

Business Results

Second Quarter of Fiscal Year Ending March 31, 2010

November 6, 2009

Minebea Co., Ltd.



- 1. Financial Results**
- 2. Policy and Strategy**

Financial Results

Hiroharu Katogi
Director, Senior Managing Executive Officer

Summary of Consolidated Business Results for 1H

Continue to improve profits by net sales recovery,
but big negative impact from the 1Q deficit

(Millions of yen)	FY ended Mar. '09 1H	FY ending Mar. '10 1H	Change YoY	1H of FY ending Mar. '10 Original forecast
Net sales	150,613	109,268	-27.5%	105,500~96,000
Operating income	11,698	2,115	-81.9%	3,500~ 1,800
Ordinary income	10,891	1,029	-90.6%	2,200~ 600
Income before income taxes	10,102	729	-92.8%	2,200~ 600
Net income	6,205	-364	N.M.	800~ -700
Net income per share (yen)	15.55	-0.94	N.M.	2.06~ -1.80

Foreign exchange rates	1H of FY Mar. '09	1H of FY Mar. '10
US\$	¥105.67	¥96.12
Euro	¥163.65	¥132.90
Thai Baht	¥3.22	¥2.78
Chinese RMB	¥15.25	¥14.06

1H of FY ending Mar. '10 Assumption
¥91.00
¥128.00
¥2.60
¥13.00

Summary of Consolidated Business Results for 2Q

Turned profitable by net sales recovery and cost cutting efforts

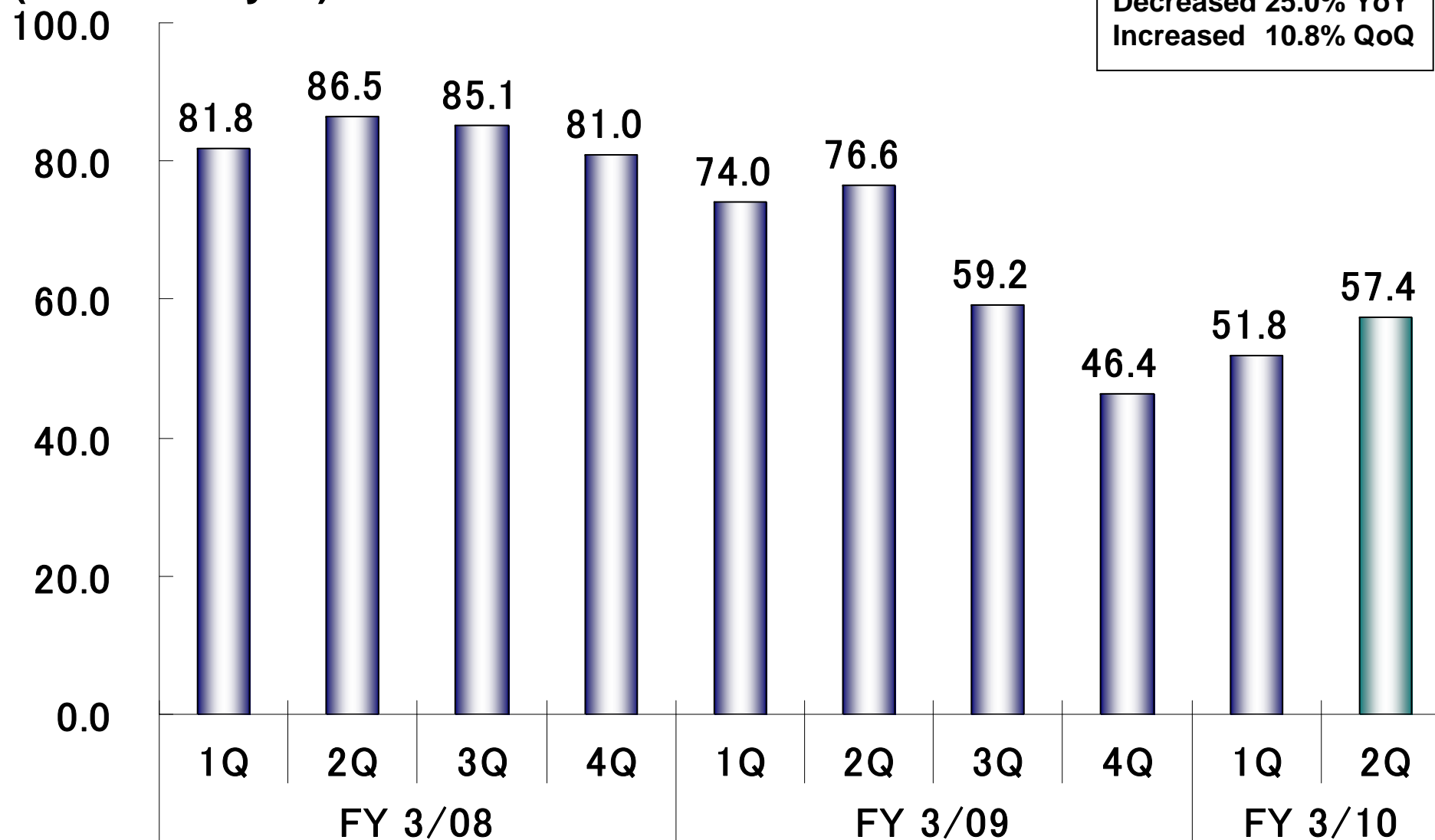
(Millions of yen)	FY ended Mar.'09 2Q	FY ending Mar.'10		Change	
		1Q	2Q	YoY	QoQ
Net sales	76,572	51,837	57,430	-25.0%	+10.8%
Operating income	6,615	-605	2,720	-58.9%	N.M.
Ordinary income	6,206	-1,101	2,130	-65.7%	N.M.
Income before income taxes	6,044	-1,370	2,099	-65.3%	N.M.
Net income	3,570	-1,680	1,315	-63.2%	N.M.
Net income per share (yen)	8.95	-4.32	3.38	-62.2%	N.M.

Foreign exchange rates	2Q of FY Mar. '09	1Q of FY Mar. '10	2Q of FY Mar. '10
US\$	¥107.97	¥97.50	¥94.74
Euro	¥165.81	¥131.56	¥134.24
Thai Baht	¥3.20	¥2.78	¥2.78
Chinese RMB	¥15.77	¥14.28	¥13.85

Quarterly

Net Sales

(Billions of yen)

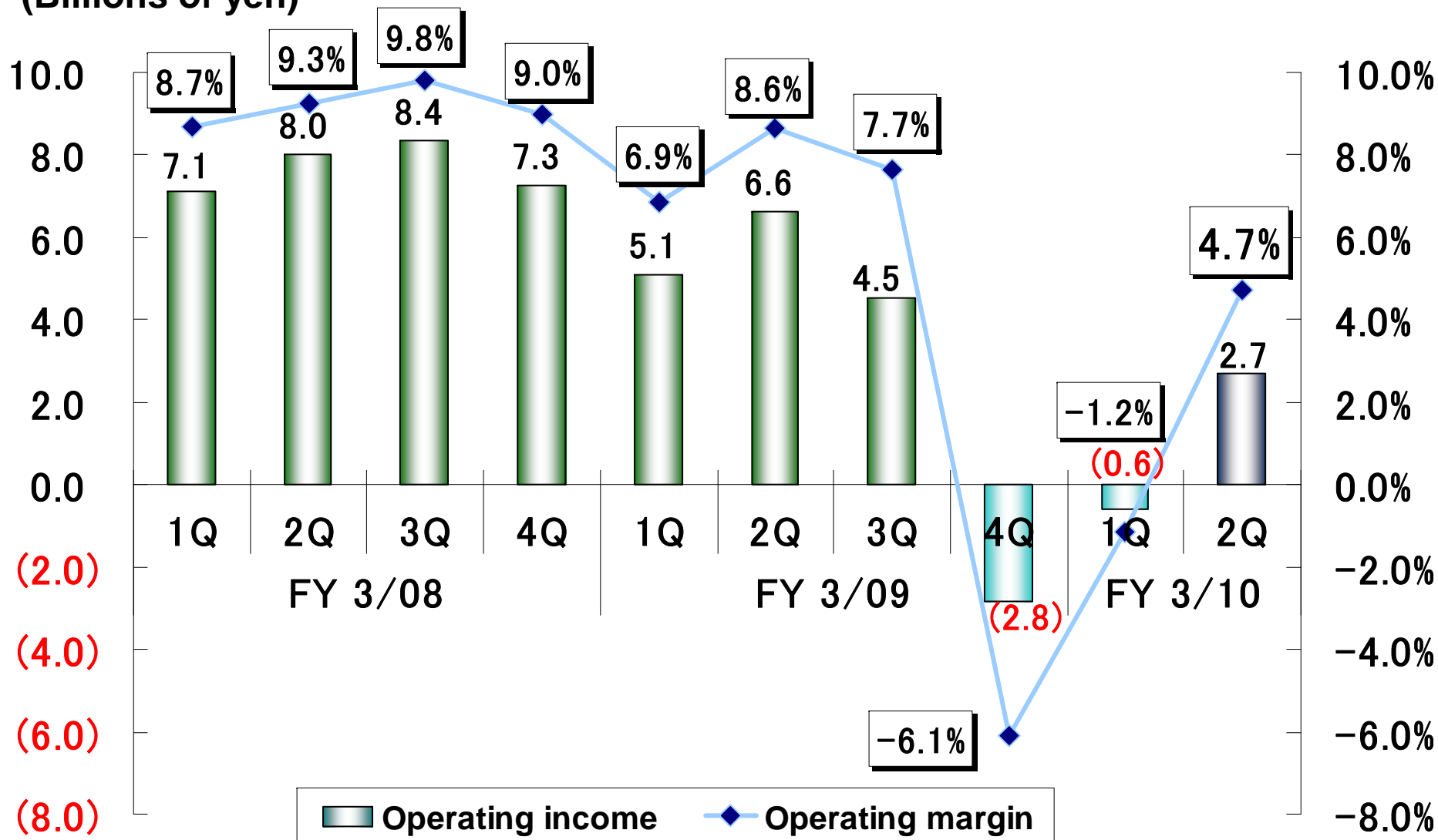


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Quarterly

Operating Income

(Billions of yen)



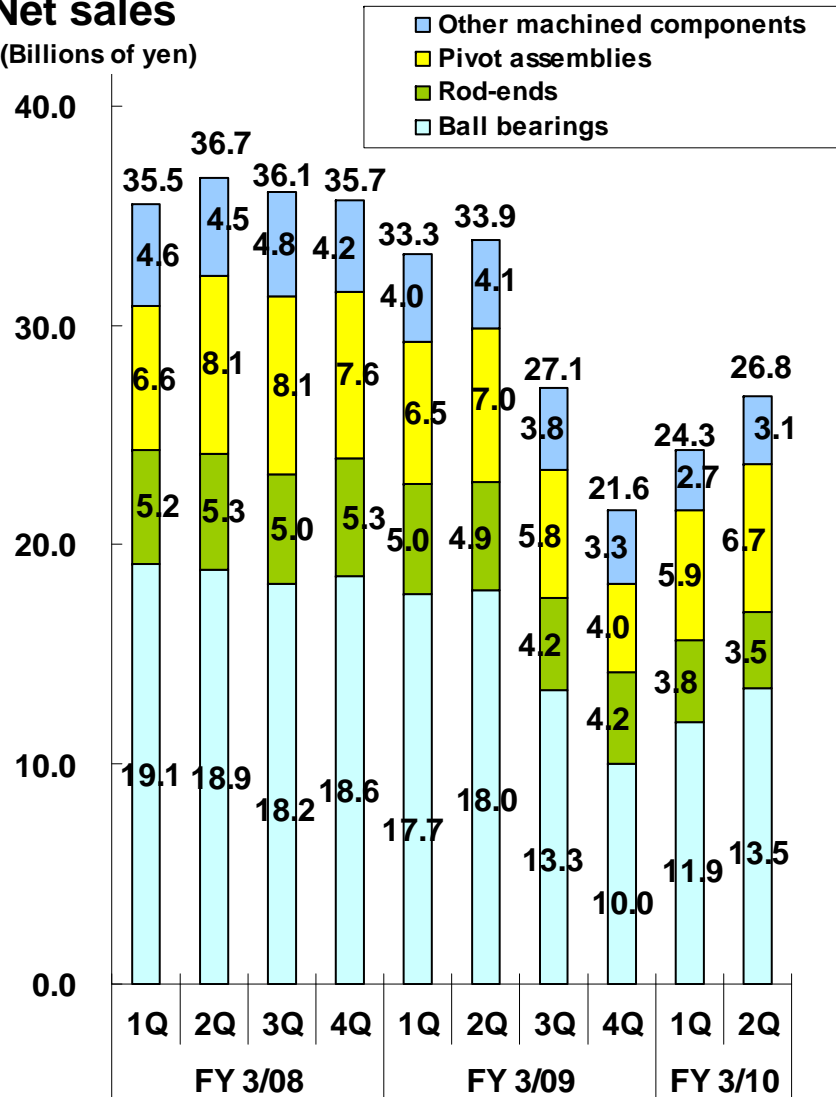
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Business Segments

Machined Components Business

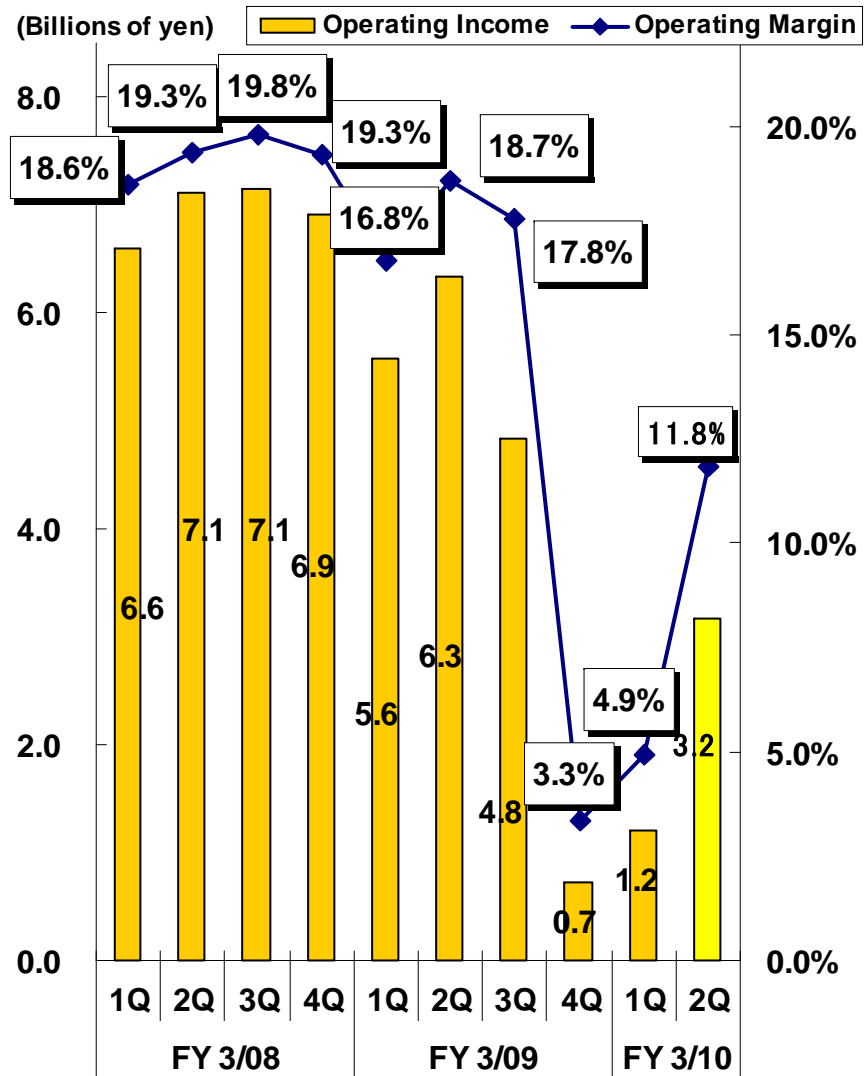
Net sales

(Billions of yen)



Operating income

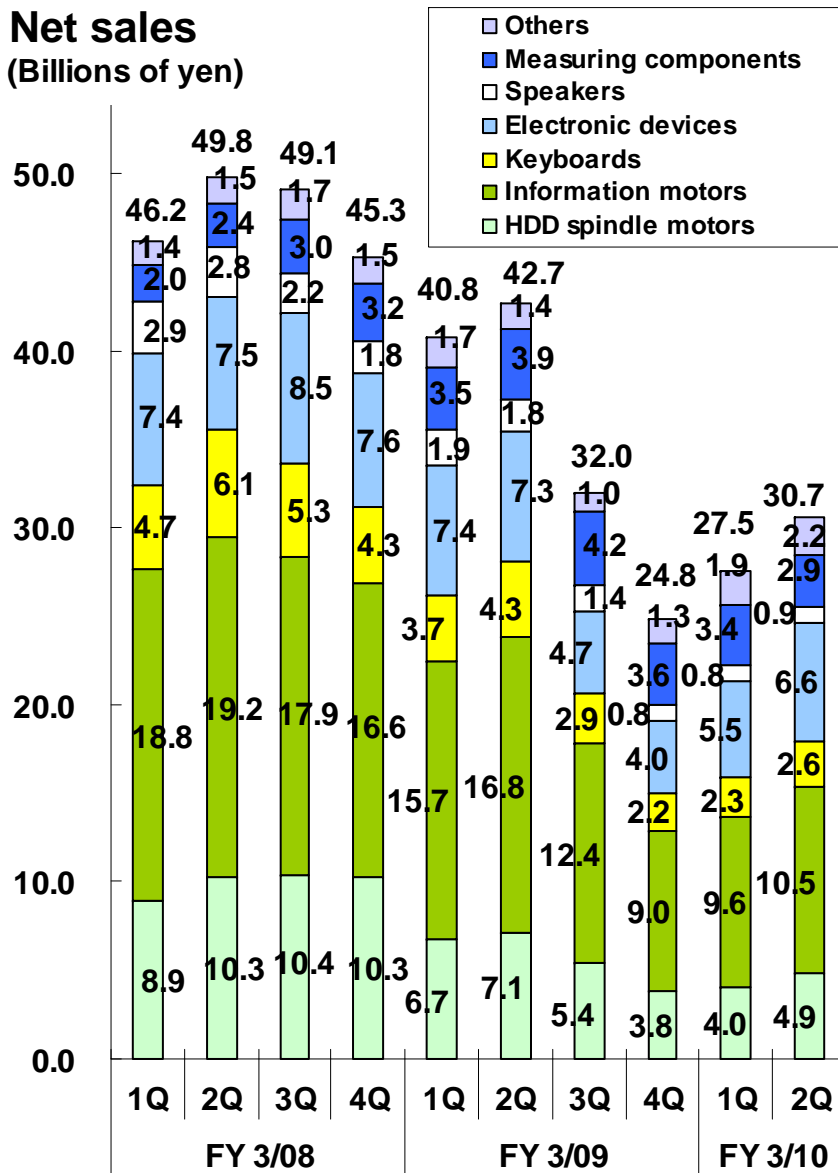
(Billions of yen)



Business Segments Electronic Devices and Components Business

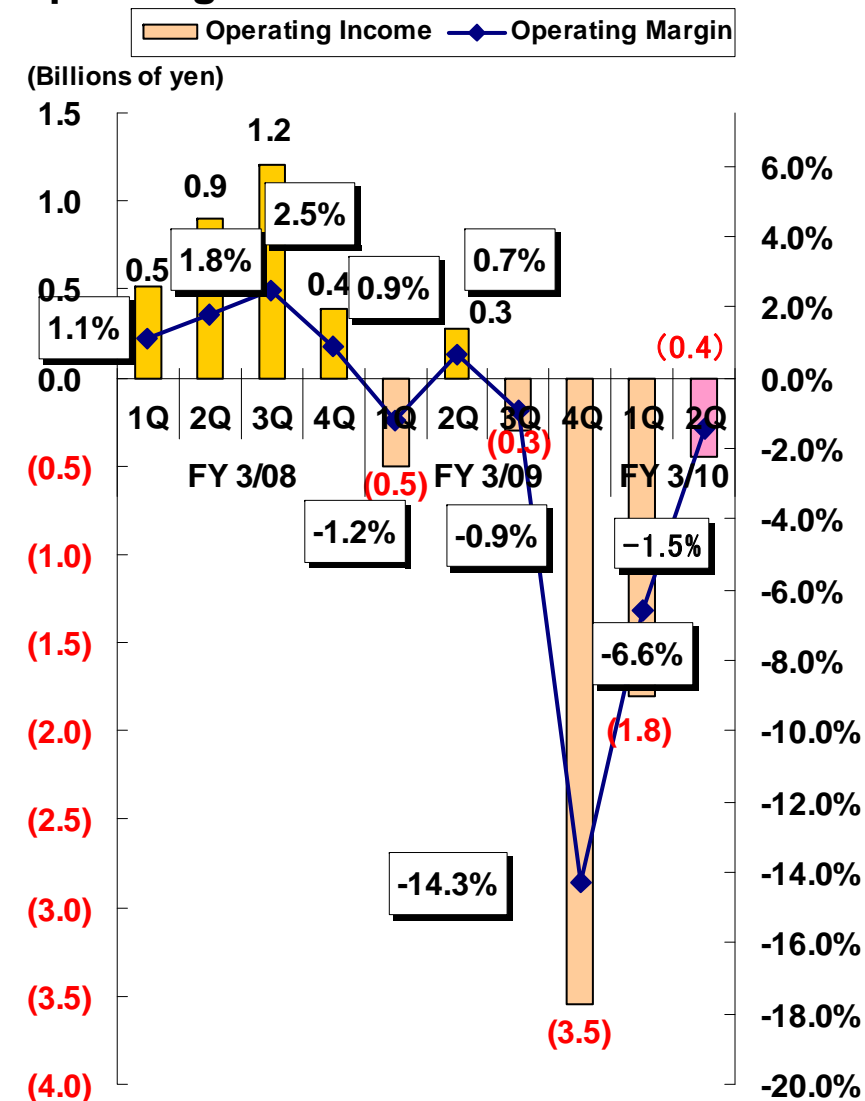
Net sales

(Billions of yen)



Operating income

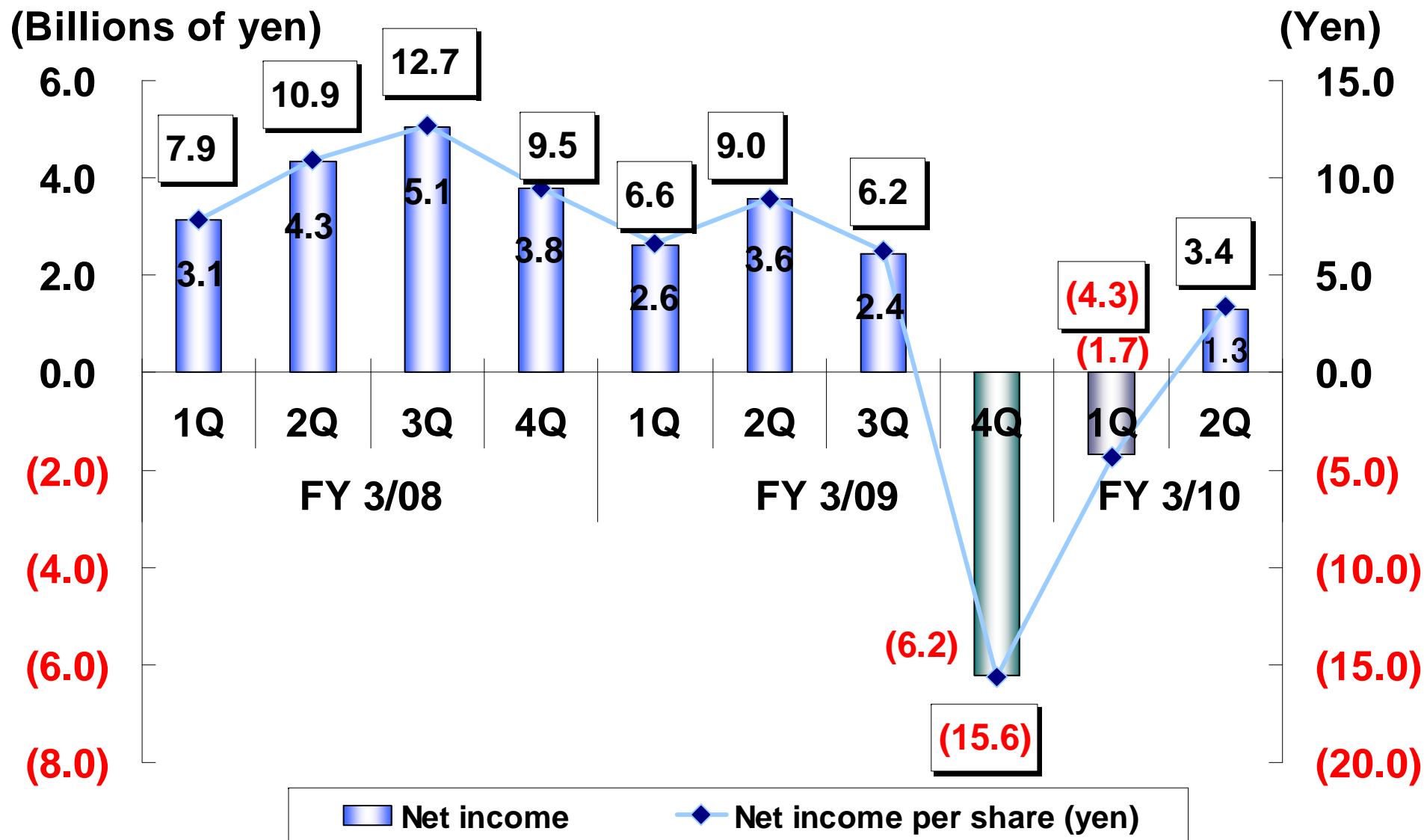
(Billions of yen)



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Quarterly

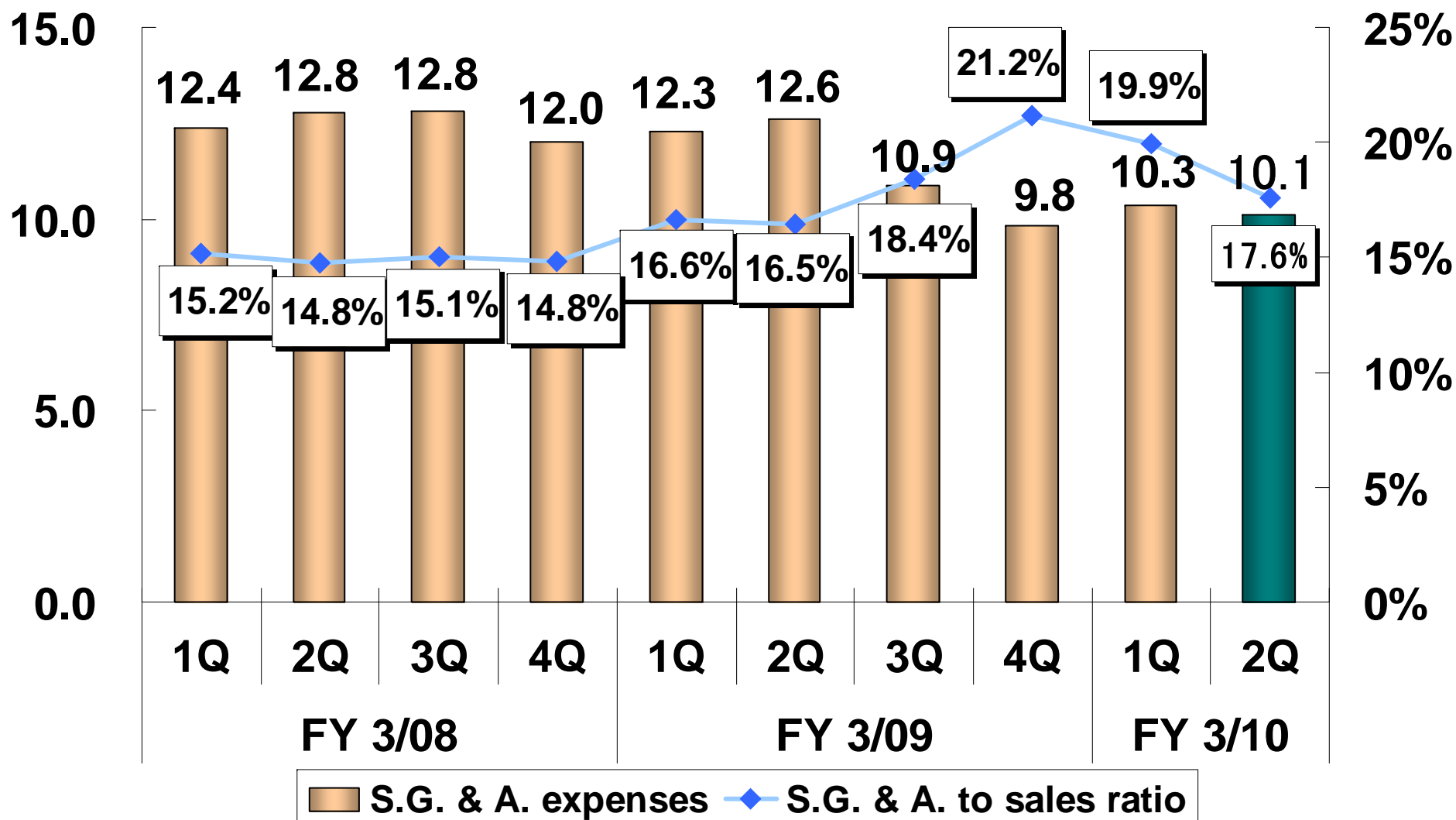
Net Income



Quarterly

S.G. & A. Expenses

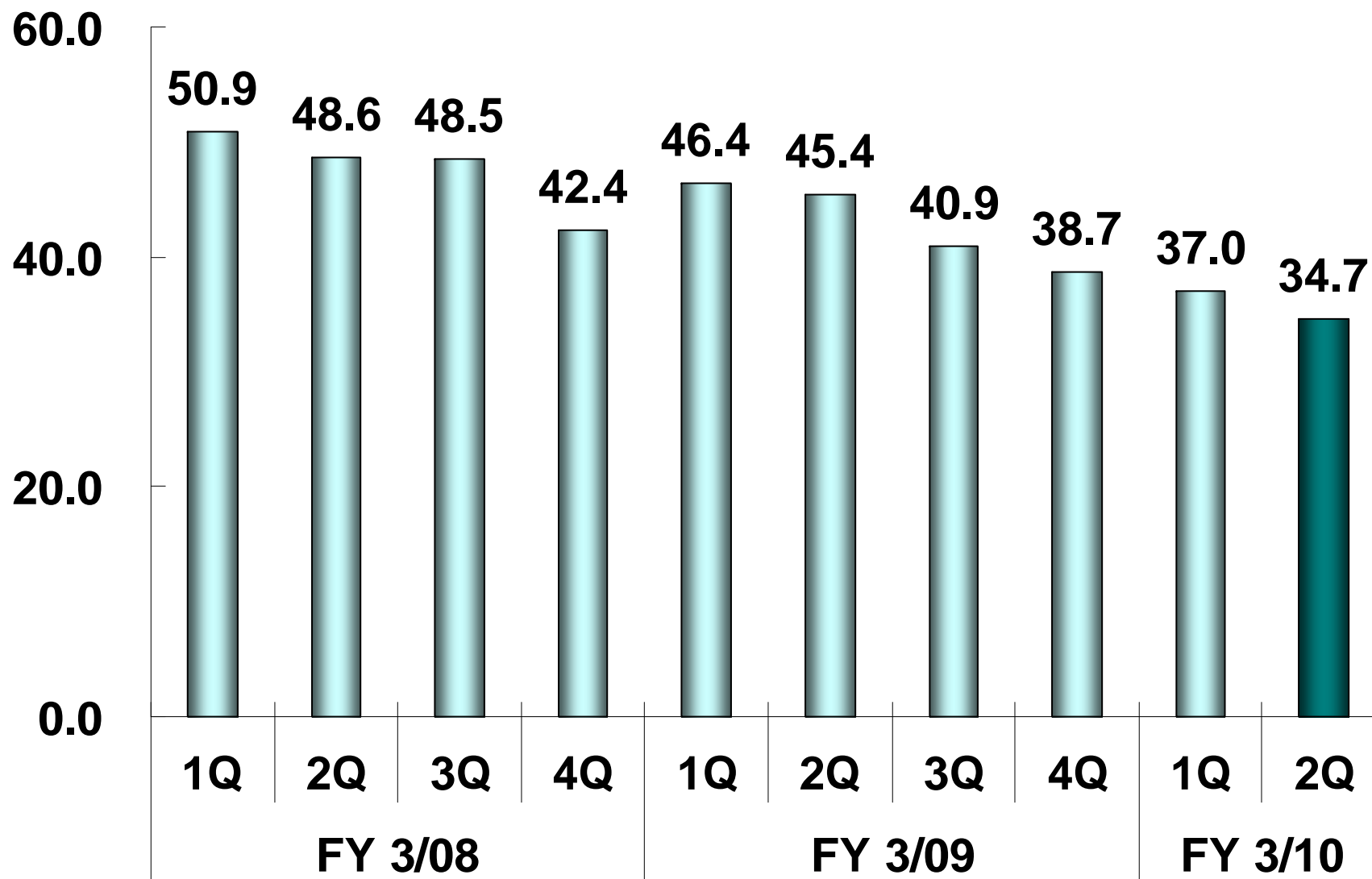
(Billions of yen)



Quarterly

Inventories

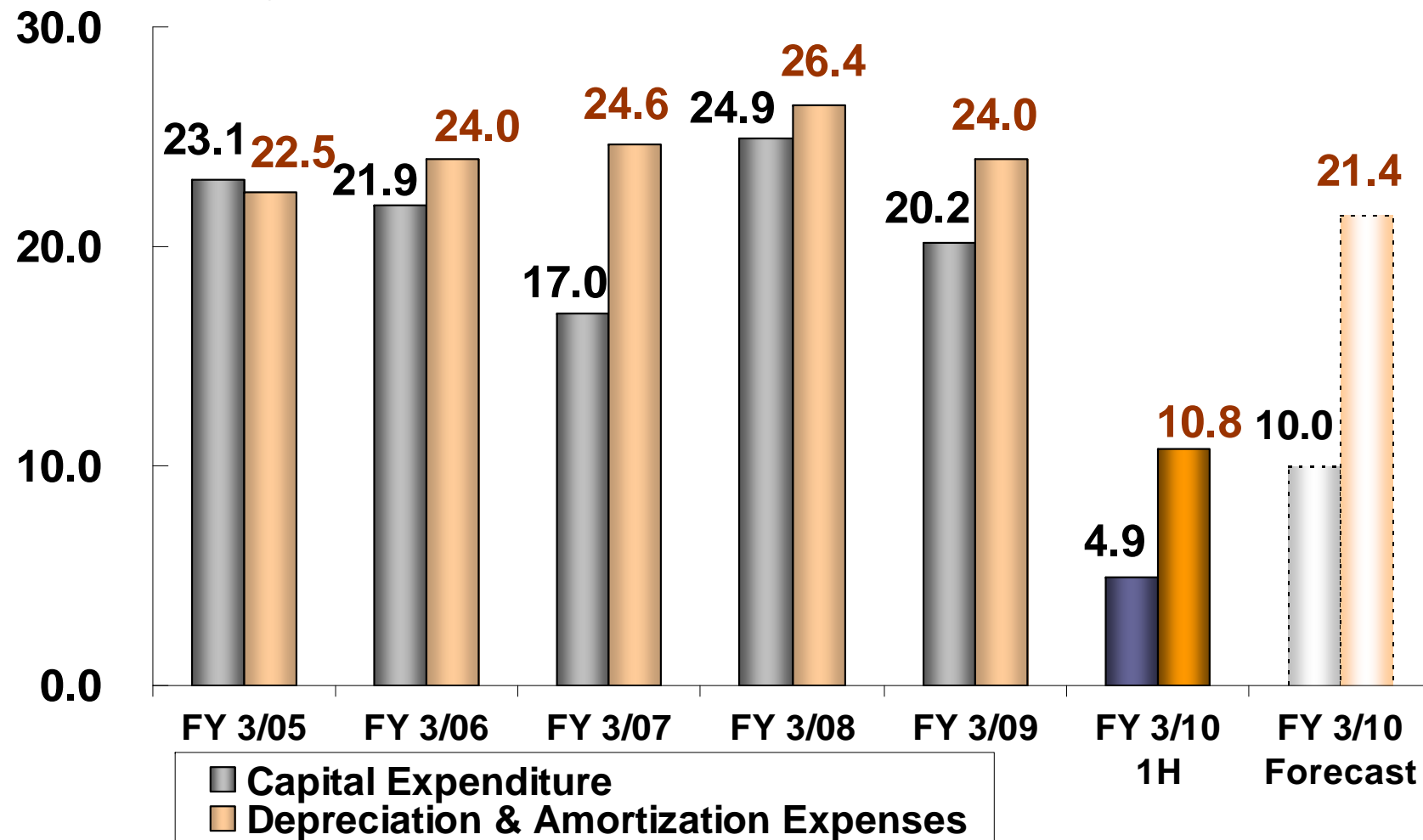
(Billions of yen)



Yearly

Capital Expenditure & Depreciation

(Billions of yen)



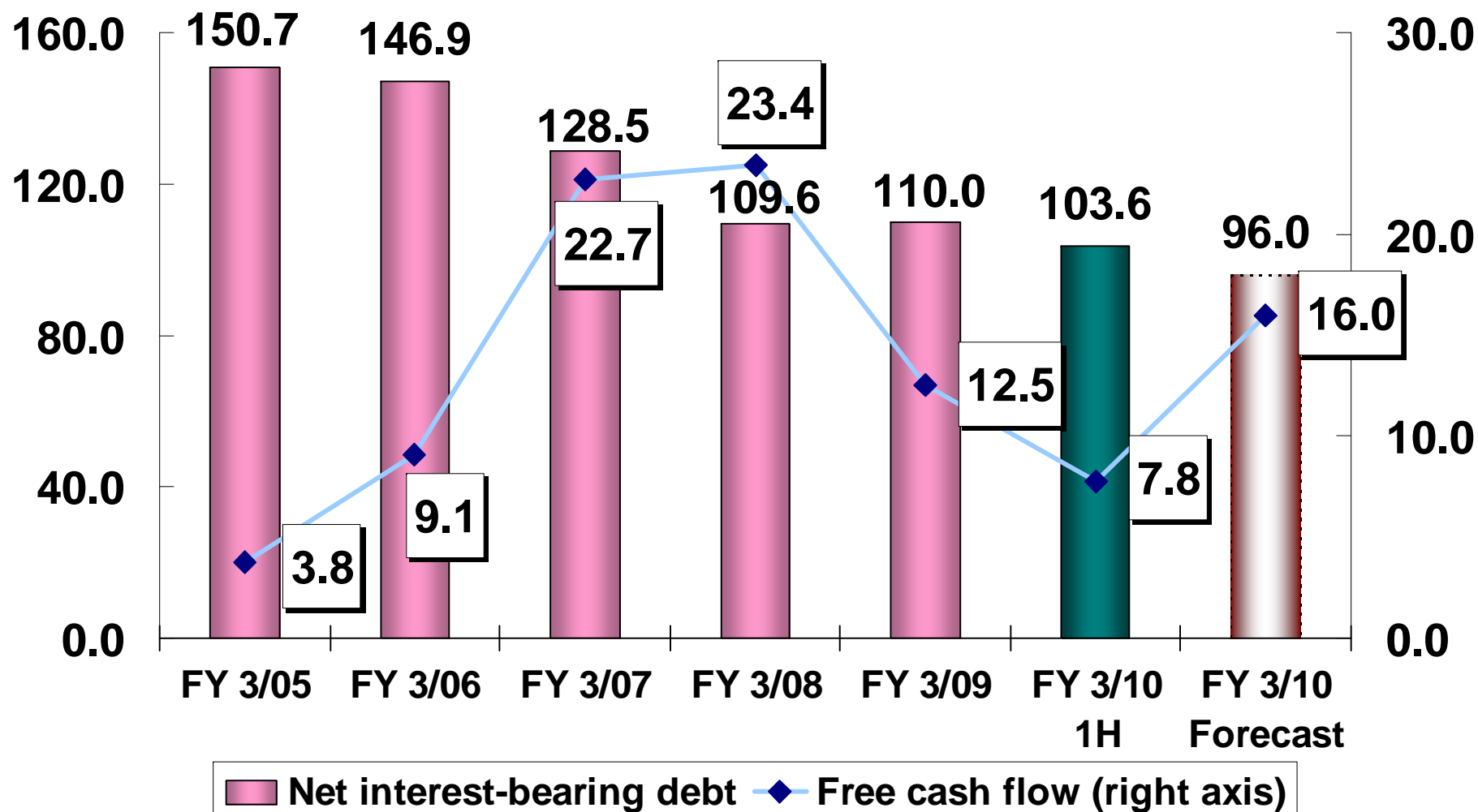
*From FY 3/09, due to change in lease accounting, assets of finance leases are included.

Yearly

Net Interest-Bearing Debt

(Billions of yen)

(Billions of yen)



$\text{Net Interest-bearing debt} = \text{Interest-bearing debt} - \text{Cash and cash equivalents}$
 $\text{Free Cash Flow} = \text{CF from operating activities} + \text{CF from investing activities}$

Forecast for Fiscal Year Ending March 31, 2010

Full year forecast range unchanged

(Millions of yen)	FY ended Mar. '09 Full year	Fiscal Year ending Mar. '10				
		1st Half	2nd Half Forecast Range		Full year Forecast Range	
			Upper end	Lower end	Upper end	Lower end
Net sales	256,163	109,268	120,732	90,732	230,000	200,000
Operating income	13,406	2,115	11,885	7,885	14,000	10,000
Ordinary income	11,555	1,029	10,271	6,571	11,300	7,600
Income before income taxes	6,834	729	10,371	6,671	11,100	7,400
Net income	2,441	-364	6,864	3,864	6,500	3,500
Net income per share (yen)	6.18	-0.94	17.65	9.94	16.71	9.00

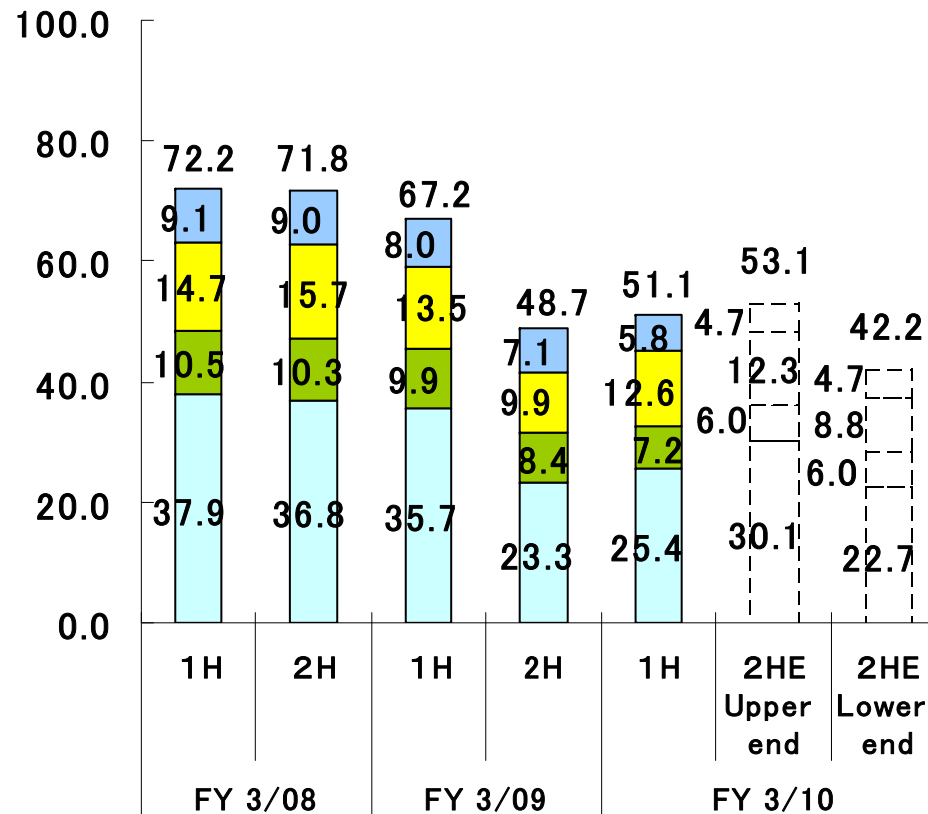
Foreign exchange rates	FY ended Mar. '09	FY ending Mar. '10 1H	FY ending Mar. '10 Assumption 2H	FY ending Mar. '10 Assumption Full Year
US\$	¥100.83	¥96.12	¥91.00	¥93.56
Euro	¥145.65	¥132.90	¥128.00	¥130.45
Thai Baht	¥2.98	¥2.78	¥2.60	¥2.69
Chinese RMB	¥14.64	¥14.06	¥13.00	¥13.53

Business Segments 2H Forecast for Fiscal Year Ending March 31, 2010

Machined Components Net Sales



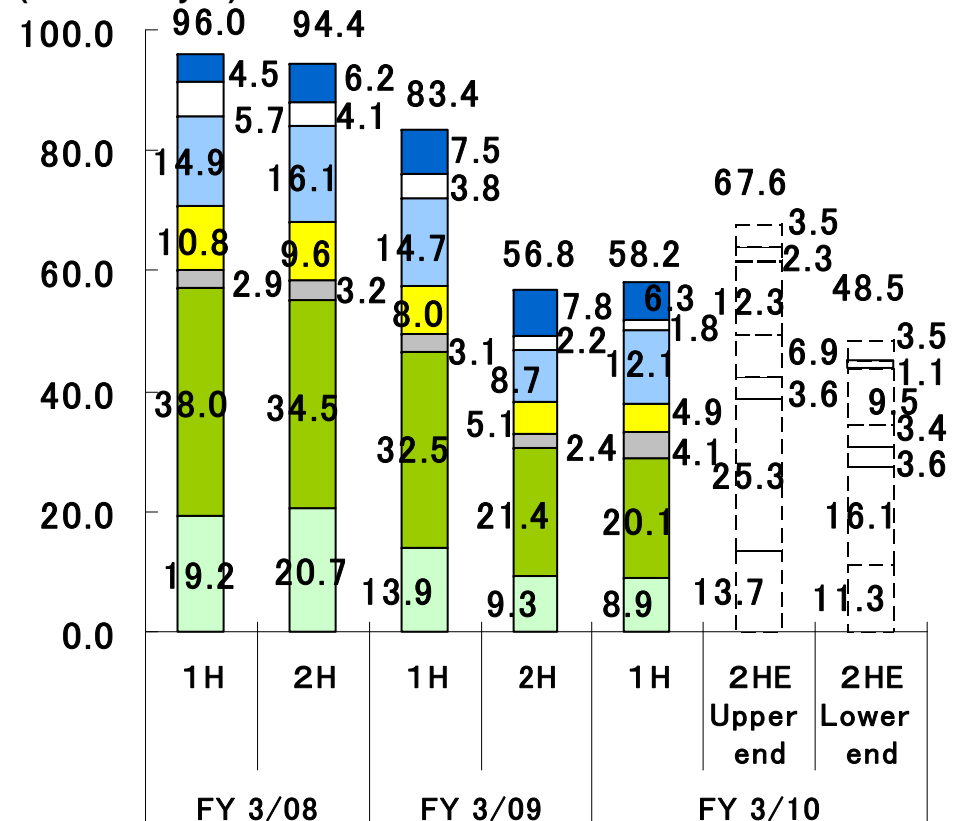
(Billions of yen)



Electronic Devices and Components Business Net Sales



(Billions of yen)

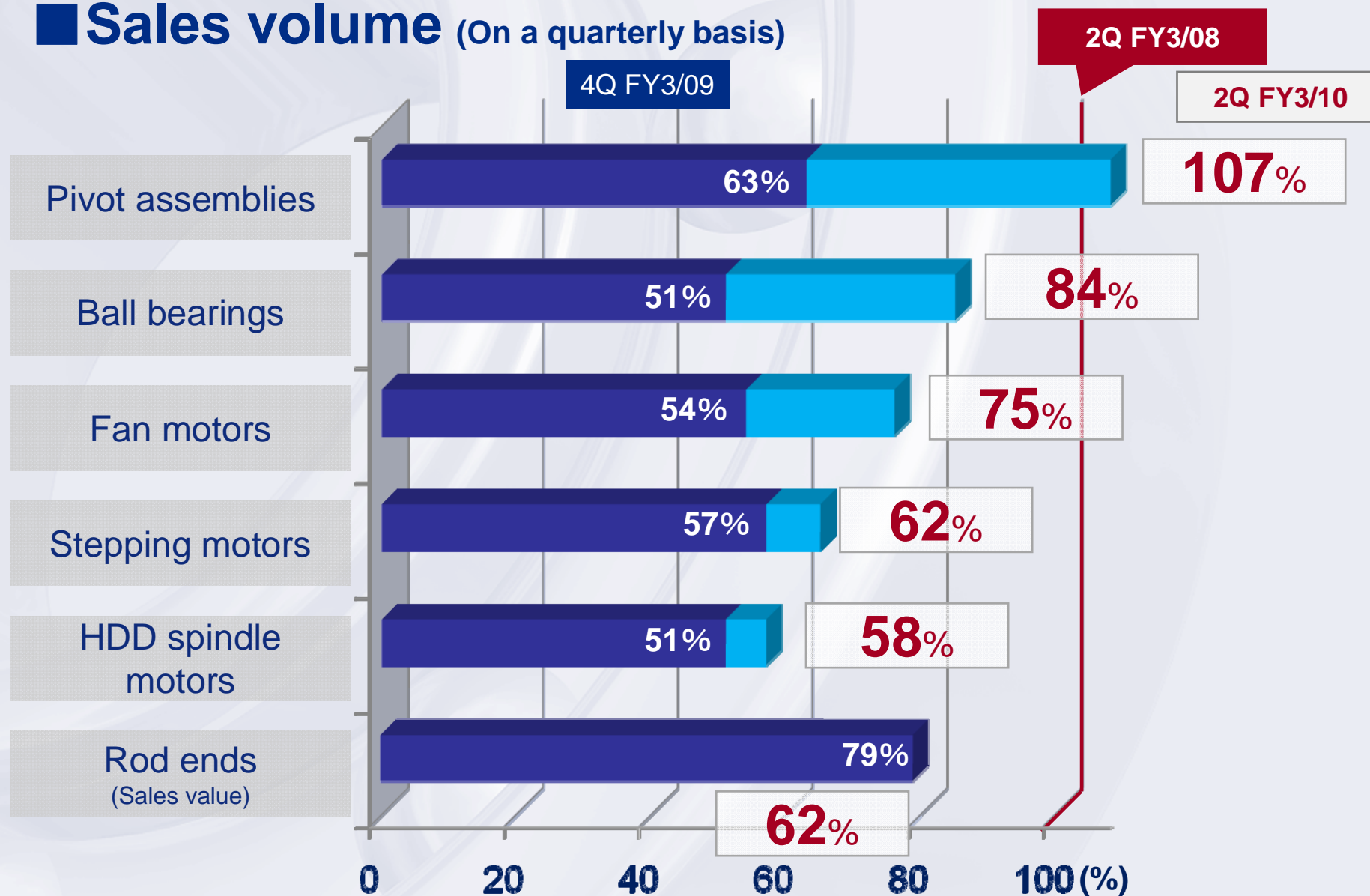


Policy and Strategy

Yoshihisa Kainuma
Representative Director,
President and Chief Executive Officer

Orders on Track to Recovery

■ Sales volume (On a quarterly basis)



Operating Income Also Steadily Recovering

•Rod ends	▶	To remain stagnant
•Ball bearings	▶	Continuing to recover profitability
•HDD spindle motors	▶	One step away from breaking even
•Keyboards	▶	Making improvements
•Pivot assemblies	▶	Totally recovered
•LED backlights	▶	Profits increasing
•Speakers	▶	Making improvements
•Information motors	▶	Returned to profitability in Sept.

April and May results showed a deficit due to sales lagging behind projection
In September operating margin recovered to 70% of its peak, bringing overall motor business back to profitability.

Six Months after Implementing New Organizational Structure

Boost Vertical Strength



- Increased agility
- Enhanced ability to meet demand for flexible pricing
- Quick recovery in motor business performance

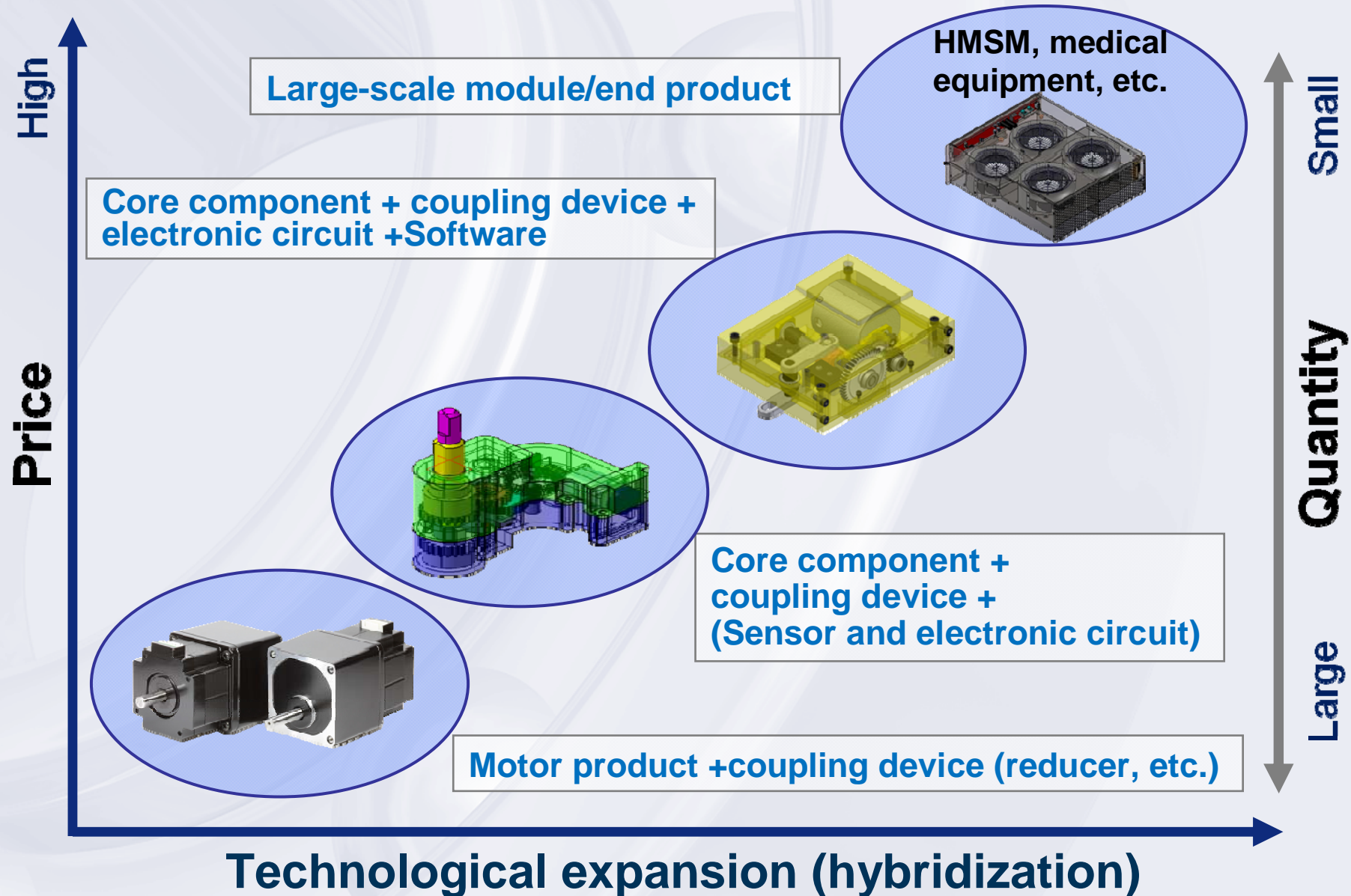
Boost Horizontal Strength



- EMS project is on schedule
 - Various new initiatives including technological exchanges and joint development across business unit borders are ongoing.
 - Centralized material purchasing and standardized components
 - Poised to make a big leap forward next fiscal year

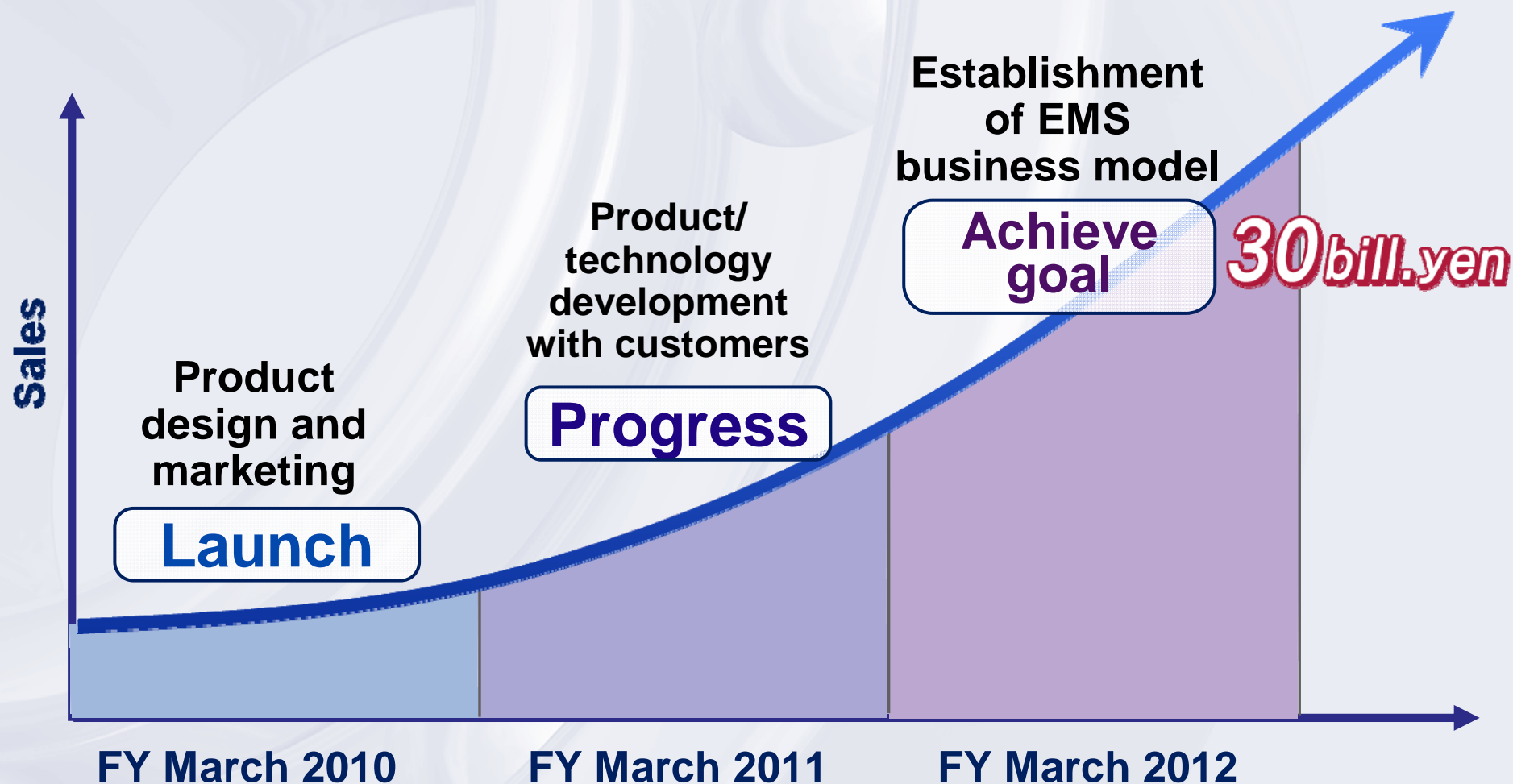
*EMS = Electro Mechanics Solution = new hybrid components

EMS Project: What Are EMS Products ?



EMS: Vision and Roadmap

¥30 billion in EMS product sales by FY March 2012



Ball Bearing Business Strategies

[Market change after global economic downturn]

Expansion of market for low-priced, mass-produced products



Consider strategic entry
into the market

Target: standard size

(Ball bearings for Chinese vacuum cleaner maker, etc.)

Measures

- [1] Reduce cost by increasing production at ball bearing plant in Shanghai
- [2] Use materials and components made in China
- [3] Depreciation expenses declining
- [4] Reduce indirect costs across the board
- [5] Consider M&A of Chinese ball bearing manufacturer, etc.

LED Backlight Business Strategies

Two Stronger Japanese manufacturers of small LED backlights in the market

Expanding customer base for car instrument clusters (European car manufacturers)

Stronger ties with LCD manufacturers



Sales are expected to rise more during the second half of this fiscal year
Implement strategies with an eye to increasing market share next year

Measures

- [1] Increase production capacity in clean room and assembly line for small LED backlights (Completion by the end of 2009)**
- [2] Adjust a mass production system for LED backlights for car instrument cluster**
- [3] Develop LED backlights for new markets**

HDD Spindle Motor Business Strategies

Invested the best management resources to restore business
(Active involvement of relevant senior executive officers, reorganization in June put business into ICU)

Improving communication among offices/factories
(Japan, Germany, Thailand)

Enhanced preciseness of components/enhanced quality/regained customer confidence

Focus on 2.5-inch motors: Won orders for next-generation models
(Sales of 2.5-inch motors: 1.1 million units in Feb. 2009 ⇒ 3 million units in Sept. 2009)



One step away from breaking even

Expects to return to profitability in 4Q

Information Motor Business to Expand (1)

Transfer of Panasonic's information equipment motor business makes our Information motor business begin to grow

Achieved 80% of the objective to make motor business our second pillar

Moved on to profitability stabilization phase of motor business

Confirmed completion of structural reform

Consider strategic reorganization of motor plants

Information Motor Business to Expand (2)

Minebea and Panasonic agreed to transfer Panasonic's Information Equipment Motor Business to Minebea Motor Manufacturing Corporation, a joint venture of both company in April 2010.

Merits

- [1] Strengthen motor engineers base**
- [2] Enhance related intellectual property rights portfolio**
- [3] Sales expansion (by peak sales of approximately 25 billion yen / year)**
- [4] Actively participate in reshuffle of small size motor industry**
- [5] Contribute to profits from the first year**
- [6] Increased use of Minebea ball bearings**

Products

- Small brushless motors**
(Applications: Optical disk drives, in-vehicle equipment, etc.)
- Power brushless motors (Applications: Printers, etc.)**
- Polygon mirror motors (Application: Laser printers)**

Prospects for Achieving ¥400 billion in Sales

Total approx. ¥380 billion

Revenue from newly acquired businesses

Panasonic's information equipment
motor business myonic
FDK's stepping motor business

**Approx.
¥42 billion**

**Peak sales
performance**
(FY ended March 2008)

¥334.4 billion

**With economic recovery, ¥400 billion in sales is
now within our reach!!**

Initiatives to Turn Around Businesses Running in the Red

Speakers



- Focus on high power micro speakers
- Build a system suitable for fabless operations
- Review outsourcing policy
- Enhance marketing and increase orders to put us back in the black

Keyboards

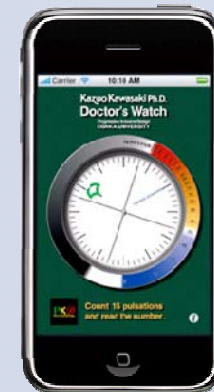


- Develop roadmap to cut costs by 20%
- +
- Take measures for automation and enhanced efficiency
 - Achieve monthly break even by March 2010
 - New input device products to be announced early next year

Development of Next-generation Input Devices

**Next-generation input devices
(keyboards, remote controls, calculators, phones)**
designed by Dr. Kazuo Kawasaki, professor from the Osaka
University Graduate School of Engineering

Samples of Dr. Kawasaki's work



Profile of Dr. Kazuo Kawasaki



Kazuo Kawasaki

**Professor, School of
Engineering, Osaka University
(Ph.D. in medical science)**

**Member, JIDPO* Good Design
Award Judging Committee**

Dr. Kawasaki works extensively on research, education and design in a wide range of fields from traditional handcrafts to eyewear, computers, robotics, nuclear energy, artificial organs, advanced medical treatments, and “products in multi-dimensional space.” He has won numerous international awards and his design works are housed in the permanent collections of major museums around the world.

He was twice named by Newsweek Japan as being among the “100 Japanese Respected by the World.”

Dr. Kawasaki is currently working on the Peace-Keeping Design (PKD) project, which aims to build world peace through design.

In September 2008 he was appointed product design adviser for the Chen Yet-Sen Family Foundation established as part of the Clinton Global Initiative.

*Japan Industrial Design Promotion Organization

Cost Reduction Initiatives

Top management took the lead to promote cost reduction (top-down)

Established Cost Reduction Promotion Office

Implemented a system to solicit cost reduction proposals (bottom-up)

e.g. The system was implemented at the Tokyo Head Office



Over 600 proposals were submitted during a two-month period.

The system is to be implemented on a global basis



Instilling a keen sense of awareness

Introduction of Incentive Plan

Approx. ¥0.9 billion Employee Shareholding Incentive Plan (E-Ship®) introduced as part of management strategy to focus on share price.

(Please see today's press release for more details.)

[1] Provides employees with medium to long-term incentives for increasing corporate value

- Makes employees aware of share price and feel that they are “riding in the same boat” with management and shareholders.

[2] Enhance corporate governance

- Plan will provide employees with increased opportunities to be indirectly involved in Minebea's decision-making process as shareholders through the voting rights associated with shares held within the trust. It will also further enhance our corporate governance.

[3] Enhance employee benefits

* The Employee Shareholding Incentive Plan, E-Ship® is a registered trade mark of Nomura Securities Co., Ltd.

Financial Strategies (1)

Focus on creating free cash flow and maintaining sound financial structure

- Free cash flow has been steadily improving. Net-interest bearing debt is expected to reach the medium-term target of ¥100 billion as of the end of this fiscal year.
- Continue to focus on maintaining sound financial structure and creating cash flow, with an eye to keeping net interest-bearing debts in ¥100 billion range.

Dividend policy

- Interim dividend of ¥3 per share will be paid as initially planned (combined with planned year-end dividend of ¥4 per share, ¥7 per share planned in total this fiscal year).
- Our basic dividend policy gives priority to enhancing equity efficiency and improving returns to our shareholders, with dividends reflecting performance in light of the overall business environment while maintaining stable and continuous distribution of profits.

M&A strategy

- Work actively toward realizing M&As that create synergy and accelerate growth.
- Analyze our current status and work to further enhance our strengths while reinforcing areas where we find weaknesses.
- Strengthen the function for carrying out M&As.

Financial Strategies (2)

Enhance IR for individual investors

- Individual investors are important investor base

Continue to work on policy of repurchasing own shares

- Making it possible to carry out an agile capital policy in response to changes in the business environment.

Consider various equity measures

- Introduction of E-Ship®

Minebea Co., Ltd.

Business Results

<http://www.minebea.co.jp/>

Any statements in the presentation which are not historical fact are future projections made based on certain assumptions and executive judgment drawn from currently available information.

Please note that actual performance may vary significantly from any particular projection due to various factors.

Factors affecting our actual performance include: (i) changes in economic conditions or demand trends around Minebea; (ii) fluctuation of foreign exchange rates or interest rates; and (iii) our ability to continue R&D, manufacturing and marketing in a timely manner in the electronics business sector, where technological innovations are rapid and new products are launched continuously. However, this is not a complete list of the factors affecting actual performance.

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