

Business Results

**Second Quarter of Fiscal Year
Ending March 31, 2011**

November 2, 2010
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

Despite the stronger yen, growing demand pushed first half results beyond our initial forecast

(Millions of yen)	FY ended Mar. '10	FY ending Mar. '11	Change	1H of FY ending Mar. '11	
	1H	1H	YoY	Original forecast	vs. forecast
Net sales	109,268	137,695	+26.0%	129,000	106.7%
Operating income	2,115	12,371	× 5.8	10,900	113.5%
Ordinary income	1,029	11,536	× 11.2	9,900	116.5%
Income before income taxes	729	11,103	× 15.2	7,800	142.3%
Net income	-364	7,317	- ⇨ +	4,700	155.7%
Net income per share (yen)	-0.94	19.15	- ⇨ +	12.31	155.6%

Foreign exchange rates	1H of FY Mar. '10	1H of FY Mar. '11	1H of FY Mar. '11 Assumption
US\$	¥96.12	¥89.70	¥90.00
Euro	¥132.90	¥114.92	¥132.00
Thai Baht	¥2.78	¥2.78	¥2.65
Chinese RMB	¥14.06	¥13.17	¥13.00

Summary of Consolidated Business Results for 2Q

Despite the stronger yen, growing demand pushed second quarter net sales and operating income higher Q o Q

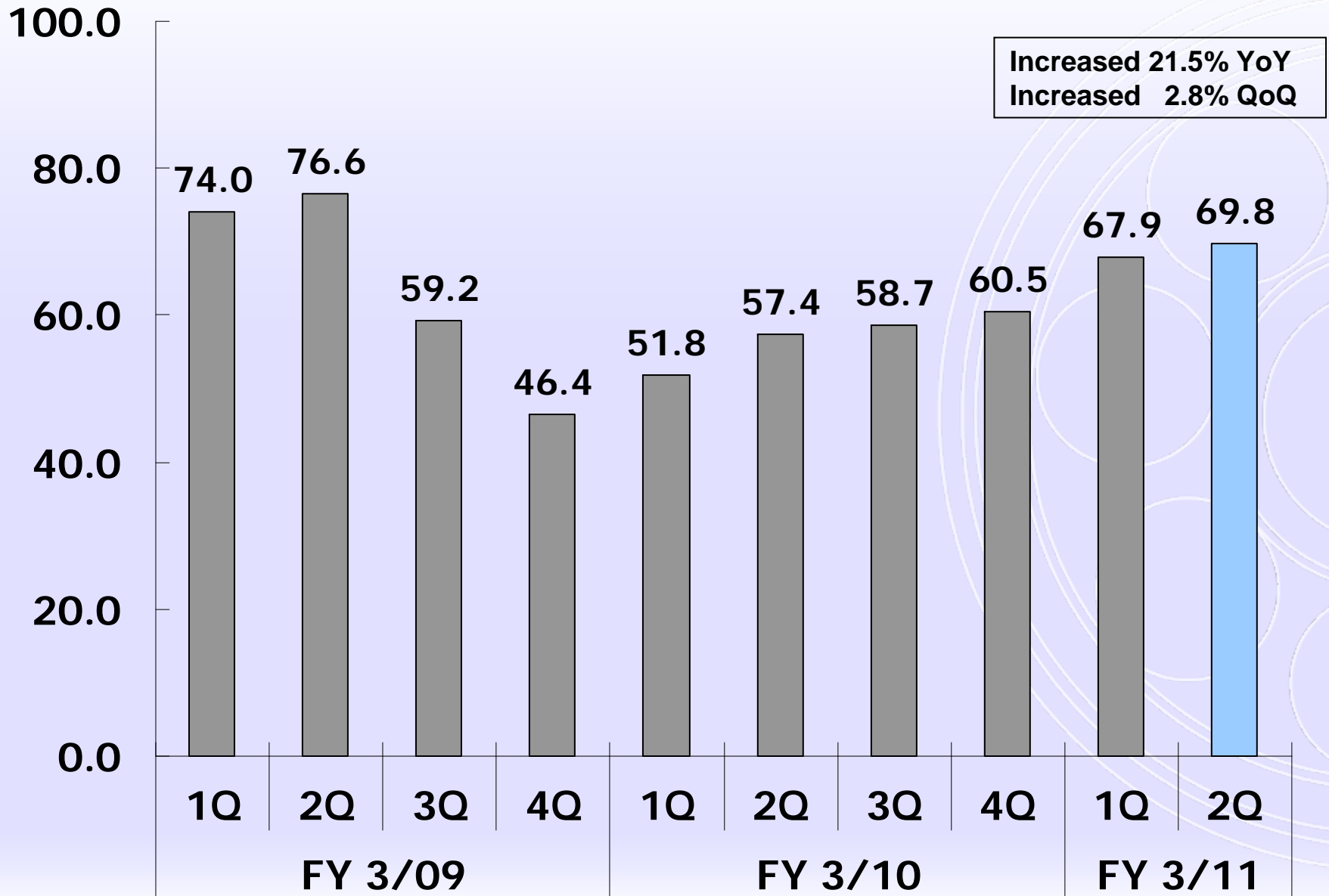
(Millions of yen)	FY ended Mar. '10	FY ending Mar. '11		Change	
	2Q	1Q	2Q	YoY	QoQ
Net sales	57,430	67,891	69,803	+21.5%	+2.8%
Operating income	2,720	6,024	6,346	× 2.3	+5.3%
Ordinary income	2,130	5,600	5,935	× 2.8	+6.0%
Income before income taxes	2,099	5,592	5,511	× 2.6	-1.4%
Net income	1,315	3,815	3,502	× 2.7	-8.2%
Net income per share (yen)	3.38	9.99	9.16	× 2.7	-8.3%

Foreign exchange rates	2Q of FY Mar. '10	1Q of FY Mar. '11	2Q of FY Mar. '11 Assumption
US\$	¥94.74	¥92.81	¥86.58
Euro	¥134.24	¥120.53	¥109.31
Thai Baht	¥2.78	¥2.86	¥2.70
Chinese RMB	¥13.85	¥13.60	¥12.73

Net Sales

Quarterly

(Billions of yen)

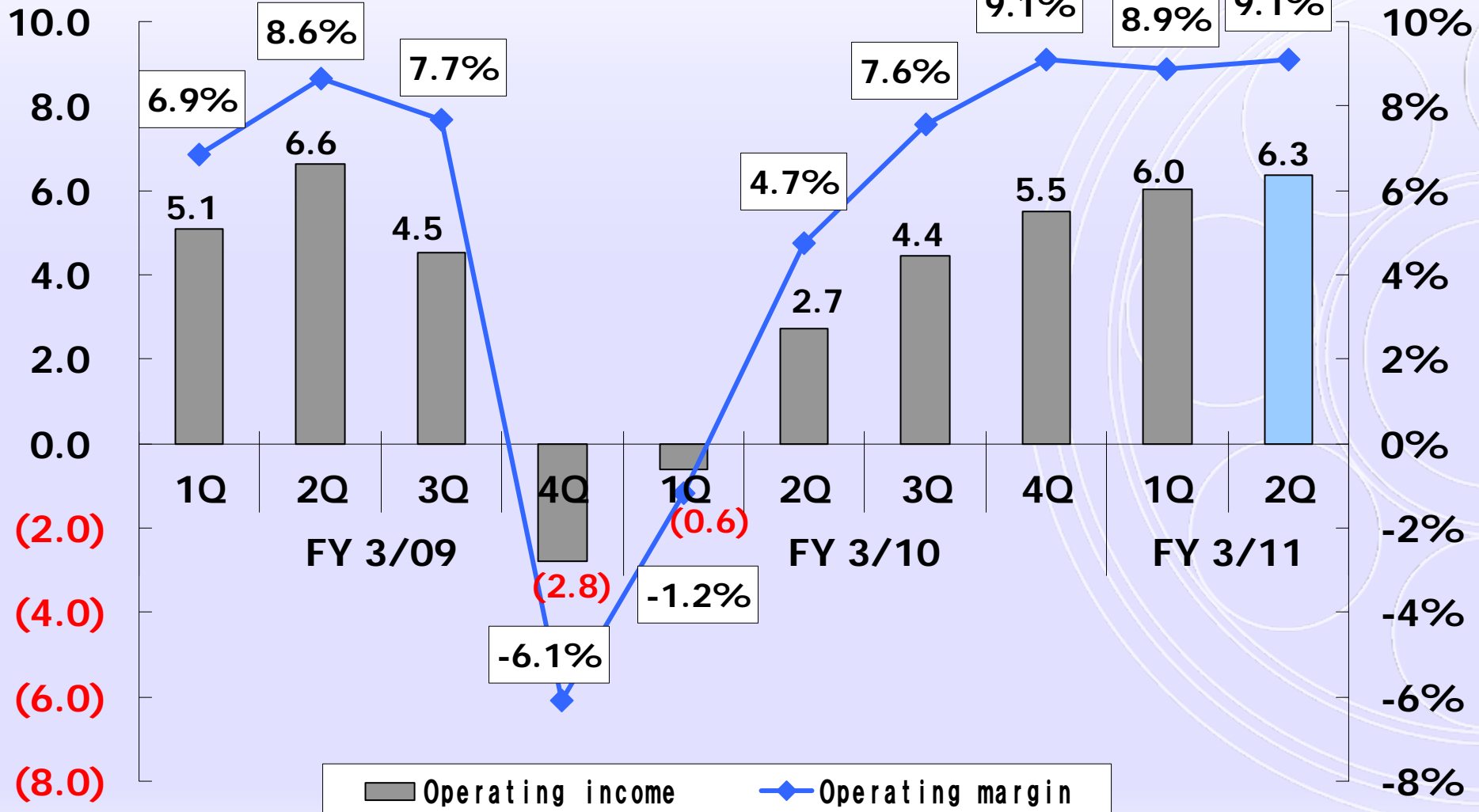


Operating Income

Quarterly

Increased X 2.3 YoY
Increased 5.3% QoQ

(Billions of yen)

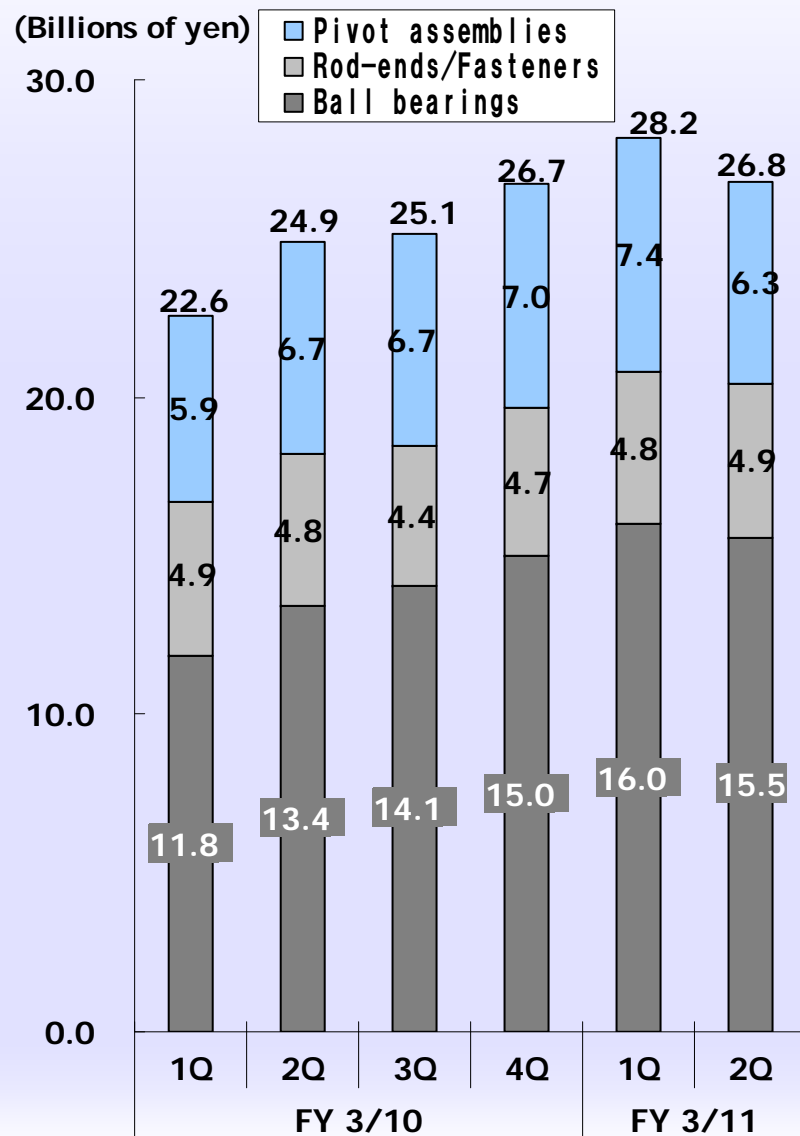


Machined Components Business

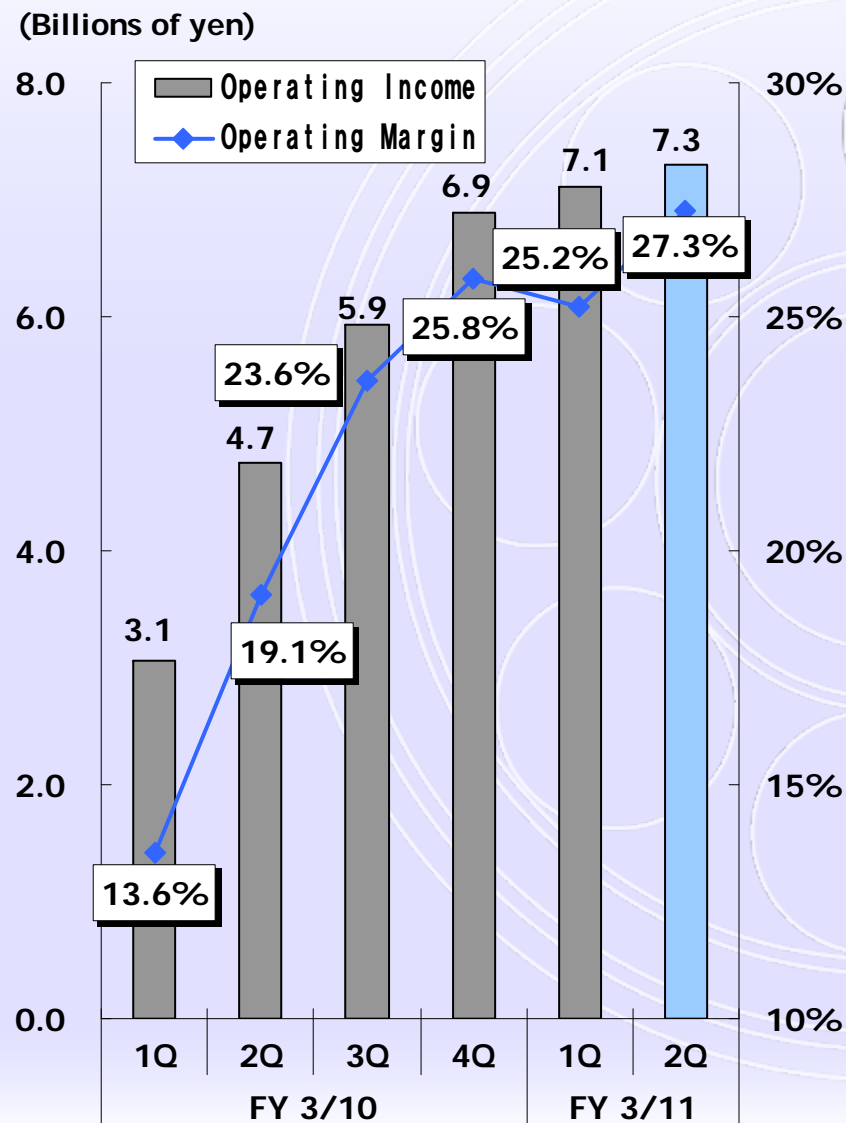
Quarterly

* The segment results by new business segment for the fiscal year ended March 2010 are unaudited.

Net sales



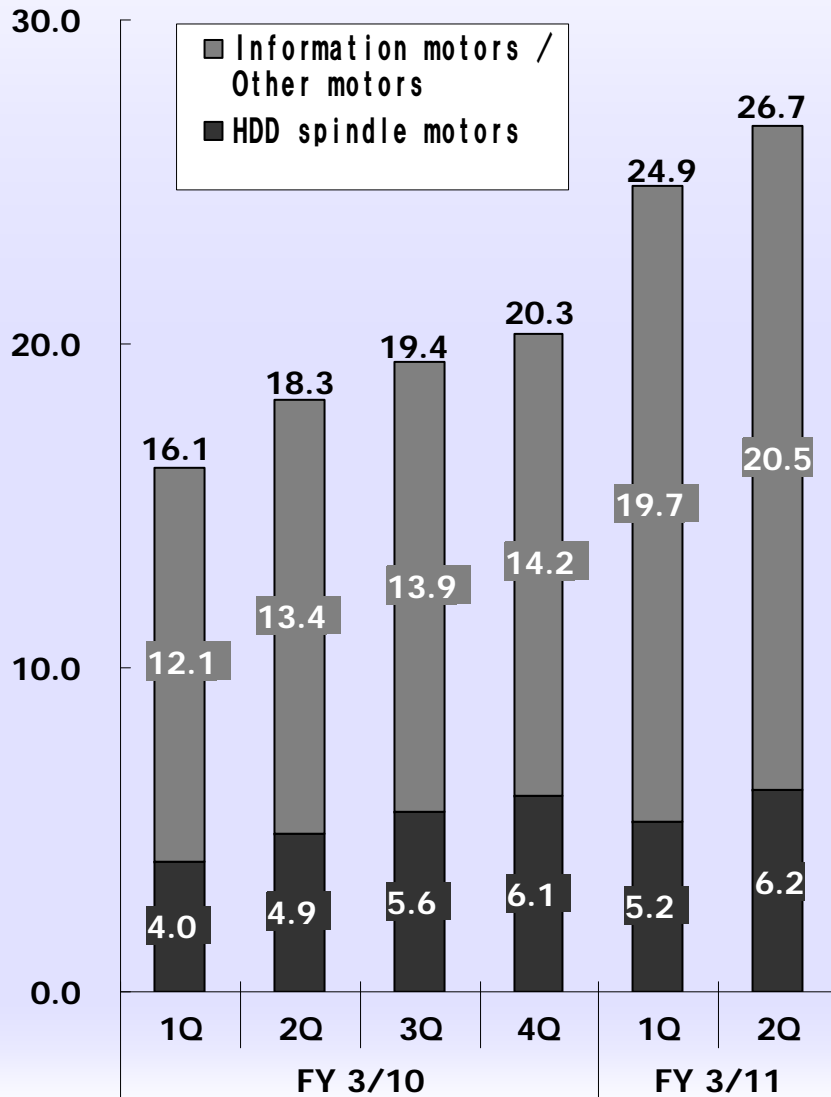
Operating income



* The segment results by new business segment for the fiscal year ended March 2010 are unaudited.

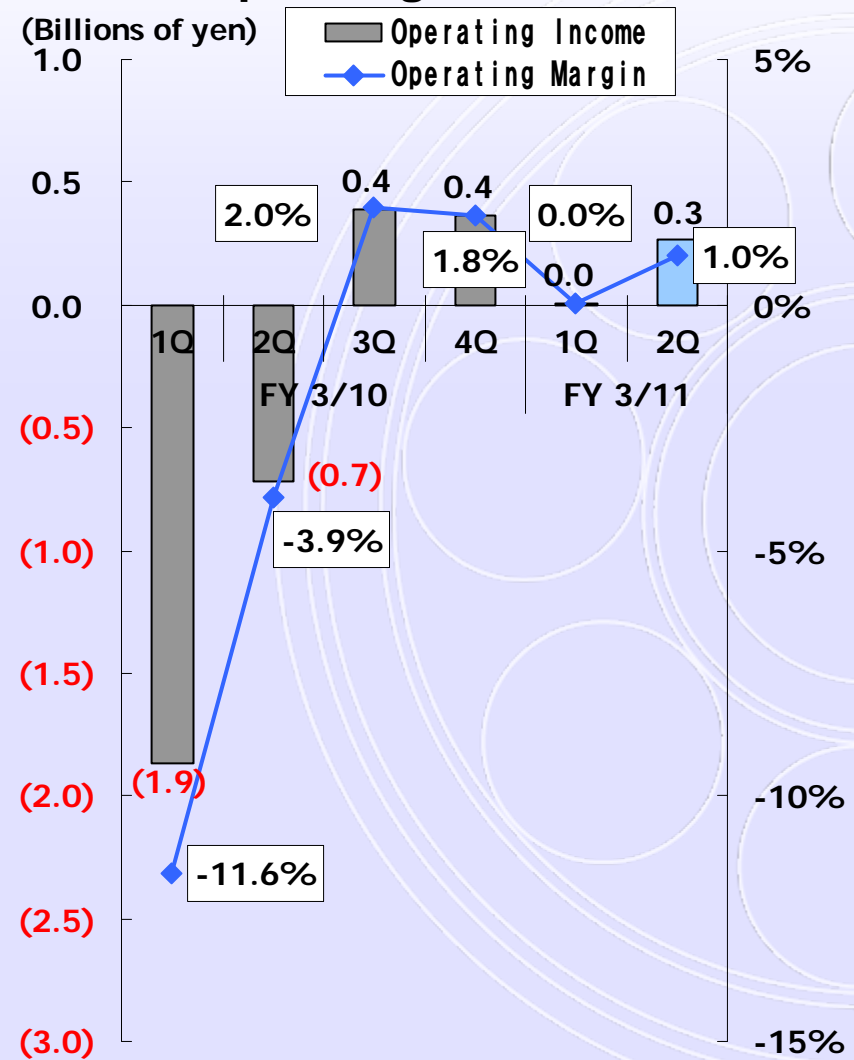
Net sales

(Billions of yen)



Operating income

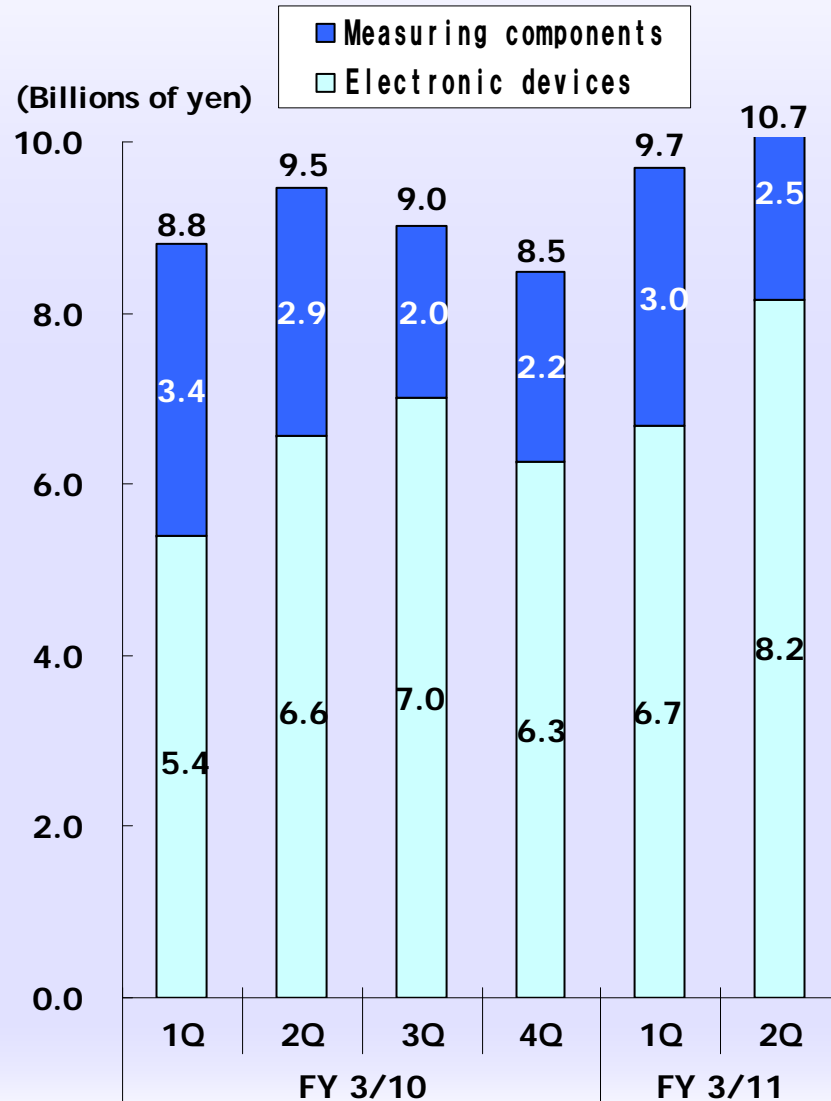
(Billions of yen)



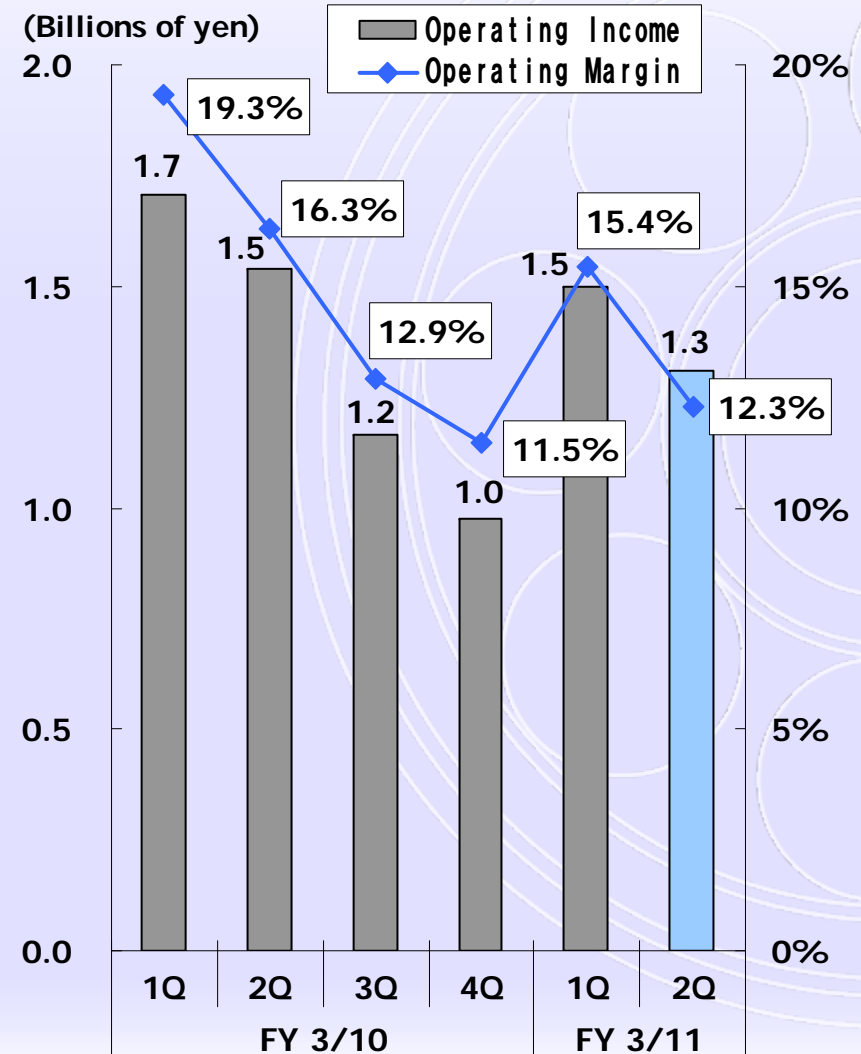
Electronic Devices & Components Business Quarterly

* The segment results by new business segment for the fiscal year ended March 2010 are unaudited.

Net sales

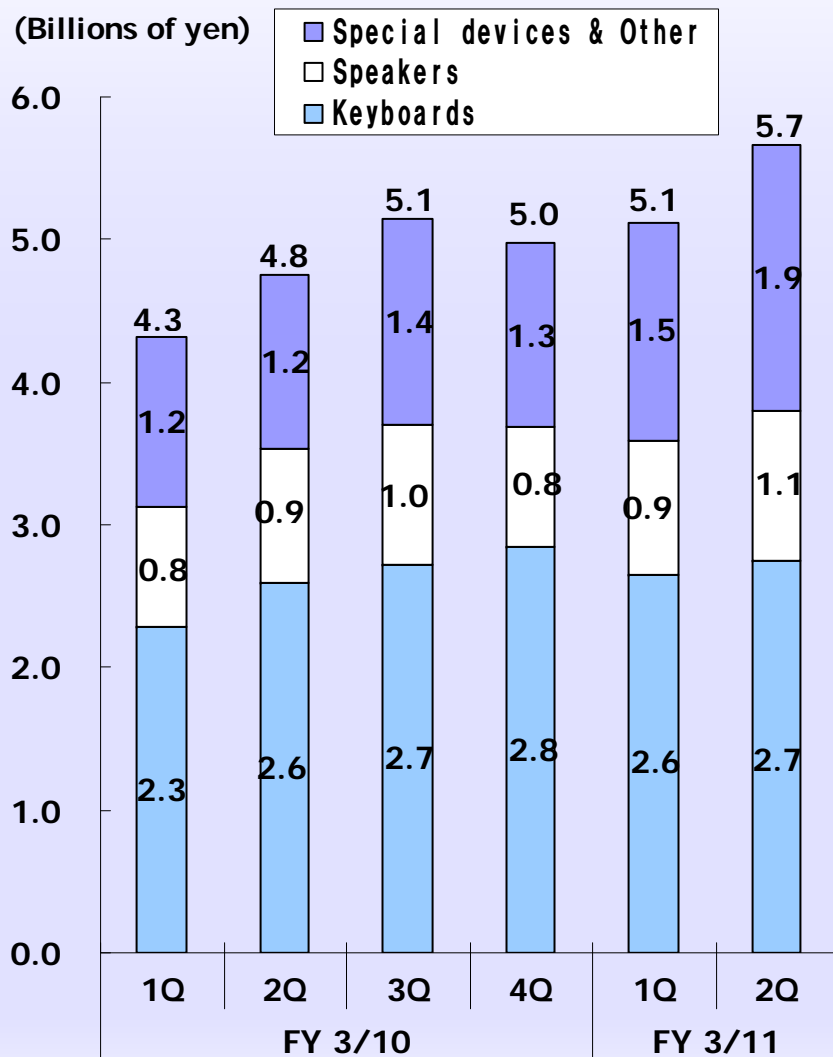


Operating income

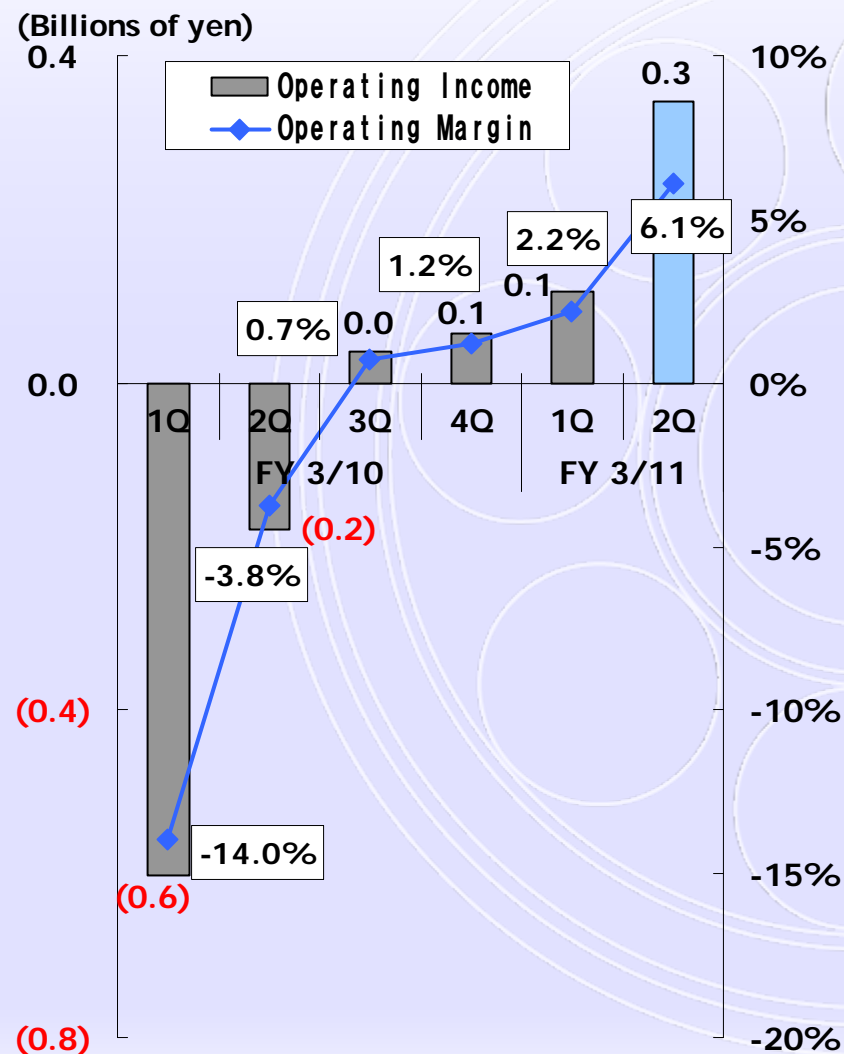


* The segment results by new business segment for the fiscal year ended March 2010 are unaudited.

Net sales



Operating income



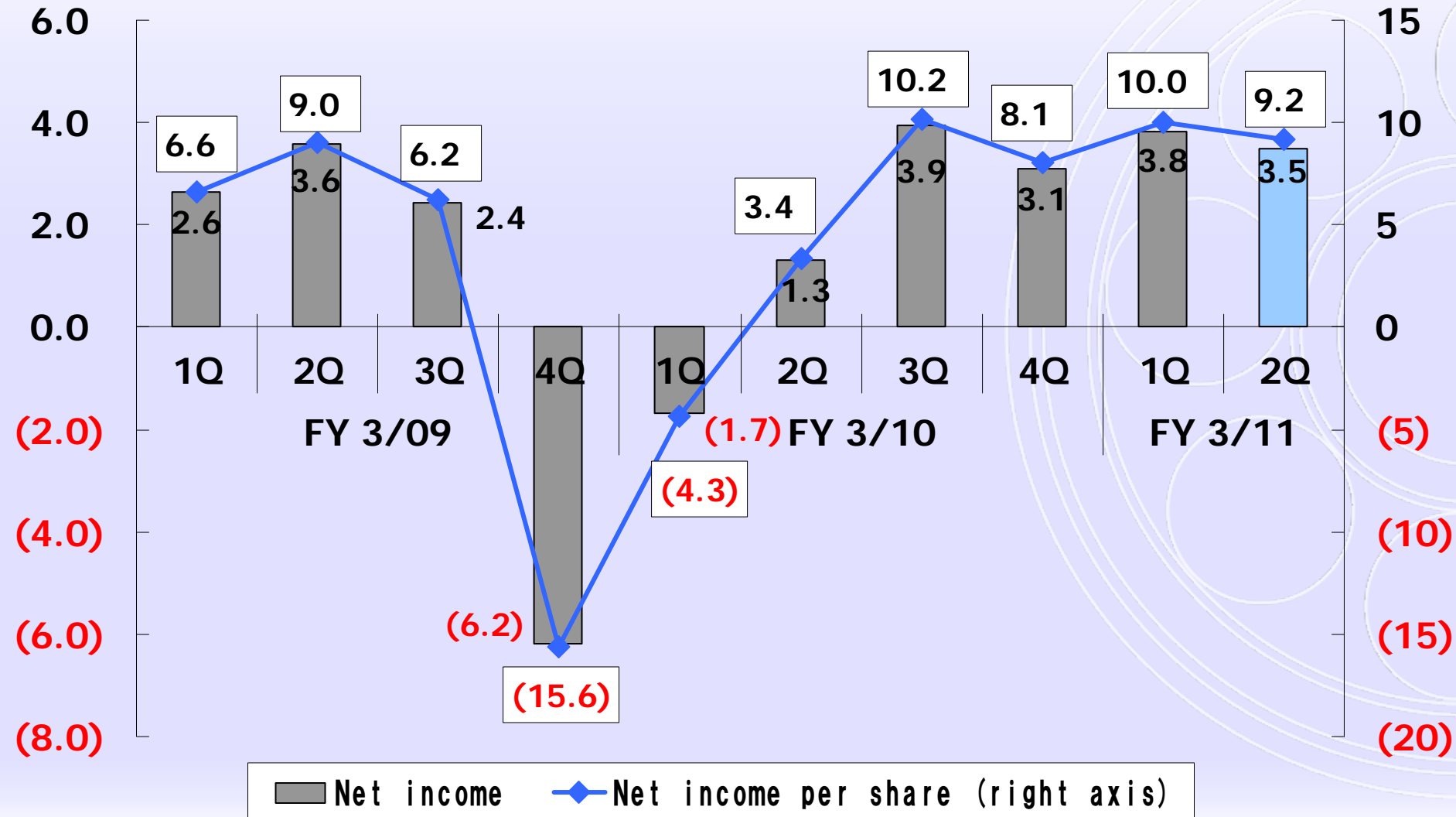
Net Income

Quarterly

Increased X 2.7 YoY
Decreased 8.2% QoQ

(Billions of yen)

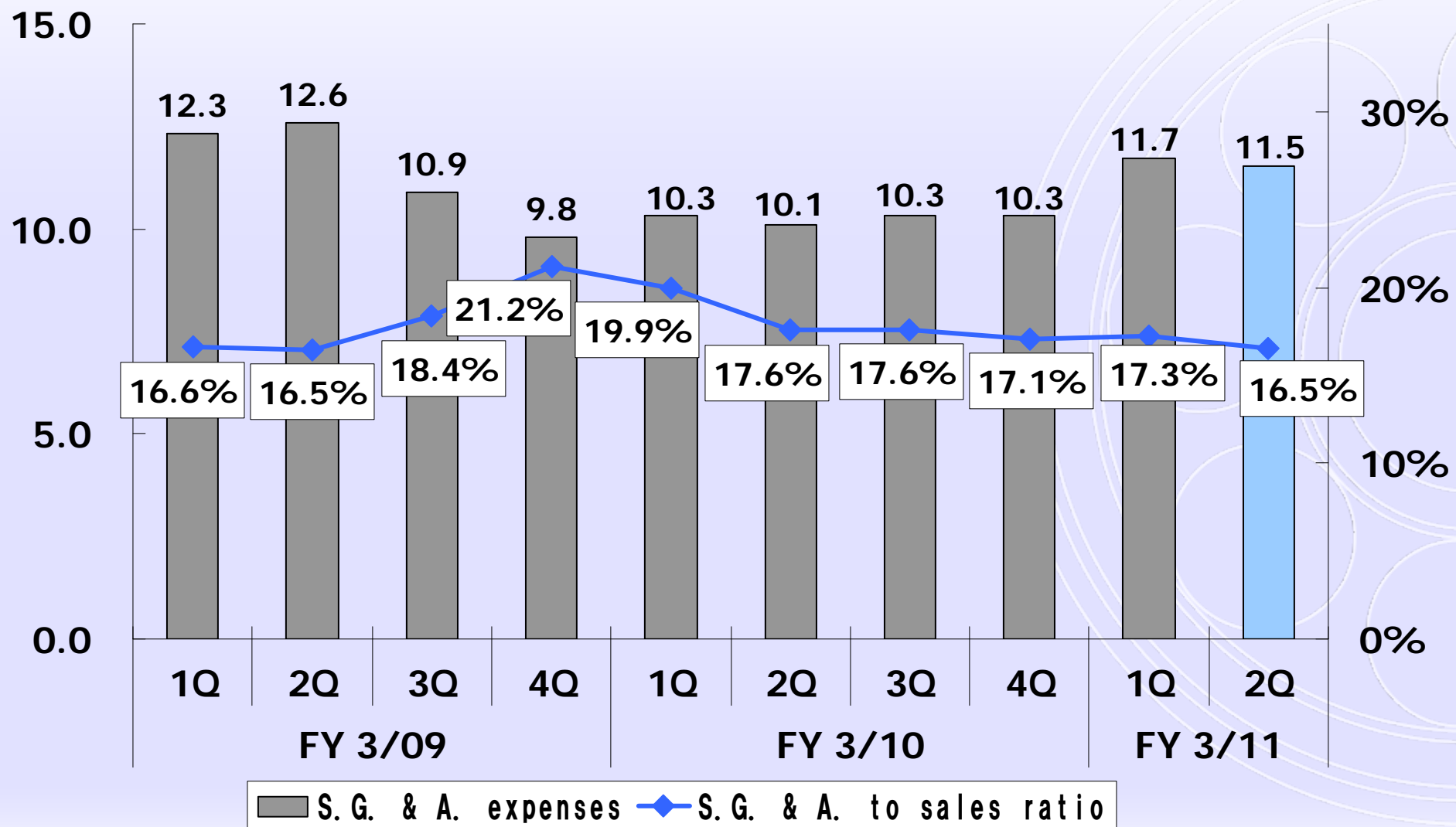
(yen)



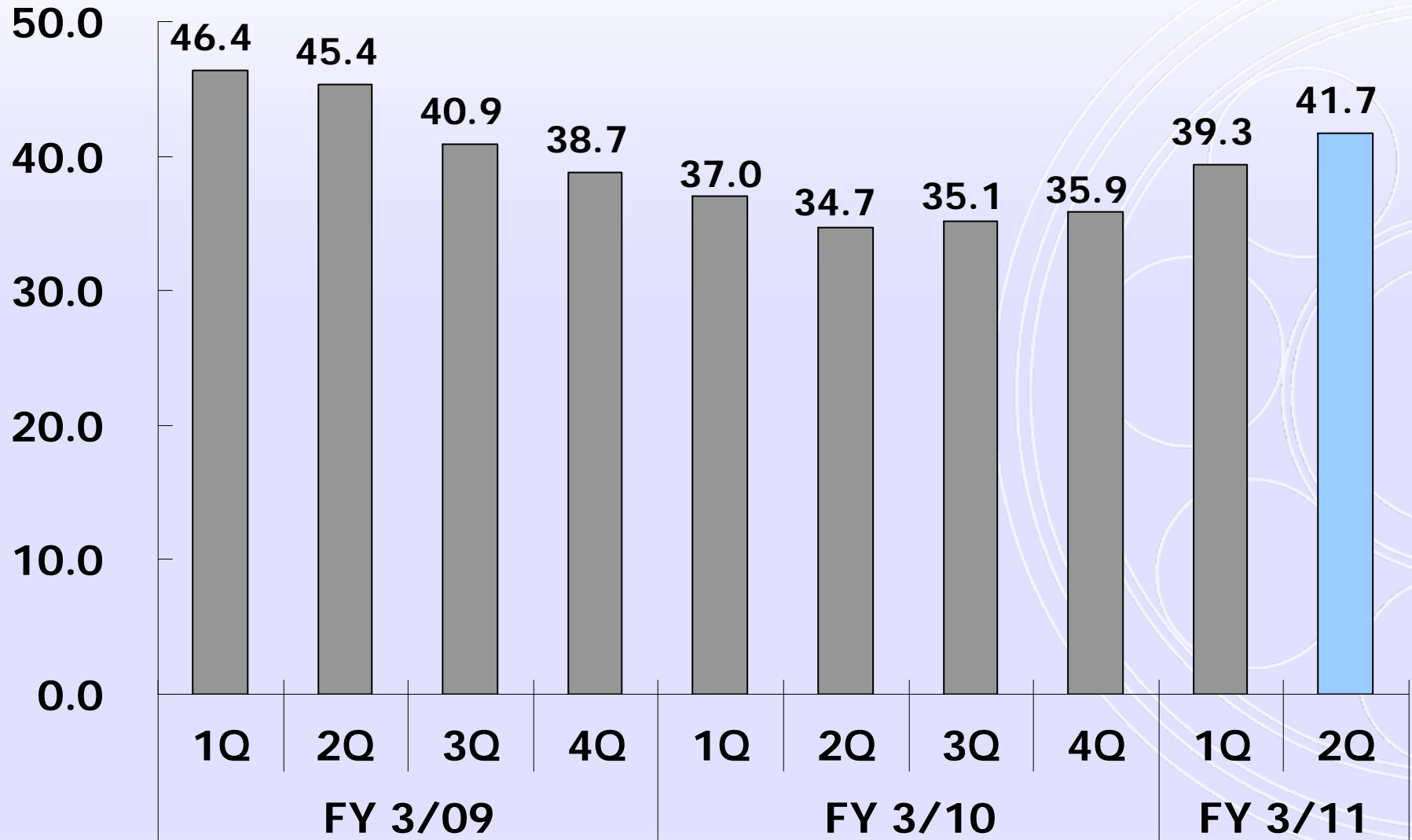
S.G. & A. Expenses

Quarterly

(Billions of yen)



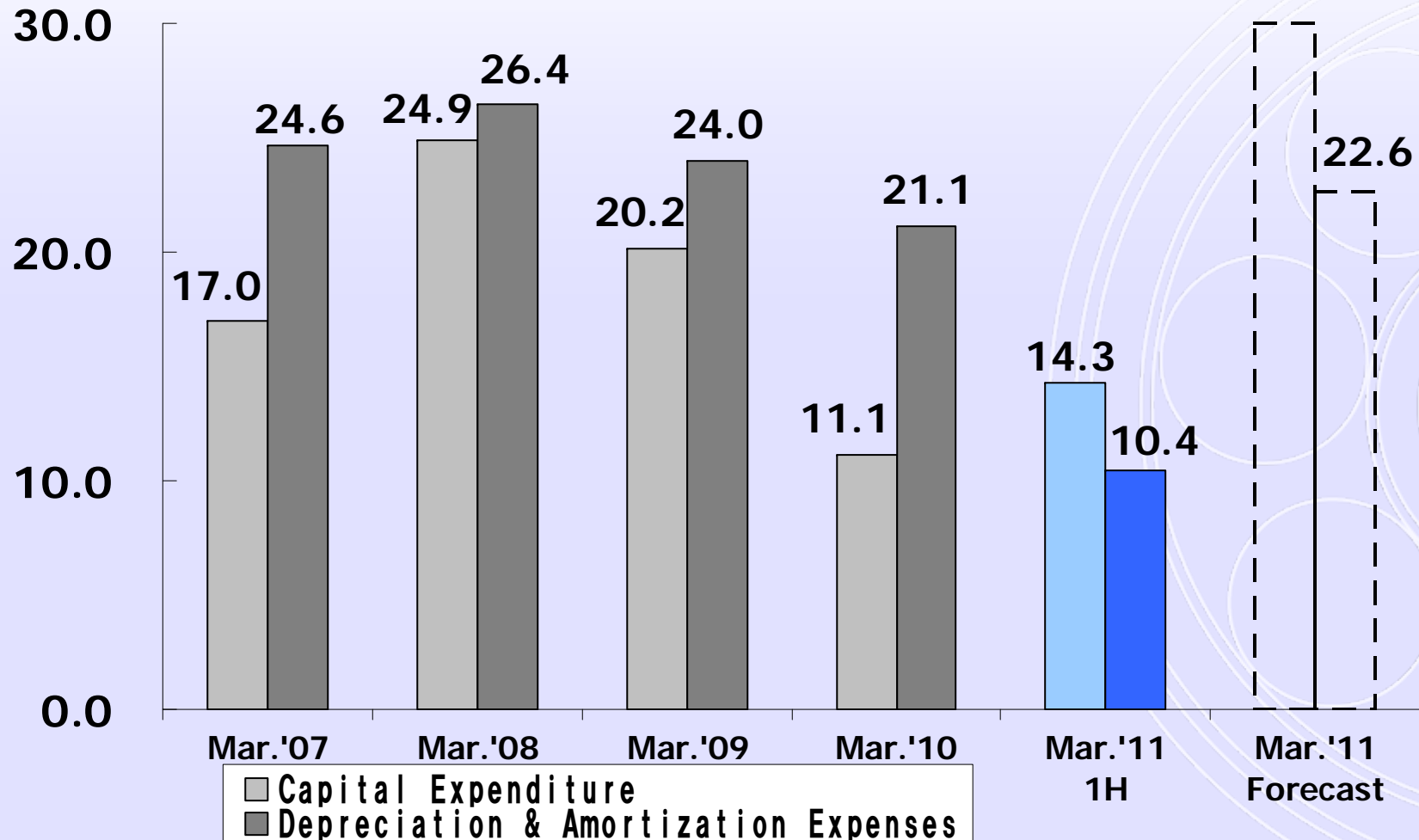
(Billions of yen)



Capital Expenditure & Depreciation

Yearly

(Billions of yen)



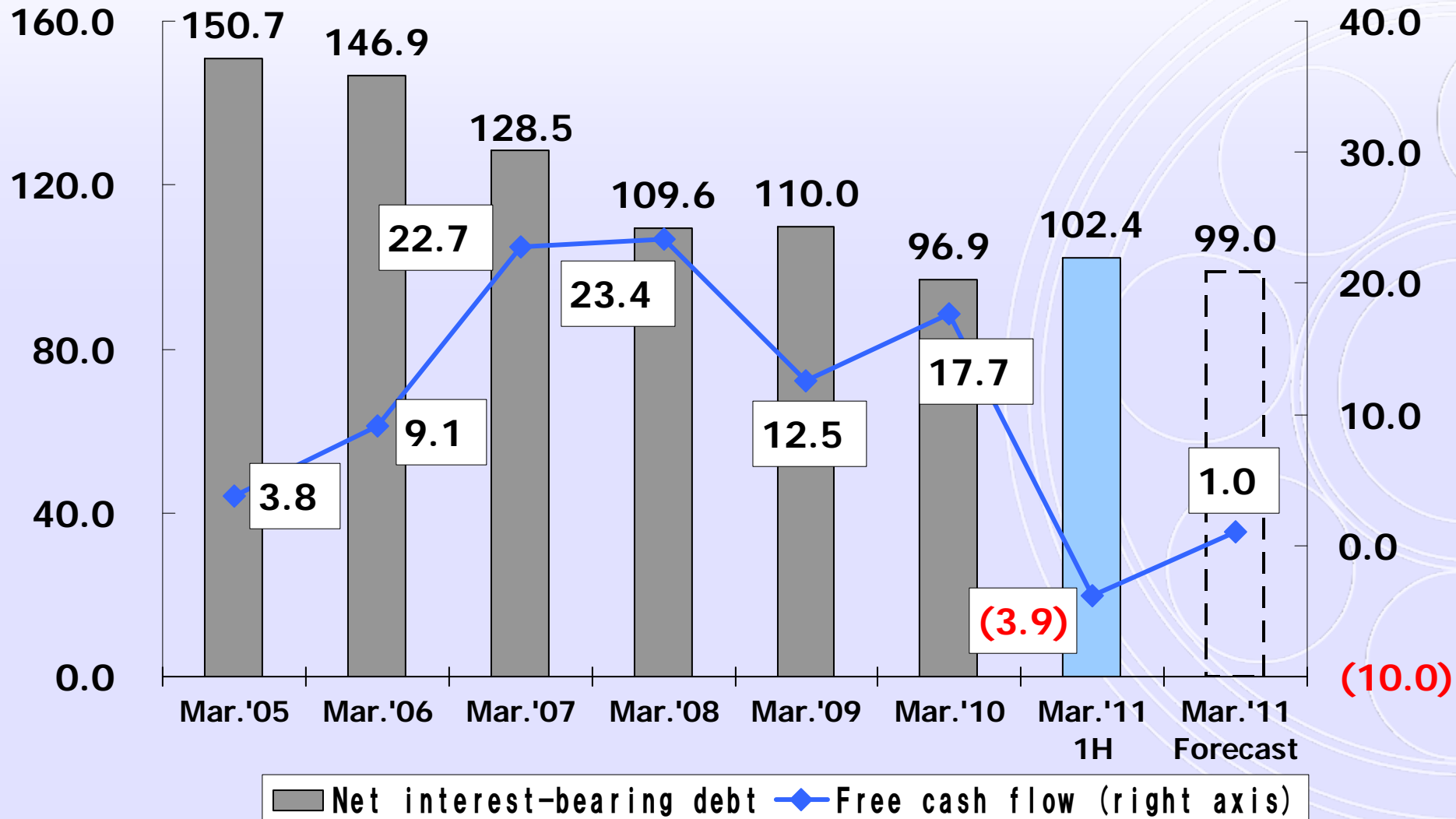
*From FY 3/09, due to change in lease accounting, assets of finance leases are included.

Net Interest-Bearing Debt

Yearly

(Billions of yen)

(Billions of yen)



Net Interest-bearing debt = Interest-bearing debt – Cash and cash equivalents
 Free Cash Flow = CF from operating activities + CF from investing activities

Forecast for Fiscal Year Ending March 31, 2011

Full year forecast is revised upward

(based on the assumption that the global economy will recover to 80% capacity and foreign exchange rates will remain at the current level)

(Millions of yen)	FY ended Mar. '10	Fiscal Year ending Mar. '11				Fiscal Year ending Mar.'11 Previous forecast		
	Full Year	1H	2H revised Forecast	Full Year revised Forecast (A)	YoY	2H	Full Year (B)	Amount change (A)-(B)
Net sales	228,446	137,695	136,305	274,000	19.9%	136,000	265,000	9,000
Operating income	12,059	12,371	12,629	25,000	× 2.1	12,600	23,500	1,500
Ordinary income	10,203	11,536	11,564	23,100	× 2.3	11,600	21,500	1,600
Income before income taxes	9,261	11,103	9,897	21,000	× 2.3	11,500	19,300	1,700
Net income	6,662	7,317	6,183	13,500	× 2.0	7,800	12,500	1,000
Net income per share (yen)	17.20	19.15	16.17	35.32	× 2.1	20.42	32.73	2.59

Foreign exchange rates	Mar. '10 Full year	1H of FY Mar. '11	2H of FY Mar. '11 Assumption	FY ending Mar. '11 Assumption
US\$	¥93.04	¥89.70	¥81.00	¥85.35
Euro	¥131.10	¥114.92	¥111.00	¥112.96
Thai Baht	¥2.74	¥2.78	¥2.70	¥2.74
Chinese RMB	¥13.61	¥13.17	¥12.20	¥12.69

2H of FY Mar. '11 Assumption	FY ending Mar. '11 Assumption
¥90.00	¥90.00
¥132.00	¥132.00
¥2.65	¥2.65
¥13.00	¥13.00

Policy and Strategy

November 2, 2010

Yoshihisa Kainuma

**Representative Director,
President and Chief Executive Officer**

Review of Business Strategy for the First Half of FY Ending March 2011

First Half Results Beat Initial Projection

Despite the stronger yen, growing demand pushed first half results beyond our initial forecast.

Full-year forecast was revised upward.

(based on the assumption that the global economy will recover to 80% capacity and foreign exchange rates will remain at the current level)

Despite of low visibility in second half, we aim full year forecast by efforts including expense cuts

(billions of yen)

Sales



(billions of yen)

Operating Income

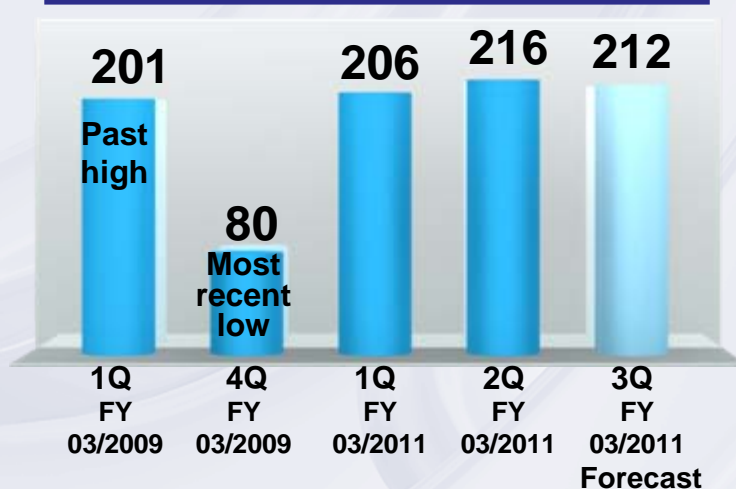


First Half Highlights (1)-1

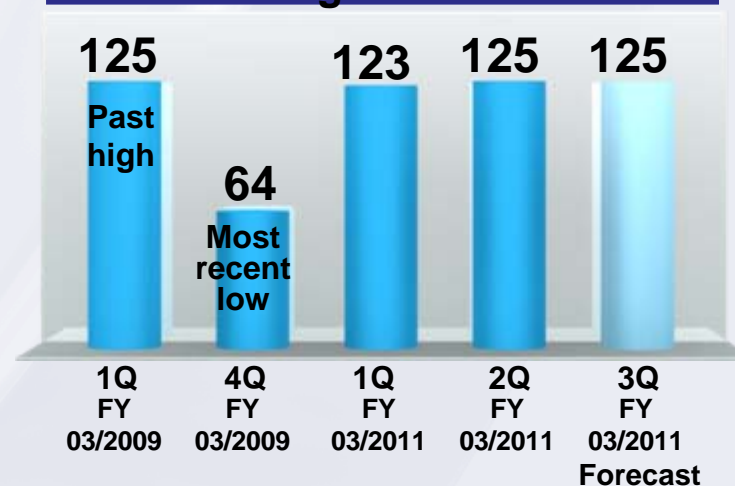
Ball Bearing Operations at Full Capacity

- Demand continued to grow in emerging markets and across the globe.
- Production in August reached record high at 221 million units/month.
- Internal sales of ball bearings for HDD pivot assemblies stalled after June.
- External sales will remain steady as we regain supply capacity and aggressively respond to growing demand in emerging markets.
- A new plant will be constructed in Bang Pa-in, Thailand as scheduled.

Monthly Ball Bearing Production Volume (in millions of units)



Monthly External Ball Bearing Sales (in millions of units)



First Half Highlights (1)-2

Ball Bearings Strategies for Chinese Market to Be Resumed

[Market change after global economic downturn]

Growing market for low-priced, mass-produced products

Resume!
Finalize a plan by the end of this year



Consider strategic entry into the market

Target: standard size

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

Measures

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

First Half Highlights (2)

LED Backlight Business

Gain the largest share of the global market for small LED backlights!

**Sales volume totaled 17 million units in September and 20 million units in October.
→ Production has been running at full capacity**

Demand from the smartphone market is skyrocketing



**Decided to increase monthly production capacity to 30 million units
Will develop thinner and brighter products**

First Half Highlights (3)

Brushless DC Motor Business

Driving profits up since the first quarter

**Booming OA market drove sales beyond our initial forecast.
Sales for this fiscal year are likely to reach approx. 20 billion yen!**



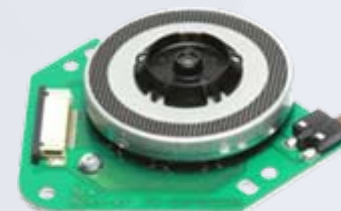
Boost productivity and tap into new markets to achieve further growth



Polygon mirror scanner motor



Power brushless motor



Small brushless motor

First Half Highlights (4)

Profitability improvements in Keyboard/Speaker Businesses

Keyboards

- Completely turned the business around in Q4 of the last fiscal year via enhanced manufacturing capability!
- Further expanded lines of high value-added products

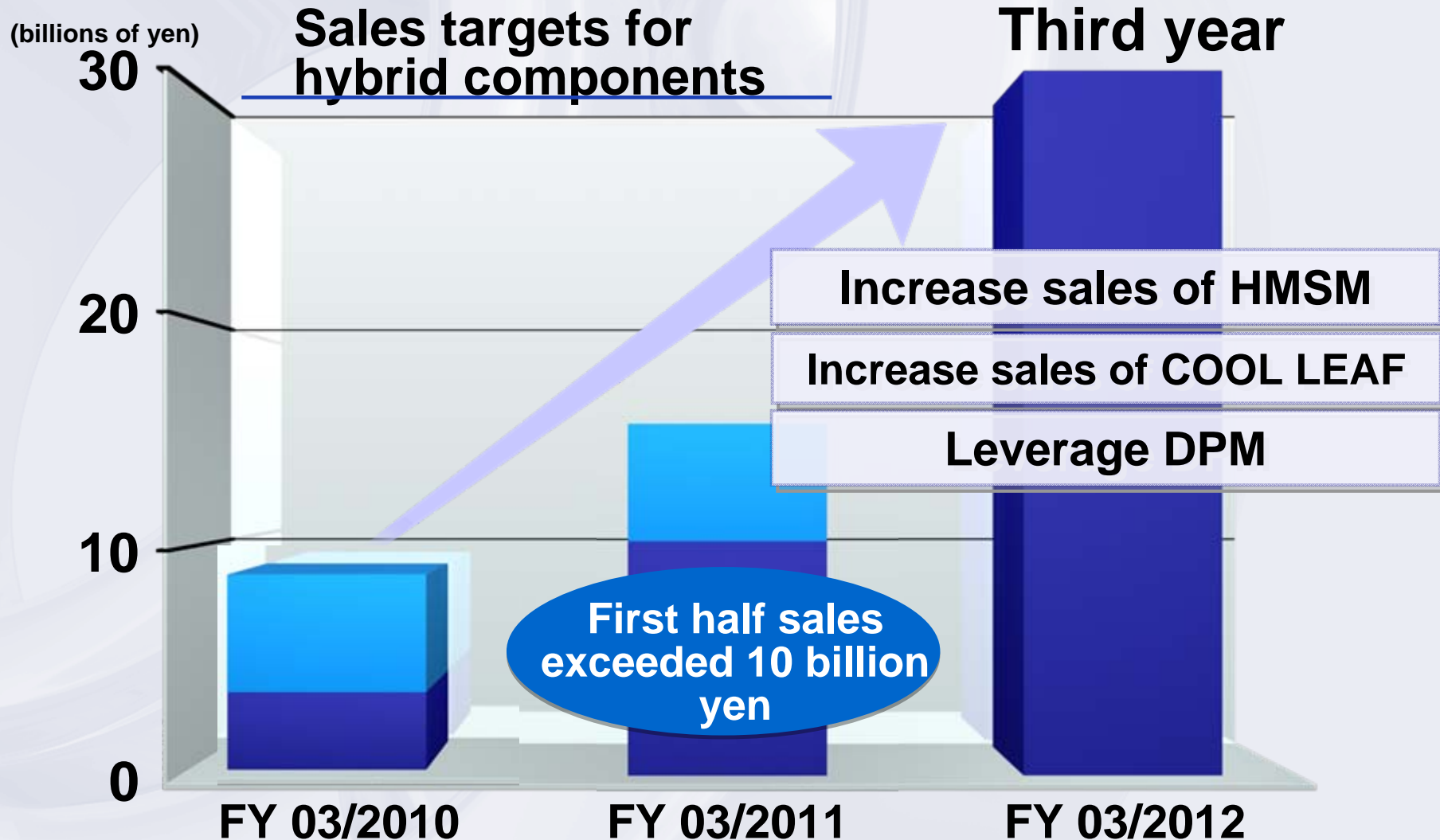
Speakers

- Brought the business back close to profitability on a monthly basis!
- Launched unique high value-added products no other companies offer for large-size LCD TVs
= Began delivery of high power micro speakers

First Half Highlights (5)-1

Quickly boost sales of
EMS products

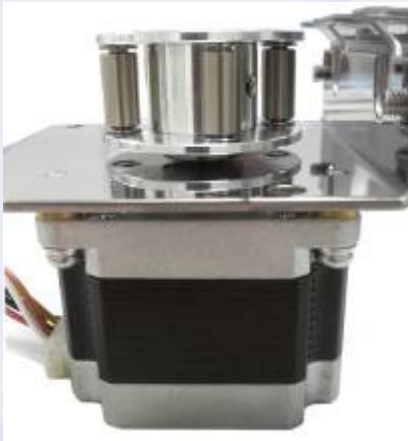
Sales to exceed 15 billion yen this
year and 30 billion yen next year



First Half Highlights (5)-2

Examples of Hybrid Products

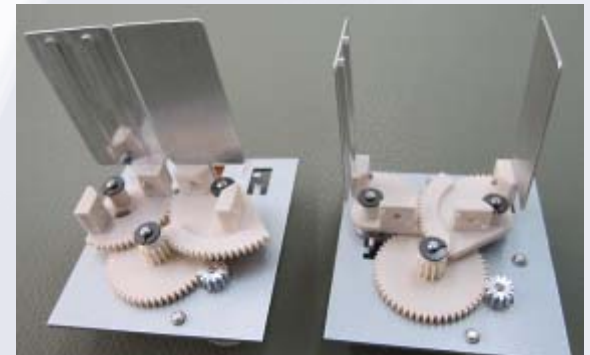
Reagent pump for
blood test equipment
HB motor + rotor



Sample product:
Switching actuator
DC motor + gear
assembly



Sample product:
Iris mechanism
PM stepping motor +
gear assembly



First Half Highlights (5)-3

COOL LEAF Finally Makes Market Debut !!

Completed keyboard firmware for multipoint touch input

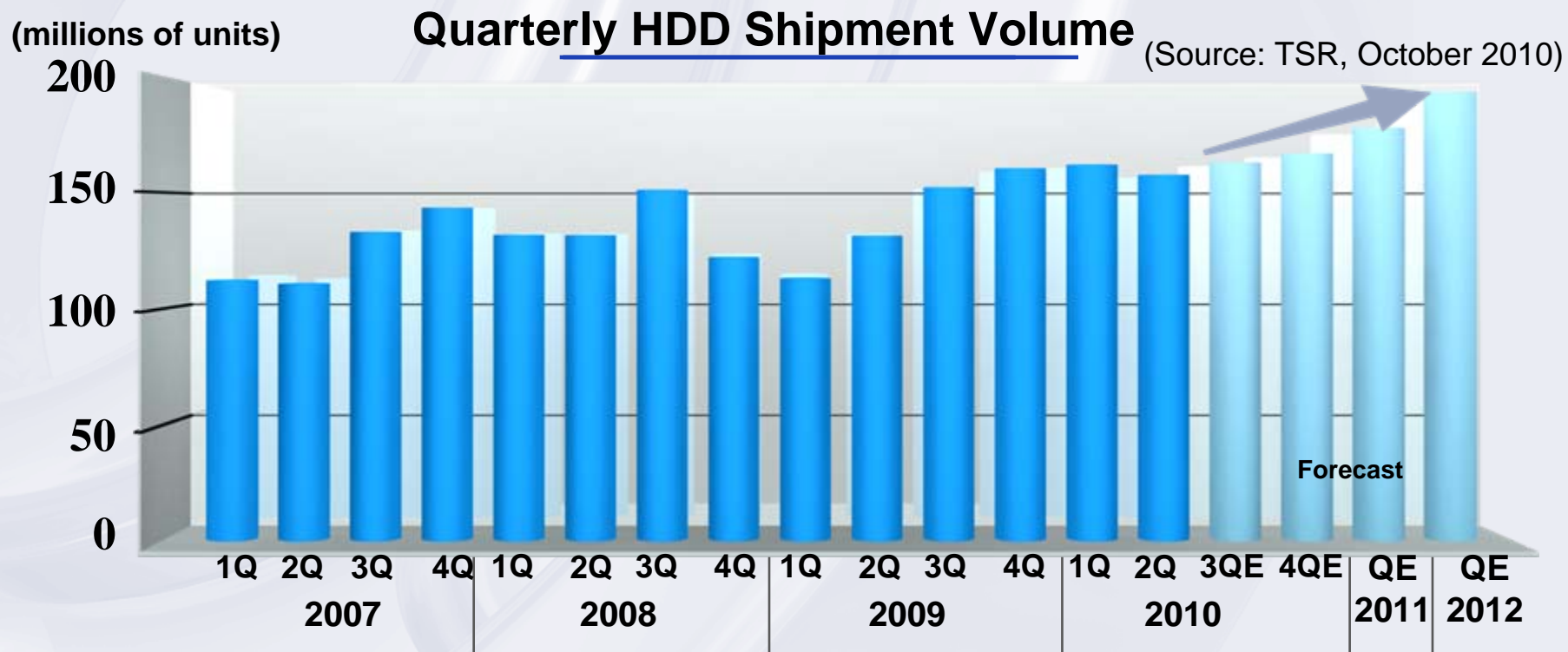
Start selling in the second half



First Half Highlights (6)

HDD Market Trend

- Demand for HDDs rose sharply after middle of 2009.
- The increase in demand stalled this June and has remained flat.
- There's no doubt about the growth potential of the HDD market in the medium run.



First Half Highlights (7)

Profitability improvements in Spindle Motor Business

Focused on parts manufacturing by leveraging both vertical and horizontal strengths

- Improved productivity via new business unit head and reorganization of internal divisions
- Established a system completely backed by the machined components business
- Actively involved management

Improved production yield → Reduced scrap



Profitability improved significantly during 2Q.
The business is expected to return to profitability soon
on a monthly basis.

**Aim to establish a profit structure that's not solely
built on increasing sales volume!**

First Half Highlights (8)

Pivot Assemblies

**Boosted production capacity
30 mil. units/month → 37 mil. units/month
(Completed in August 2010)**

**Although the HDD market is leveling off,
there is no doubt about its medium-term
growth potential.**



**Currently reviewing the time schedule to boost
production capacity to 45 million units / month as
well as construction of a new pivot assembly plant.**

First Half Highlights (9)

Sluggishness in Some Motor Products

Brush DC Motors

- Delay in the new S Series products
- Price competition and negative currency impacts

Vibration Motors

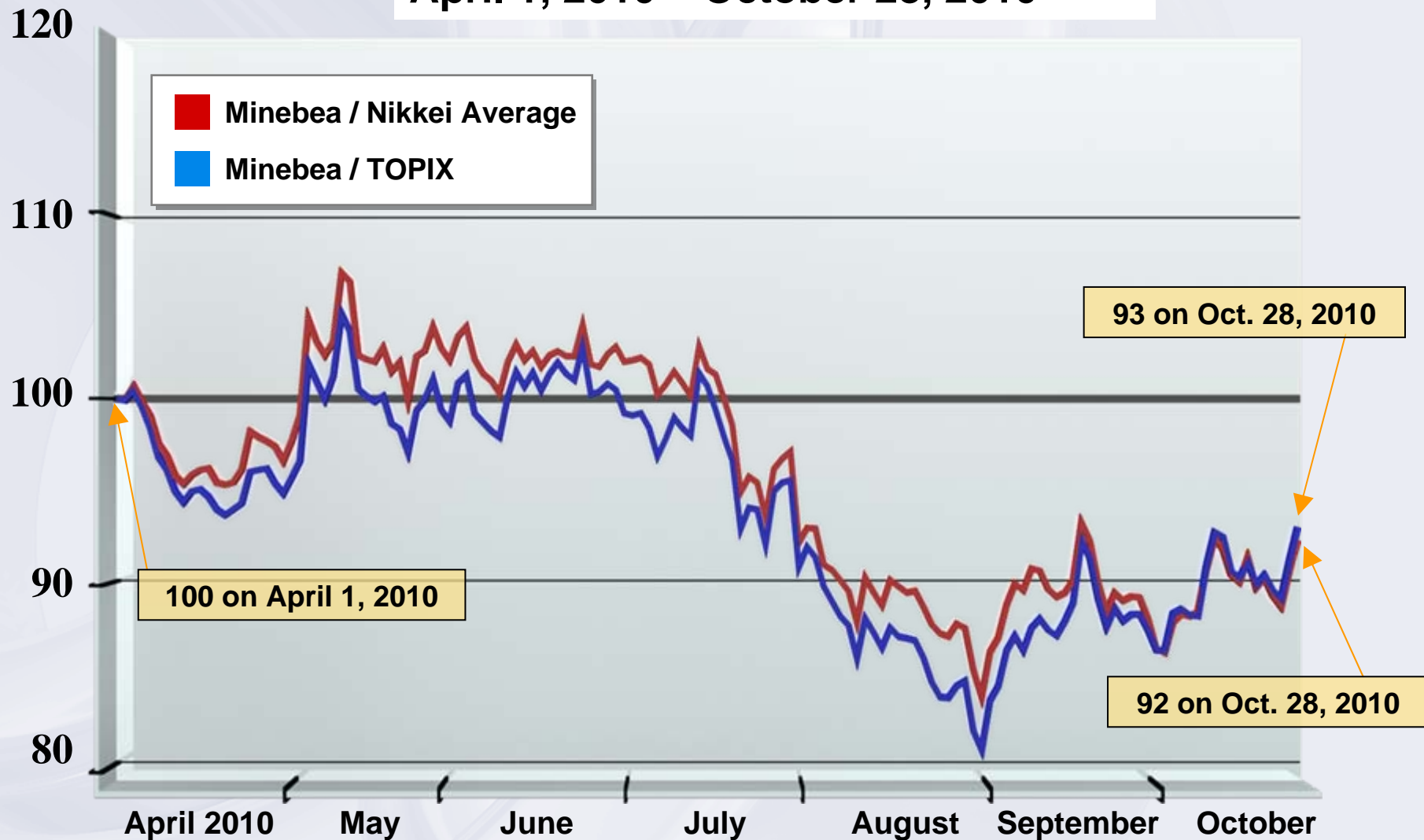
- Drop in production yield due to delay in launch of a new product for a large customer

Precision Motors

- Sales drop due to discontinuation of some products

Relative Stock Performance

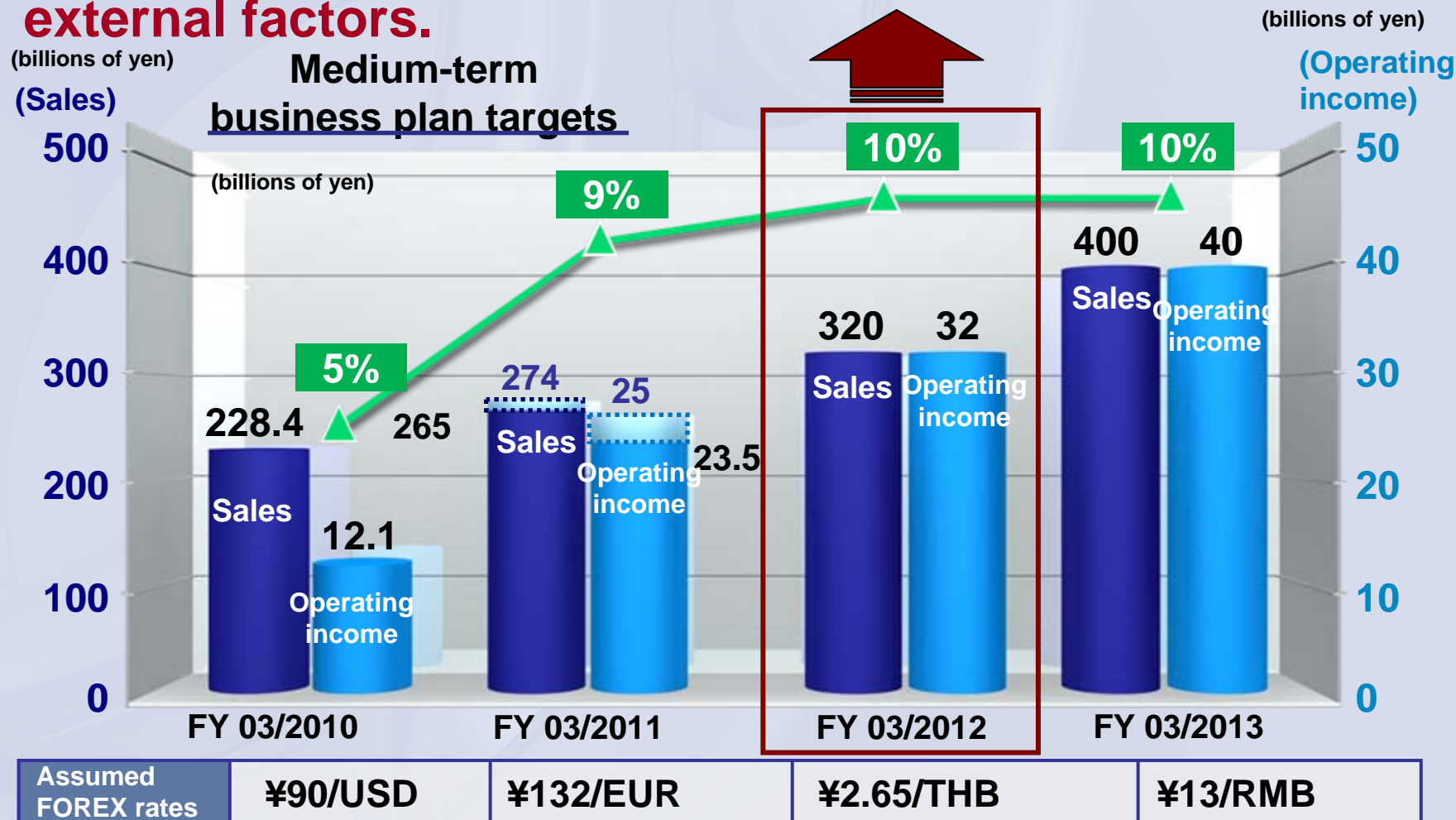
April 1, 2010 – October 28, 2010



Medium-term Business Plan Progress (Toward FY Ending March 2012)

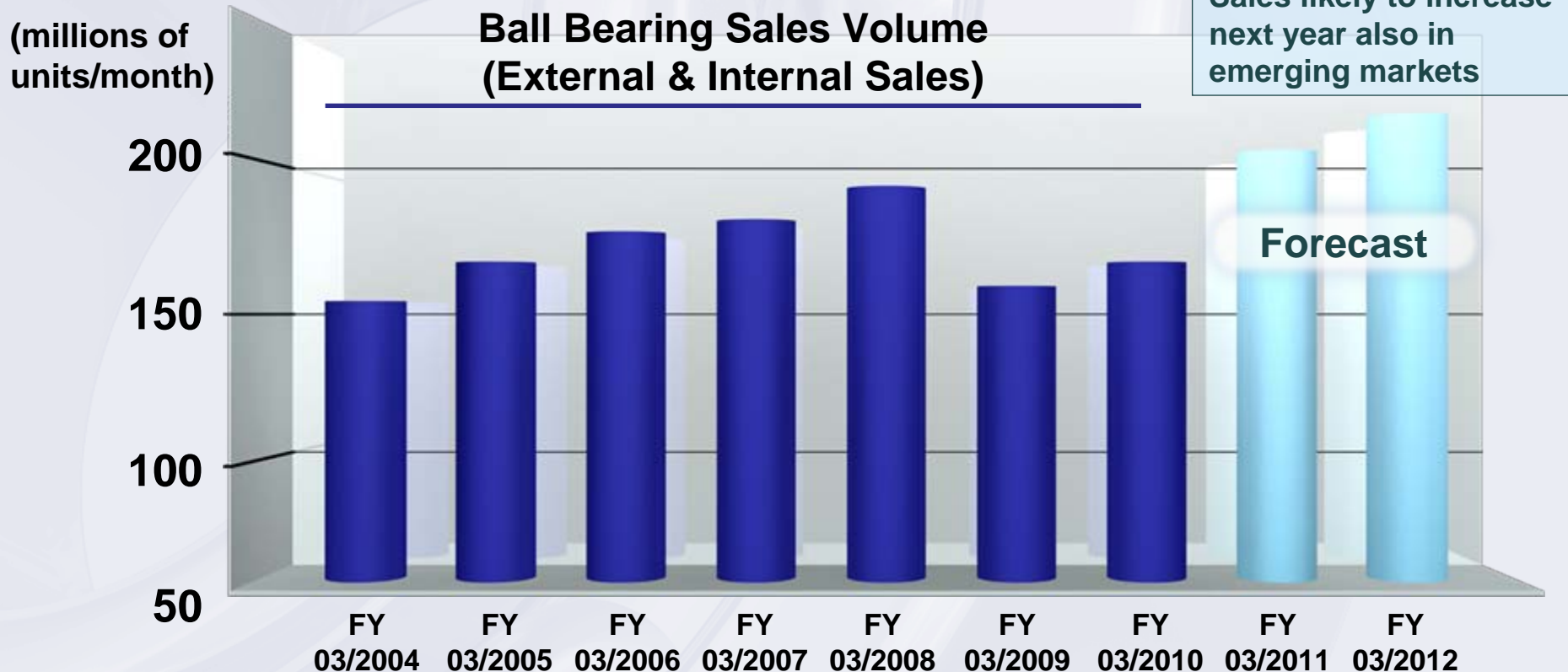
No Change in Targets

The targets for FY ending March 2012 are now within our reach despite fluctuations in currency rates and other external factors.



Ball Bearing Business Remains Steady

Demand for ball bearings is growing as the global economy continues to recover.

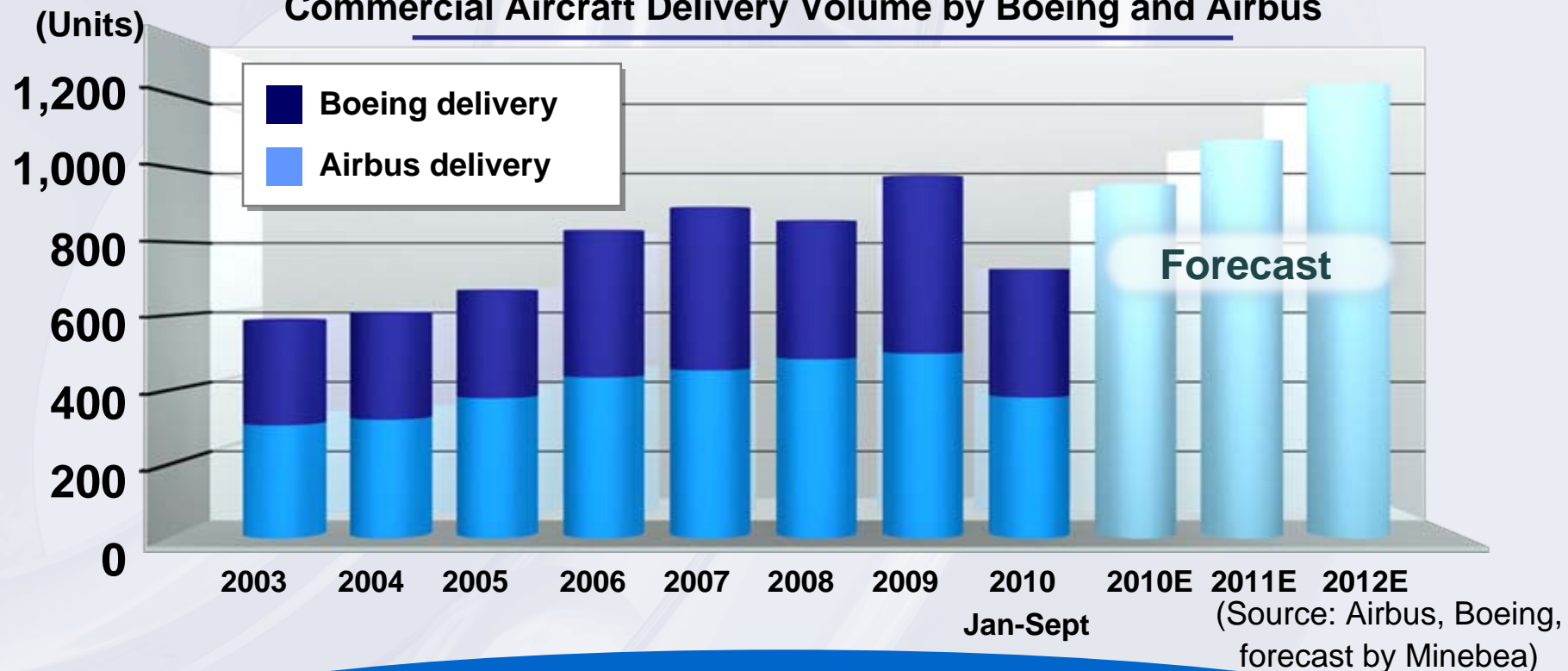


New ball bearing Plant in Bang Pa-in, Thailand is slated to go on line in fall 2011

Rod-end Production to Exceed Past High

Orders will increase in the aircraft market as demand continues to grow next year. Production of new aircraft models will also shift into high gear in 2011 and onward.

Commercial Aircraft Delivery Volume by Boeing and Airbus



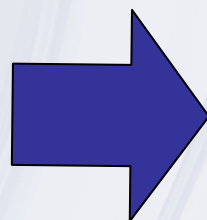
**Anticipate full recovery sooner than projected,
by fall 2011, for early profit recovery**

LED Backlight Operations to Expand Further

**Smartphone applications are fueling
skyrocketing demand for LED backlights**

**Gain major share of the global market for small LED backlights
Step up on plan to boost production capacity with eye to early
implementation**

**24 million units/month
(Medium-term
business plan)**



**30 million units/month
(Fall 2011)**

New plant in Suzhou, China is scheduled to go on line in March 2011.

◆ **Minebea Electronic Devices
(Suzhou) Co., Ltd.**

Established	August 2010
Total floor area	Approx. 10,000 m² (two story building)



Overhauling Profit Structure of the Rotary Components Business

Stop losing money in Spindle motor business

Brush DC motors

- Will save on labor costs once the new factory in Cambodia goes on line

Vibration motors

- Eliminate problems associated with new product launch
- Consider production in Cambodia

Precision motors

- Boost sales to turn around business



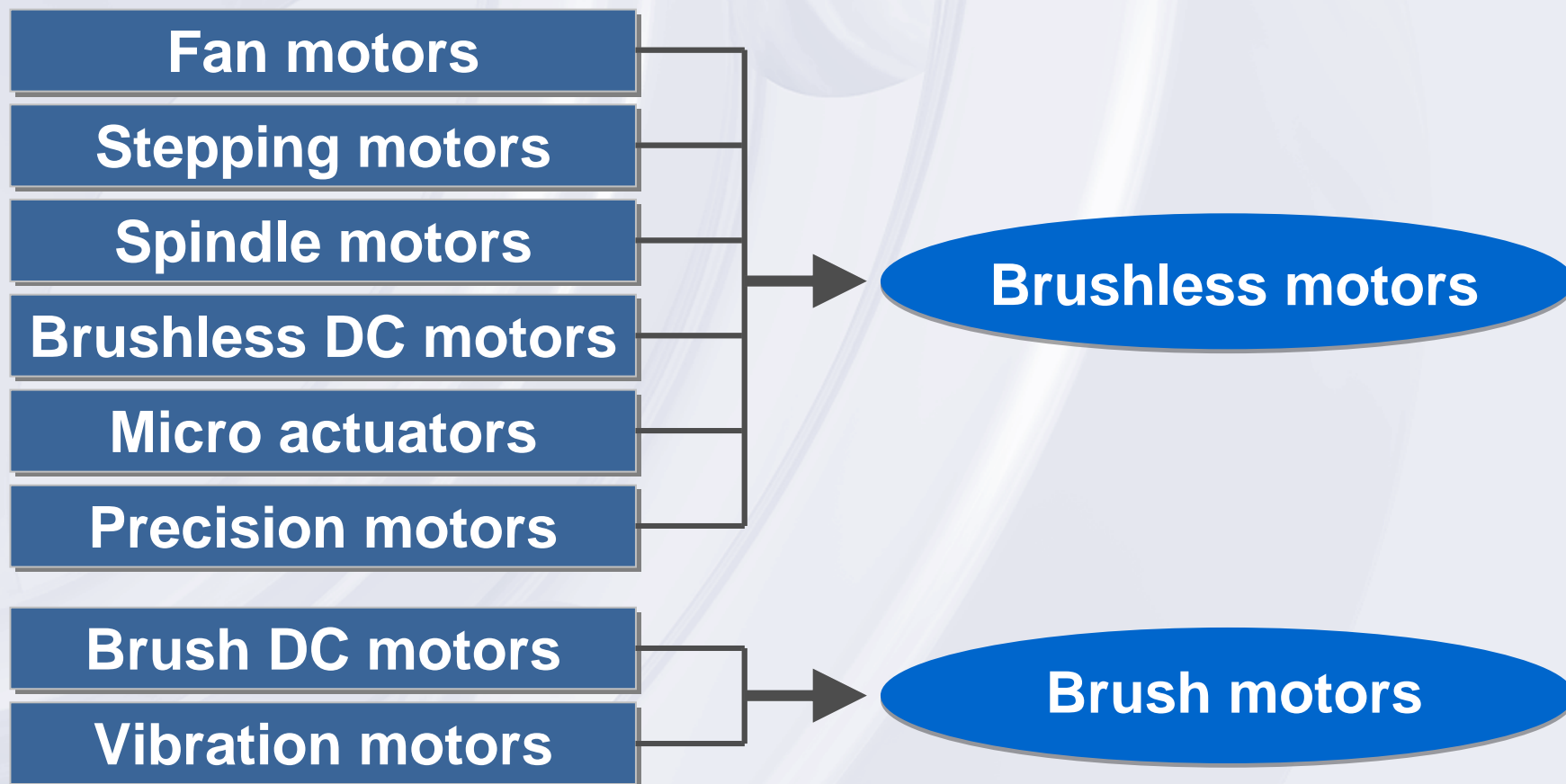
Profits are expected to soar in the rotary components business segment next year

Quantity as Benchmark for Rotary Components (1)

Disclosure of sales volume for motor products

Sales volume by product

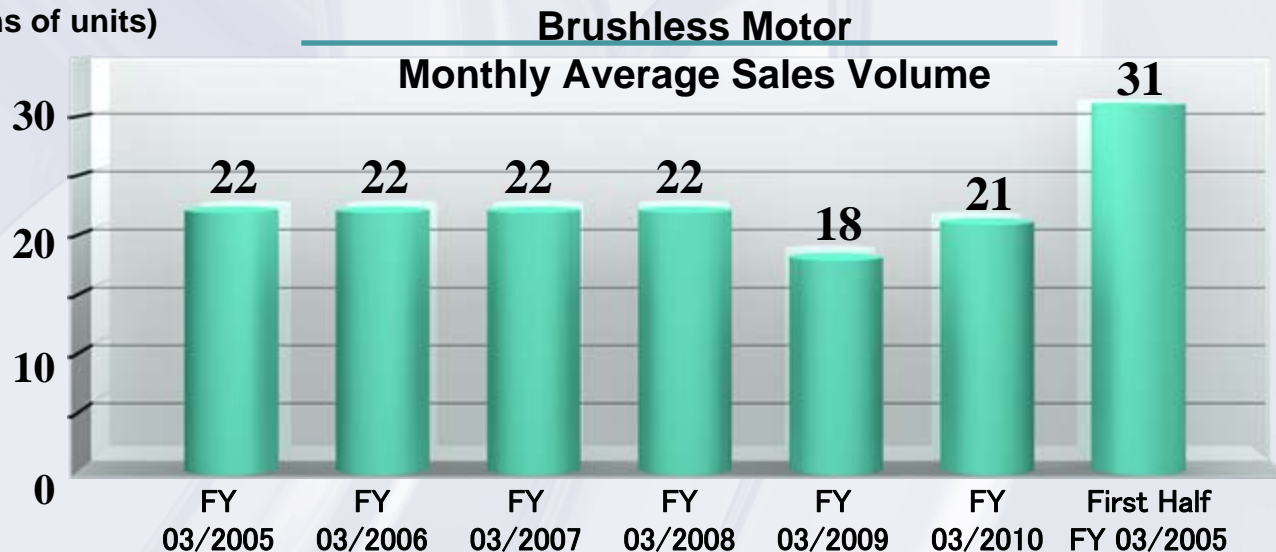
Total sales volume



Quantity as Benchmark for Rotary Components (2)

Sales Volume for Motor Products by Year (Monthly Average)

(millions of units)



(millions of units)



Information Motor Business to Expand

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

Going to Cambodia as implementation

Consider strategic reorganization of motor plants

Considering expansion into Cambodia (1)

Facts

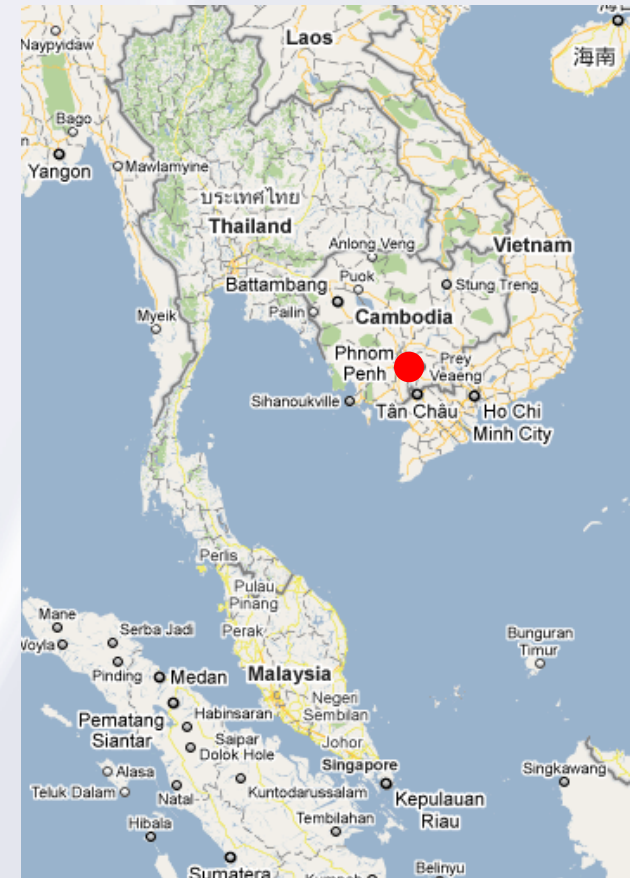
- **Area: 180,000 km²**
(about the same size as Japan's Honshu Island)
- **Population: 13,400,000**
- **Capital: Phnom Penh**
(population: 1,330,000)
- **Per capita GDP: Approx. US\$800**

Merits

- **Cooperation with Minebea's Thai Plants**
- **Diversification of risk**

Demerits

- **Underdeveloped infrastructures: high utility cost, unstable power supply**
- **Industrial infrastructure: underdeveloped component industry**
- **Low literacy rate**



(Source: Google Maps)

Considering expansion into Cambodia (2)

Diversify risk in light of currency rates fluctuations, wage increases, country risk, etc.



Establishment of Minebea (Cambodia) Co., Ltd. and construction of a new production plant

- **New plant is expected to start motor production in April 2011**
- **Expect to secure 200,000 m² area in the Phnom Penh Special Economic Zone**
- **Plan to invest approx. 5 billion yen and hire 5,000 employees over the medium term.**

Building a new mass production plant in a new county for the first time in 17 years!

Goals Set for FY Ending March 2012 within Reach

Boost ball bearing sales and bring new plant on line

**Bring rod-end production to full capacity
(including production at new plant)**

HDD market expands steadily

**Supply our sleeveless pivot assemblies
to 7mm-high HDD**

**LED backlight sales will soar further once the new
production plant goes on line.**

**Boost profitability for rotary components via belt-
tightening measures**

Contribution from M&A activities



**Realize 320 billion yen in sales and 32 billion yen in
operating income next fiscal year!**

Financial Strategies

Financial Strategies

Focus on creating free cash flow and maintaining sound financial structure

- Net-interest bearing debt is expected to reach the target of ¥99 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 debt 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.

Continue to work on policy of repurchasing own shares

- Implement a flexible capital strategy in response to changes in the business environment.

Minebea Co., Ltd.

Business Results

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

Any statements in this presentation which are not historical are future projections based on certain assumptions and executive judgments 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 but are not limited to: (i) changes in economic conditions or demand trends related to Minebea's business operations; (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.

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