

Business Results

Fiscal Year Ended March 31, 2011

May 10, 2011
Minebea Co., Ltd.



1. Financial Results

2. Policy and Strategy

Financial Results

Hiroharu Katogi

Director, Senior Managing Executive Officer

Summary of Consolidated Business Results

Higher sales and profits
due to global demand recovery and cost cuts

(Millions of yen)	FY ended Mar. '10 Full year	FY ended Mar. '11 Full year	Change YoY
Net sales	228,446	269,139	+17.8%
Operating income	12,059	22,163	+83.8%
Ordinary income	10,203	20,364	+99.6%
Net income	6,662	12,465	+87.1%
Net income per share (yen)	17.20	32.61	+89.6%

Foreign exchange rates	Mar. '10 Full year	Mar. '11 Full year
US\$	¥93.04	¥86.04
Euro	¥131.10	¥113.22
Thai Baht	¥2.74	¥2.75
Chinese RMB	¥13.61	¥12.78

Summary of Consolidated Business Results for 4Q

Lower sales and profits in 4Q Q on Q due to stalled demand recovery and supply chain disruption due to the Tohoku Earthquake

(Millions of yen)	FY ended Mar. '10	FY ended Mar. '11		Change	
	4Q	3Q	4Q	YoY	QoQ
Net sales	60,461	67,500	63,944	+5.8%	-5.3%
Operating income	5,494	5,597	4,194	-23.7%	-25.1%
Ordinary income	5,185	5,117	3,710	-28.4%	-27.5%
Net income	3,090	3,331	1,816	-41.2%	-45.5%
Net income per share (yen)	8.06	8.71	4.75	-41.1%	-45.5%

Foreign exchange rates	4Q of FY Mar. '10	3Q of FY Mar. '11	4Q of FY Mar. '11
US\$	¥90.43	¥82.99	¥81.78
Euro	¥126.07	¥112.50	¥110.55
Thai Baht	¥2.73	¥2.75	¥2.67
Chinese RMB	¥13.24	¥12.40	¥12.39

Sales and Operating Income by Business Segment

Operating income target was missed due to

HDD market slowdown and slower improvement in Rotary Components

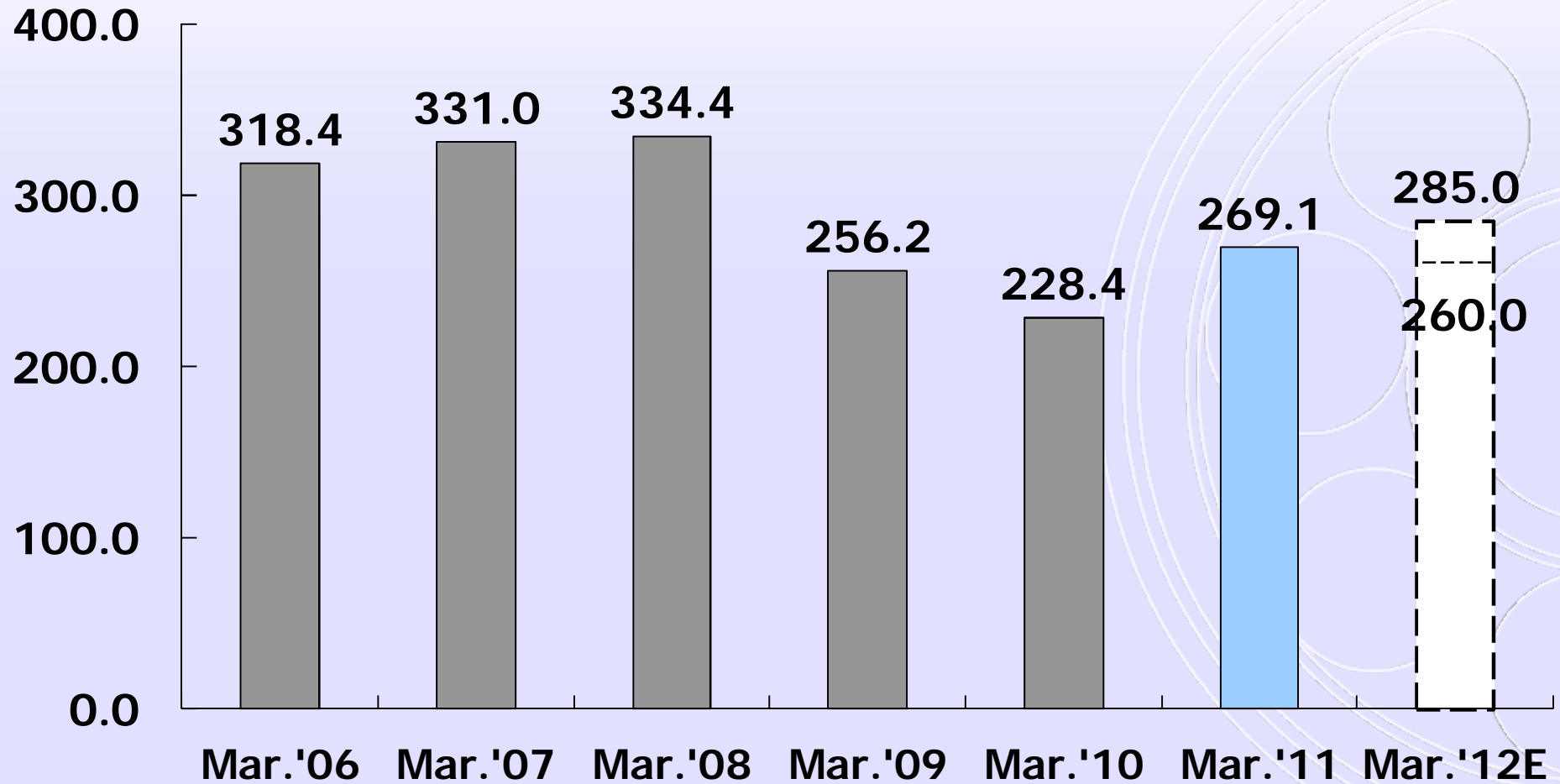
(Millions of yen)	FY ended Mar. '10 Full year	FY ended Mar. '11 Full year	Change YoY	Forecast announced in November 2010	
				Full year	vs. forecast
Net sales	228,446	269,139	+17.8%	274,000	98.2%
Machined components	99,291	107,841	+8.6%	108,300	99.6%
Rotary components	74,185	101,139	+36.3%	106,000	95.4%
Electronic devices and components	35,780	40,502	+13.2%	39,800	101.8%
Other	19,189	19,657	+2.4%	19,900	98.8%
Adjustment	-	-	-	-	-
Operating income	12,059	22,163	+83.8%	25,000	88.7%
Machined components	20,634	28,088	+36.1%	28,300	99.3%
Rotary components	-1,826	-224	N.M.	1,700	N.M.
Electronic devices and components	5,384	4,160	-22.7%	4,700	88.5%
Other	-684	498	- ➡ +	700	71.1%
Adjustment	-11,447	-10,358	-9.5%	-10,400	100.4%

Net Sales

Yearly

(Billions of yen)

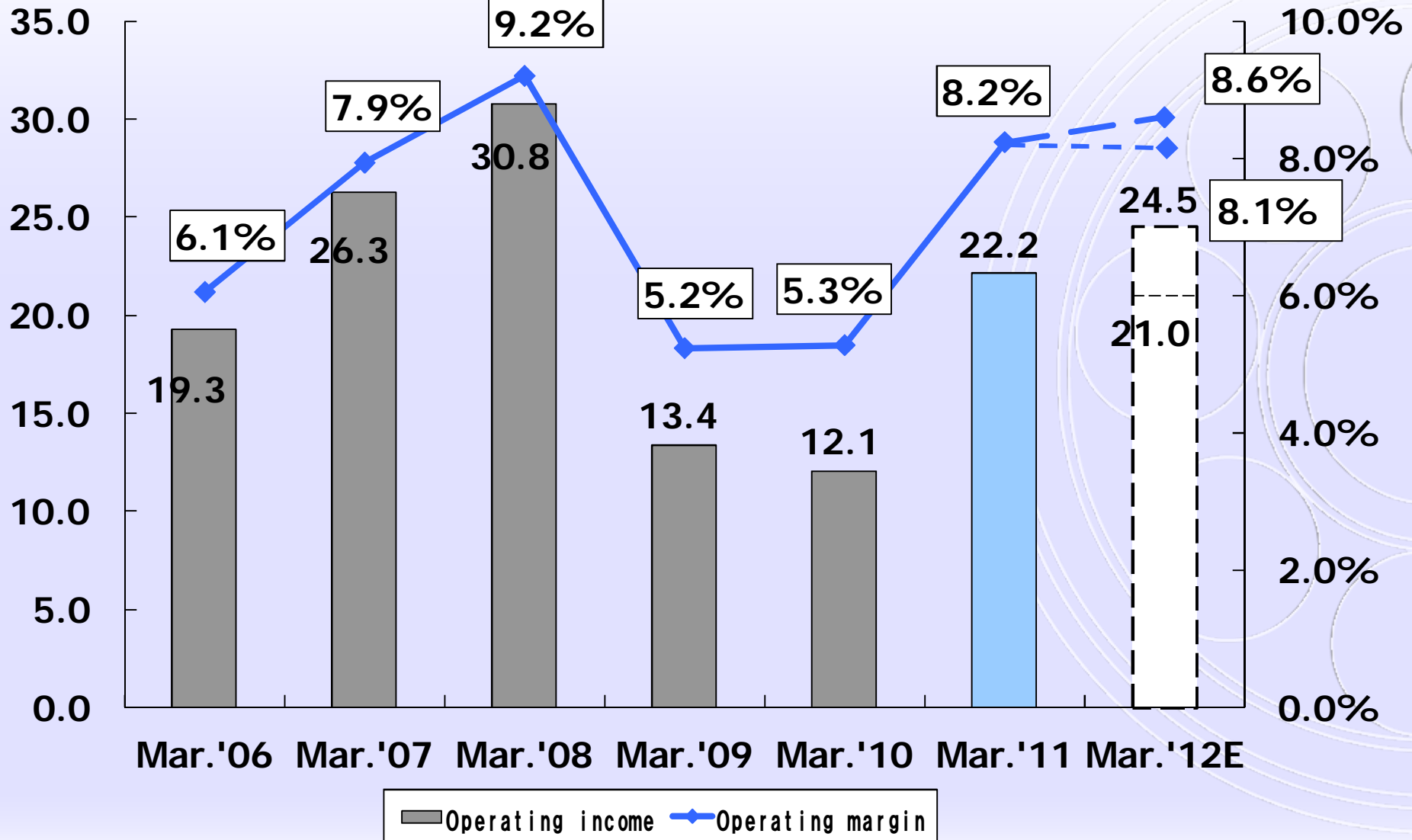
Increased 17.8% YoY



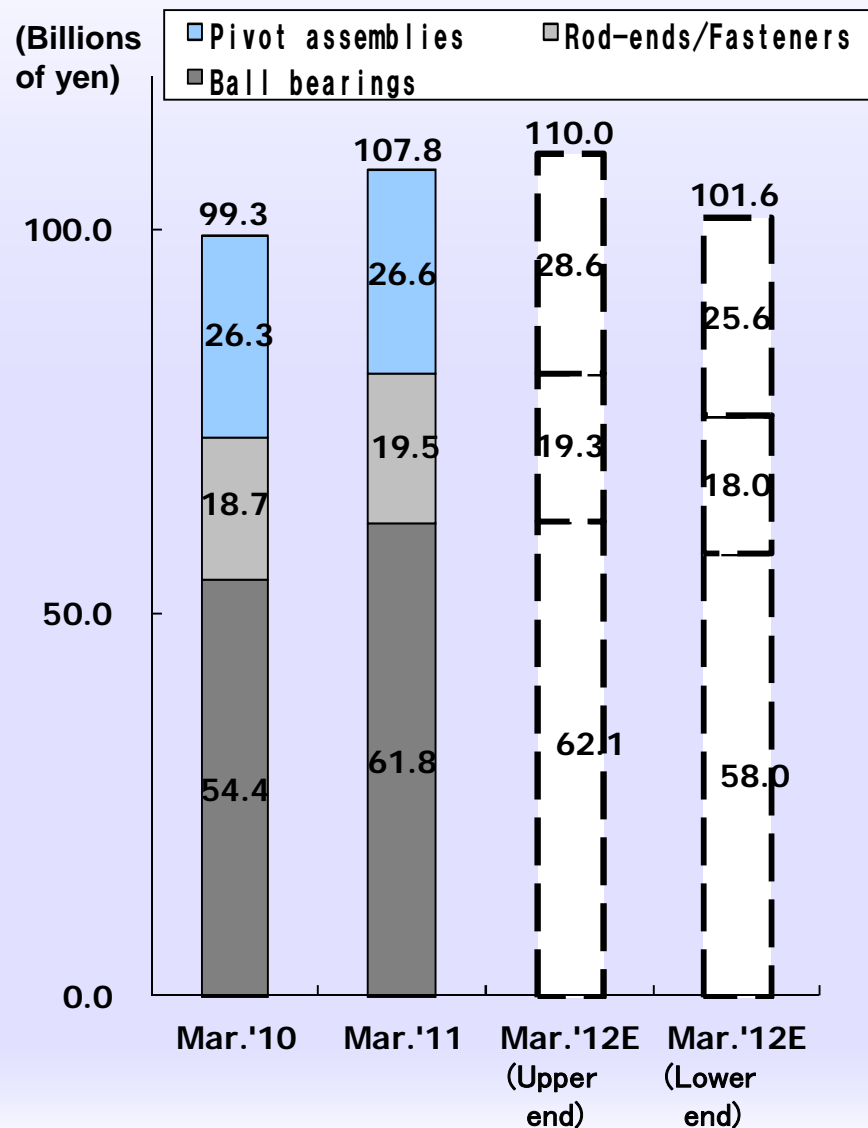
Operating Income

Yearly

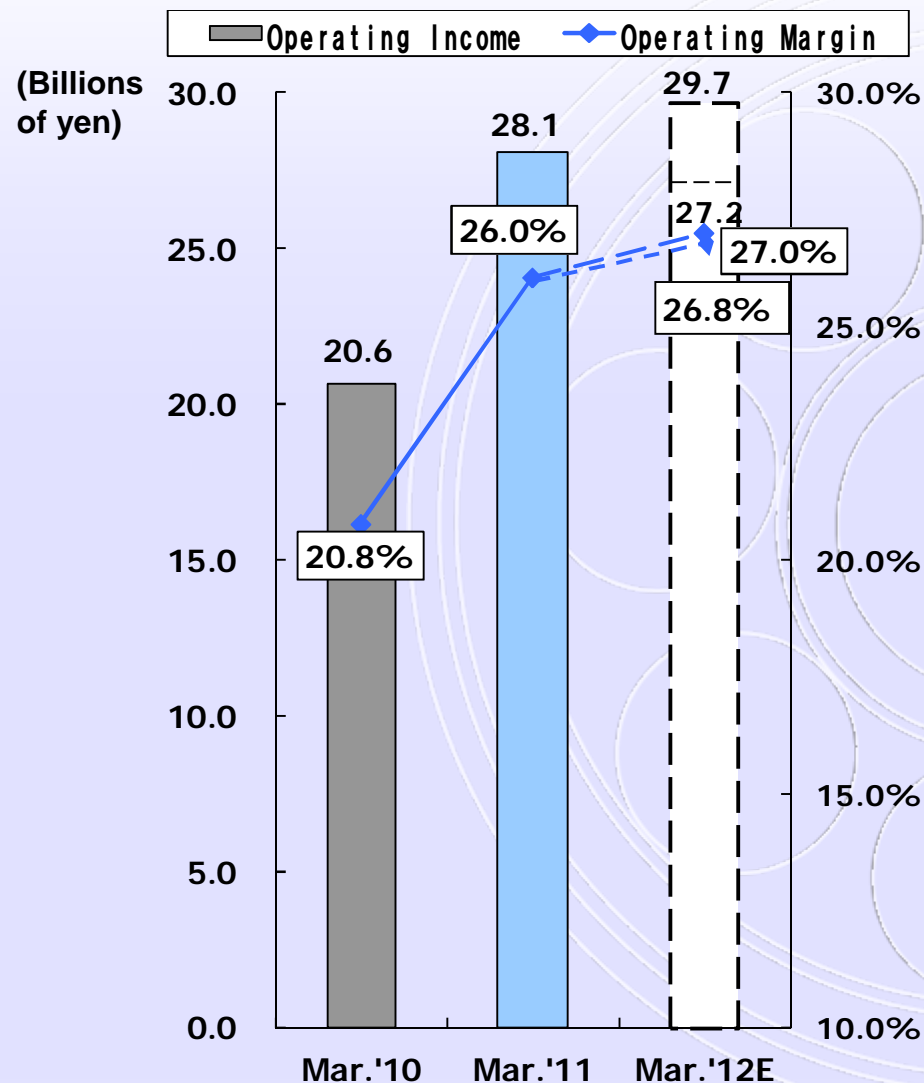
(Billions of yen)



Net sales

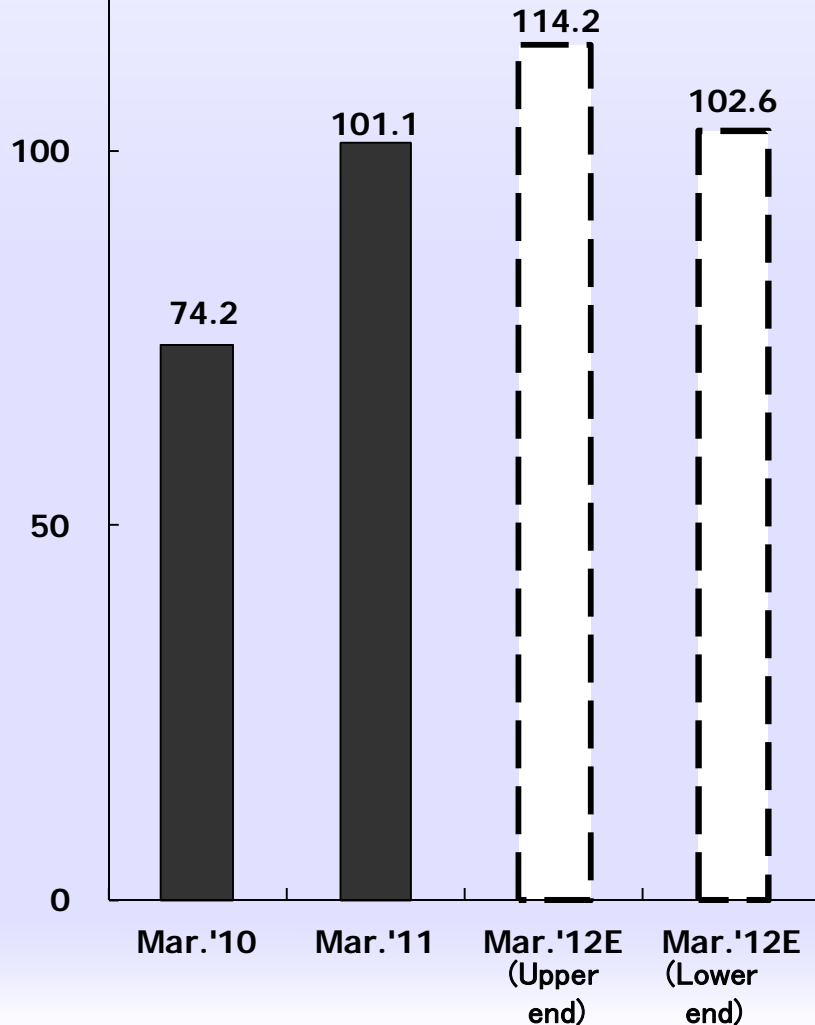


Operating income



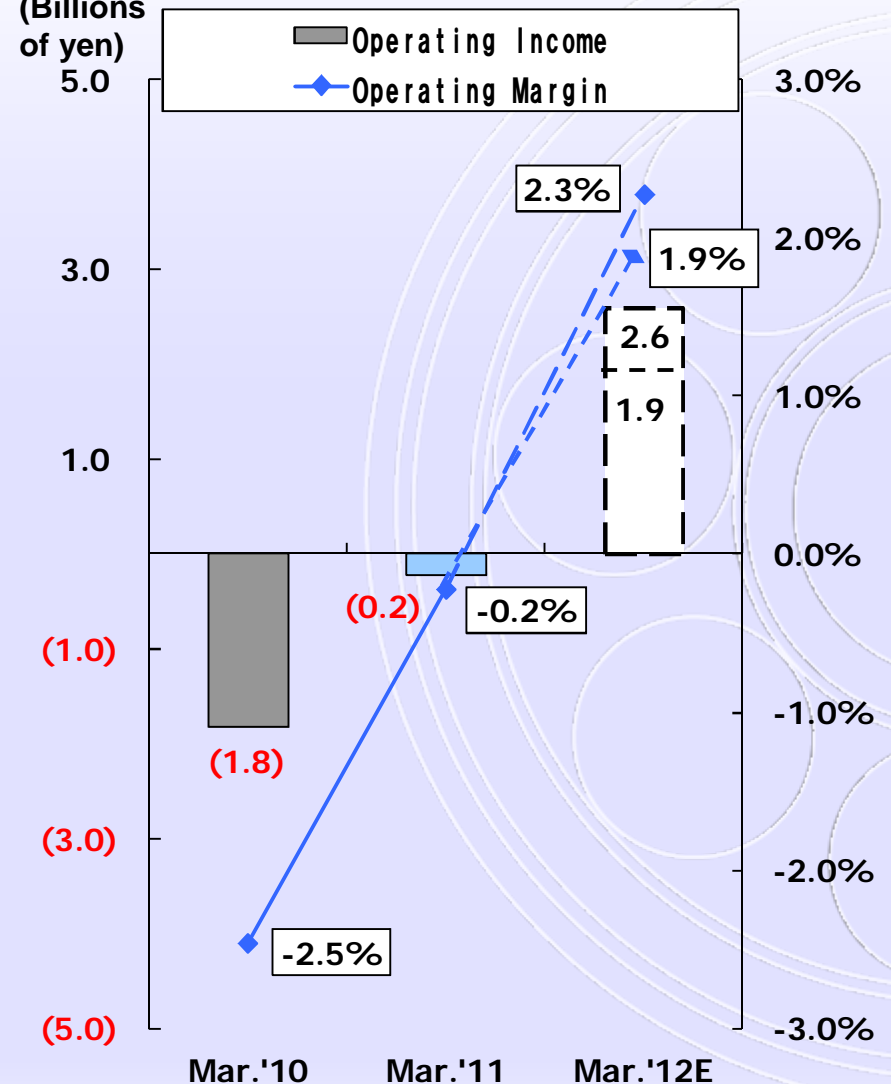
Net sales

(Billions of yen)



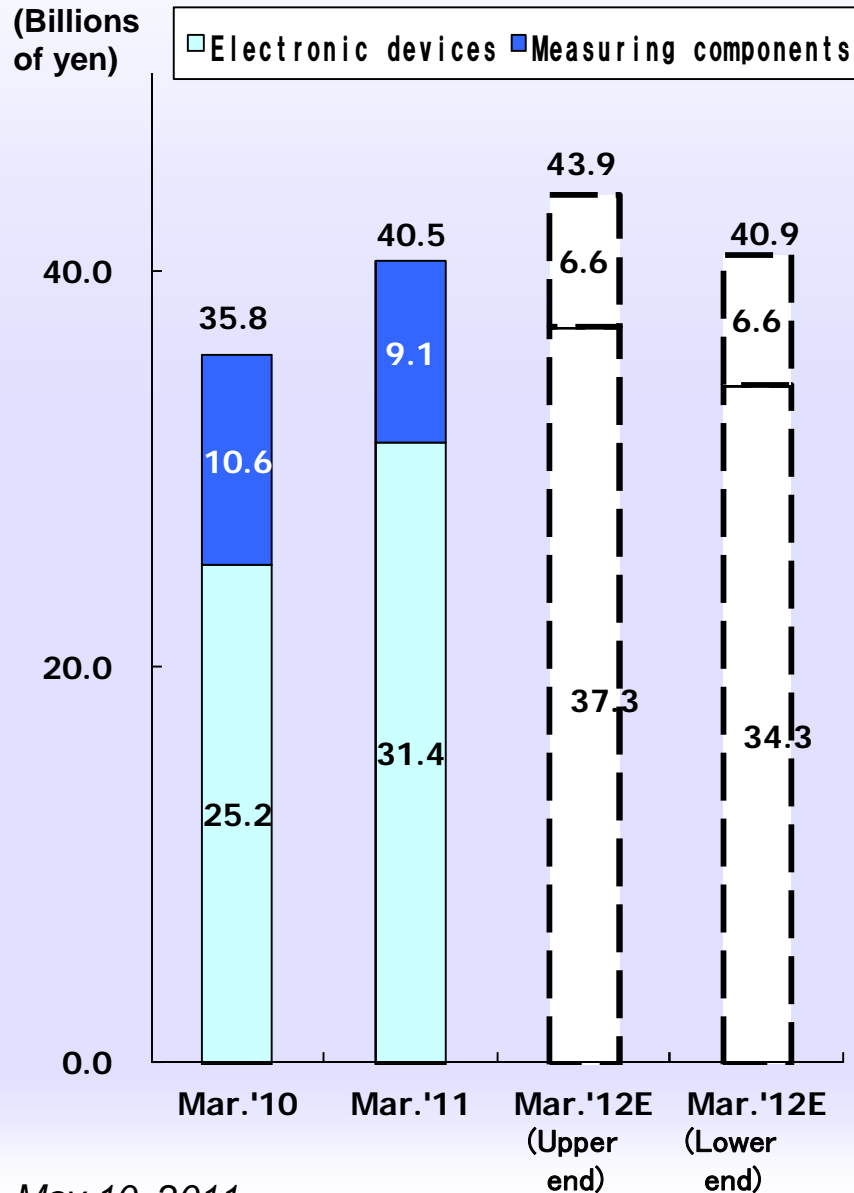
Operating income

(Billions of yen)

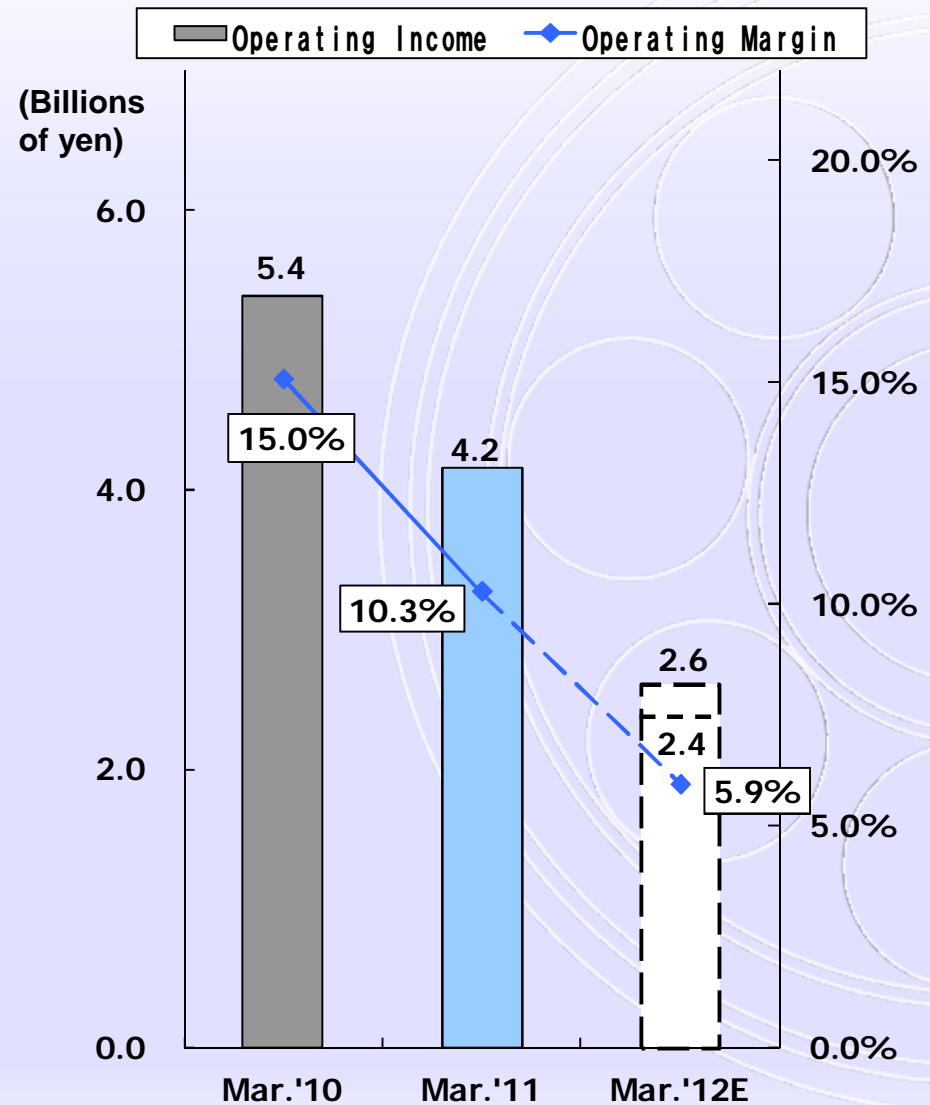


Electronic Devices & Components Business Yearly

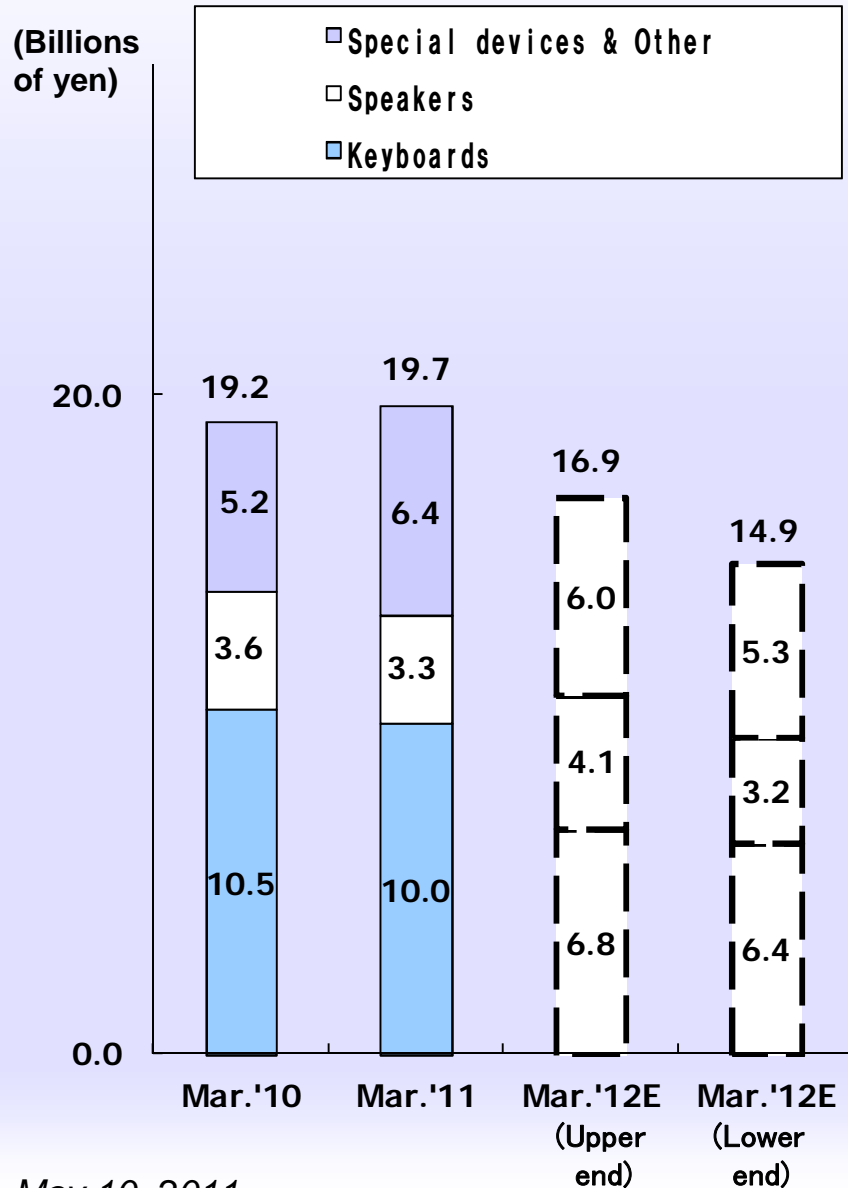
Net sales



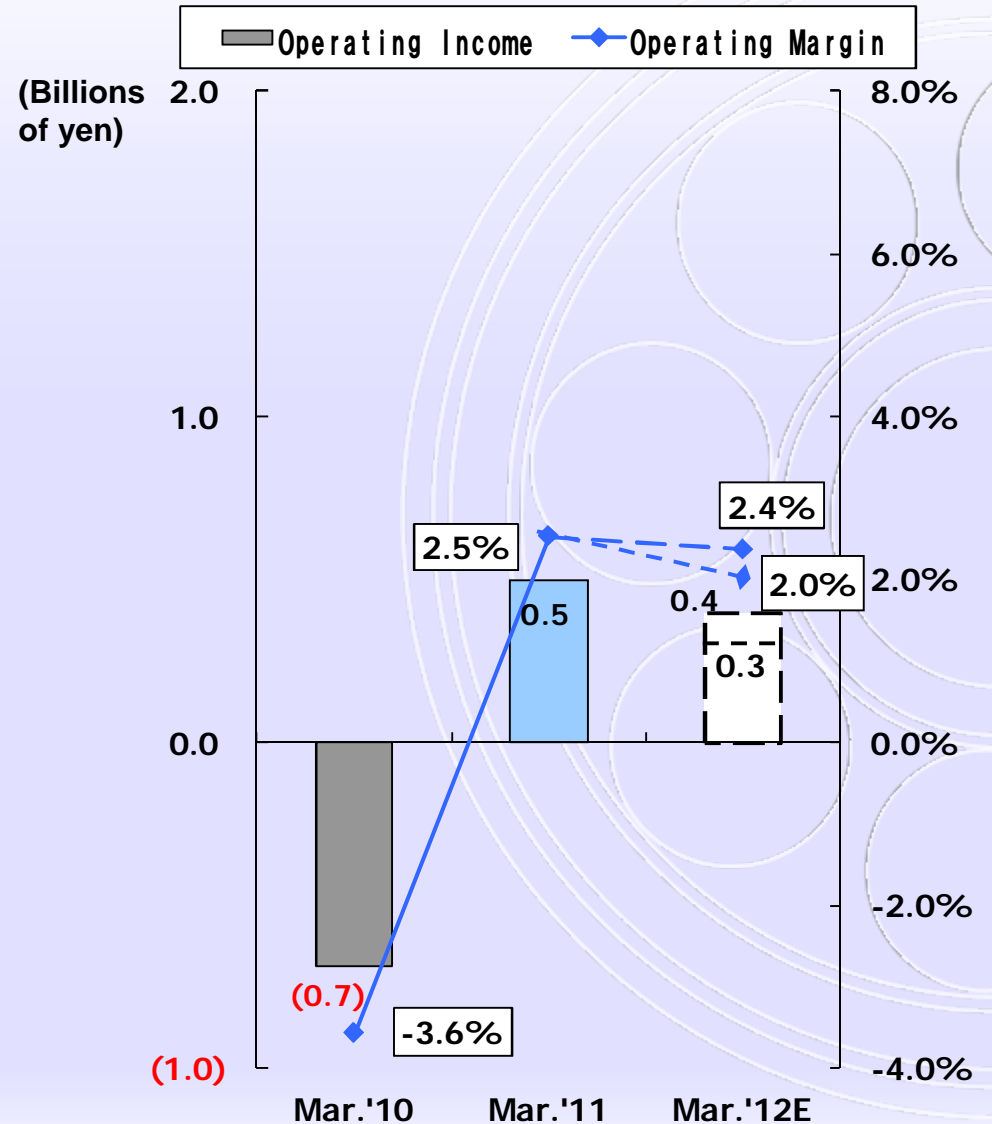
Operating income



Net sales



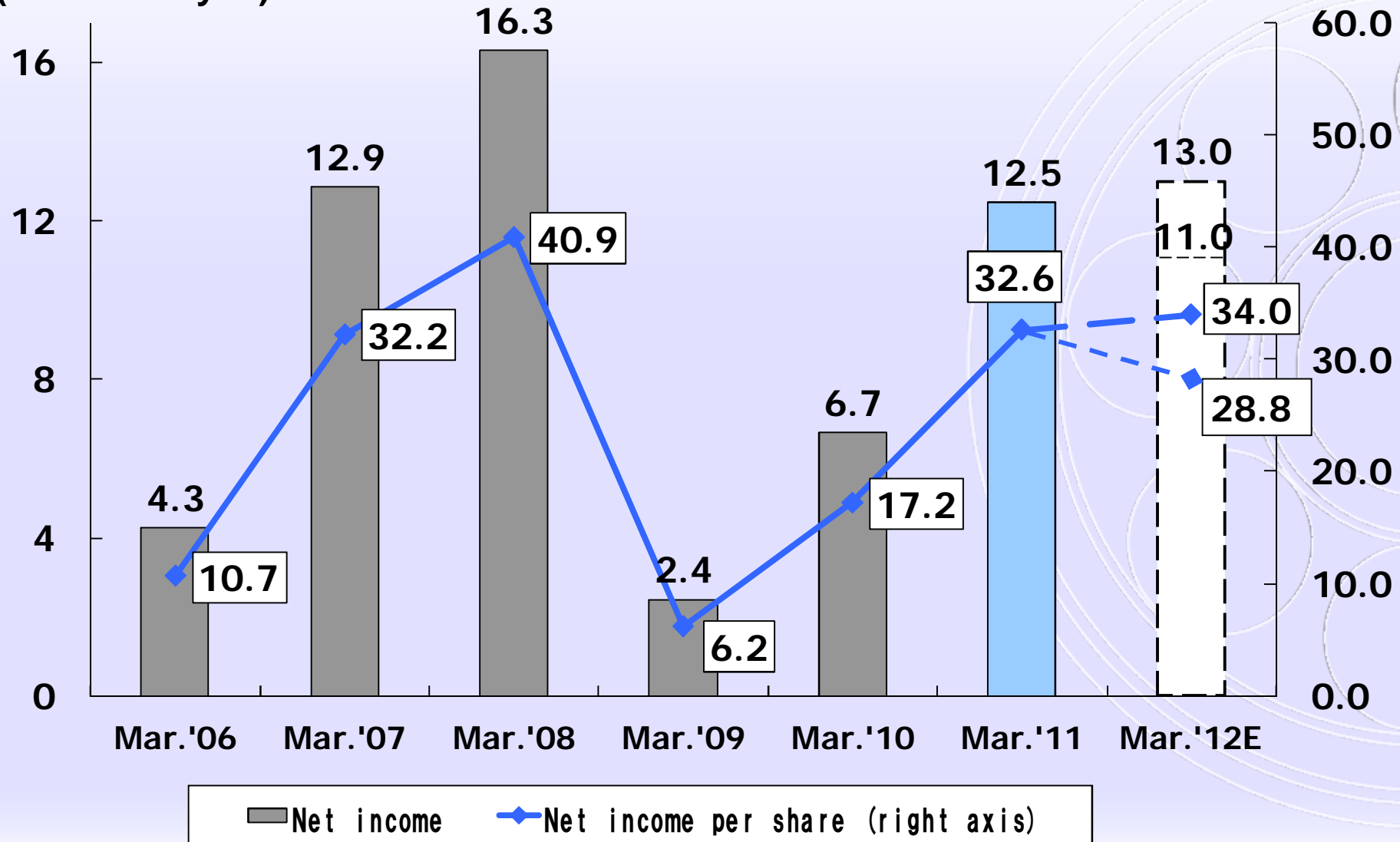
Operating income



Net Income

Yearly

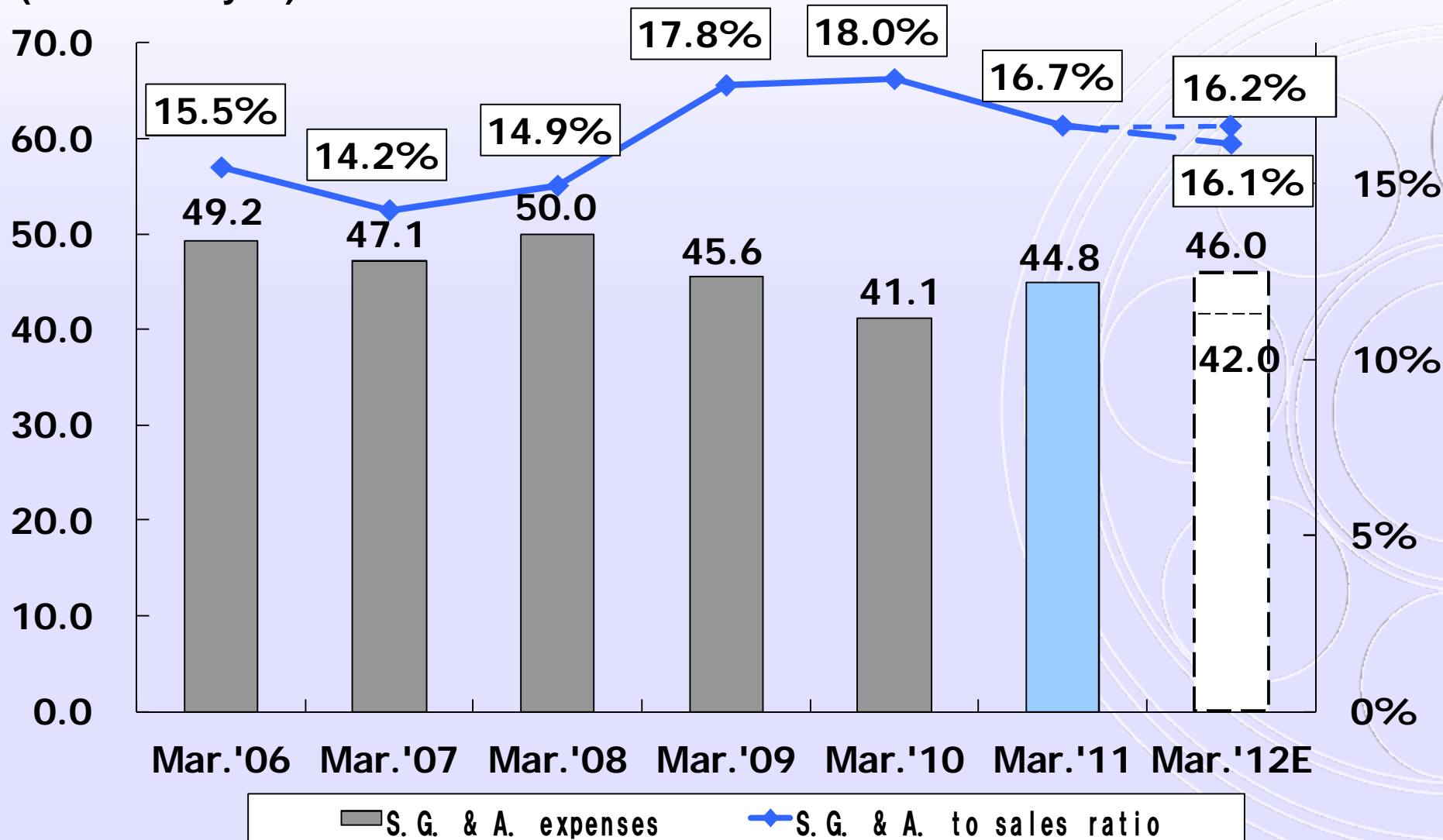
(Billions of yen)



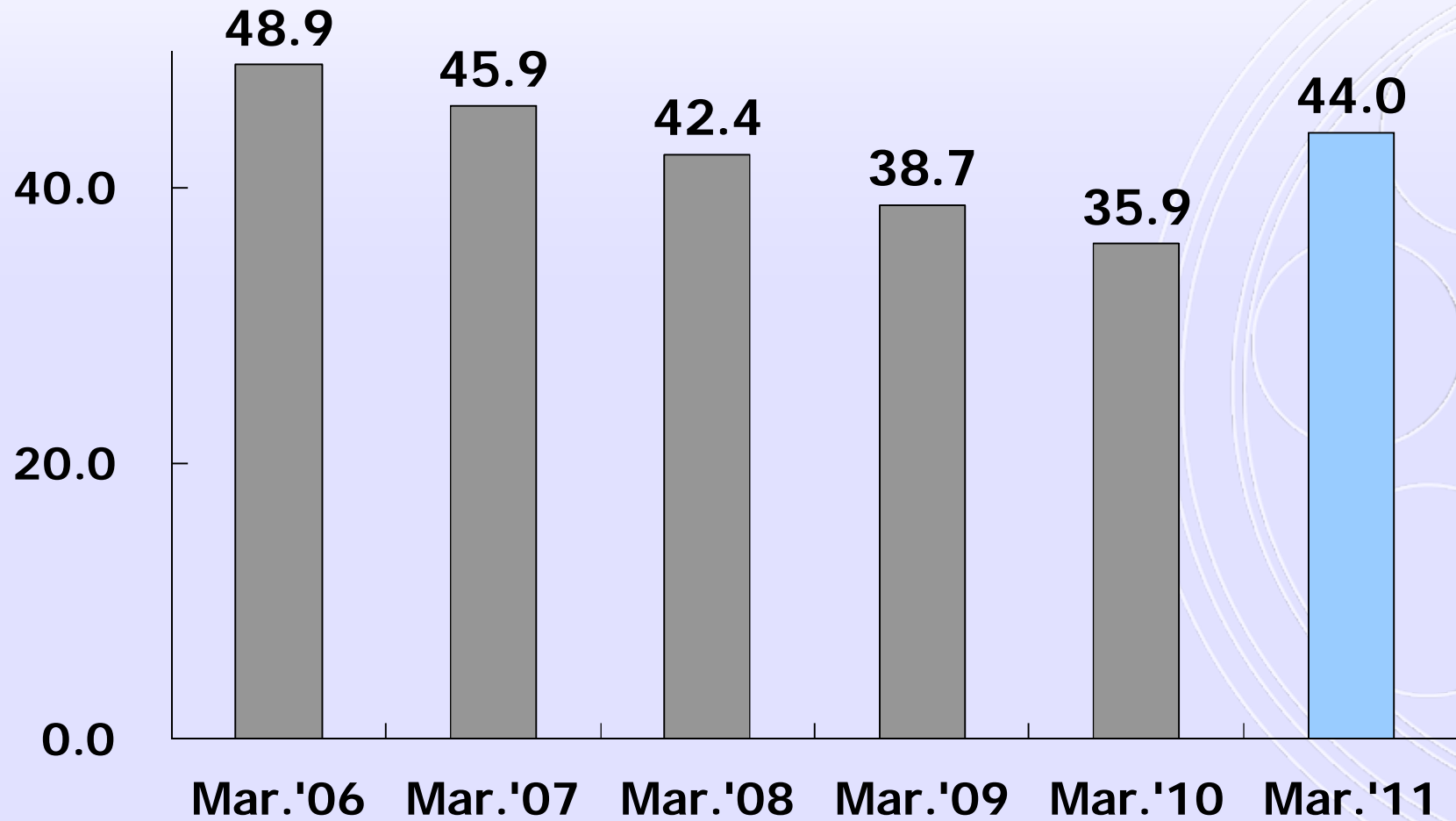
S.G. & A. Expenses

Yearly

(Billions of yen)



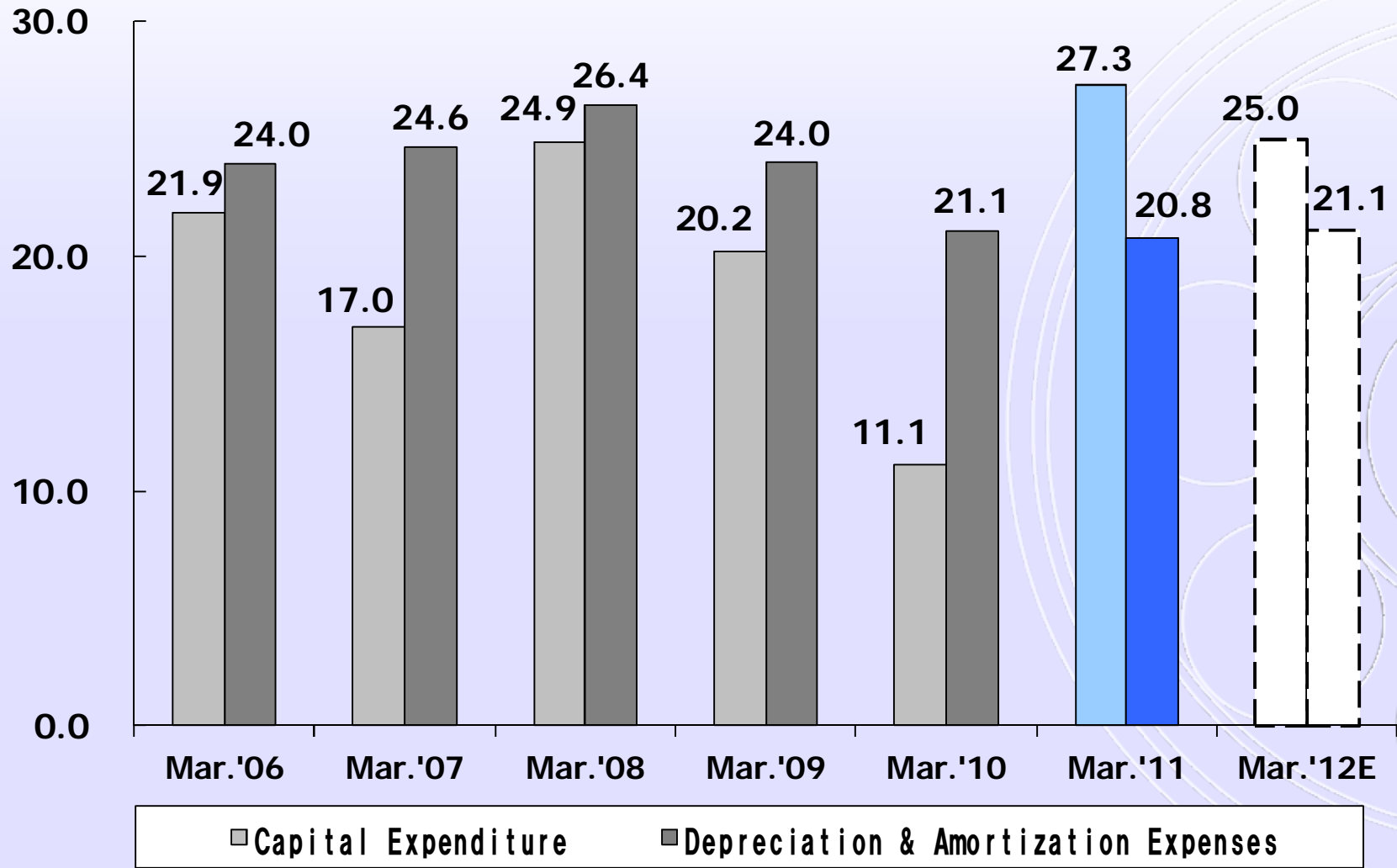
(Billions of yen)



Capital Expenditure & Depreciation

Yearly

(Billions of yen)



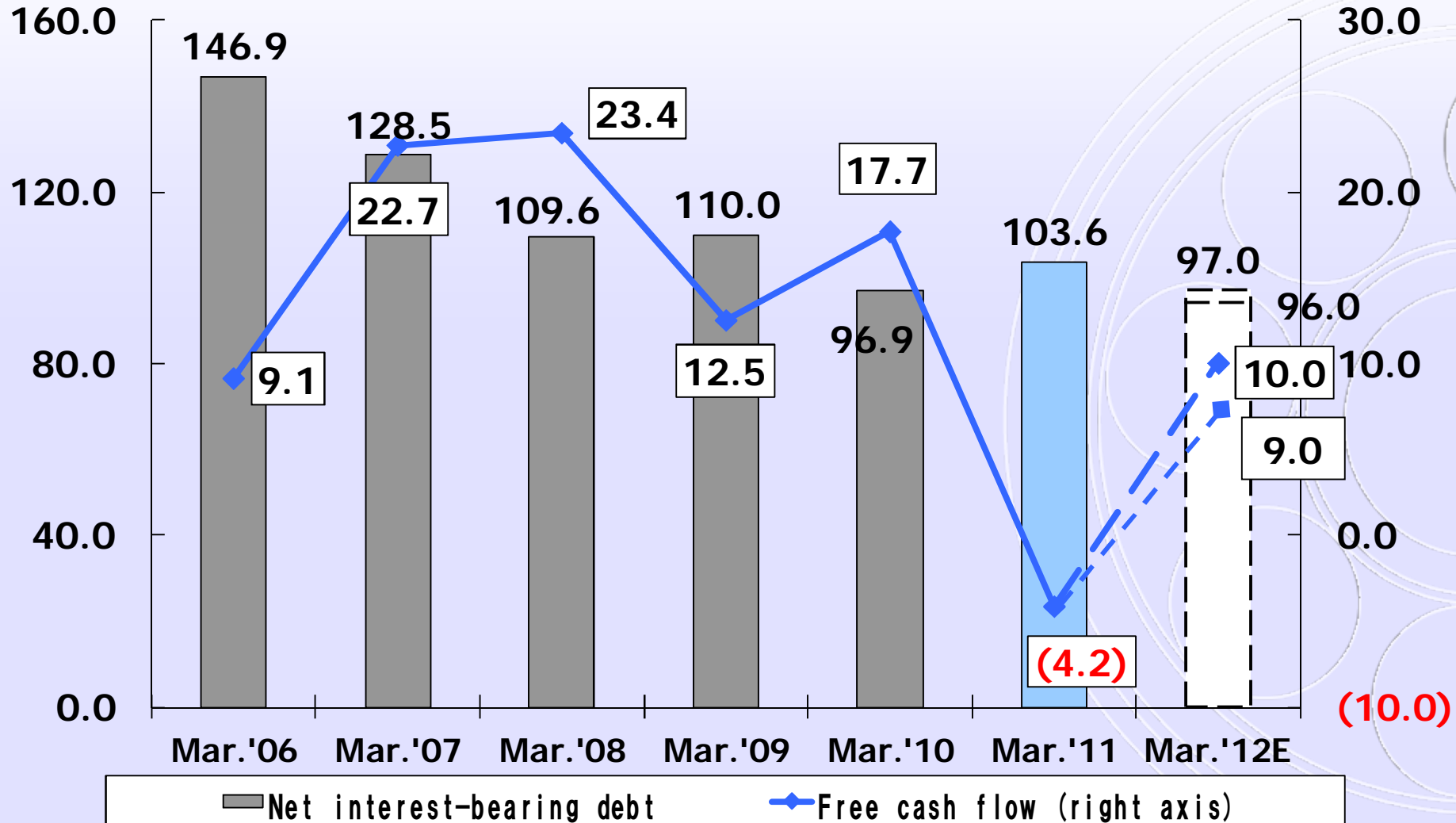
*From FY 3/09, due to change in lease accounting, assets of finance leases are included.

Net Interest-Bearing Debt

Yearly

(Billions of yen)

(Billions of yen)



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

Forecast for Fiscal Year Ending March 31, 2012

We assume economic recovery will pick up in the 2nd half as a base case. Upper and lower ends are set considering low visibility due to the Earthquake and other factors

(Millions of yen)	FY ended Mar. '11 Full year	Fiscal Year ending Mar. '12					
		1st Half		2nd Half		Full year	
		Upper end	Lower end	Upper end	Lower end	Upper end	Lower end
Net sales	269,139	135,000	123,000	150,000	137,000	285,000	260,000
Operating income	22,163	9,700	8,100	14,800	12,900	24,500	21,000
Ordinary income	20,364	8,700	7,100	13,800	11,900	22,500	19,000
Net income	12,465	4,400	3,300	8,600	7,700	13,000	11,000
Net income per share (yen)	32.61	11.50	8.62	22.47	20.13	33.97	28.75

Foreign exchange rates	Mar. '11 Full year	FY ending Mar. '12 Assumption
US\$	¥86.04	¥84.00
Euro	¥113.22	¥111.00
Thai Baht	¥2.75	¥2.80
Chinese RMB	¥12.78	¥12.60

Policy and Strategy

May 10, 2011

Yoshihisa Kainuma

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

Why We Didn't Reach Our Goals for the 2nd Half of FY Ended March 2011

Why 2nd Half Results Fell Short of Goals

**HDD market stagnated longer than expected
(expected to increase production starting in December)**

Tohoku Earthquake impeded sales

**Delay in earnings improvement for motor businesses
that were running in the red**



**Net Sales off by 4.9 billion yen
Operating income off by 2.8 billion yen**

Achievements in FY ended March 2011

Fully turned the keyboard business around

**Brushless DC motors started
as a fully profitable business**

**New plant arrangements in Cambodia
accelerated**

**Capacity expansion
in ball bearings and LED backlights**

Impact of Tohoku Earthquake and Global Economy In this Fiscal Year

Impact of the Tohoku Earthquake

Production Equipment

- More than 90% of Minebea's production operations take place overseas. No damage caused to domestic factories.
- Operations were temporarily scaled down at the following factories due to rolling blackouts but they are back to normal now.

Tokyo: Omori Plant, DPM

Kanagawa: Fujisawa Plant

Gunma: Matsuida Plant

Raw Materials and Components

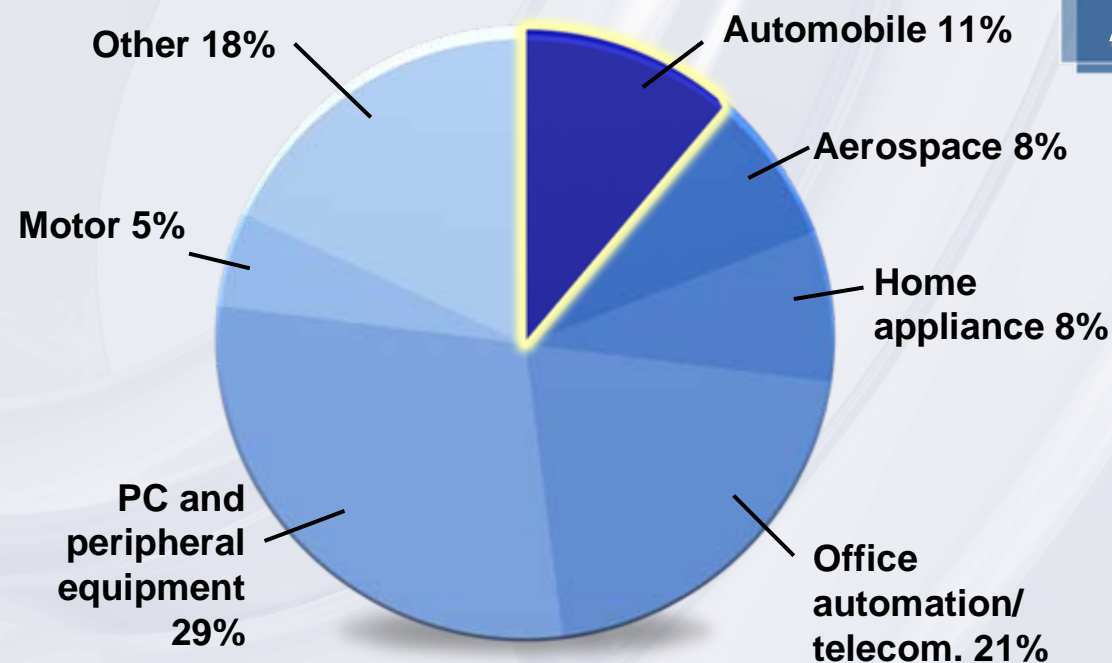
- Basically no problem with the procurement of materials such as bearing steel
- Trying to trim finished goods inventory that are not essential

Post-Quake Sales Forecast for Major Markets

Automobile Market Sales Forecast

Sales to Japanese auto makers will dip 40% for June quarter and 20% for September quarter below the forecast figures projected before the earthquake. Since we expect sales to recover during the second half, the full-year sales forecast will be 10% below the initial projection, with a 4% year-on-year decrease.

Sales by Market (FY 03/2011)



Automobile products

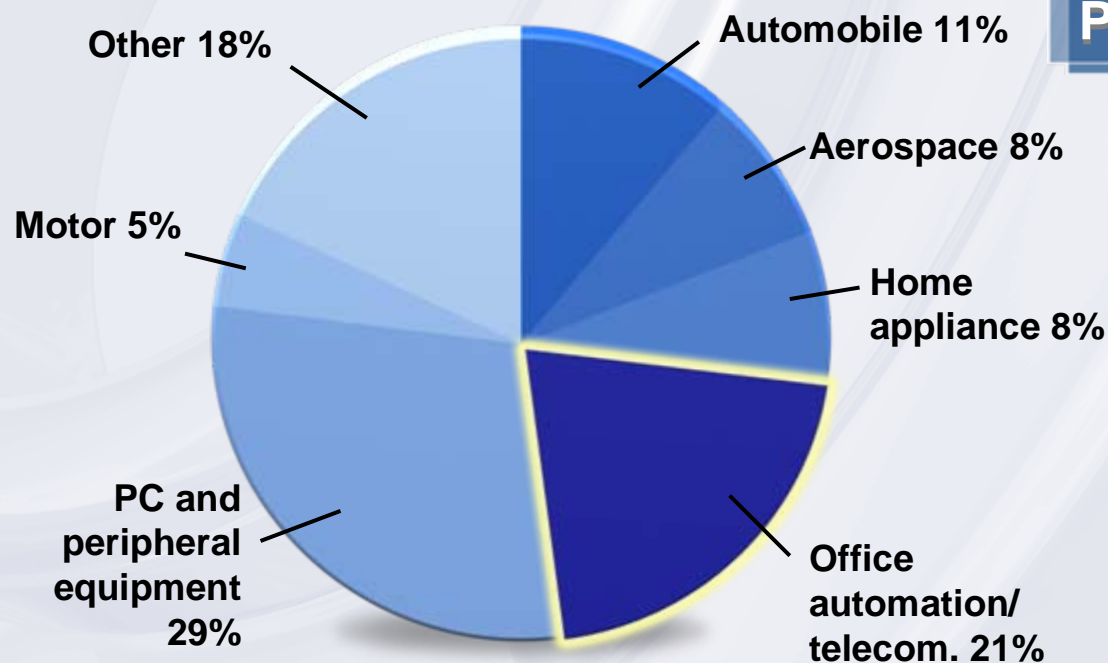
- Ball bearings
- Measuring components
- Resolvers
- Stepping motors
- Brush DC motors
- BLDC motors
- LED backlights
- Automotive fasteners

Post-Quake Sales Forecast for Major Markets

Office Automation Equipment Market Sales Forecast

Sales to major Japanese office automation equipment makers during June quarter will be 20-25% lower than the forecast made before the earthquake. This decline will be offset in full-year sales, which are expected to increase 15% year on year.

Sales by Market (FY 03/2011)



Products for OA equipment

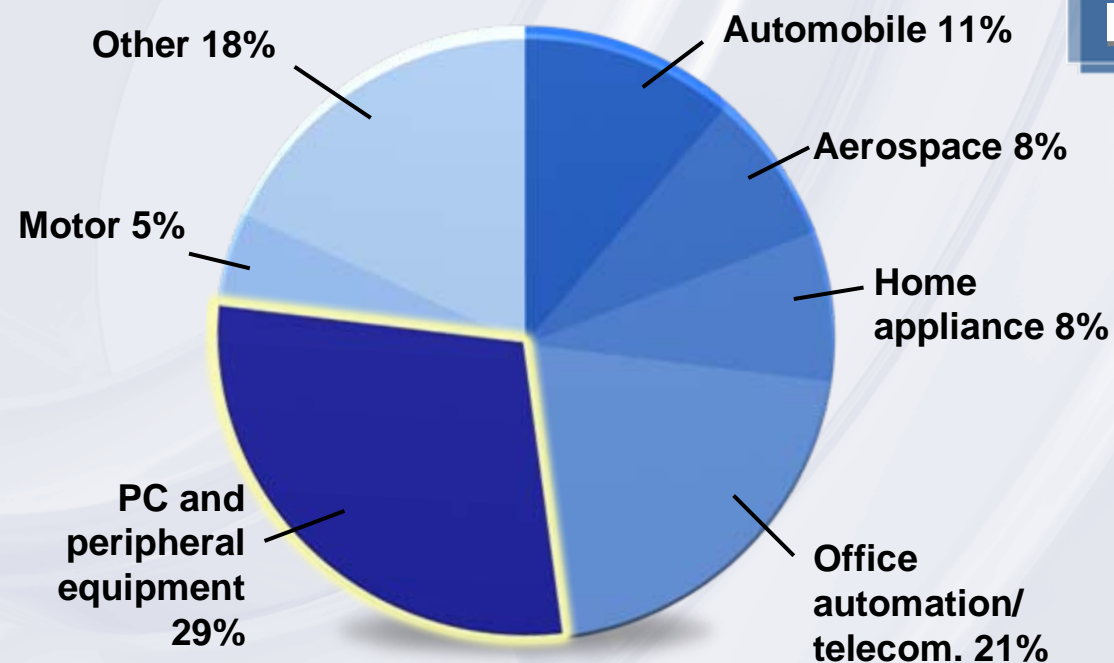
- Polygon mirror scanner motors
- Power brushless motors
- Stepping motors
- Fan motors
- Ball bearings

Post-Quake Sales Forecast for Major Markets

HDD Market Sales Forecast

Sales to HDD manufacturers for June quarter will decline 4% below the forecast made before the earthquake. Sales for the whole fiscal year will be 3% lower due to the impact of the earthquake, but are expected to edge up 2% on a year-on-year basis.

Sales by Market (FY 03/2011)



Products for HDD

- Pivot assemblies
- HDD Spindle motors

Revisions to Medium-term Business Plan and Strategies

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 7-mm HDDs**

**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 year!**

In Light of Market Changes after Nov. 2010

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

**Supply our sleeveless pivot assemblies
to 7-mm HDDs**

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

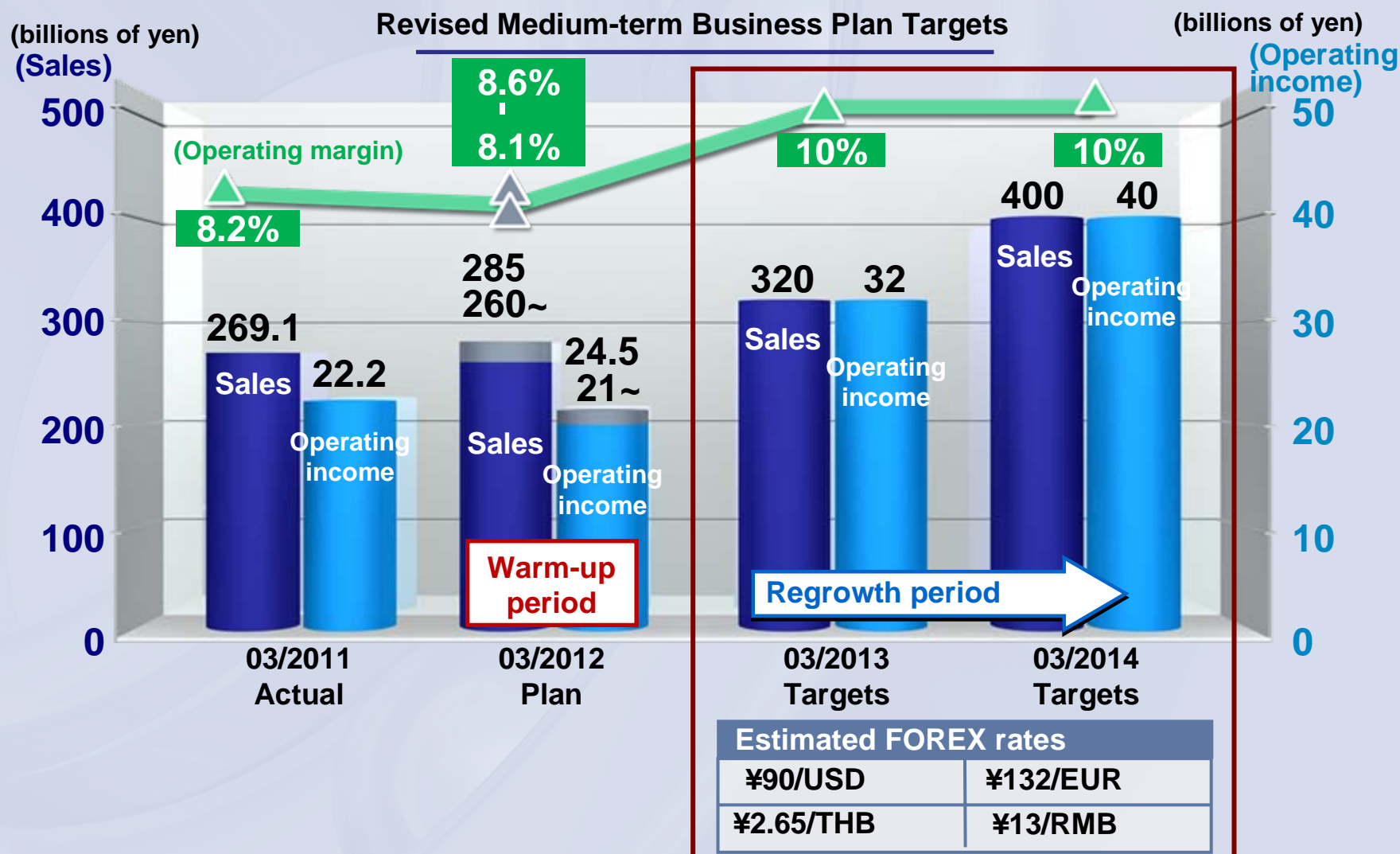
Contribution from M&A activities



**We must revise medium-term business plan targets
set for FY03/2012**

Revised Medium-term Business Plan Targets (Zero Growth This Year)

Extend initial target deadline by one year due to expected market stagnation.



Factors for Increase/Decrease in This Year's Earnings

1 billion yen moving cost will not be incurred

Increased rotary components productivity

Significant increase in earnings from vibration and brush DC motors

Increased ball bearing production

Supply chain disruption by Tohoku Earthquake

**Lower sales to cost ratio
due to materials price hikes**

**Asian currencies remain strong
against US and European currencies**

Business Strategies **[Revised]**

**Cut capital investment
and reduce depreciation costs**

Revise ball bearing business strategies

**Accelerate move to multi-location production
system to minimize risk**

**Implement coping measures for
falling HDD spindle motor prices**

Business Strategies **[Ongoing]**

No need to adjust ball bearing production

Aggressively expand Cambodian plant

Expand LED backlight business

**Expand aircraft component business
(to meet increasing market needs)**

**Increase sales of hybrid components
(start manufacturing medical equipment
after revising articles of incorporation)**

Implement strategies on an ongoing basis this year

Cut Capital Investment and reduce Depreciation Costs

Suspend construction of new pivot assembly plant

Suspend construction of new plant for mass producing low-priced ball bearings in China

Reexamine the role of new ball bearing plant in Thailand



Revise Ball Bearing Business Strategies - 1

Reexamine the role of new ball bearing plant in Thailand

**Suspend construction of new plant
for mass producing low-priced ball
bearings in China**

**Suspend construction of
new pivot assembly plant**

**Reexamine the role of new
ball bearing plant in
Thailand**

Entry into market for low-priced, mass-produced products

No tariffs on Thailand-made ball bearings

exported to China after January 2012 due to ACFTA

Revise Ball Bearing Business Strategies - 2

Reexamine the role of new ball bearing plant in Thailand

Shift from dedicated pivot production plant to multipurpose ball bearing plant

- New ball bearing plant (Bang Pa-in, Thailand)
- Expansion of ball plant (Lop Buri, Thailand)
- Products: products for pivot assemblies; low-priced, mass-produced products targeted at emerging markets; and medium-sized products
- Scheduled to go on line in fall 2011



New ball bearing plant currently under construction (Bang Pa-in, Thailand)

Revise Ball Bearing Business Strategies - 3

Strengthen sales network in emerging markets

Brazil



Local sales company launched in April

China



Increase sales offices and personnel

9 offices including new sales offices in Chengdu, Wuhan and Xian as well as existing offices in Hong Kong, Shenzhen, Shanghai, Dalian, Beijing and Wuhu, with approx. 170 employees

India



Boost sales force

Boost sales force in the four locations of Bangalore, Chennai, Delhi, and Pune

Accelerate move to multi-location production system to minimize risk

Fan motors and other information motors are currently produced at a single factory



Need to expand production locations to minimize risk (lesson learned from earthquake)

Leverage Cambodian plant to promote dual-source production of motors

Implement Coping Measures for Falling HDD Spindle Motor Prices

Falling HDD spindle motor prices

Lower-than-expected prices prevented the business from turning around despite improved yield.

Improve production efficiency with completion of production line realignment

Implement measures to boost production volume



Better yield

Falling prices

No Need to Adjust Ball Bearing Production

Global demand for ball bearing remains strong even after the earthquake

Customers are building up inventory after the quake.
Production adjustment is limited to certain markets.



Production to gradually recover

Domestic demand

Ensure inventory to meet demand increase associated with reconstruction

- Power tools
- Home appliances (air conditioners, vacuum cleaners, etc.)
- Automobiles
- ATMs
- Vending machines



Support reconstruction efforts with smooth supply of products

Aggressively Expand Cambodian Plant - 1

Obtained Pioneer Incentive, for exclusive right to produce small motors (50 W and lower) in Cambodia for 5 years



Early entry into Cambodian market ➡
Aggressively expand

Temporary factory went on line in April 2011



Aggressively Expand Cambodian Plant - 2

Strategic positioning of Cambodian plant

Increase product lines

- Micro actuators
- Brush DC motors
- Vibration motors
- Other information motors

Minebea plant to open in December 2011



Rendering of
Minebea plant

Expand LED Backlight Business -1

Rapid growth of smartphone market



**Boost LED backlight
production capacity ahead of schedule**

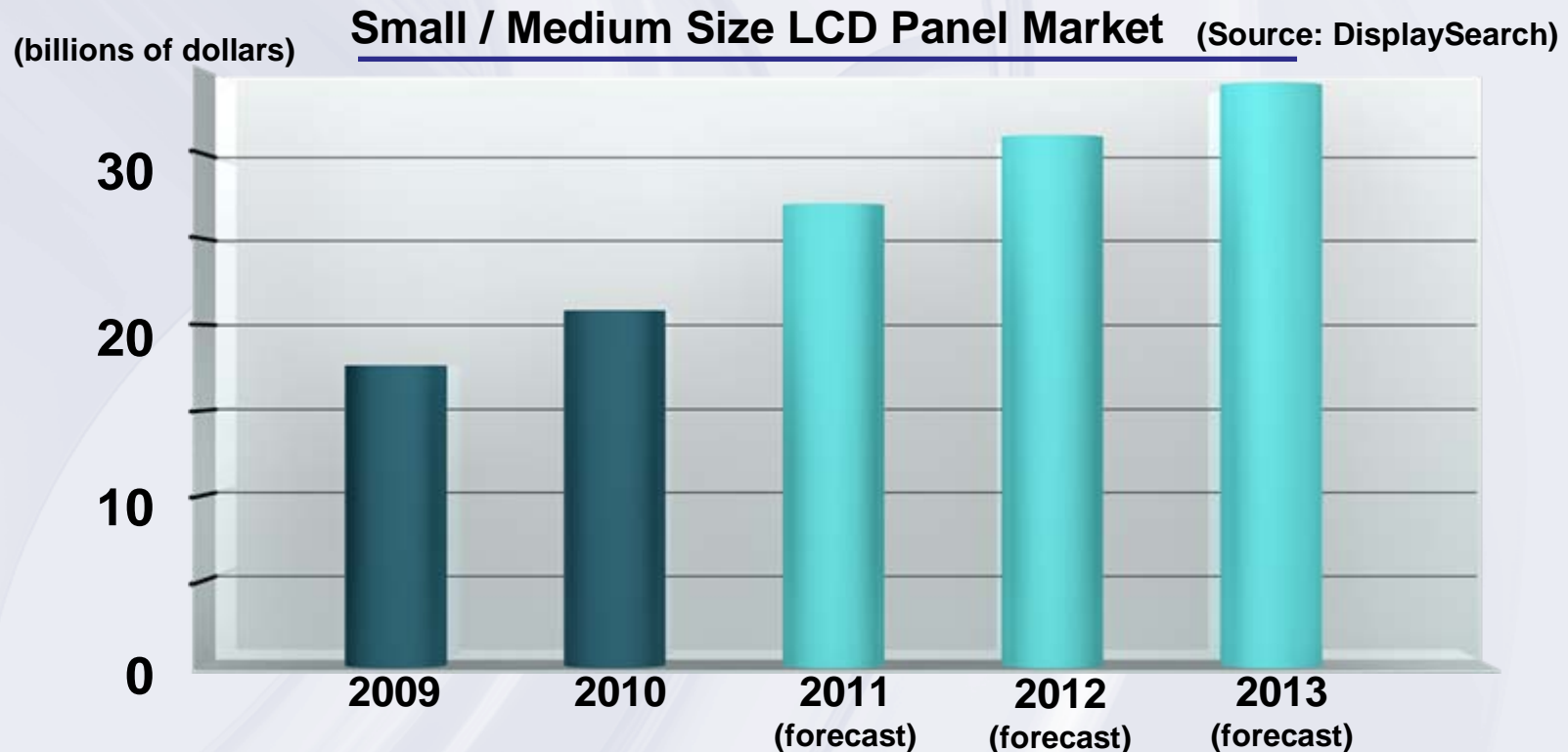
New LED backlight plant went on line in April 2011

Minebea Electronic Devices (Suzhou) Ltd. (China)



**Gain major share of global market for small LED backlights
Monthly production capacity to reach 30 million units by fall 2011**

Expand LED Backlight Business -2



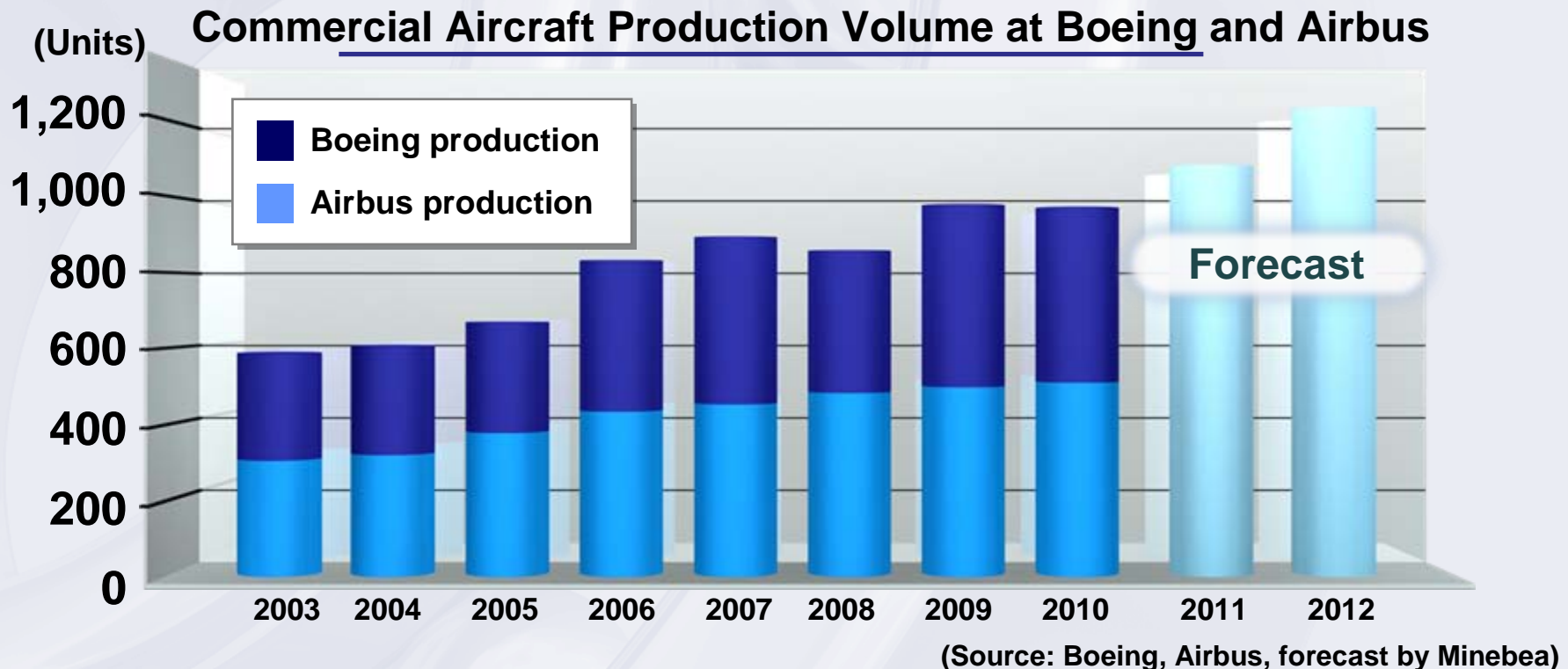
Focus on smartphone and tablet PC markets

**LED lighting market quickly expanding worldwide
LED downlight market to reach 1 trillion yen by 2013**

Gain the largest share of the global market for LED backlights for small and medium-size LCD panels

Expand Aircraft Component Business (to meet increasing market needs)

Increasing orders will fuel aircraft market growth over the medium run as production of new aircraft models shifts into high gear.



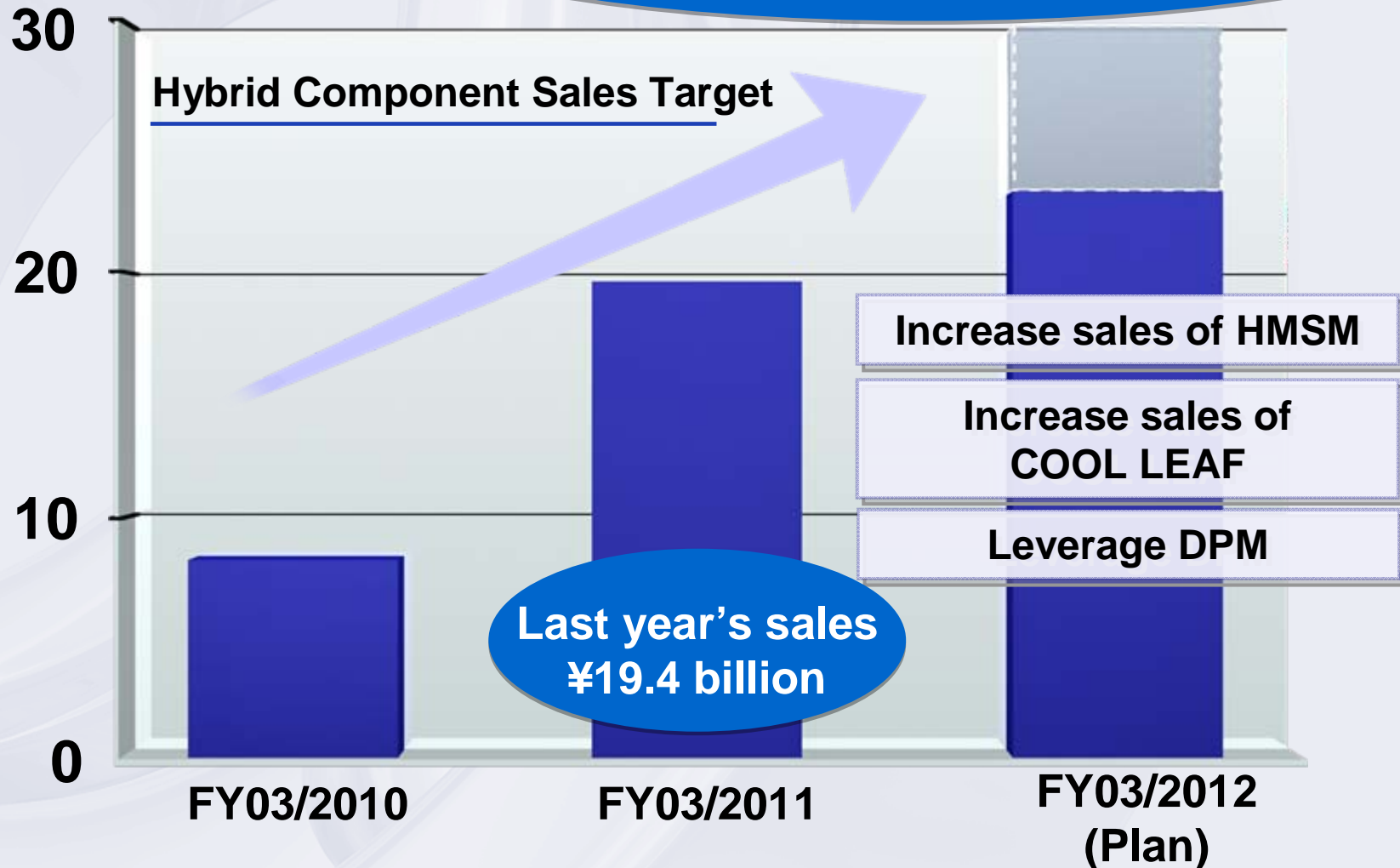
- Work on expanding product range
- Move more production to Thai plant to reduce costs

Increase Sales of Hybrid Components

Accelerate EMS sales

(billions of yen)

Sales hit 19.4 billion yen last year.
This year we aim for 23 billion yen.



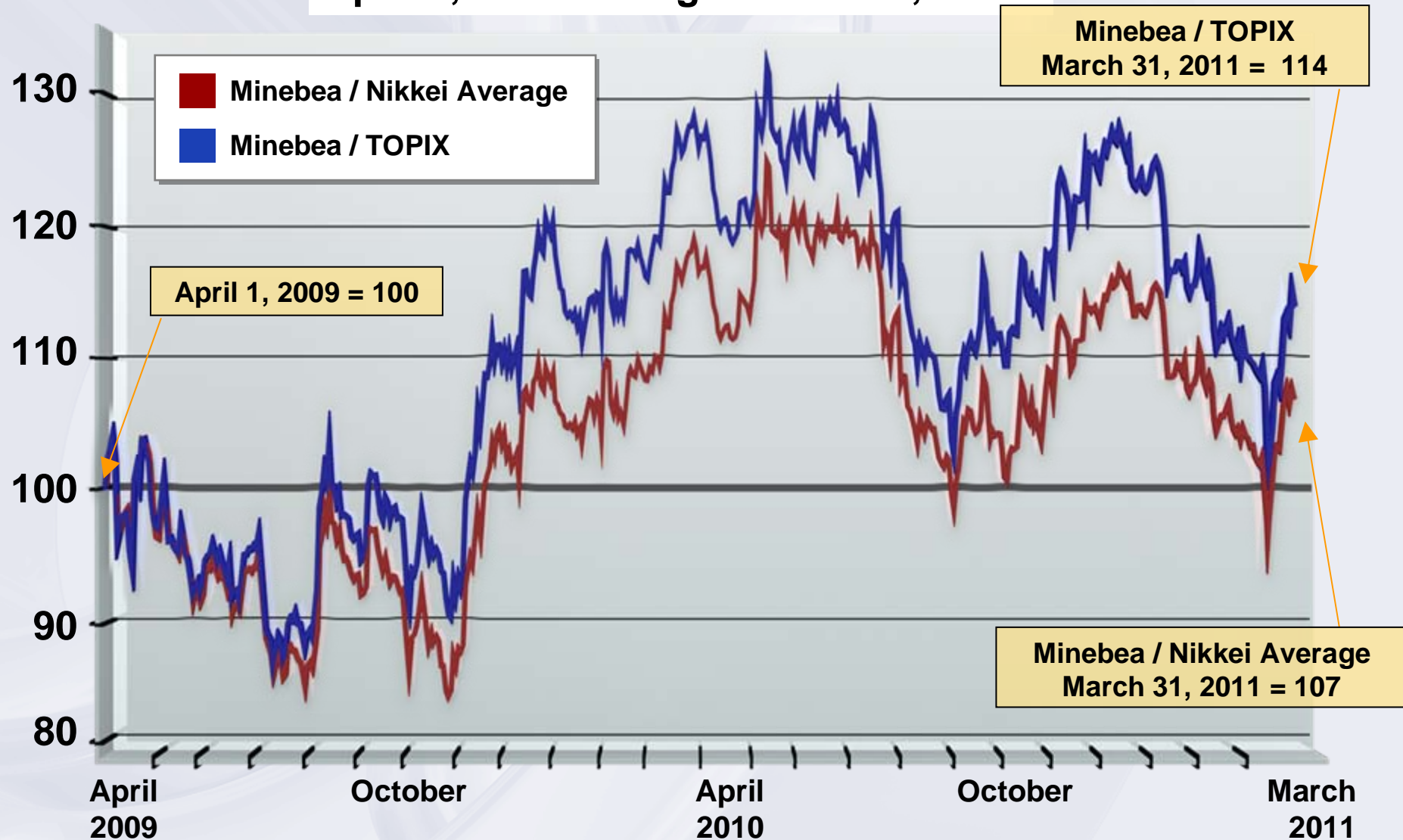
Relative Stock Performance

April 1, 2010 through March 31, 2011



Relative Stock Performance

April 1, 2009 through March 31, 2011



Financial Strategies

Dividend Policy

Dividend

FY03/11 year-end dividend: **4** yen/share Total year: **7** yen/share

Dividend forecast for FY03/12: Interim **3** yen/share

Year-end **4** yen/share

Dividend Policy

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.

Net Interest-bearing Debt, Repurchase, and M&A

Focus on creating free cash flow and maintaining sound financial structure

- Continue to focus on maintaining sound financial structure and creating cash flow
- Keep net interest-bearing debt in ¥100 billion range

Maintain strategy to repurchase own shares

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

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 bolstering areas where we find weaknesses.

We would like to express our deepest condolences and sympathy to the victims of the Tohoku Earthquake and sincerely hope that all affected areas will recover from this tragedy as soon as possible.

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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