

Business Results

**Second Quarter of Fiscal Year
Ending March 31, 2012**

November 2, 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 for 1H

Lower sales and profits due to the Tohoku Earthquake, higher rare-earth material prices, stronger Japanese yen and startup costs of new factories

(Millions of yen)	FY ended Mar. '11 1H	FY ending Mar. '12 1H	Change YoY	1H of FY ending Mar. '12 Original forecast
Net sales	137,695	132,448	-3.8%	135,000 ~123,000
Operating income	12,371	6,052	-51.1%	9,700 ~8,100
Ordinary income	11,536	5,032	-56.4%	8,700 ~7,100
Net income	7,317	2,769	-62.2%	4,400 ~3,300
Net income per share (yen)	19.15	7.30	-61.9%	11.60 ~8.70

Foreign exchange rates	1H of FY Mar. '11	1H of FY Mar. '12
US\$	¥89.70	¥80.24
Euro	¥114.92	¥115.76
Thai Baht	¥2.78	¥2.66
Chinese RMB	¥13.17	¥12.38

1H of FY Mar. '12 Assumption
¥84.00
¥111.00
¥2.80
¥12.60

Summary of Consolidated Business Results for 2Q

Higher sales and profits Q on Q due to supply chains recovering from the Tohoku Earthquake and other factors, despite higher rare-earth material prices

(Millions of yen)	FY ended Mar. '11 2Q	FY ending Mar. '12		Change	
		1Q	2Q	YoY	QoQ
Net sales	69,803	64,802	67,646	-3.1%	+4.4%
Operating income	6,346	2,303	3,749	-40.9%	+62.8%
Ordinary income	5,935	1,870	3,162	-46.7%	+69.1%
Net income	3,502	668	2,100	-40.0%	× 3.1
Net income per share (yen)	9.16	1.76	5.56	-39.3%	× 3.2

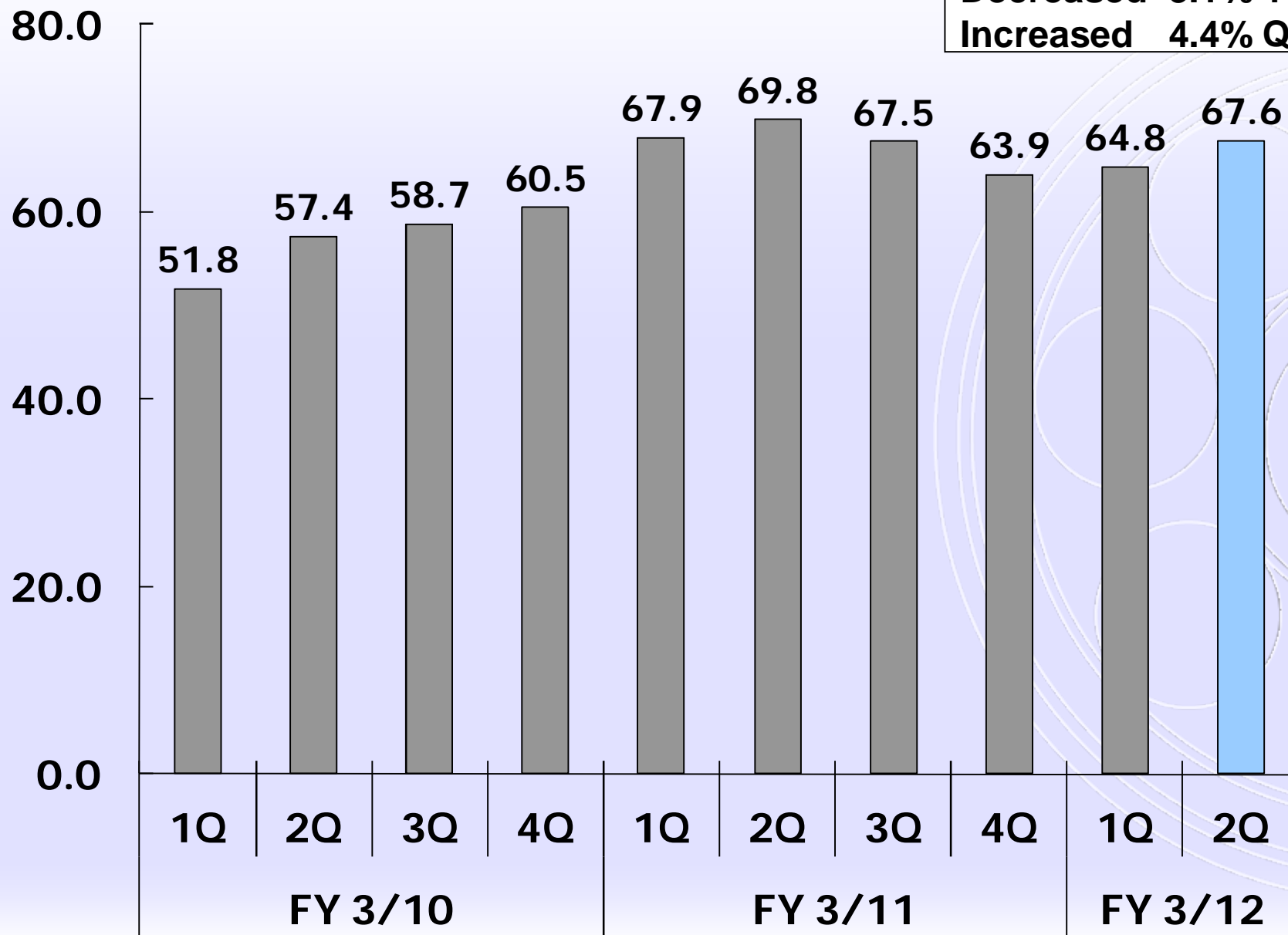
Foreign exchange rates	2Q of FY Mar. '11	1Q of FY Mar. '12	2Q of FY Mar. '12
US\$	¥86.58	¥82.04	¥78.44
Euro	¥109.31	¥118.54	¥112.98
Thai Baht	¥2.70	¥2.72	¥2.59
Chinese RMB	¥12.73	¥12.57	¥12.18

Net Sales

Quarterly

(Billions of yen)

Decreased 3.1% YoY
Increased 4.4% QoQ

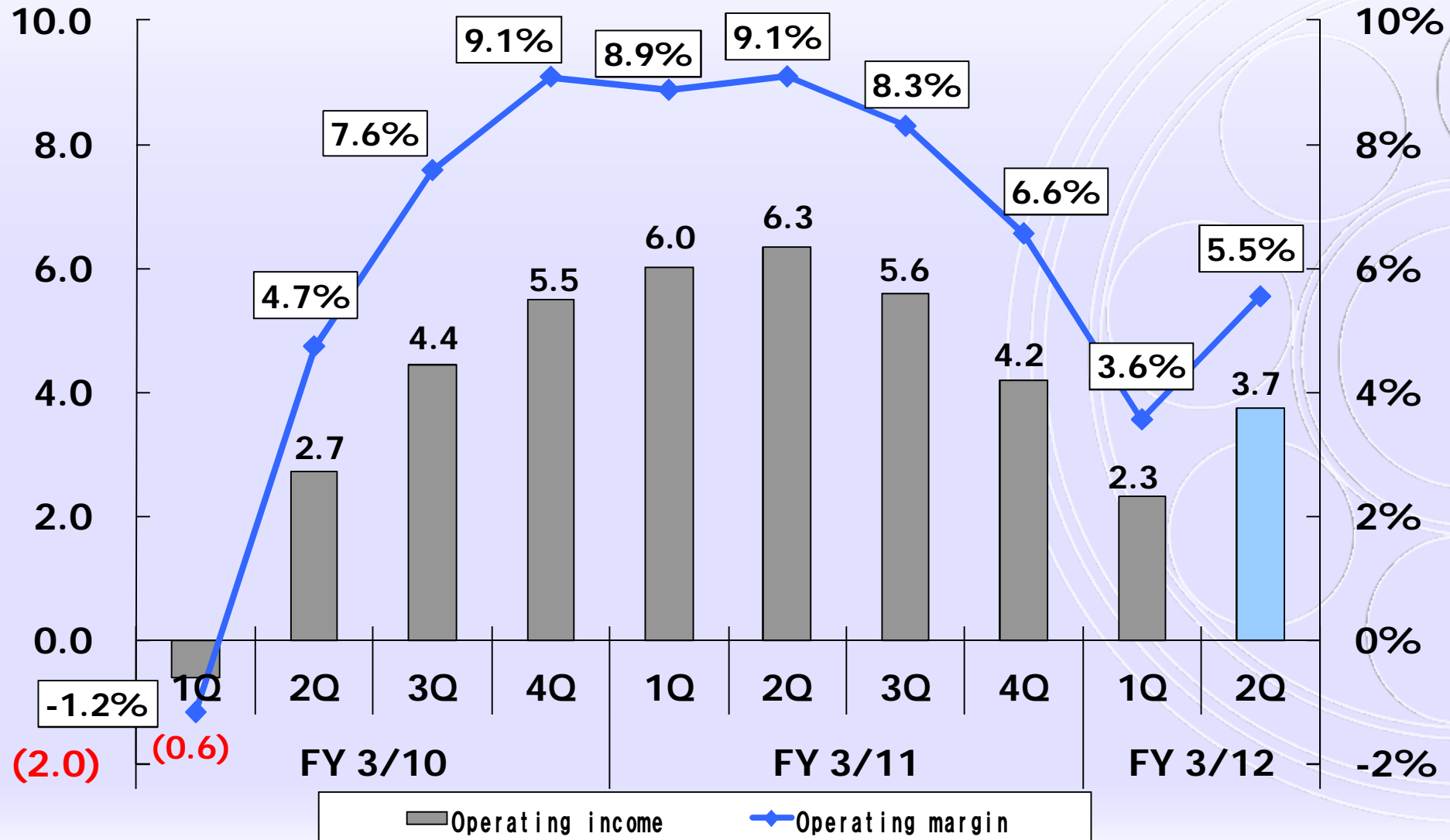


Operating Income

Quarterly

Decreased 40.9% YoY
Increased 62.8% QoQ

(Billions of yen)



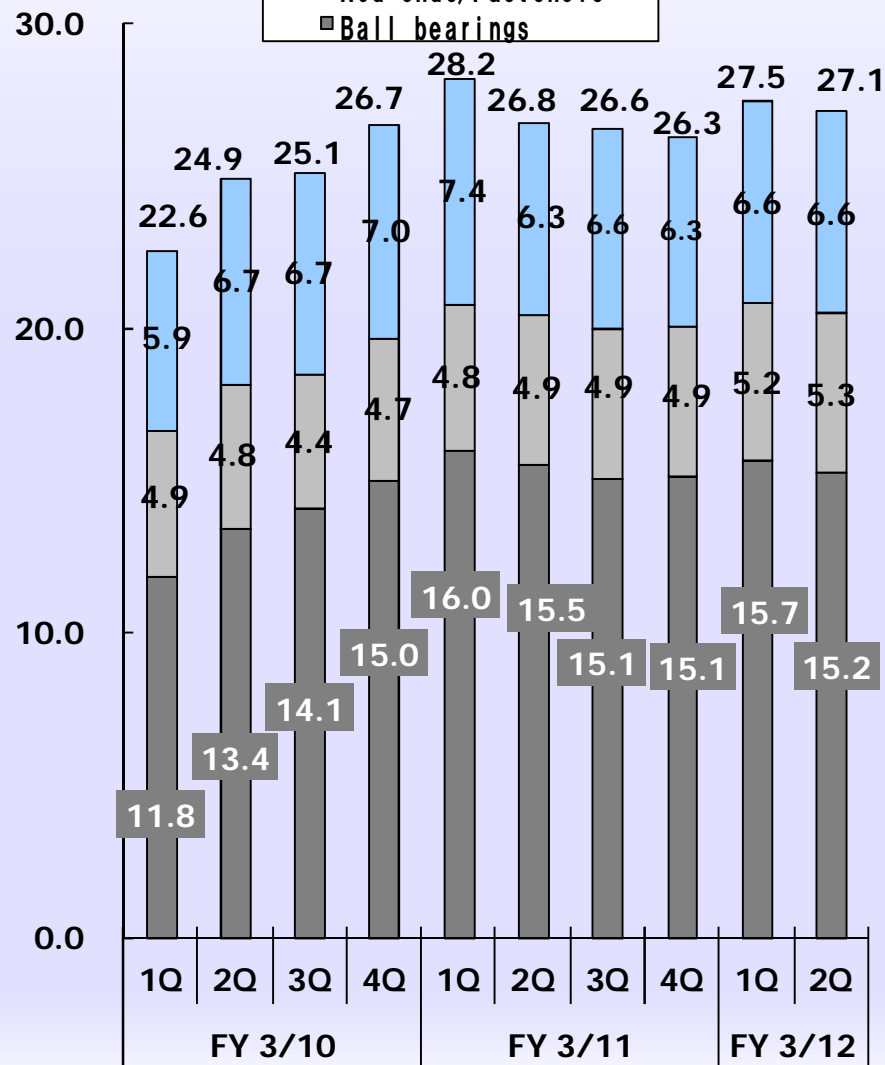
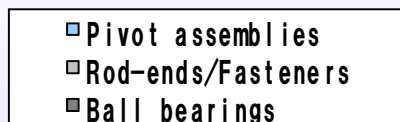
Machined Components Business

Quarterly

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

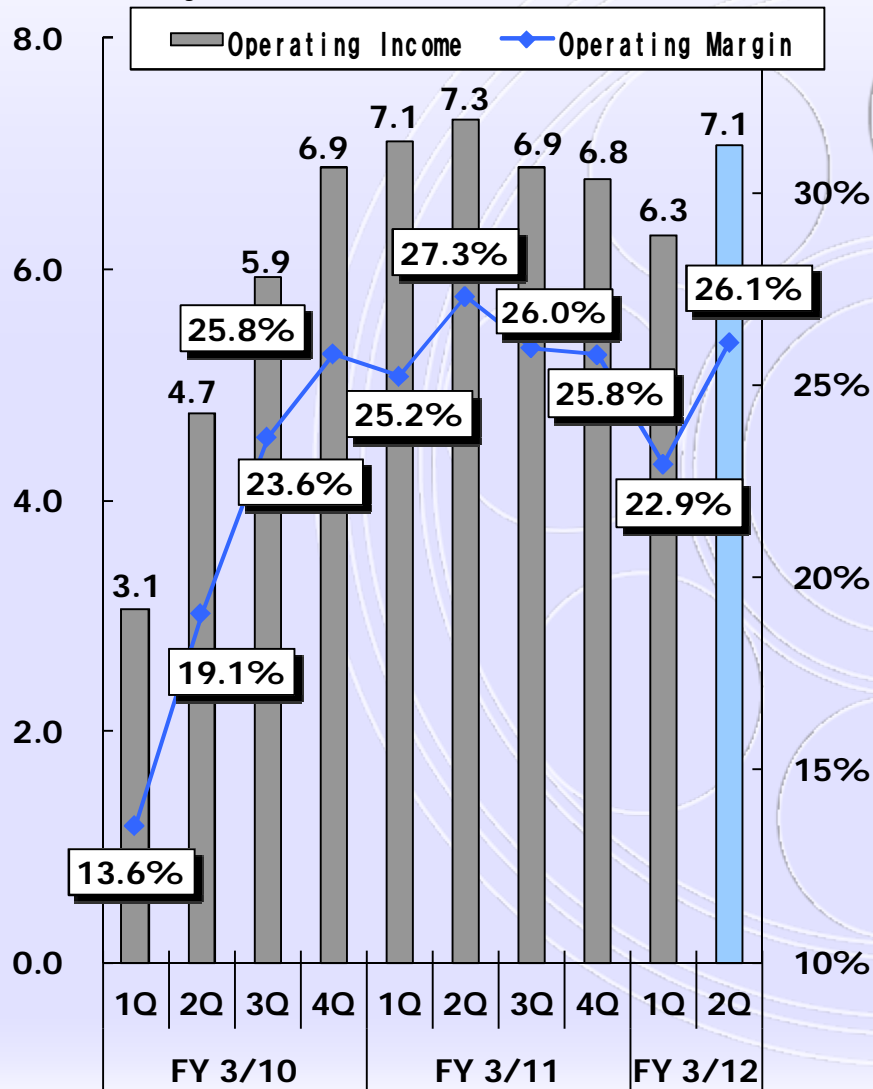
Net sales

(Billions of yen)



Operating income

(Billions of yen)



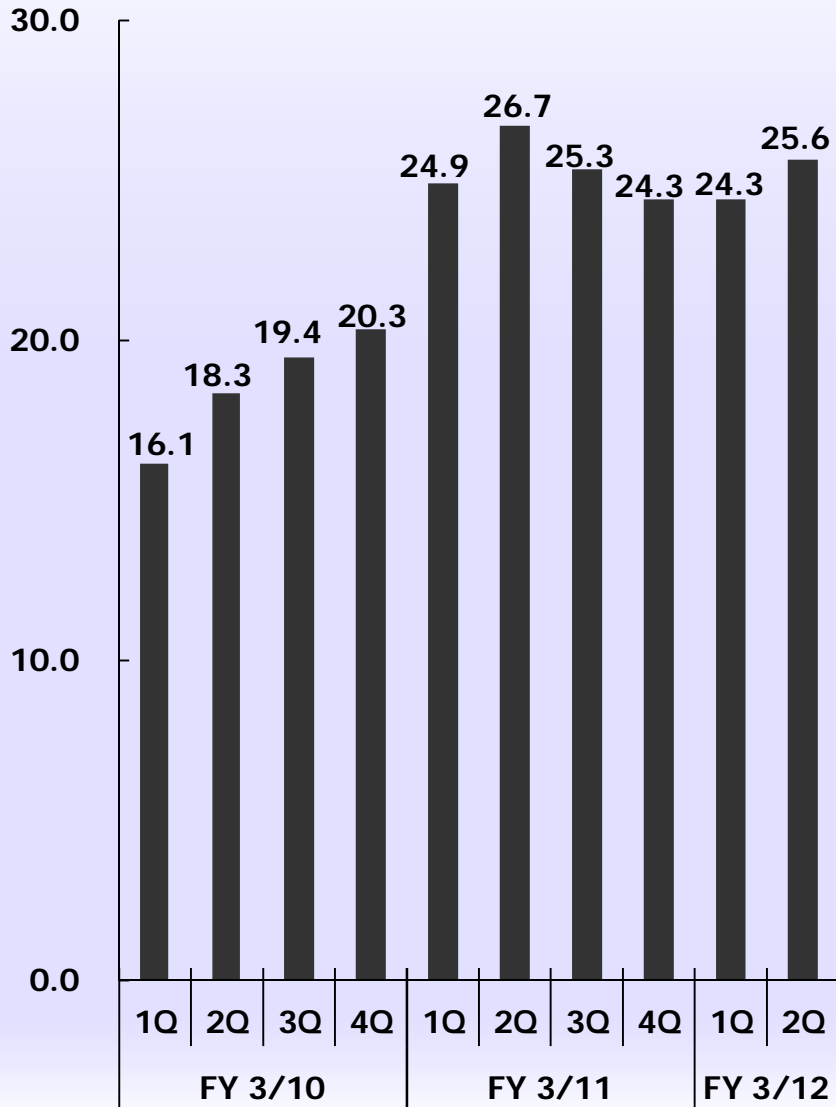
Rotary Components Business

Quarterly

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

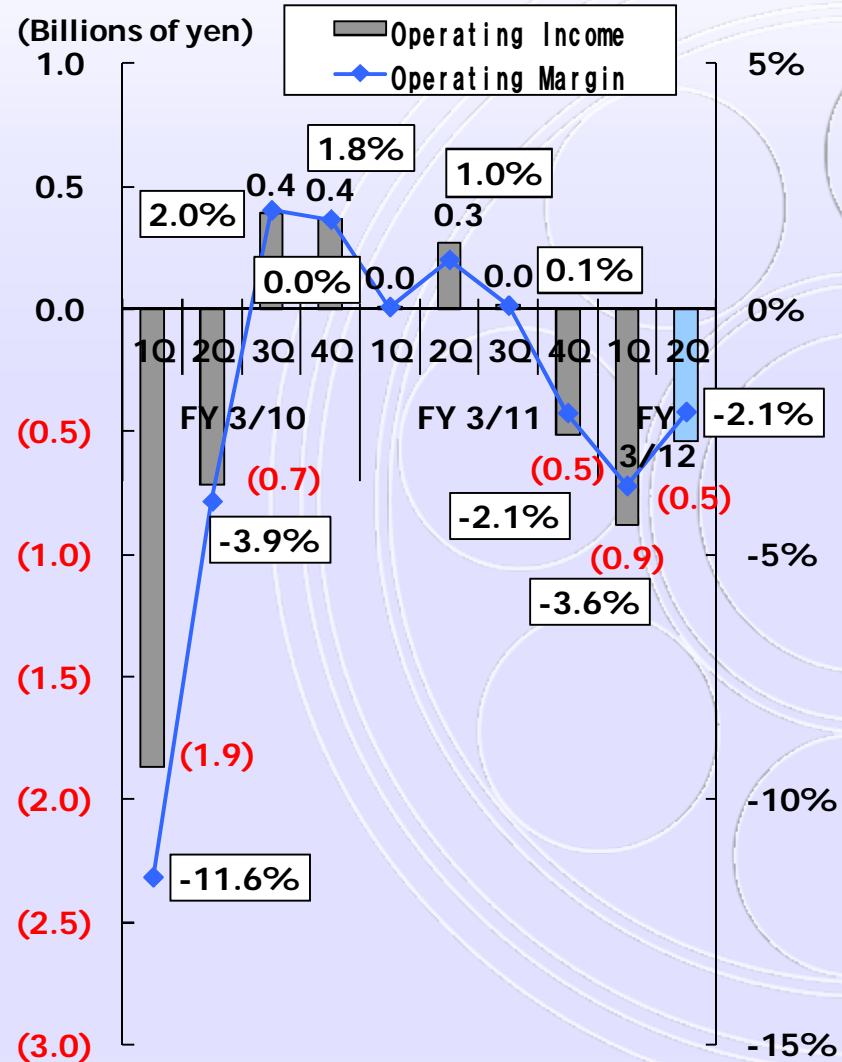
Net sales

(Billions of yen)



Operating income

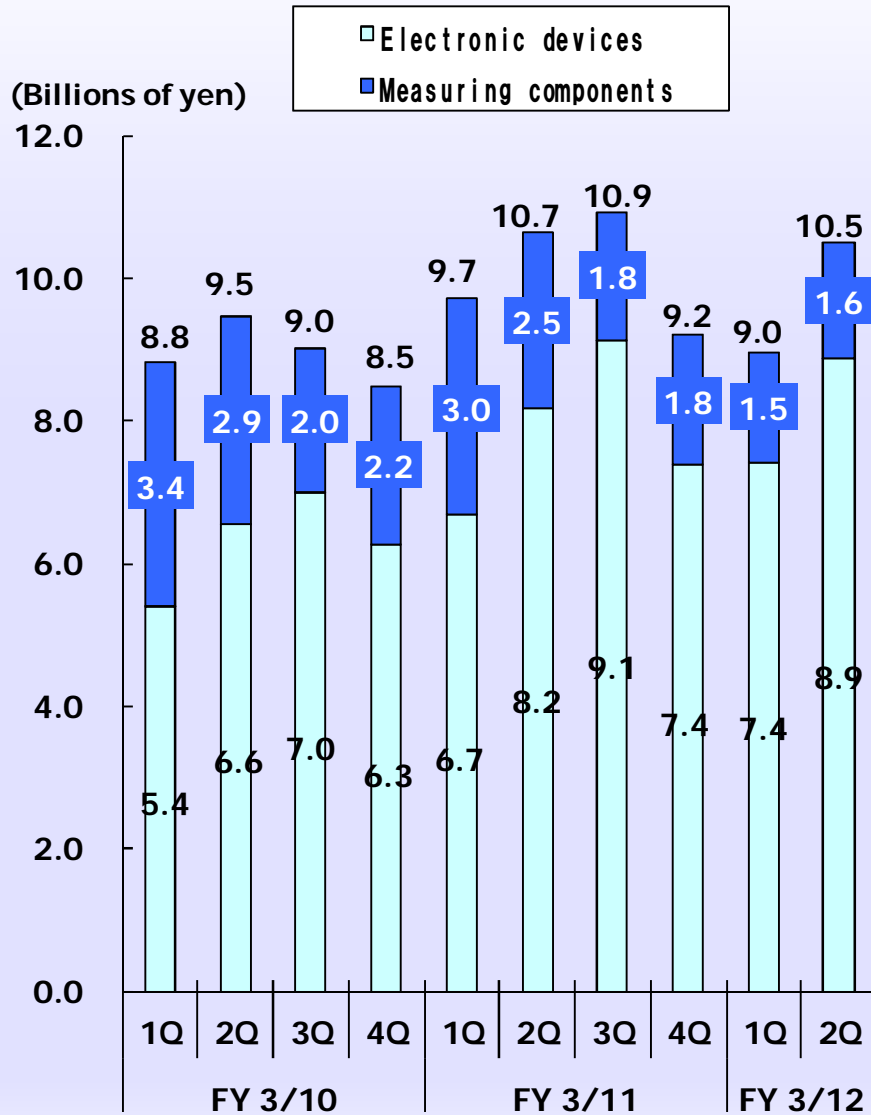
(Billions of yen)



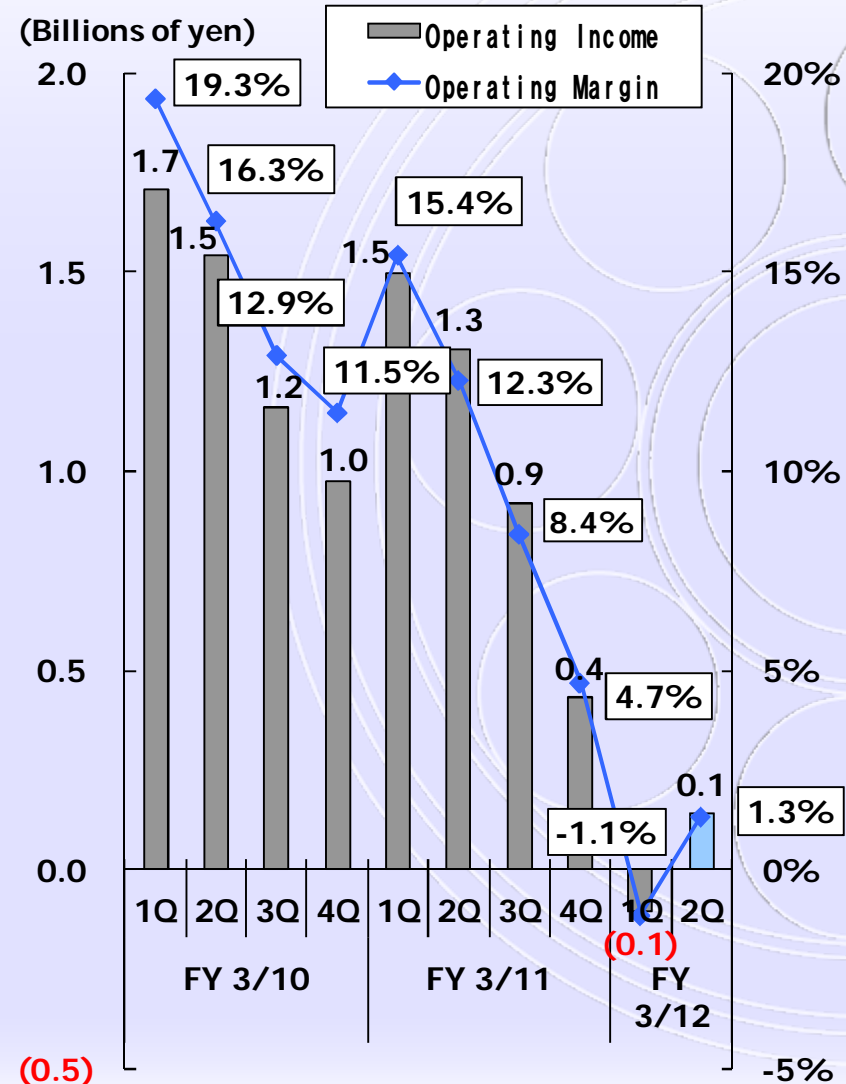
Electronic Devices & Components Business Quarterly

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

Net sales



Operating income

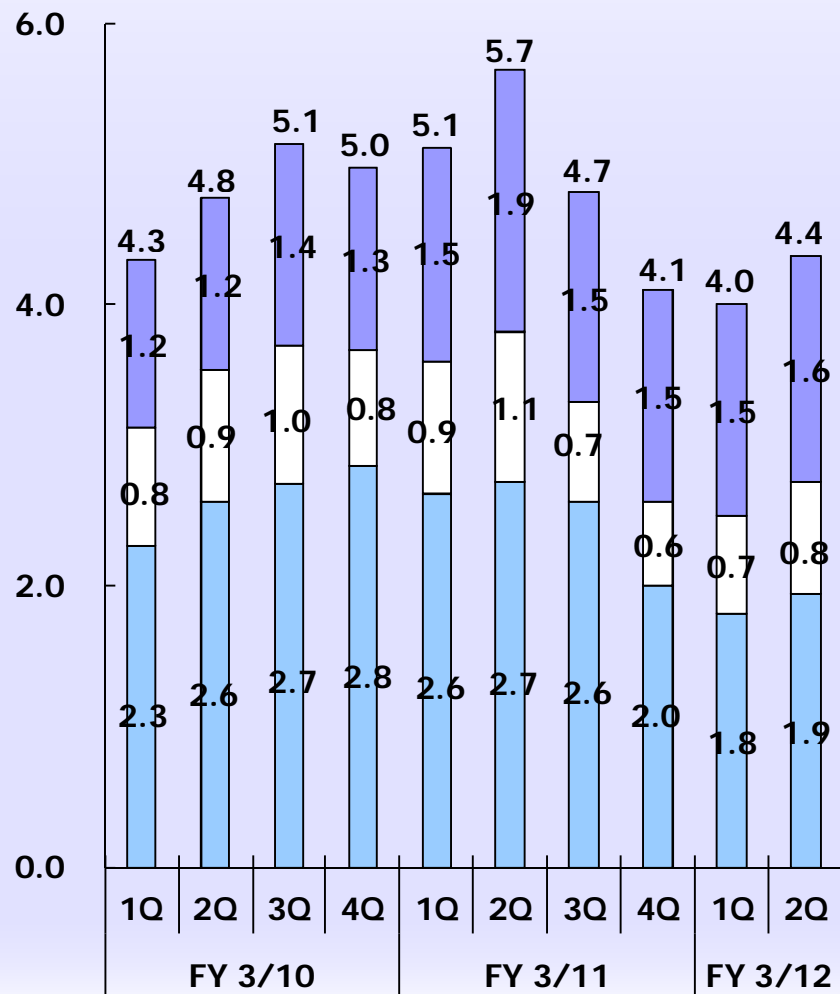


* The segment results by new business segment for the fiscal year ended March 2010 is unaudited.

Net sales

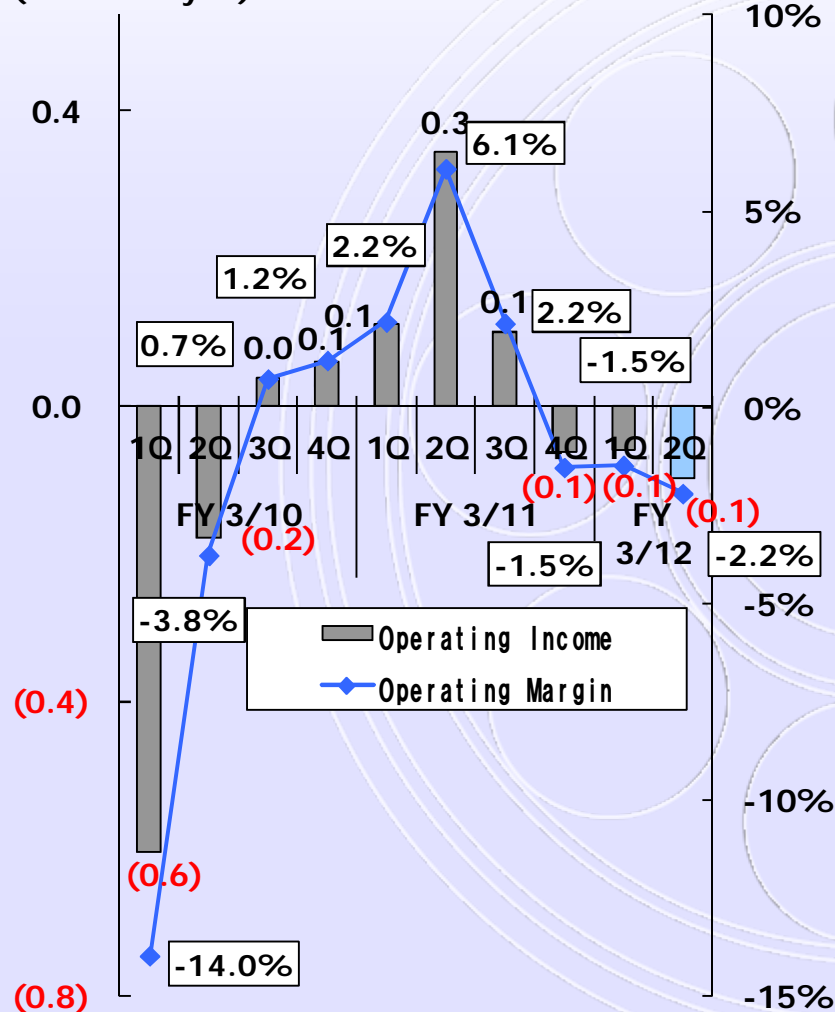
■ Special devices & Other ■ Speakers ■ Keyboards

(Billions of yen)



Operating income

(Billions of yen)

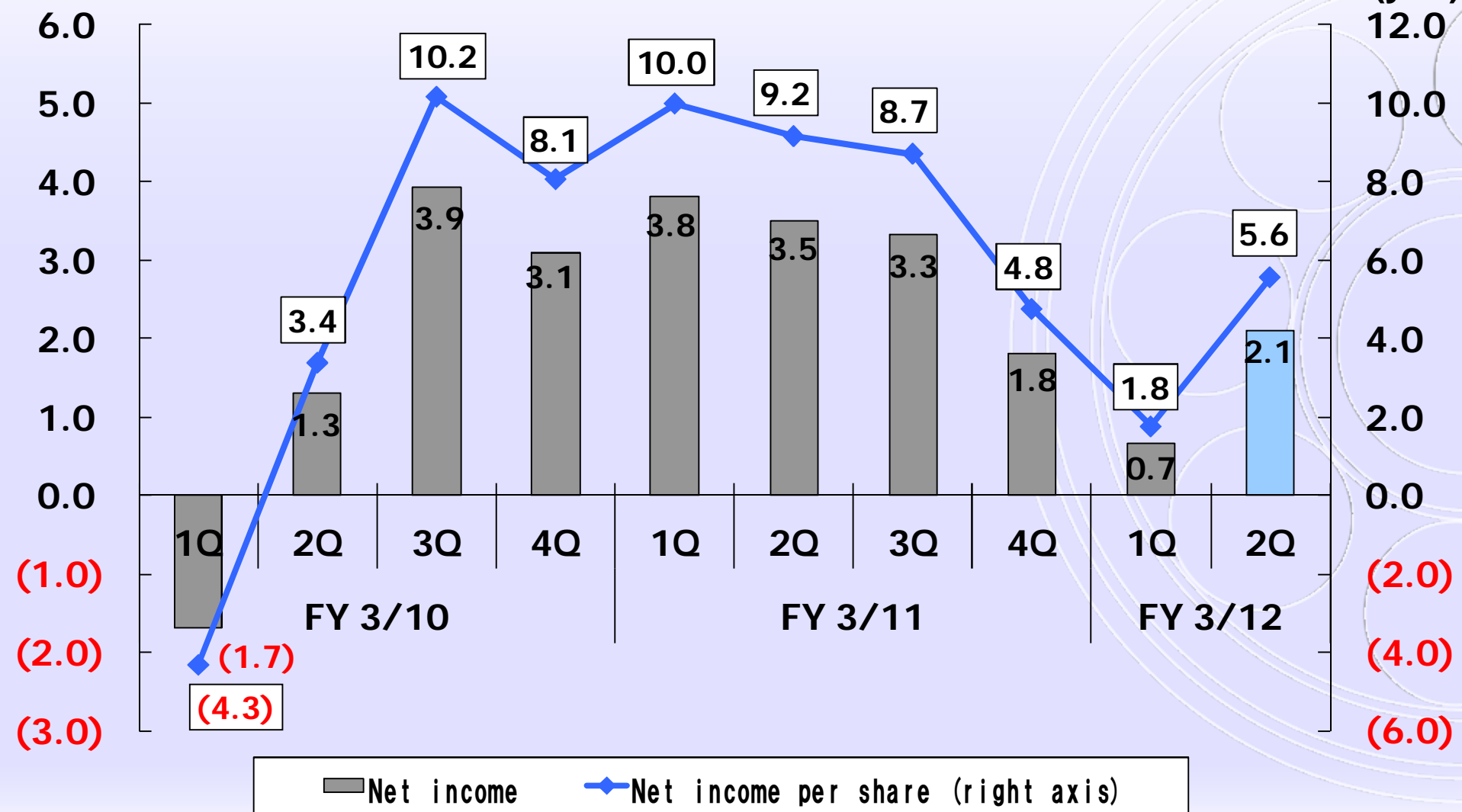


Net Income

Quarterly

(Billions of yen)

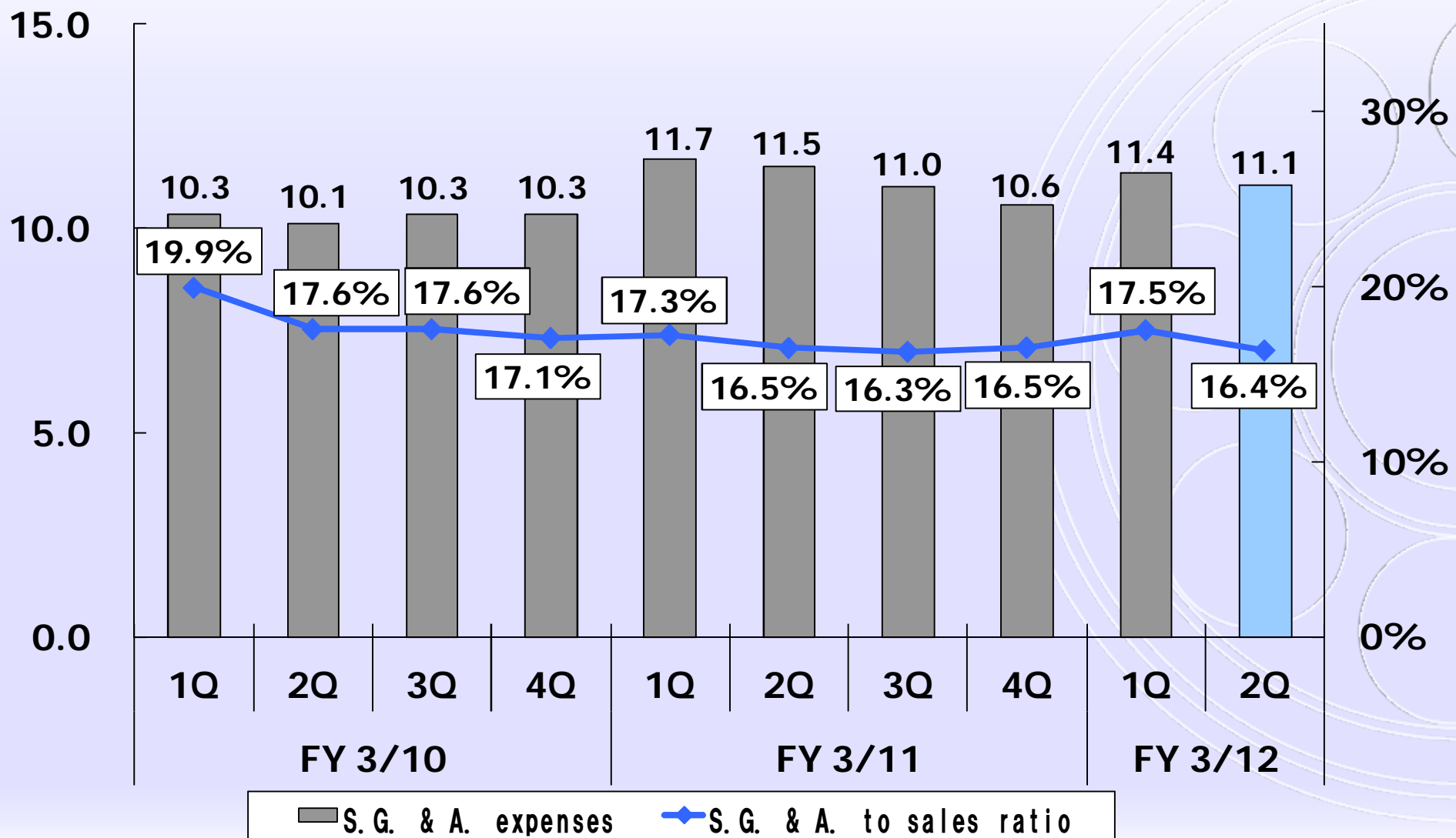
Decreased 40.0% YoY
Increased X 3.1 QoQ



S.G. & A. Expenses

Quarterly

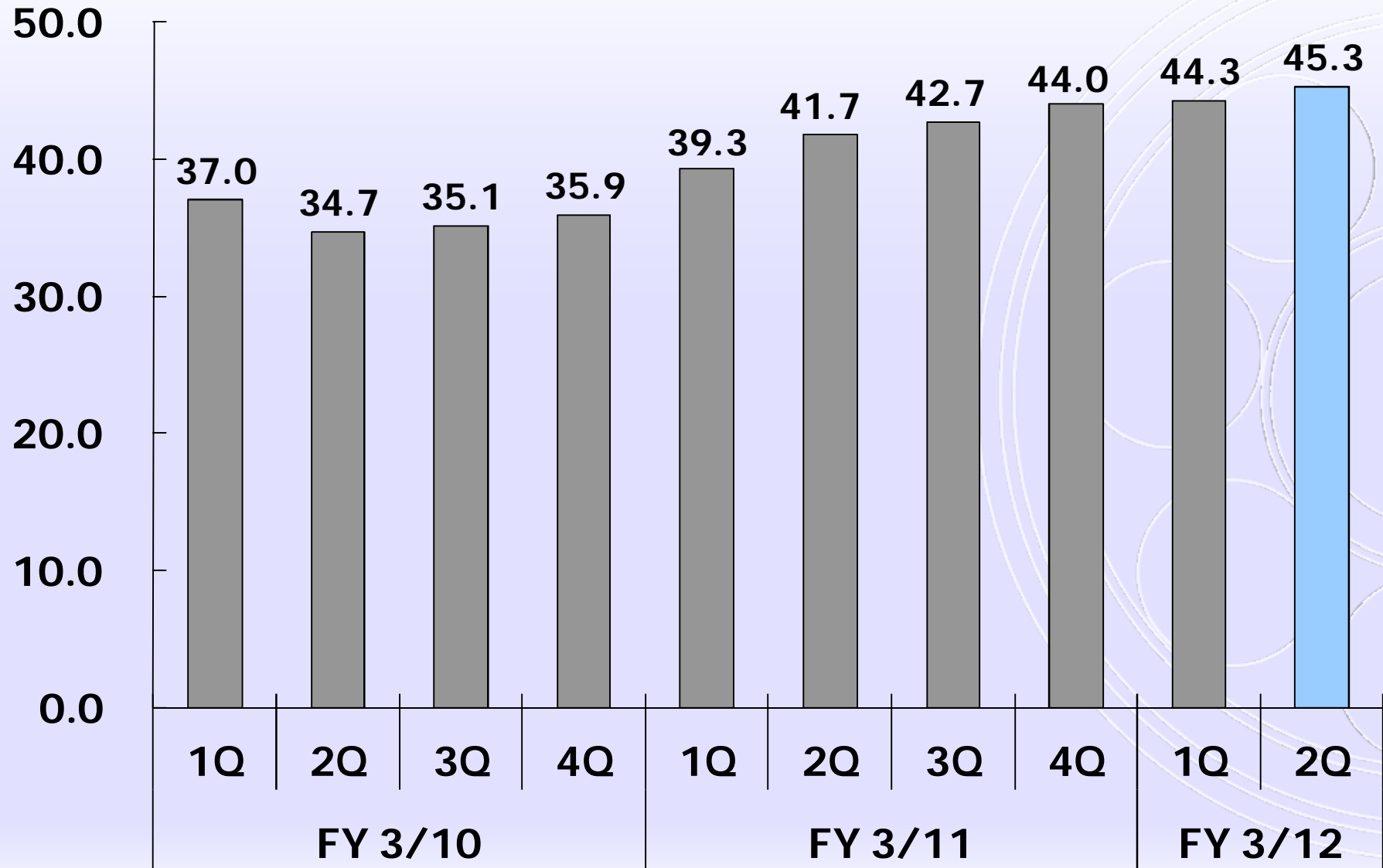
(Billions of yen)



Inventories

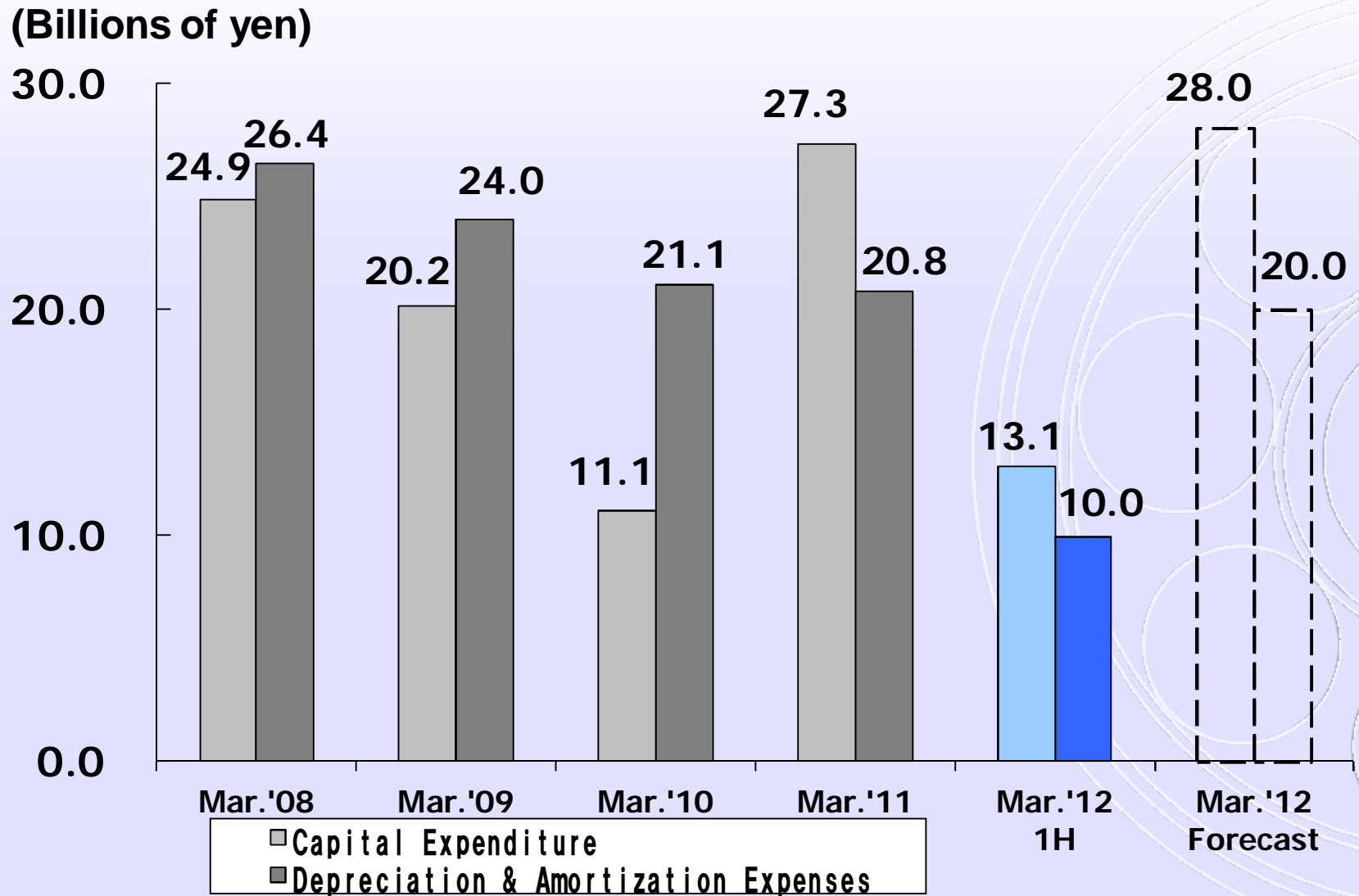
Quarterly

(Billions of yen)



Capital Expenditure & Depreciation

Yearly



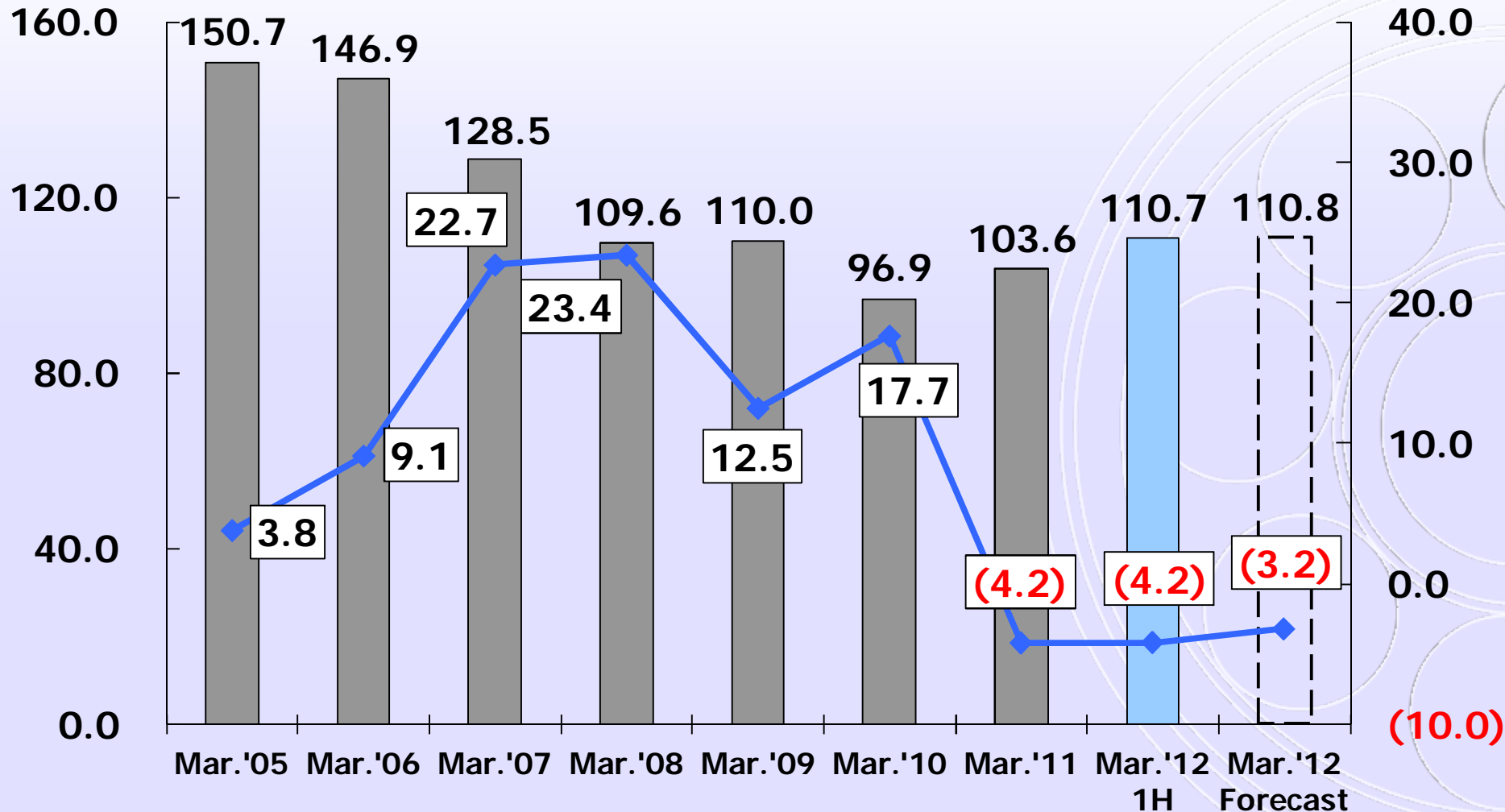
*From FY 3/09, due to change in lease accounting, assets of finance leases are included.

Net Interest-Bearing Debt

Yearly

(Billions of yen)

(Billions of yen)



Net interest-bearing debt
 Free cash flow (right axis)

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, 2012

Full year forecast was lowered due to global economic slowdown, currency impacts, higher rare-earth material prices, Thai floods and other factors

(Millions of yen)	FY ended Mar. '11	Fiscal Year ending Mar. '12				Fiscal Year ending Mar.'12 Previous forecast	
		1H	2H revised Forecast	Full Year revised Forecast	YoY	2H	Full Year
Net sales	269,139	132,448	130,552	263,000	-2.3%	150,000 ~ 137,000	285,000 ~ 260,000
Operating income	22,163	6,052	5,948	12,000	-45.9%	14,800 ~ 12,900	24,500 ~ 21,000
Ordinary income	20,364	5,032	4,968	10,000	-50.9%	13,800 ~ 11,900	22,500 ~ 19,000
Net income	12,465	2,769	2,231	5,000	-59.9%	8,600 ~ 7,700	13,000 ~ 11,000
Net income per share (yen)	32.61	7.30	5.90	13.20	-59.5%	22.74 ~ 20.36	34.34 ~ 29.06

Foreign exchange rates	Mar. '11 Full year	1H of FY Mar. '12	2H of FY Mar. '12 Assumption	FY ending Mar. '12 Assumption
US\$	¥86.04	¥80.24	¥76.00	¥78.12
Euro	¥113.22	¥115.76	¥104.00	¥109.88
Thai Baht	¥2.75	¥2.66	¥2.45	¥2.56
Chinese RMB	¥12.78	¥12.38	¥12.00	¥12.19

2H of FY Mar. '12 Assumption	FY ending Mar. '12 Assumption
¥84.00	¥84.00
¥111.00	¥111.00
¥2.80	¥2.80
¥12.60	¥12.60

Forecast for Business Segment

(Millions of yen)	FY ended Mar. '11 Full year	FY ending Mar. '12			Change YoY
		1H	2H revised Forecast	Full Year revised Forecast	
Net sales	269,139	132,448	130,552	263,000	-2.3%
Machined components	107,841	54,603	52,097	106,700	-1.1%
Rotary components	101,139	49,980	49,320	99,300	-1.8%
Electronic devices and components	40,502	19,457	24,143	43,600	+7.6%
Other	19,657	8,407	4,993	13,400	-31.8%
Operating income	22,163	6,052	5,948	12,000	-45.9%
Machined components	28,088	13,378	13,022	26,400	-6.0%
Rotary components	-224	-1,417	-1,683	-3,100	N.M.
Electronic devices and components	4,160	38	862	900	-78.4%
Other	498	-156	-344	-500	N.M.
Adjustment	-10,358	-5,789	-5,911	-11,700	N.M.

Policy and Strategy

November 2, 2011

Yoshihisa Kainuma

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

Why We Didn't Reach Our Goals for the 1st Half of FY Ending March 2012

Why 1st Half Results Fell Short of Goals

Larger-than-expected impacts of the Tohoku Earthquake

- **Ball bearings:** Temporarily deterioration of product mix
- **LED backlights:** Temporary shortage of some materials caused losses and delay in recovery.
- **Motors:** Sluggish sales for Office Automation Equipments

Higher-than-expected hike of rare-earth materials delayed earnings recovery in rotary components



**Sales were close to upper end of range.
Operating income was below range.**

Negative Factors affected Rotary Components

Earthquake

Higher Wages

**Higher materials
(Rare-earth)**

Higher Yen

HDD Spindle Motors

Fan Motors

Vibration Motors

Micro Actuators

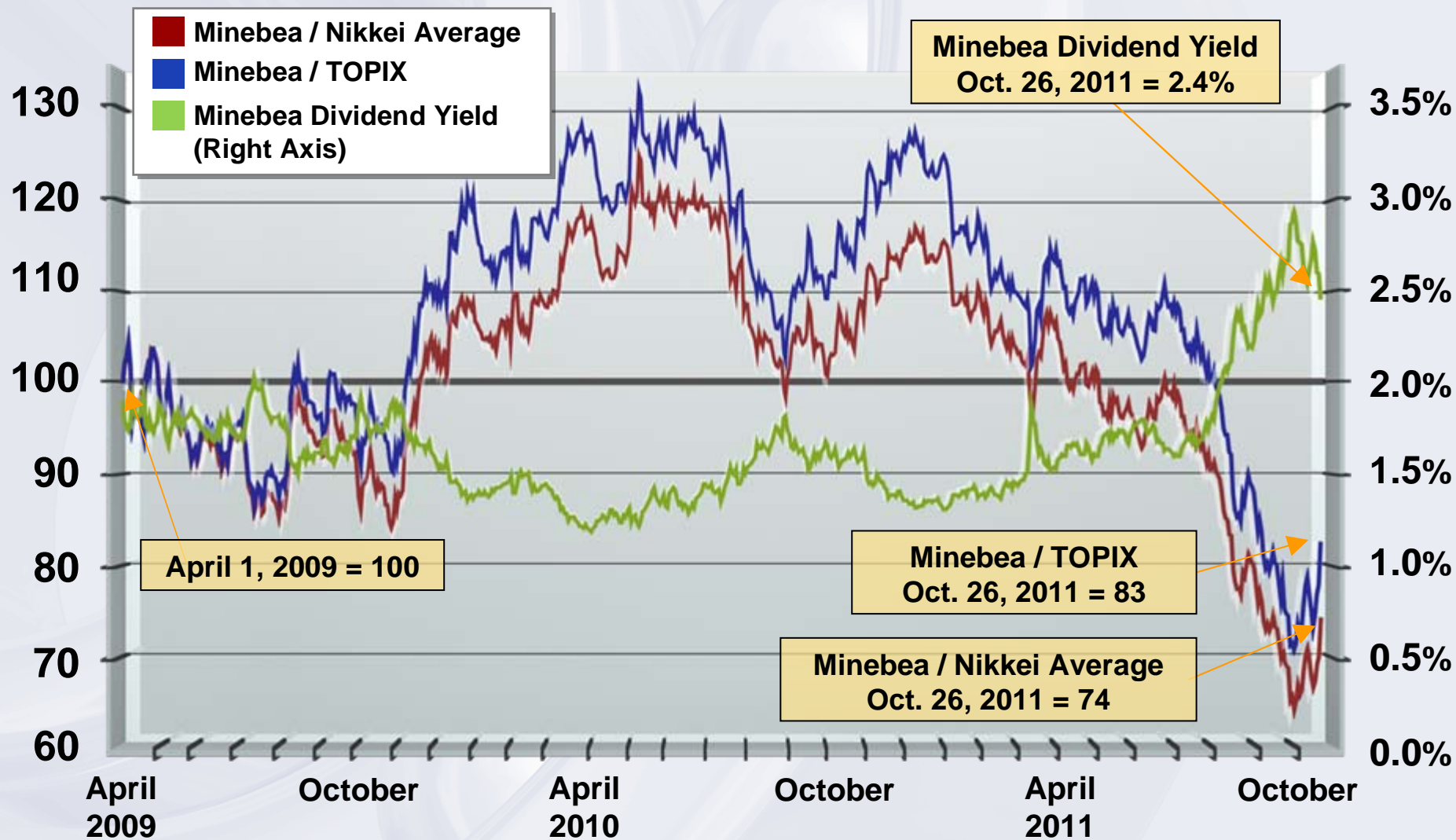
Brush DC Motors

Brushless DC Motors

Precision Motors

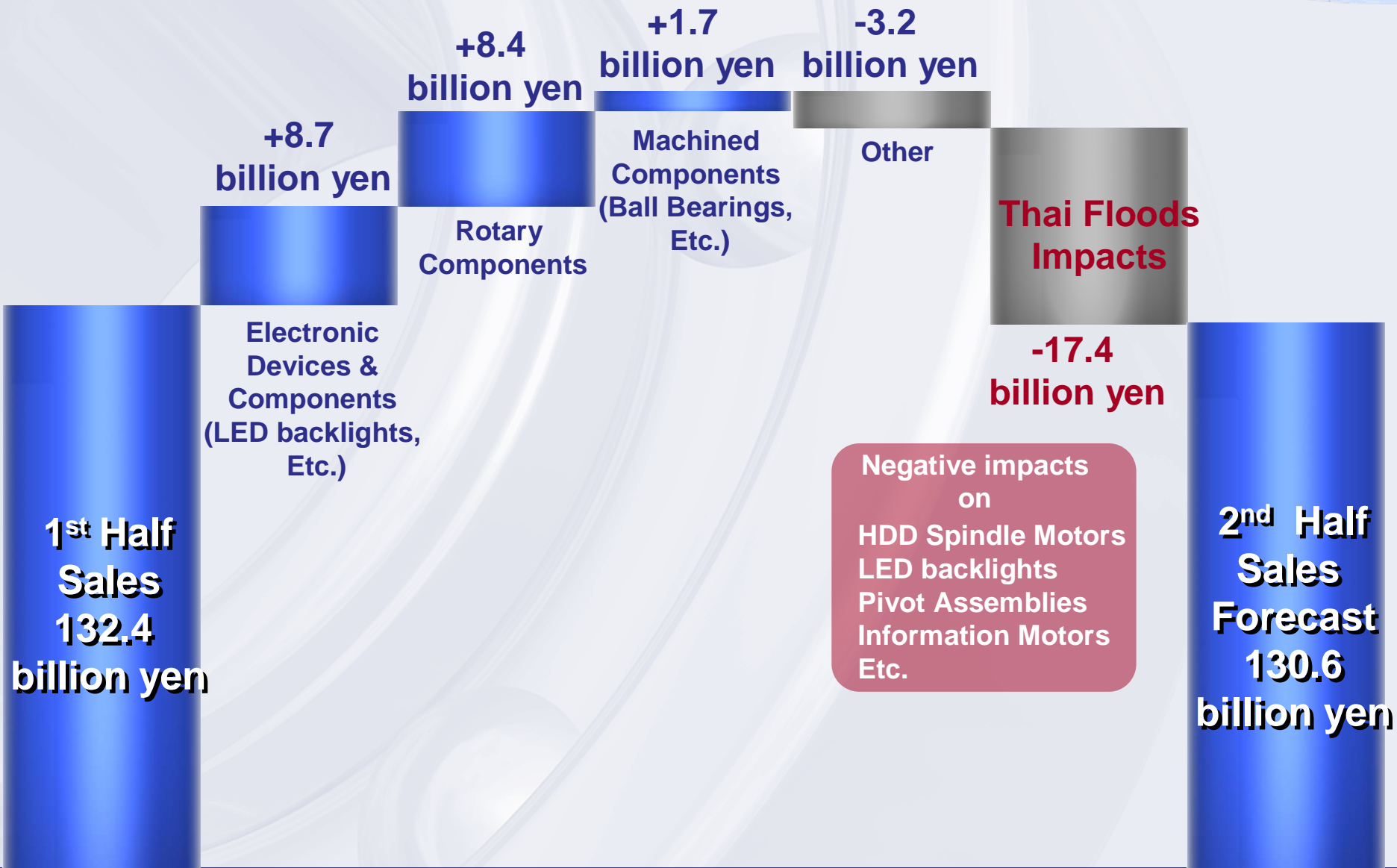
Relative Stock Performance

April 1, 2009 through October 26, 2011

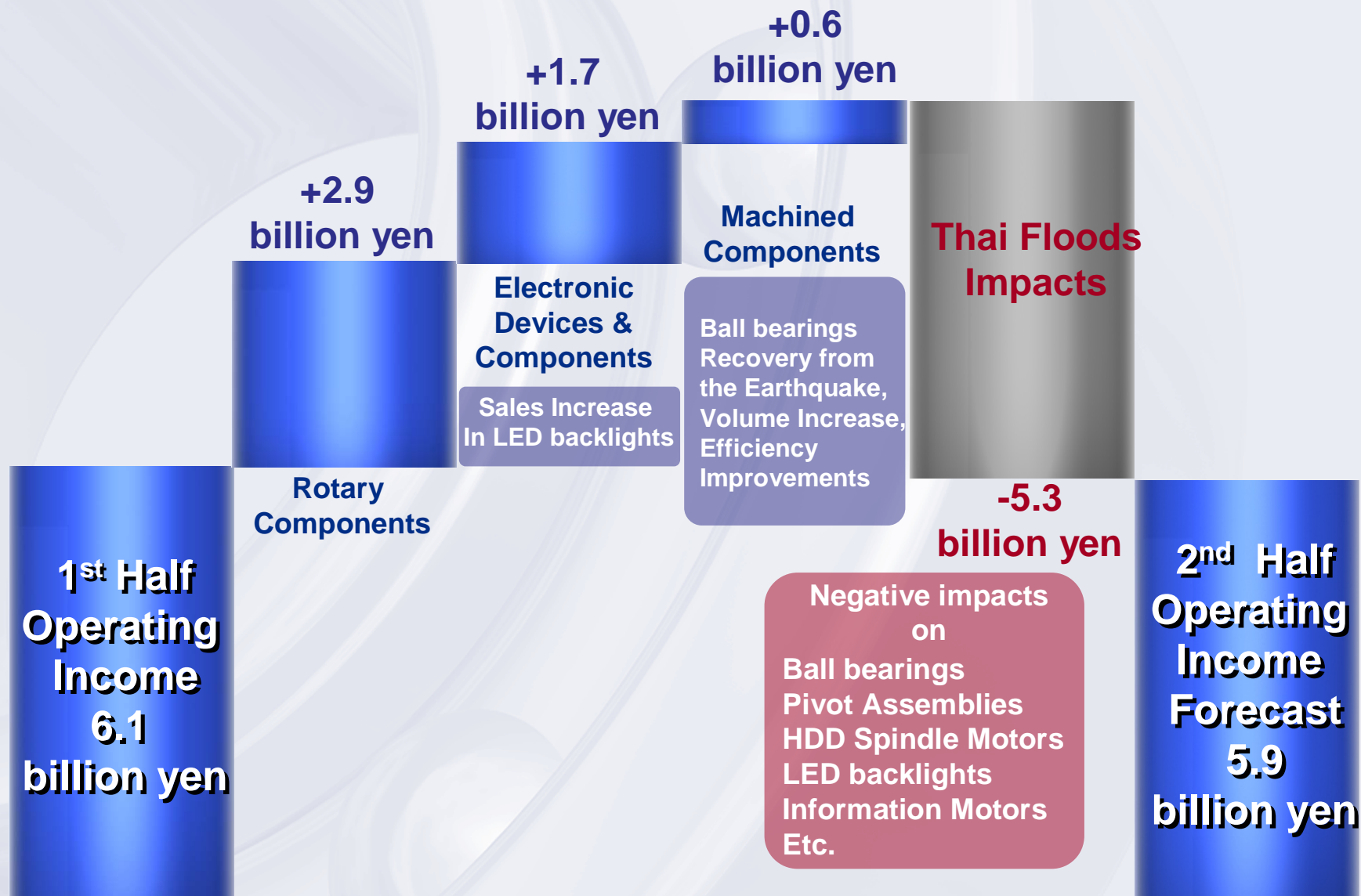


Factors affecting Sales and Operating income in the Second Half

Factors affecting Sales in 2nd Half



Factors affecting Operating Income in 2nd Half



OP Improvements in Rotary Components

2.9 billion yen operating income improvements

HDD Spindle Motors

Profits in 2Q, aim to further improvement

Fan Motors

Reduced volume of unprofitable model

Precision Motors

Return to normal profitability as Japanese automobile production recovers

Brush DC Motors

Cost reduction by Cambodia production

Micro Actuators

Cost reduction by Cambodia production

Impacts from Thai Floods (1)

Lop Buri plant	No flooding	Normal operations Normal attendance
Ayutthaya plant	No flooding	Normal operations 80% attendance
Bang Pa-in plant	No flooding	Normal operations 60% attendance
Rojana plant (HDD spindle motor base plates)	Flooding	No schedule to restart
Navanakorn plant (HDD spindle motor machined parts)	Partially inundated 28 cm above floor (Oct. 28)	Preparing to restart



Bang Pa-in Plant

Impacts from Thai Floods (2)

Financial Impacts

- Sales : -17.4 billion yen in the 2nd half
- Operating Income : -5.3 billion yen in the 2nd half

- ◎ Covered by insurances on renewal value basis
- ◎ Cultivate new business to utilize open space in plants



Ayutthaya plant

Business Strategy toward the 2nd half and next year

Measures for the Next Year

Ball Bearings

New Ball Bearing Plant (Thailand)

- For pivot assemblies
- For Chinese market

New Special Bearing Plant (Germany)

- Improving efficiency,
Increasing capacity

Rod-ends, Rotary Components, LED Backlights

Rotary Components

LED Backlights

New Multi-purpose Plant (Thailand)

- Increasing order
intake as new model
production expands
- Rapid growth of
smart phones

New Motor Plant (Cambodia)

- Measure against
rising wages in Asia

New LED Backlight Plant (China)

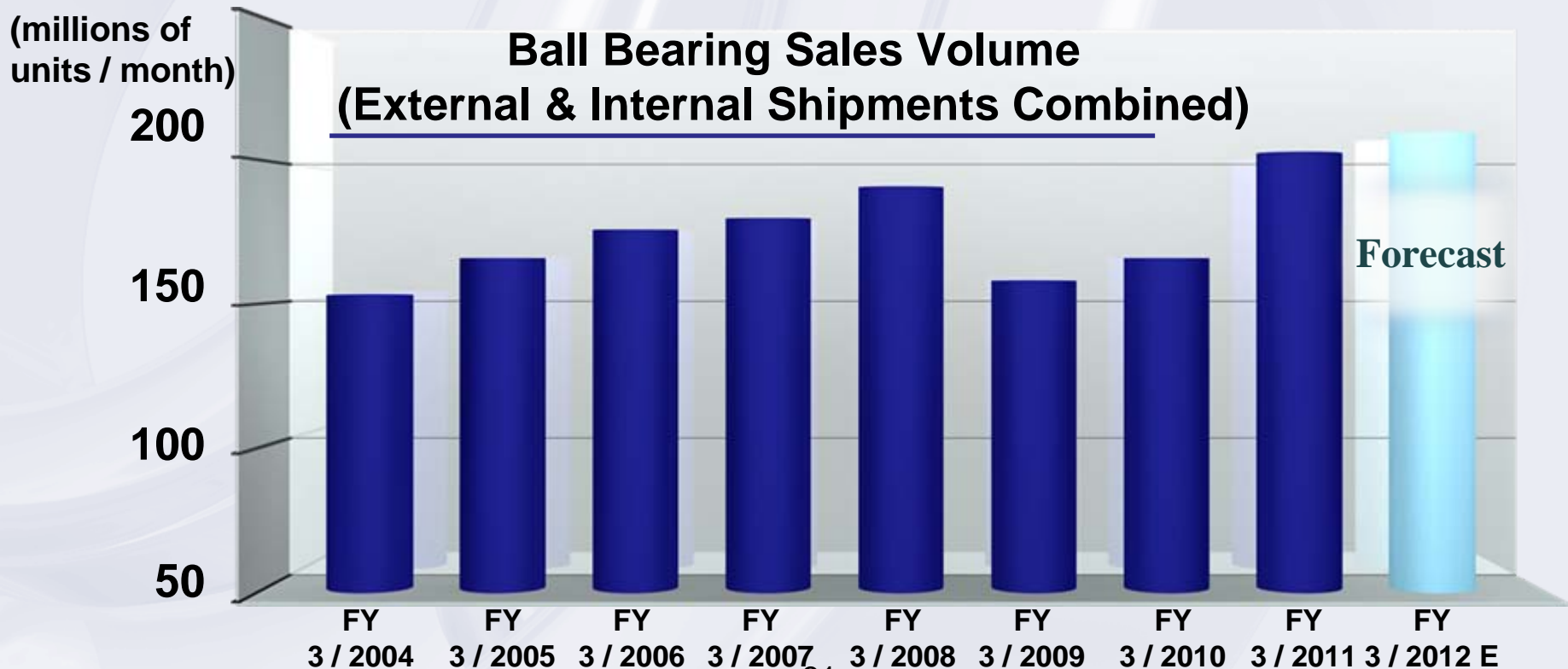
- Rapid growth of
tablet PCs
- Big order intake

For a while, factory open space will be utilized

Record High Ball Bearing Volume

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

- Strengthen sales force in emerging markets such as Brazil, China and India
- Boost on sales of medium-sized products



Opening of a New Ball Bearing Plant in Thailand

Multi-purpose ball bearing plant

- **Products:** Ball bearings for pivot assemblies; low-priced, mass-produced ball bearings targeted at Chinese market; and medium-sized ball bearings.
- **Capacity:** possible to house 40 million units / month capacity over the next 2 years
- **Started operations in October 2011**



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

Construction of New myonic Plant

- **Products** : Special bearings for use in dental and medical instruments such as X-ray tube bearings
- **Investment** : Approximately 0.6 billion yen
- **Expected operation** : August 2012
- **Targets** :
 1. Improving production efficiency by consolidating and restructuring production facilities at leased plants
 2. Increasing production capacity to meet increasing demand
 3. Improving energy efficiency significantly
 4. Increasing sales by approximately 20 % in 3 years

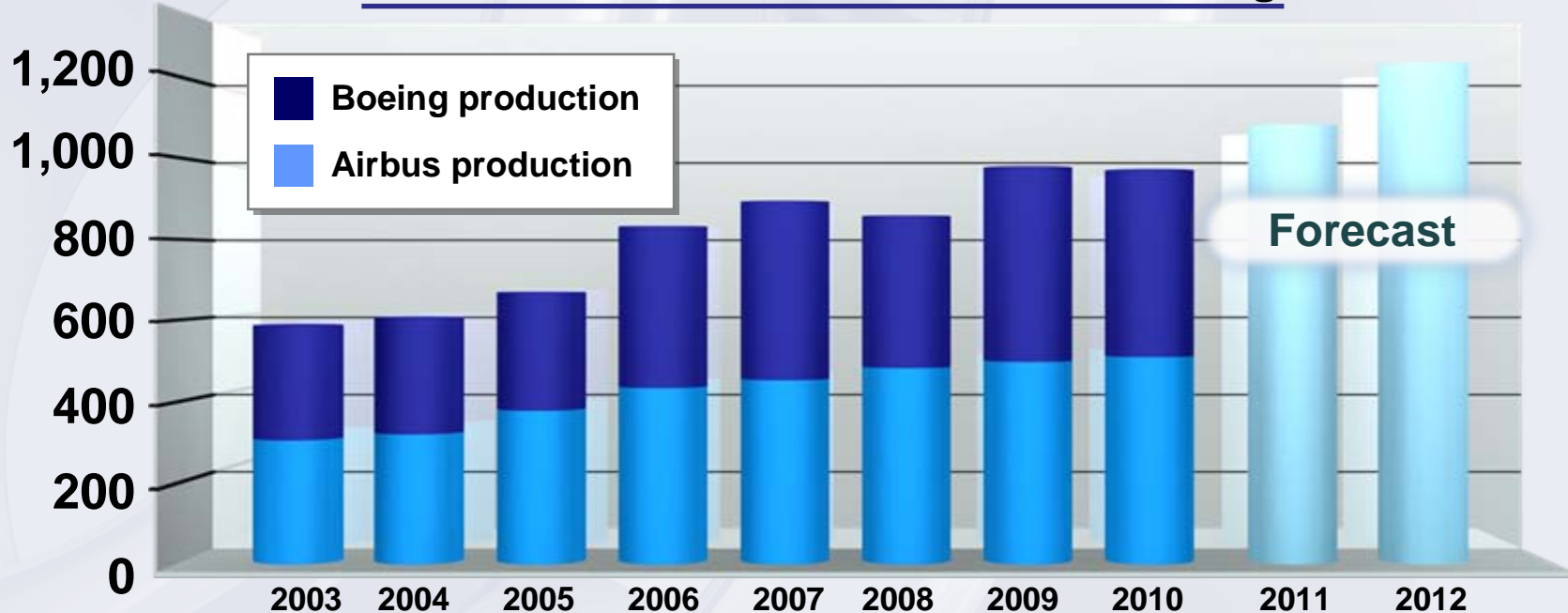


New myonic plant (Leutkirch, Germany)

Brisk Order Intake in Aircraft Bearings

Increasing orders will fuel aircraft market growth over the medium run as new Boeing 787 production shifts into high gear.

(Number of aircrafts) Commercial Aircraft Production Volume at Boeing and Airbus



(Source: Boeing, Airbus, forecast by Minebea)

- Work on expanding product range
- Move more production to Lop Buri (Thailand) plant to reduce costs

Construction of Multi-purpose Plant in Lop Buri

Location: Lop Buri, Thailand

(site of a planned but stopped pivot assembly factory)

Building area: 19,000m²

Expected to complete: January 2012 (2 months quicker than normal)

Transferring motor parts production lines from existing buildings



Utilizing open space in Lop Buri factory complex

- Expanding rod-end bearing production capacity
- Expanding LED backlight production capacity

Growth Strategy of LED Backlights

Rapid growth of smart phones and tablet PCs

Growing demand for Minebea's LED backlights which are more precise, thinner and more energy-efficient

Increasing production capacity to meet big order intake

(billion yen)

LED Backlight Sales



New LED Backlight Plant in Suzhou

**Ramping up production in Suzhou, China,
which started operations in April**



Improving & Expanding Rotary Components

**Production shift to Cambodia
To cope with rising wages in Asia**

**Raising motor prices to counter higher
rare-earth prices and changing designs**

**Strengthening R&D and sales of
motors with hybrid components**

New R&D capacity in Shenzhen, China

**Profit increase in HDD spindle motors
after recovery from Thai Floods**

Construction of New Cambodian Plant

Measure against rising wages in Asia

Rental factory was opened in April

Own factory will be opened in December



Next Year's Contributions from New Factories

Sales **+3** billion yen

New Ball Bearing Plant
(Thailand)



Sales
+6 billion yen

New Motor Plant
(Cambodia)



Sales
+20 billion yen

New Multi-purpose
Plant (Thailand)



5 New
Plants

Total Sales
+30 billion yen

New LED Backlight
Plant (China)



Sales **+0.5** billion yen

New Special Bearing
Plant (Germany)



Profit-making in HDD Spindle Motors

Enhance Quality

Improve Production Yield

**Strengthen R&D: to start shipment of
7 mm height 2.5 inch HDD spindle motors**

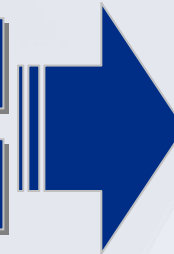


**Thai
Floods**



Utilizing outsource

Recovery in supply chains



**Volume
Increase**

Strengthen Sales Network

U.S.A.



New sales office in Detroit

Brazil



Local sales company launched in April

China



Increased 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

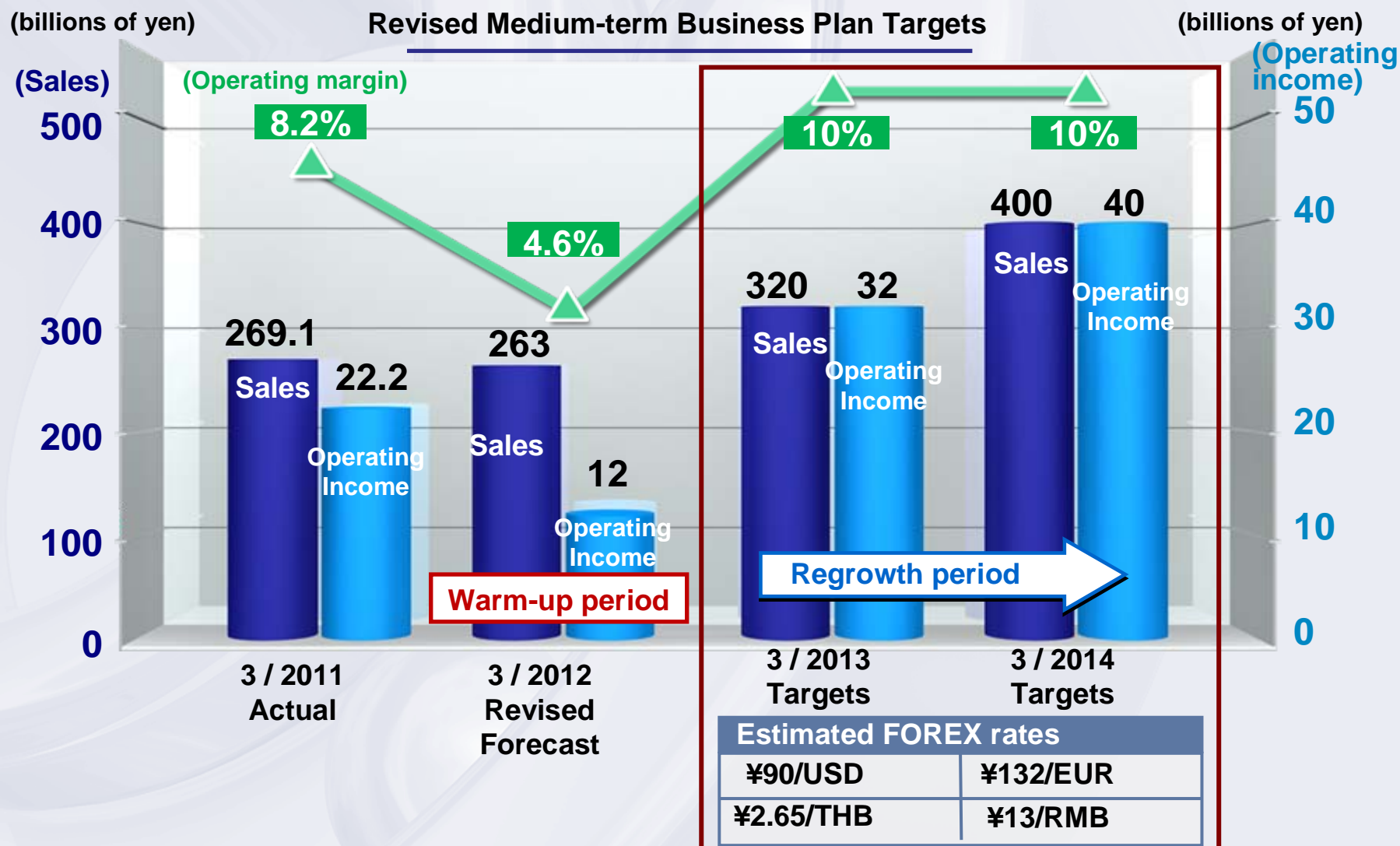


Boosted sales force

in the four locations of Bangalore, Chennai, Delhi, and Pune

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

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



Financial Strategies

Dividend Policy

Dividend

FY03/2012 interim dividend: **3** yen/share

Dividend forecast for FY03/2012: Year-end: **4** yen/share

Total year: **7** 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, especially in Machined Components area, to further enhance our strengths.
- Take advantage of the stronger Japanese yen.

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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