in principle, the Company allocates them to monetary receivable and payable with same maturities and same amounts in foreign currency at closing of forward exchange contracts in accordance with the risk management policy. This completely ensures correlations reflecting subsequent exchange rate fluctuations. The Company assesses hedge effectiveness based upon such correlations.

Also, regarding interest rate swaps, the Company assesses hedge effectiveness based upon the fulfillment of the accounting requirements for special treatment.

(Notes) The Company's consolidated overseas subsidiaries also used primarily the same accounting method listed above in 1-4.

(f) Amortization of goodwill and negative goodwill

1. The Company and consolidated domestic subsidiaries:
   The goodwill is equally amortized for 10 years.
2. Our consolidated overseas subsidiaries:
   The goodwill is equally amortized for 5 years.

(g) Range of cash in cash flow statements

Cash and cash equivalents consist of cash on hand, demand deposit and short-term investments which expire within 3 months from acquisition date, have high liquidity and are easily turned into cash.

(h) Accounting method of consumption tax and other

Consumption tax and other related taxes are excluded from revenue and purchases of the Company.

(Notes) The differences in accounting standards between our domestic consolidated companies and overseas consolidated companies are mainly due to overseas consolidated companies complying with the regulation "interim accounting procedures for overseas subsidiaries for the creation of consolidated financial statements" (Business Response Report No. 18).

(7) Change of Accounting Treatment

(Application of Accounting Standard for Asset Retirement Obligations)

Since this fiscal year, the Company has applied the Accounting Standard for Asset Retirement Obligations (Business Accounting Standards No. 18; March 31, 2008) and the Application Guideline for the Accounting Standard for Asset Retirement Obligations (Application Guidelines for Business Accounting Standards No. 21; March 31, 2008).

This application of the amendment has had no impact on the Company's financial results.

(Application of Accounting Standard for Business Combinations)

Since this fiscal year, the Company has applied the Accounting Standard for Business Combinations (Business Accounting Standards No. 21; December 26, 2008), the Accounting Standard for Consolidated Financial Statements (Business Accounting Standards No. 22; December 26, 2008) and the Application Guideline for the Accounting Standard for Business Combinations and the Accounting Standard for Business Separations, Etc. (Application Guidelines for Business Accounting Standards No. 10; December 26, 2008).

Although we were valuing consolidated subsidiaries' assets and liabilities partially at market prices, we have applied these Standards in this fiscal year to fully mark them to market.

This application of the amendment has had no impact on the Consolidated Financial Statements.

(8) Change of Presentation

(Consolidated Statements of Income)

From this fiscal year, pursuant to the Accounting Standard for Consolidated Financial Statements (Business Accounting Standards No. 22; December 26, 2008), the Company applies the Cabinet Office Ordinance to Amend Part of the Regulations, Etc. for Terms, Forms and Preparation Methods of Financial Statements, Etc. (Cabinet Office Ordinance No. 5; March 24, 2009) to show figures under "Income before income taxes and minority interests".

(9) Additional information

(Accounting Standard for Comprehensive Income Translation)

The Company applies the Accounting Standard for Comprehensive Income Translation (Business Accounting Standards No. 25; June 30, 2010) from this fiscal year. But the amounts of "Accumulated comprehensive income" and "Total accumulated comprehensive income" in the previous fiscal year are the respective amounts of "Revaluation/translation differences" and "Total revaluation/translation differences."

Under this accounting standard, unfunded retirement benefit obligation of foreign subsidiaries, which last year was included in the -2,689 million yen posted as "Retained earnings", are recognized this fiscal year as "Unfunded retirement benefit obligation of foreign subsidiaries".

(10) Notes on Consolidated Financial Statements

(Consolidated Balance Sheets)

As of March 31, 2010	As of March 31, 2011
1. Lawsuit NMB-Minebea Thai Ltd., our consolidated subsidiary company located in Thailand, received a correction notice of 502 million baht from the Thai tax authorities on August 25, 2008. However, we filed a complaint before the Thailand Department of Revenue Tribunal about this notice and brought this case to the Tax Court of Thailand on August 25, 2009, because we were unable to accept this unfair correction notice without good reason. Payment of the taxes in this case was under guarantee by our bank on September 22, 2008.	1. Lawsuit NMB-Minebea Thai Ltd., our consolidated subsidiary company located in Thailand, received (1) a revised assessment of income tax liability in the amount of 502 million baht on August 25, 2008 and (2) another revised assessment of income tax liability in the amount of 125 million baht on August 25, 2010 from the Revenue Department of the Kingdom of Thailand. The Company has not accepted these revised assessments, believing them to be unjust and without legal grounds, and regarding item (1), the Company petitioned the Revenue Department for redress on August 25, 2009, and regarding item (2), has petitioned the Revenue Department for redress. Regarding item (1), the Company has won the case as a result of the decision at the Tax Court of the Kingdom of Thailand on October 13, 2010, but the Revenue Department disagreed with this decision and appealed the case to the Supreme Court on December 9, 2010. On September 22, 2008 and September 23, 2010, payment of these amounts was made in subrogation, respectively, using a surety bond from a bank with which the Company does business.

(Consolidated Statements of Income)

Year ended March 31, 2010

1. Impairment loss

Outline of the asset groups on which impairment losses were recognized (Amount: millions of yen)

Use	Location	Impairment loss	
		Class	Amount
Idle assets	Three facilities- Former Kyoto plants, Ichinoseki plants and Kanegasaki plant (Yawata City, Kyoto Pref., etc.)	Buildings and structures	7
		Land	24
		Total	31

Asset grouping method

Based on its business classification, the Minebea Group has grouped assets in the smallest units of its operating businesses, which generate almost independent cash flows.

Reason for the recognition of impairment losses

The above fixed assets (Buildings and structures and Land) impaired in the current consolidated fiscal year are idle assets and have no future utilization plans. Due to this, the Company recognized impairment losses on those assets.

Calculation method of collectable amounts

The collectable amounts of the assets are based on net sales proceeds. Their assessed values are calculated based on the standards for real estate appraisals.

Year ended March 31, 2011

1. Impairment loss

Outline of the asset groups on which impairment losses were recognized (Amount: millions of yen)

Use	Location	Impairment loss	
		Class	Amount
Idle assets	Two facilities- Former Ichinoseki plants and Kanegasaki plant (Ichinoseki City, Iwate Pref., etc.)	Buildings and structures	54
		Land	3
		Total	58
Property sold	Former Kyoto plant (Yawata City, Kyoto Pref.)	Land	247
		Total	247
Business assets	China (Zhuhai)	Machinery and equipment	175
		Tools, furniture and fixtures	72
		Total	247
Total			553

Asset grouping method

Based on its business classification, the Minebea Group has grouped assets in the smallest units of its operating businesses, which generate almost independent cash flows.

Reason for the recognition of impairment losses

The above Idle assets (Buildings and structures and Land) and have no future utilization plans. Due to this, the Company recognized impairment losses on those assets.

Also, Property sold (Land), the Company recognized an impairment loss in the third quarter of the year, because their recoverable values were lower than their book values.

Regarding business assets (Machinery and equipment, and Tools, furniture and fixtures), the Company recognized an impairment loss because their cash flow is expected to be lower than the book value of the assets group in the future, owing to a deterioration in the earnings environment, and reduced the value to a recoverable value based on the use value.

Calculation method of collectable amounts

Idle assets and property sold are measured by net sales values and valued mainly based on real estate appraisal standards or by anticipated sales prices. Business assets are measured by use values and calculated by discounting the cash flows at 12.0% in the future.

(Consolidated Statements of Comprehensive Income)
(Year ended March 31, 2011) (Amount: millions of yen)

Comprehensive income	Year ended March 31, 2010
Comprehensive income attributable to owners of the parent	5,756
Comprehensive income attributable to minority interests	498
Total	6,254

Other comprehensive income	Year ended March 31, 2010
Difference on revaluation of available-for-sale securities	281
Deferred gains or losses on hedges	5
Foreign currency translation adjustments	(1,043)
Total	(757)

(Segment Information etc.)

〔Business Segments〕

(Amount: millions of yen)

	Year ended March 31, 2010				
	Machined components business	Electronic devices and components business	Sub-total	Elimination	Total
1. Total sales and operating income					
Total sales					
(1) Sales to customers	107,088	121,358	228,446	—	228,446
(2) Sales to other segment	1,086	101	1,187	(1,187)	—
Total	108,174	121,459	229,633	(1,187)	228,446
Operating expense	93,938	123,635	217,573	(1,187)	216,386
Operating income (loss)	14,235	(2,176)	12,059	—	12,059
2. Assets, depreciation, impairment and capital expenditure					
Assets	157,276	147,883	305,160	(27,192)	277,967
Depreciation	10,339	10,801	21,140	—	21,140
Impairment loss	14	16	31	—	31
Capital expenditure	5,529	5,552	11,081	—	11,081

(Notes) 1. The segments are defined by internal administration.

2. Main products

(a) Machined components business .... Ball bearings, Pivot assemblies, Tape guides, Fasteners, Mechanical assemblies for aerospace use, Defense-related special parts, etc.

(b) Electronic devices and components business .... Small motors, PC keyboards, Speakers, Back lights, Inverter, Strain gauges, Load cells, etc.

〔Geographical Segments〕 (Amount: millions of yen)

	Year ended March 31, 2010						
	Japan	Asia	North America	Europe	Sub-total	Elimination	Total
1. Total sales and operating income							
Total sales							
(1) Sales to customers	54,065	119,333	31,136	23,911	228,446	—	228,446
(2) Sales to other segment	115,786	105,449	1,472	720	223,429	(223,429)	—
Total	169,851	224,782	32,609	24,631	451,875	(223,429)	228,446
Operating expense	167,744	217,257	30,409	24,403	439,816	(223,429)	216,386
Operating income	2,106	7,524	2,199	227	12,059	—	12,059
2. Assets	93,663	203,616	23,027	18,189	338,497	(60,529)	277,967

(Notes) Dividing method and main countries in each territory
(a) Dividing method..........By geographical distance
(b) Main countries in each territory
Asia ....Thailand, Singapore, China, Taiwan, Korea, etc.
North America ....United States
Europe..United Kingdom, Germany, France, Italy, etc.

〔Overseas Sales〕 (Amount: millions of yen)

	Year ended March 31, 2010			
	Asia	North America / Central and South America	Europe	Total
1. Overseas sales	121,310	26,874	25,204	173,389
2. Total sales				228,446
3. Overseas sales on total sales	53.1%	11.8%	11.0%	75.9%

(Notes) 1. The overseas sales are made outside of Japan by parent company and consolidated subsidiaries.
2. Dividing method and main countries in each territory
(a) Dividing method............By geographical distance
(b) Main countries in each territory
Asia ....Thailand, Singapore, China, Taiwan, Korea, etc.
North America / Central and South America .... United States, Canada, Mexico, etc.
Europe ....United Kingdom, Germany, France, Italy, Netherlands, etc.

〔Segment Information〕

(Additional information)

Since this fiscal year, the Company has applied the Accounting Standard for Disclosures about Segments of an Enterprise and Related information (Business Accounting Standards No. 17 March 27, 2009) and the Application Guideline for the Accounting Standard for Disclosures about Segments of an Enterprise and Related information (Application Guidelines for Business Accounting Standards No. 20 March 21, 2008).

(a) Summary of reportable segments

Our reportable segments are segments for which separated financial information is available and subject to periodical reviews in order for the Company's Board of Directors to determine the distribution of management resources and evaluate performance.

The Company establishes business divisions by product in key business centers, and each of the business divisions formulates comprehensive domestic and overseas strategies regarding products in order to deploy its business activities.

Thus, the Company consists of segments by product on the basis of the business divisions, and the "Machined components business," "Rotary components business" and "Electronic devices and components business" are three reportable segments.

Our core products in the Machined components business are mechanical parts, such as ball bearings, rod-end bearings, pivot assemblies for HDDs; fasteners for automobile, aircraft, etc.. The Rotary components business includes a wide variety of motors, such as information motors (fan motors, stepping motors, DC brushless motors, vibration motors and DC brush motors); and spindle motors for HDDs. The Electronic devices and components business consists of LCD backlights, inverters and measuring instruments.

(b) Calculation method of amounts

The accounting method for the reported business segments is almost the same as that explained in "Basis of Presenting Consolidated Financial Statements".

Segment earnings are operating income-based figures. Inter-segment earnings and transfer are calculated based on invoice prices－the comprehensive judgment made after having considered factors including market prices and manufacturing costs.

(c) Information on net sales, profit or loss, assets, liabilities and other amounts by reported segment

(Year ended March 31, 2010) (Amount: millions of yen)

	Reportable segments				Others *1	Total	Adjustment *2	Consolidated Financial Statements amount *3
	Machined components business	Rotary components business	Electronic devices and components business	Total				
Total sales								
(1) Sales to customers	99,291	74,185	35,780	209,256	19,189	228,446	—	228,446
(2) Sales to other segment	2,350	1,813	1,152	5,317	4,385	9,702	(9,702)	—
Total	101,641	75,998	36,933	214,574	23,574	238,148	(9,702)	228,446
Segment income (loss)	20,634	(1,826)	5,384	24,191	(684)	23,506	(11,447)	12,059
Segment assets	79,507	64,487	14,897	158,893	19,911	178,804	99,163	277,967
Other								
Depreciation	8,017	7,886	952	16,857	1,472	18,329	2,811	21,140
Increase in fixed assets	4,121	3,516	591	8,229	460	8,690	2,391	11,081

(Year ended March 31, 2011) (Amount: millions of yen)

	Reportable segments				Others *1	Total	Adjustment *2	Consolidated Financial Statements amount *3
	Machined components business	Rotary components business	Electronic devices and components business	Total				
Total sales								
(1) Sales to customers	107,841	101,139	40,502	249,482	19,657	269,139	—	269,139
(2) Sales to other segment	2,887	1,622	1,885	6,395	5,678	12,074	(12,074)	—
Total	110,728	102,761	42,387	255,878	25,335	281,214	(12,074)	269,139
Segment income (loss)	28,088	(224)	4,160	32,023	498	32,522	(10,358)	22,163
Segment assets	77,796	72,373	18,280	168,450	10,857	179,307	111,784	291,092
Other								
Depreciation	8,097	7,894	978	16,971	1,291	18,262	2,543	20,805
Increase in fixed assets	10,783	9,489	1,514	21,788	825	22,613	4,722	27,335

(Notes) *1. The classification of "Others" is the business segment, which is not included in the reportable segments, and its products are mainly PC keyboards, speakers and defense related special components.

*2. The amount of the adjustment is as follows.

(a) Adjustments to segment income or loss include amortization of goodwill (-1,352 million yen last fiscal year, -1,320 million yen this fiscal year), as well as corporate expenses such as selling, general & administrative expenses in addition to research and development costs that do not belong to the reportable segments (-9,656 million yen last fiscal year, -8,922 million this fiscal year).

(b) Adjustments to segment assets include unamortized goodwill (7,000 million yen last fiscal year, 5,555 million yen this fiscal year), as well as assets related to administrative divisions that do not belong to the reportable segments (92,163 million yen last fiscal year, 106,229 million yen this fiscal year).

(c) The major part of the adjustments in depreciation is depreciation of equipment related to the administrative division, which does not belong to the reportable segments.

(d) The major part of the adjustments in increased tangible fixed assets and intangible fixed assets is capital investments in equipment related to the administrative division, which does not belong to the reportable segments.

*3. Segment income (loss) is adjusted with operating income in the Consolidated Financial Statements.

〔Information related to impairment loss of fixed assets by reportable segment〕

(Year ended March 31, 2011) (Amount: millions of yen)

	Reportable segments				Others	All company	Total
	Machined components business	Rotary components business	Electronic devices and components business	Total			
Impairment loss	—	247	—	247	—	305	553

(Per Share Data)

	Year ended March 31, 2010	Year ended March 31, 2011
Net assets per share (yen)	279.87	282.03
Net income per share (yen)	17.20	32.61
Fully diluted net income per share (yen)	Not stated due to no residual securities in existence.	Same as on the left.

(Notes) 1. The following are the basis for calculating net assets per share.

	As of March 31, 2010	As of March 31, 2011
Total net assets (millions of yen)	108,381	109,967
Deduction from total net assets (millions of yen)	1,485	2,049
(Minority interests of the deduction)	(1,485)	(2,049)
Year-end net assets related to common stock (millions of yen)	106,896	107,918
Year-end common stock used for the calculation of net assets per share (shares)	381,943,161	382,644,492

2. The following are the basis for calculating net income per share and diluted net income per share.

	Year ended March 31, 2010	Year ended March 31, 2011
Net income (million of yen)	6,662	12,465
Amount not available for common stock (million of yen)	—	—
Net income related to common stock (million of yen)	6,662	12,465
Average shares of common stock outstanding (shares)	387,296,335	382,318,700

3. “Number of shares of common stock outstanding at year end used to calculate net assets per share” and “Average shares of common stock outstanding” deduct our shares, which are owned by the Employee Stock Holding Partnership Exclusive Trust Account.

(Subsequent Event)

Not applicable.

5. Others

(1) Amounts of Production, Orders Received, Sales

(a) Production (Amount: millions of yen)

Business segments	Year ended March 31, 2011	Year - on - year
Machined components business	110,318	114.4%
Rotary components business	104,076	140.2%
Electronic devices and components business	39,934	112.8%
Others	18,448	105.2%
Total	272,776	122.0%

(Notes) Amounts are provided on the basis of their sales prices, after offsetting and eliminating transactions between the two business segments and do not include consumption taxes.

(b) Orders Received (Amount: millions of yen)

Business segments	Orders received	Year - on - year	Order backlog	Year - on - year
Machined components business	110,719	120.4%	37,383	108.3%
Rotary components business	102,105	134.3%	15,593	106.6%
Electronic devices and components business	39,600	107.8%	4,379	82.9%
Others	19,246	112.0%	4,869	92.2%
Total	271,670	122.4%	62,224	104.2%

(Notes) Amounts are provided on the basis of their sales prices, after offsetting and eliminating transactions between the two business segments and do not include consumption taxes.

(c) Sales (Amount: millions of yen)

Business segments	Year ended March 31, 2011	Year - on - year
Machined components business	107,841	108.6%
Rotary components business	101,139	136.3%
Electronic devices and components business	40,502	113.2%
Others	19,657	102.4%
Total	269,139	117.8%

(Notes) Amounts are provided after offsetting and eliminating transactions between the two business segments and do not include consumption taxes.