

Business Results

Second Quarter of Fiscal Year Ending March 31, 2013

November 2, 2012
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 of yen appreciation and increased labor costs, sales and profits rebounded from the Tohoku Earthquake and the Thai Floods. But, we missed the initial targets.

(Millions of yen)	FY ended Mar. '12	FY ending Mar. '13	Change YoY	1H of FY ending Mar. '13	
	1H	1H		Original forecast	Vs. Forecast
Net sales	132,448	139,101	+5.0%	148,100	93.9%
Operating income	6,052	7,700	+27.2%	9,400	81.9%
Ordinary income	5,032	6,942	+38.0%	8,200	84.7%
Net income	2,769	3,720	+34.3%	5,600	66.4%
Net income per share (yen)	7.30	9.94	+36.2%	14.97	66.4%

Foreign exchange rates	1H of FY Mar. '12	1H of FY Mar. '13
US\$	¥80.24	¥79.73
Euro	¥115.76	¥101.27
Thai Baht	¥2.66	¥2.55
Chinese RMB	¥12.38	¥12.56

1H of FY Mar. '13 Assumption
¥77.00
¥103.00
¥2.50
¥12.20

Summary of Consolidated Business Results for 2Q

Despite of a continued but slow rebound from the Thai Floods, sales and profits momentum weakened due to yen appreciation and global economic slowdown.

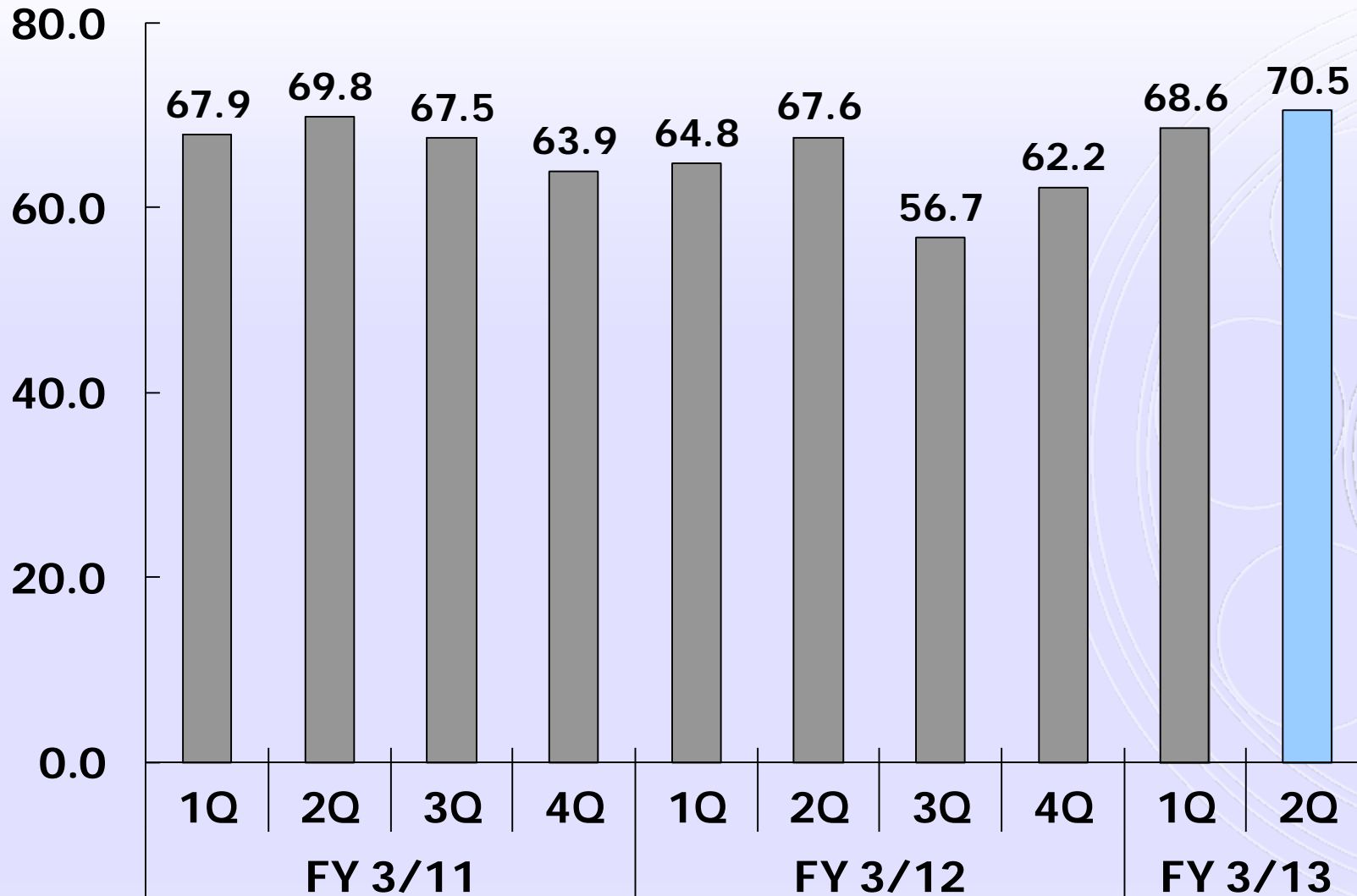
Many product markets started to shrink gradually from early autumn.

(Millions of yen)	FY ended Mar. '12	FY ending Mar. '13		Change	
	2Q	1Q	2Q	YoY	QoQ
Net sales	67,646	68,621	70,480	+4.2%	+2.7%
Operating income	3,749	3,693	4,007	+6.9%	+8.5%
Ordinary income	3,162	3,368	3,573	+13.0%	+6.1%
Net income	2,100	1,718	2,002	-4.7%	+16.5%
Net income per share (yen)	5.56	4.57	5.37	-3.4%	+17.5%

Foreign exchange rates	2Q of FY Mar. '12	1Q of FY Mar. '13	2Q of FY Mar. '13
US\$	¥78.44	¥80.77	¥78.69
Euro	¥112.98	¥104.89	¥97.65
Thai Baht	¥2.59	¥2.60	¥2.49
Chinese RMB	¥12.18	¥12.76	¥12.36

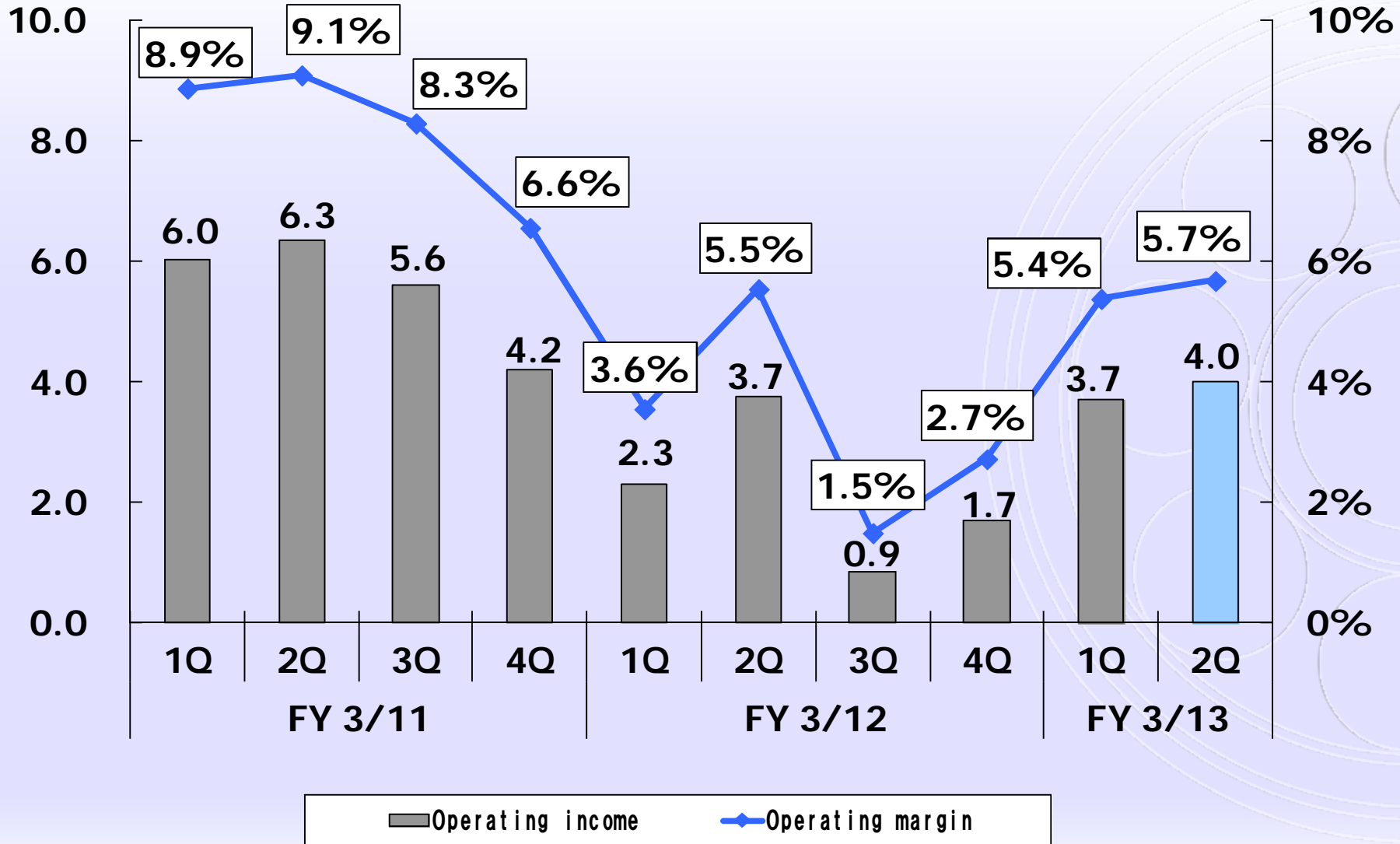
(Billions of yen)

Increased 4.2% YoY
Increased 2.7% QoQ



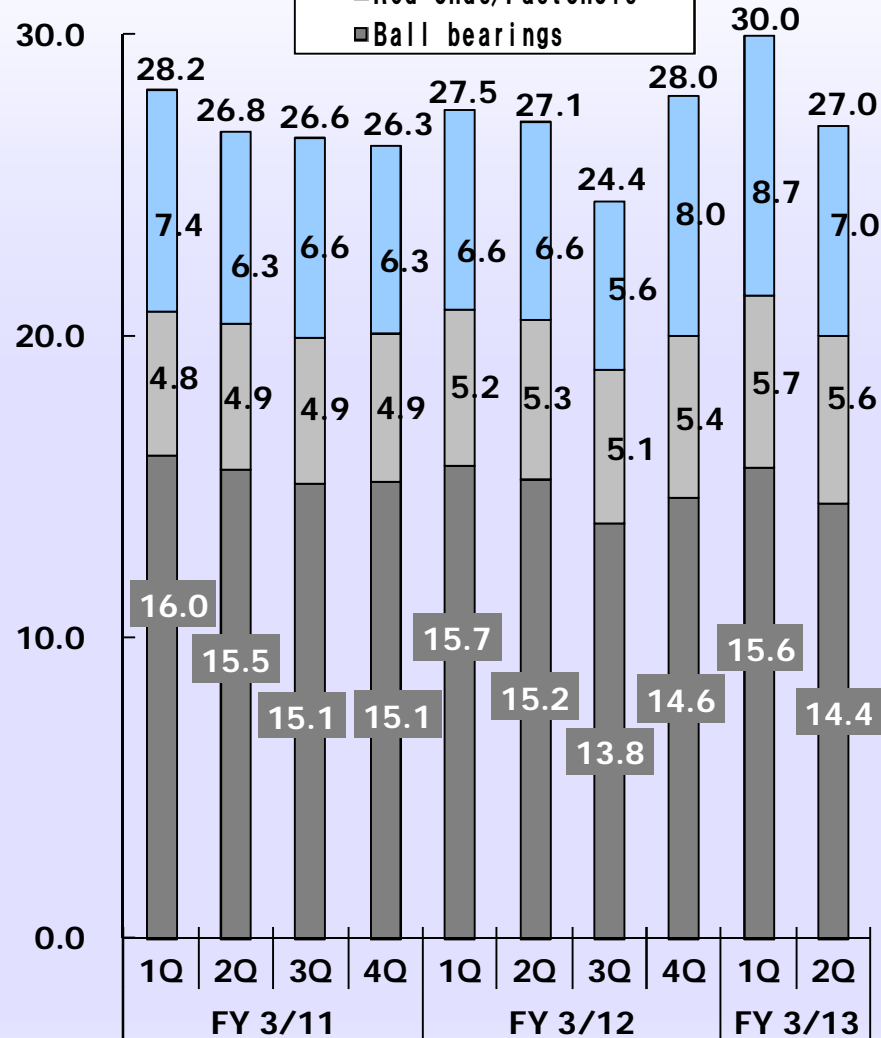
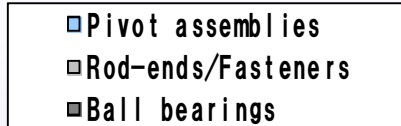
Increased 6.9% YoY
Increased 8.5% QoQ

(Billions of yen)



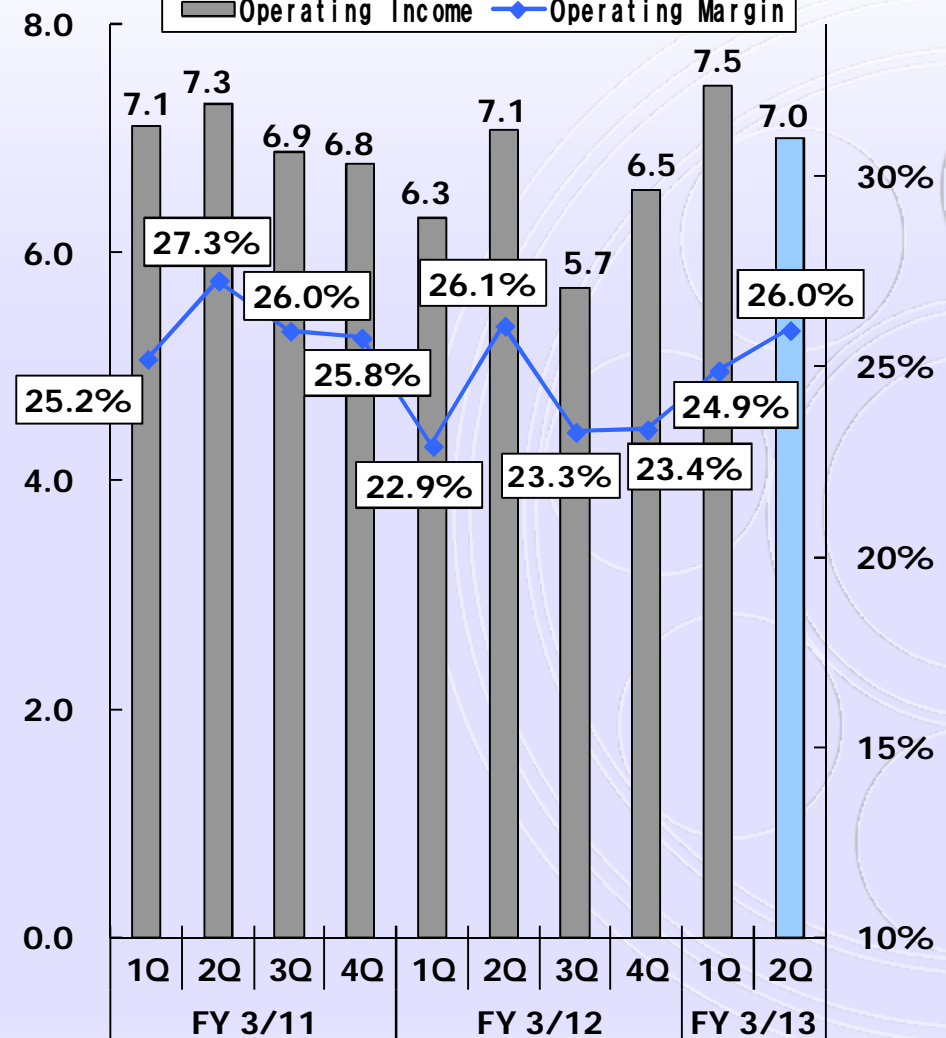
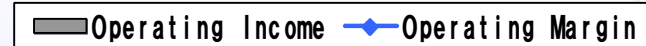
Net sales

(Billions of yen)



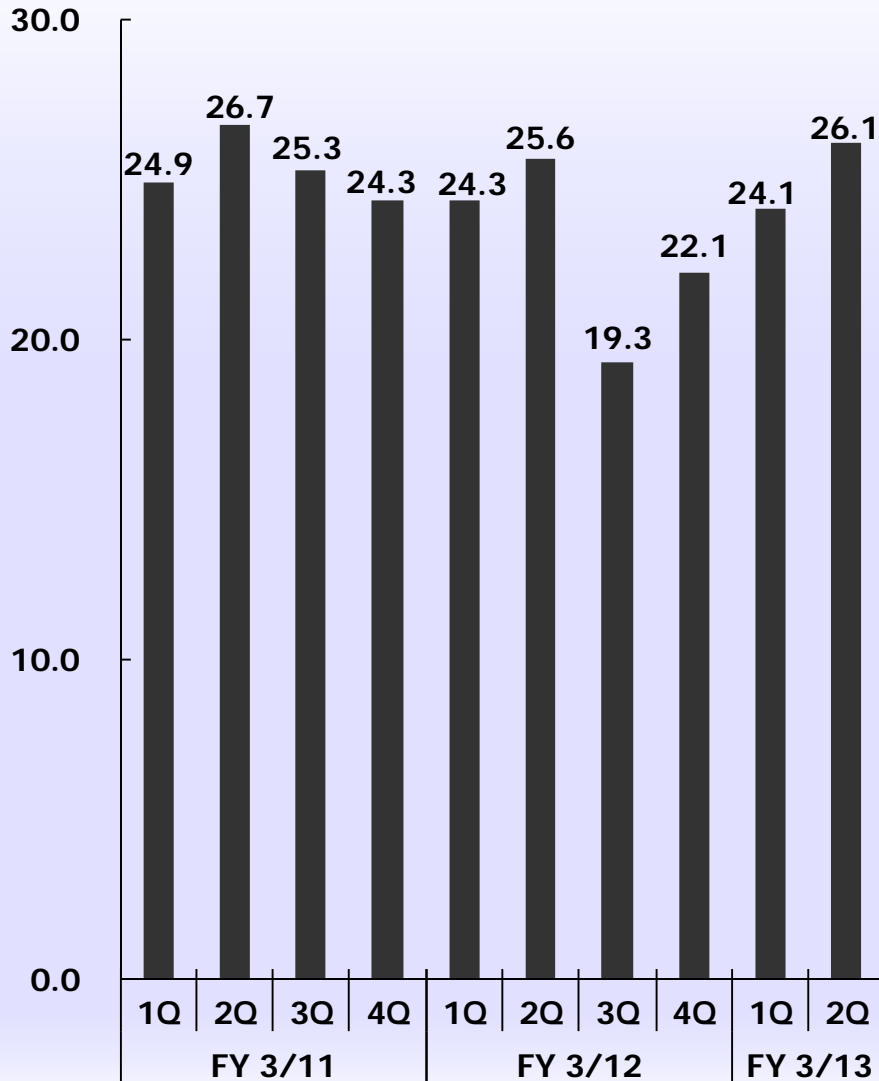
Operating income

(Billions of yen)



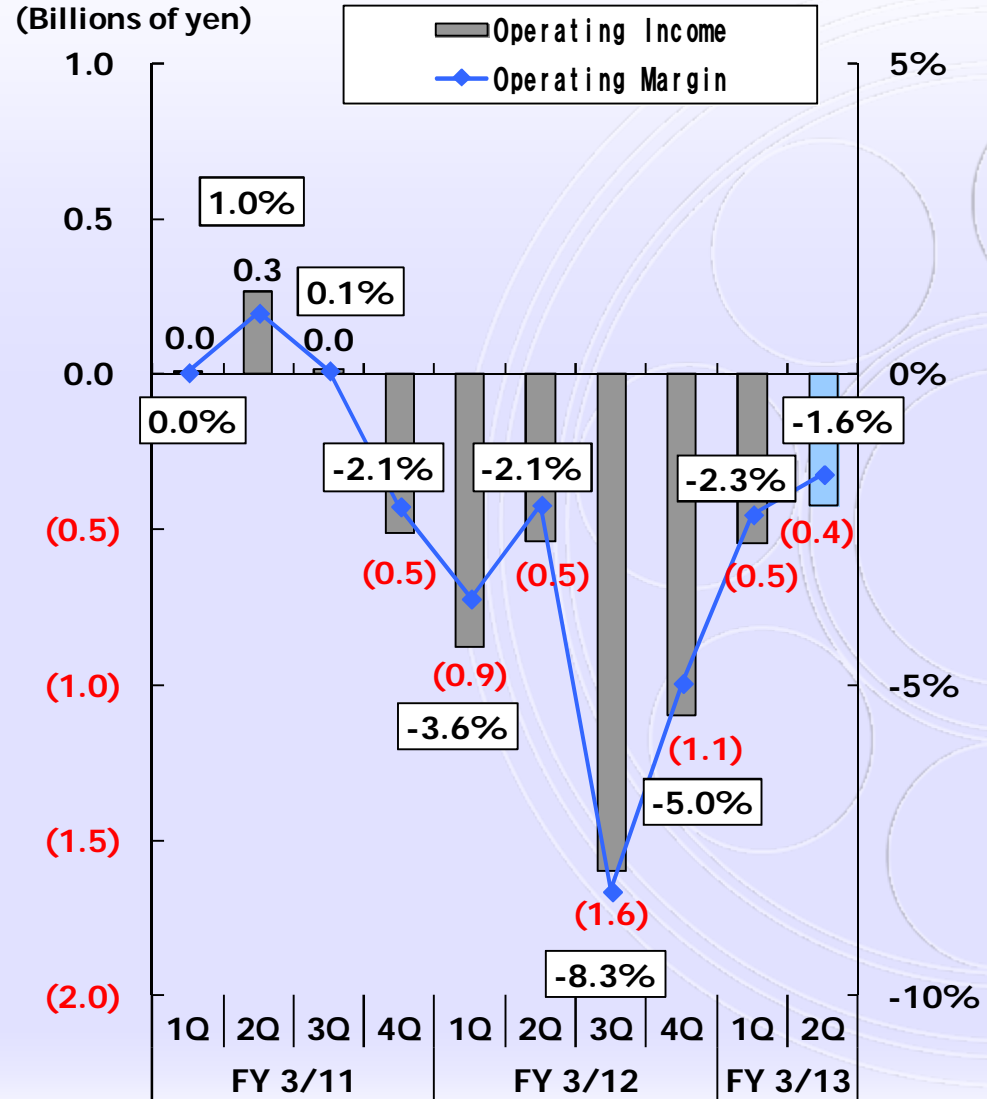
Net sales

(Billions of yen)

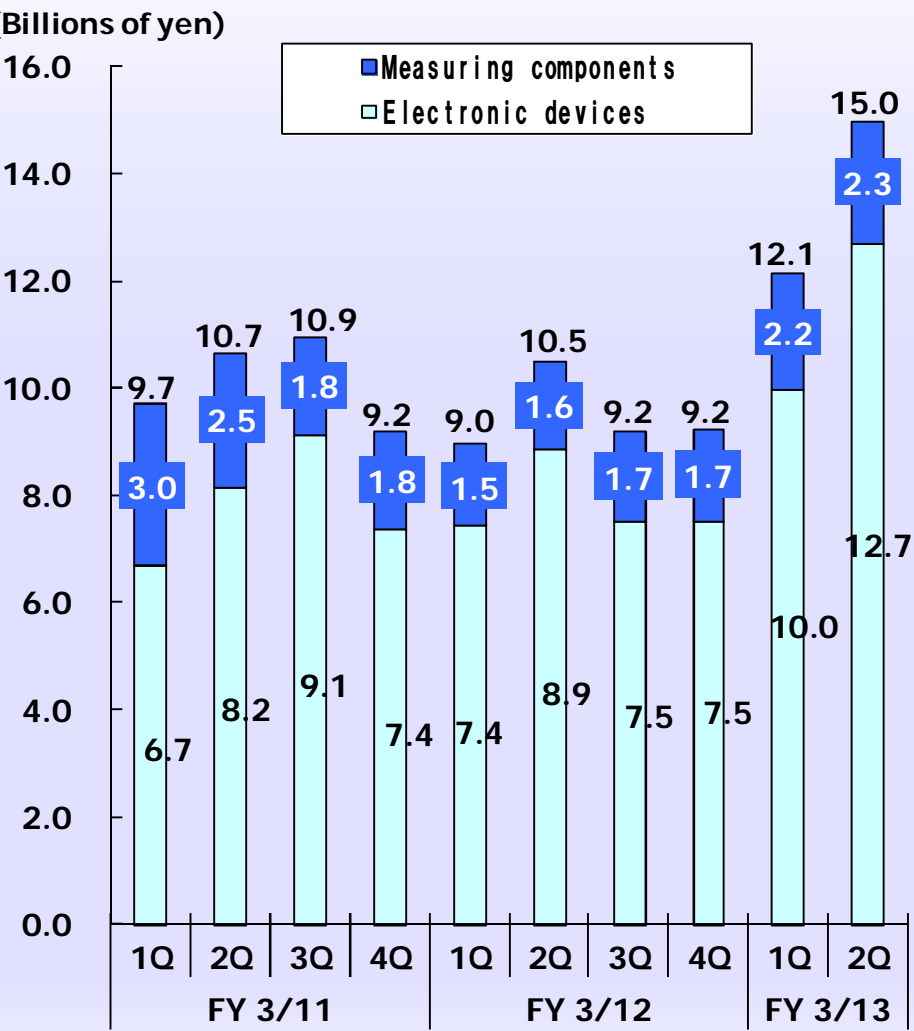


Operating income

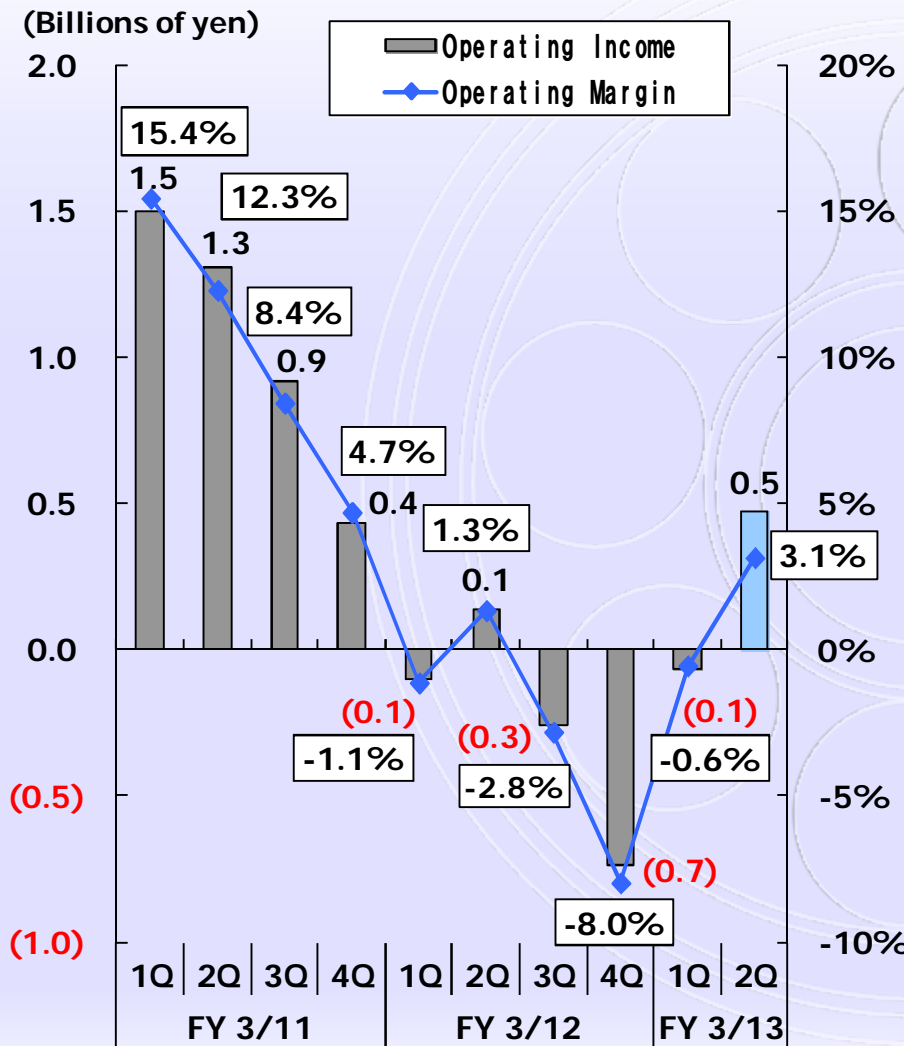
(Billions of yen)



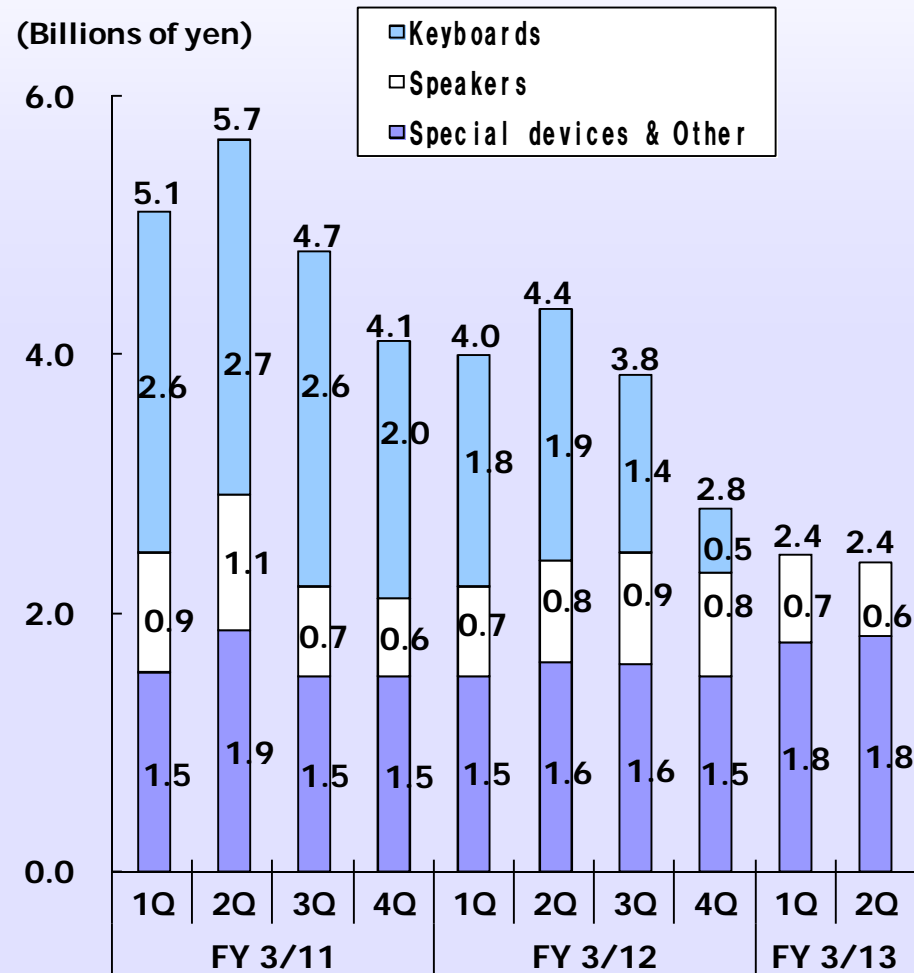
Net sales



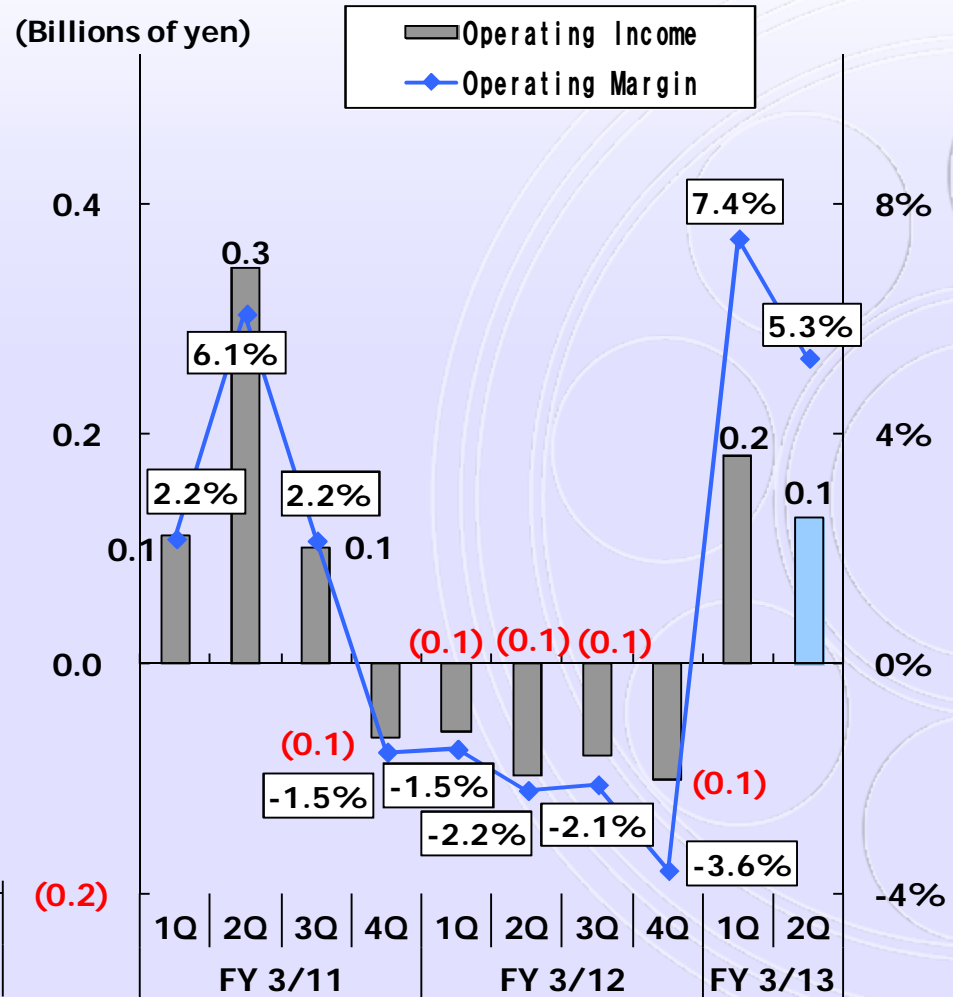
Operating income



Net sales

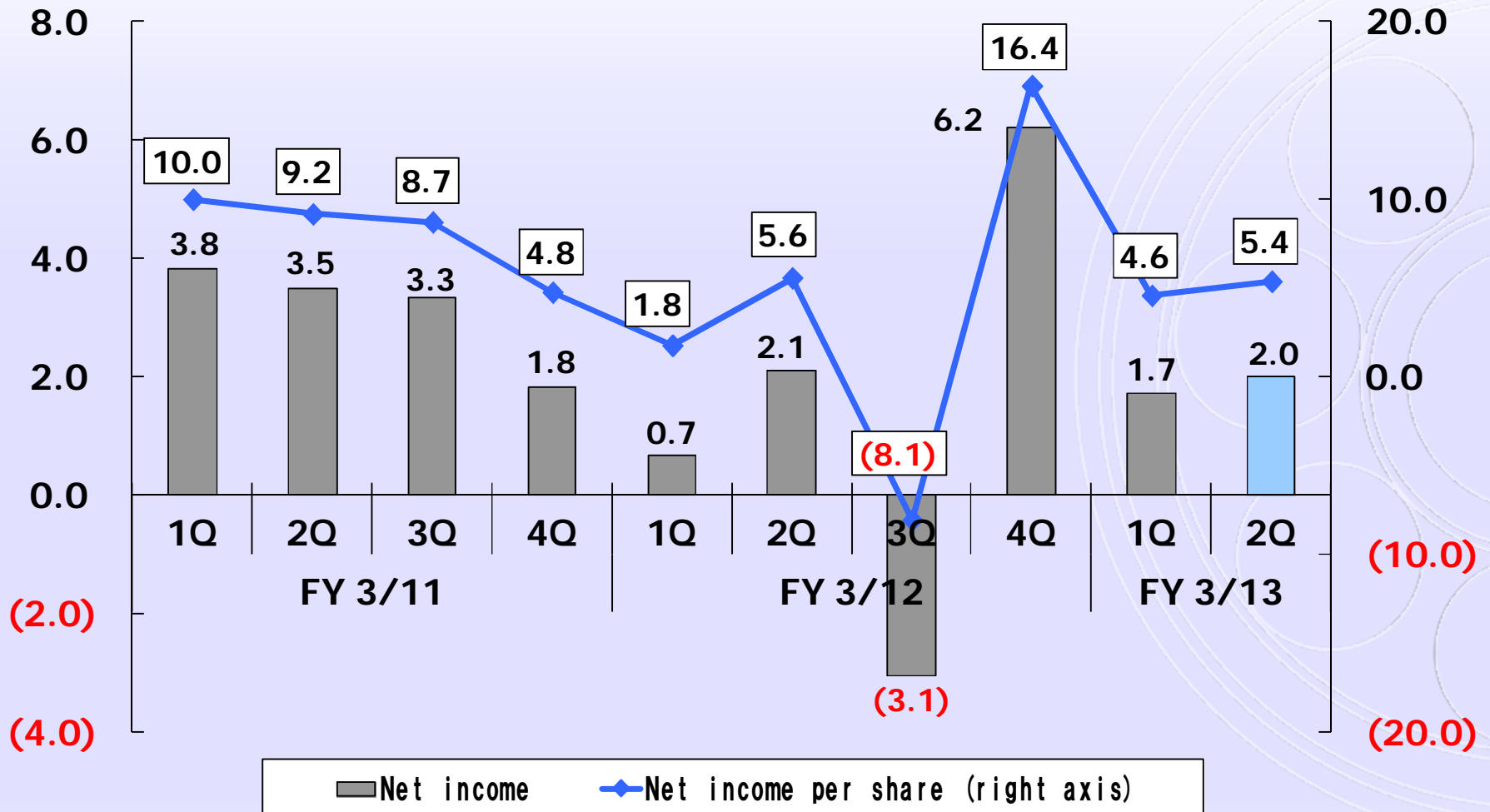


Operating income

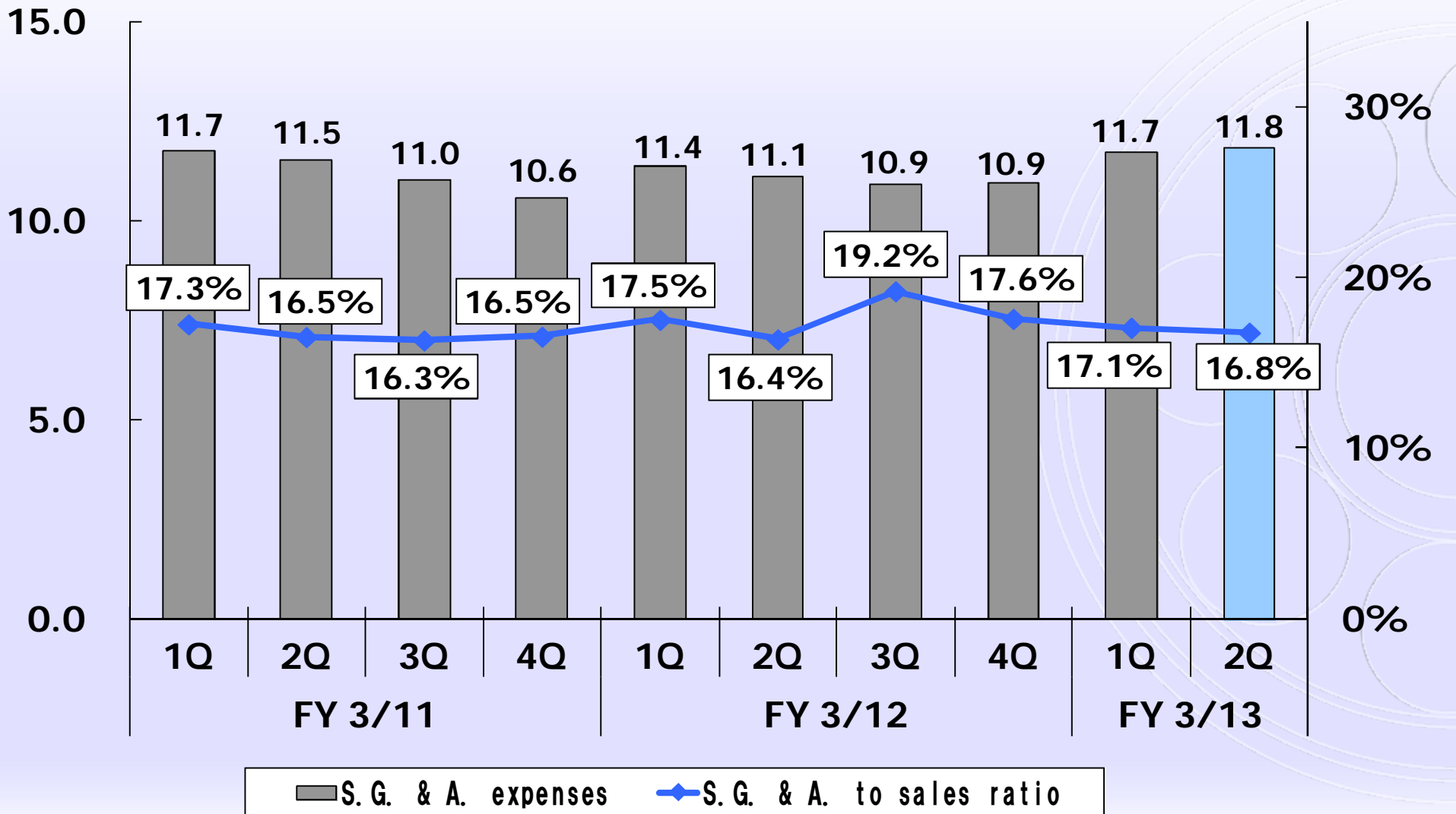


Decreased 4.7% YoY
Increased 16.5% QoQ

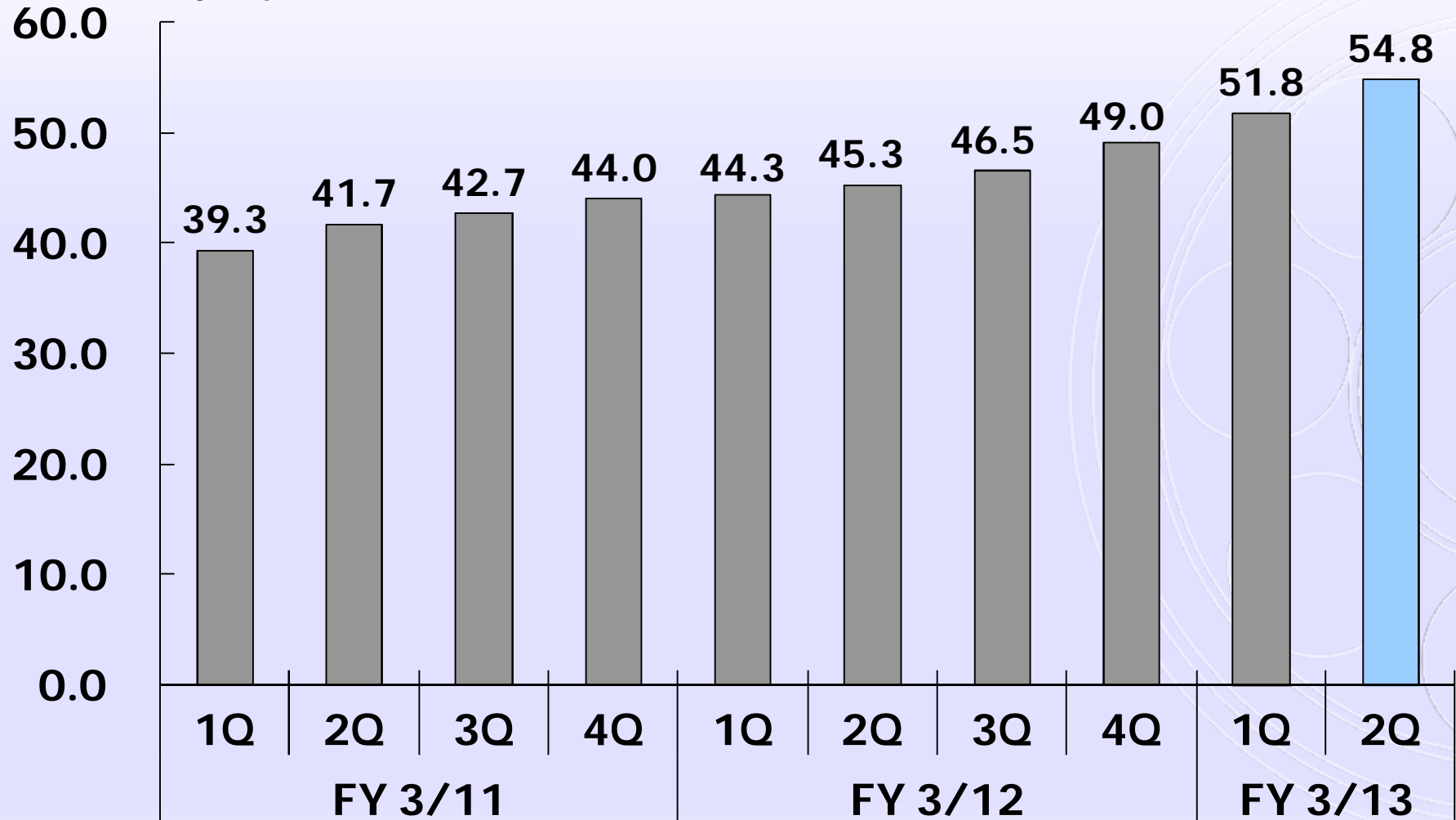
(Billions of yen)



(Billions of yen)

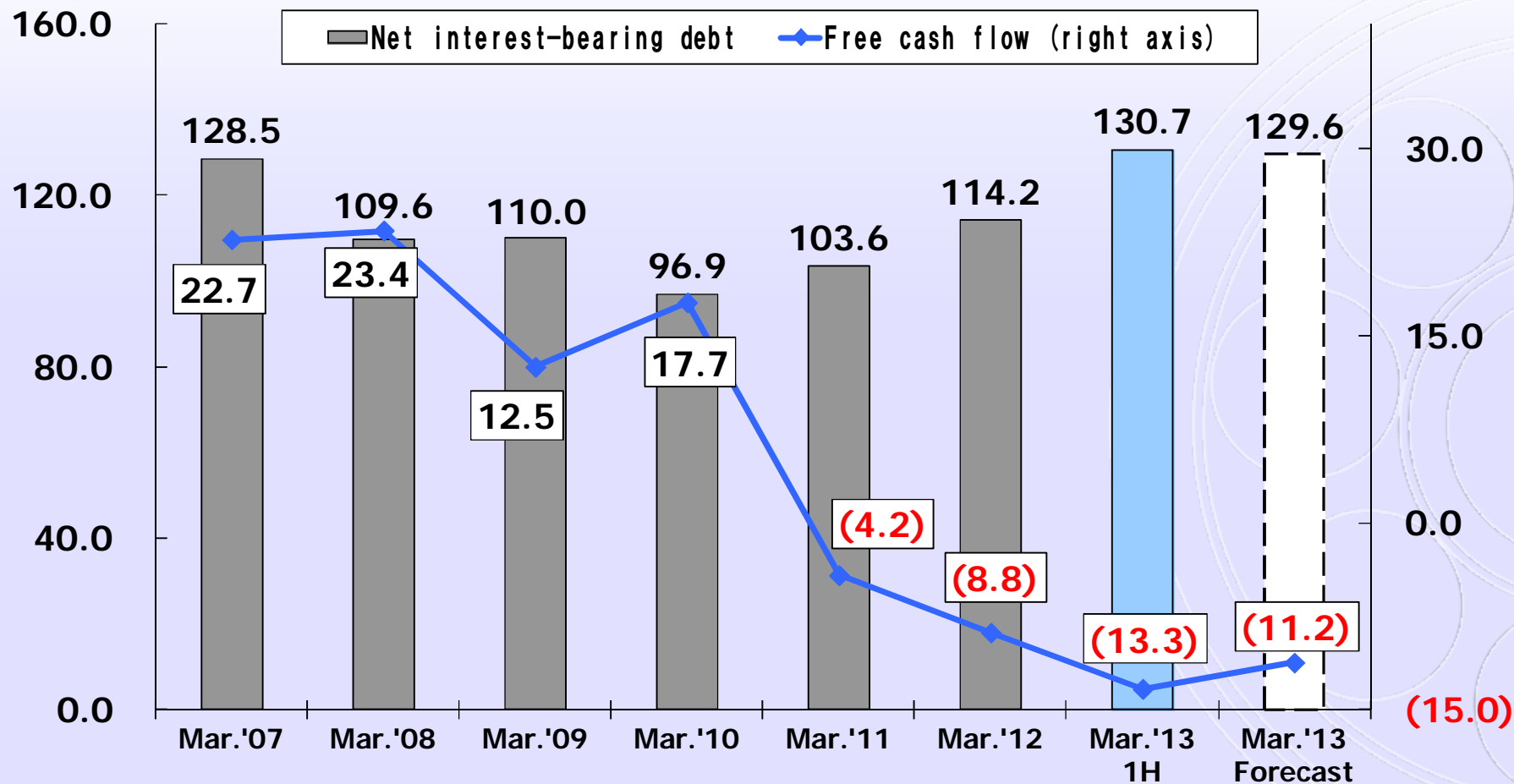


(Billions of yen)



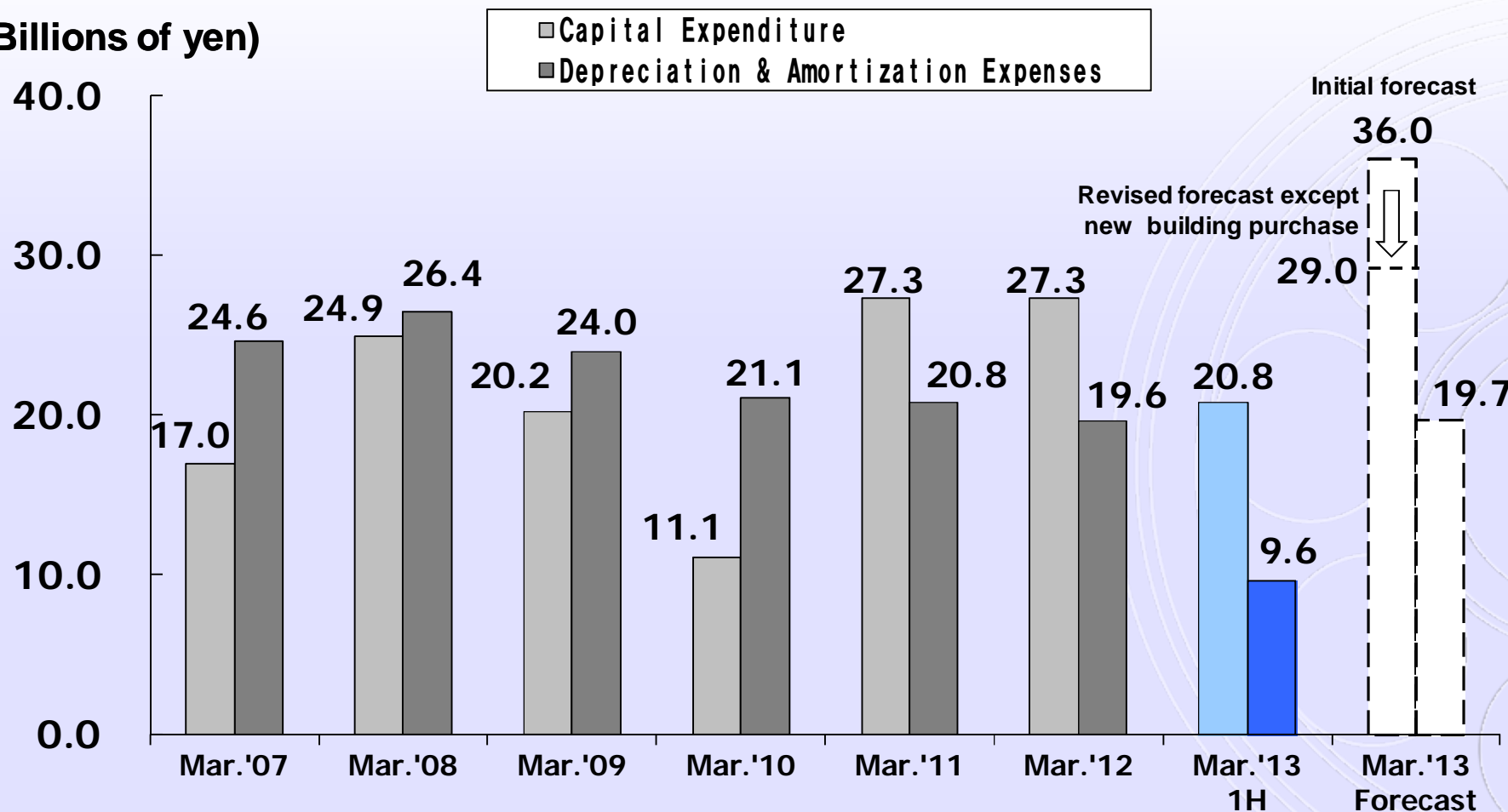
(Billions of yen)

(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

(Billions of yen)



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

Full year forecast is revised downward due to global economic slowdown

(Millions of yen)	FY ended Mar. '12	Fiscal Year ending Mar. '13				Fiscal Year ending Mar. '13 Initial forecast	
	Full Year	1H	2H revised Forecast	Full Year revised Forecast	YoY	2H	Full Year
Net sales	251,358	139,101	152,899	292,000	+16.2%	163,900	312,000
Operating income	8,599	7,700	7,800	15,500	+80.3%	13,900	23,300
Ordinary income	6,499	6,942	6,058	13,000	x 2.0	12,600	20,800
Net income	5,922	3,720	3,680	7,400	+24.9%	6,900	12,500
Net income per share (yen)	15.63	9.94	9.87	19.81	+26.7%	18.53	33.50

Foreign exchange rates	Mar. '12 Full year	1H of FY Mar. '13	2H of FY Mar. '13 Assumption	FY ending Mar. '13 Assumption
US\$	¥79.07	¥79.73	¥77.00	¥78.37
Euro	¥110.20	¥101.27	¥103.00	¥102.14
Thai Baht	¥2.59	¥2.55	¥2.50	¥2.53
Chinese RMB	¥12.33	¥12.56	¥12.20	¥12.38

2H of FY Mar. '13 Assumption	FY ending Mar. '13 Assumption
¥77.00	¥77.00
¥103.00	¥103.00
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Forecast for Business Segment

(Millions of yen)	FY ended Mar. '12	FY ending Mar. '13			Change
	Full year	1H	2H revised Forecast	Full Year revised Forecast	YoY
Net sales	251,358	139,101	152,899	292,000	+16.2%
Machined components	107,037	56,944	54,256	111,200	+3.9%
Rotary components	91,363	50,219	51,281	101,500	+11.1%
Electronic devices and components	37,887	27,110	42,390	69,500	+83.4%
Other	15,068	4,827	4,973	9,800	-35.0%
Operating income	8,599	7,700	7,800	15,500	+80.3%
Machined components	25,611	14,471	12,729	27,200	+6.2%
Rotary components	-4,118	-962	-1,438	-2,400	-
Electronic devices and components	-959	404	2,696	3,100	-
Other	-338	308	-8	300	-
Adjustment	-11,595	-6,520	-6,180	-12,700	-

Policy and Strategy

November 2, 2012

Yoshihisa Kainuma

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

Changing Business Environment

**Rebound from the earthquake and the floods
OP margin improved in all business segments**



Changing business environment

Global economy slowdown gathers force
(European debt crisis lengthen, China slows down)
→ HDD market cools down (PC sales sluggish)
→ Factory automation, office automation sales sluggish
→ Auto sales sluggish, particularly in Chinese market

Upsides

- Continued uptick in smartphone- and PC-related orders
- Continued uptick in aircraft part orders
- Steady sales increase in hybrid components

HDD market cooling and the pivot business

PC sales fail to thrive, leading to HDD market's sudden chill

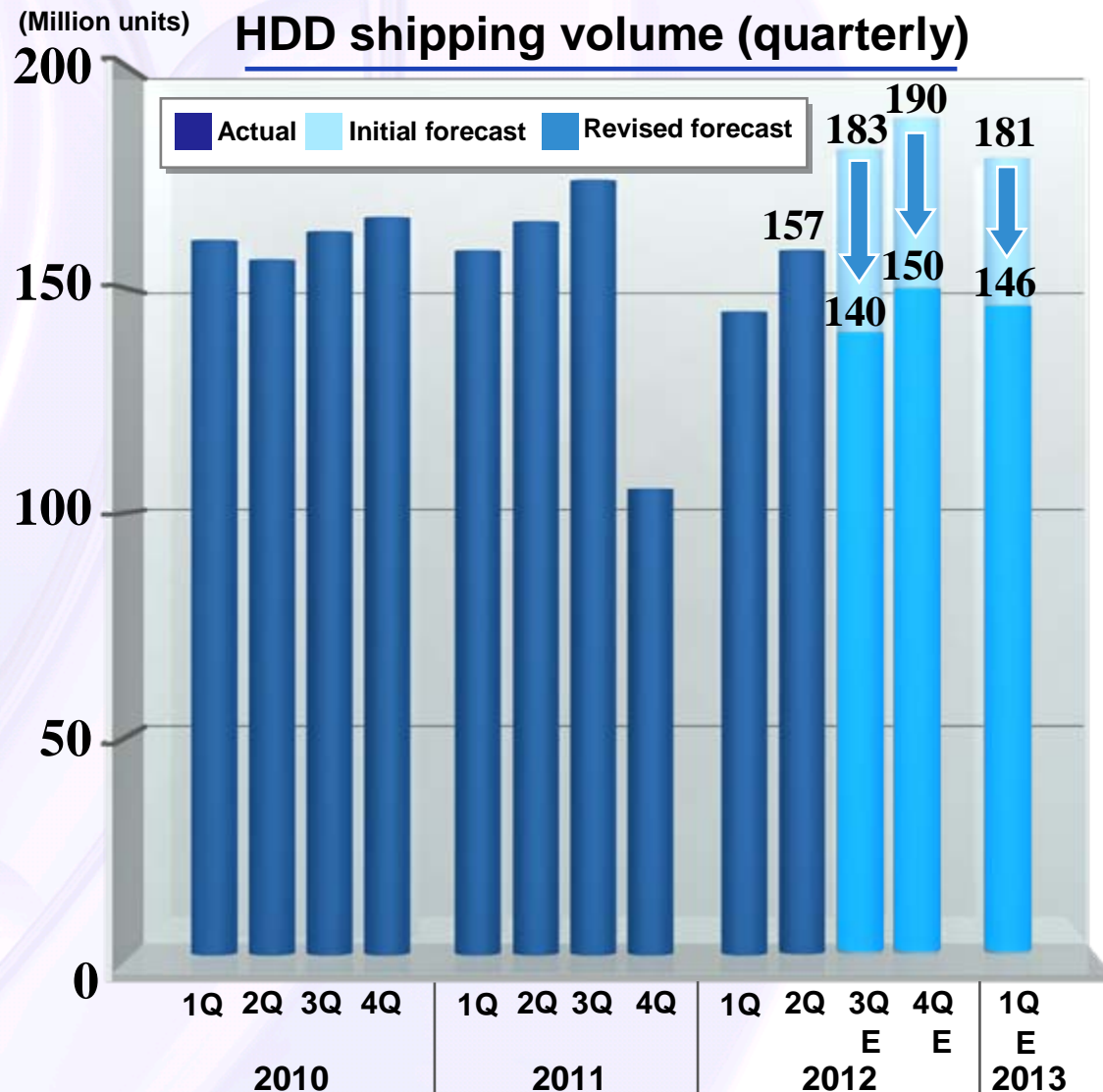
Downward revision of pivot sales projections for this FY

HDD market medium-term growth potential unchanged

HDD is the only meaningful storage choice for exploding digital data worldwide

Maintaining high market share

Maintaining post-Thai Floods 80% share
 In particular, newest high-value-added products (7mm-height, 5mm-height) lead competitors



(Source: TSR, October 11, 2012)

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HDD spindle motor business

HDD market cooling



2Q falls just short of actual break-even targets

**Restoration of post-Thai Floods in-house production capacity
nearly complete**



Renewal of new facilities for greatly increased productivity

**Maintaining servers and 7mm height high-value-added
products at center of product mix**



**Aim to establish earnings structure based on stable
sales volume in 2H and thereafter**

Changing Business Environment

**Rebound from the earthquake and the floods
OP margin improved in all business segments**



Changing business environment

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Minebea's strengths in the current business environment

Business Mix

Retaining diversified businesses

Product Mix

Supplying a wide range of products from general-purpose to high-value-added products

Market Mix

Supplying parts to a variety of product markets

Sales Region Mix

Supplying products globally

Production Region Mix

Production in 13 countries, in Japan, US, Europe and Asia

Changing business environment and actions in response

Unfavorable business environment foreseen for 2H as well



Responding to the changing environment with a shift from active investment to selective investment

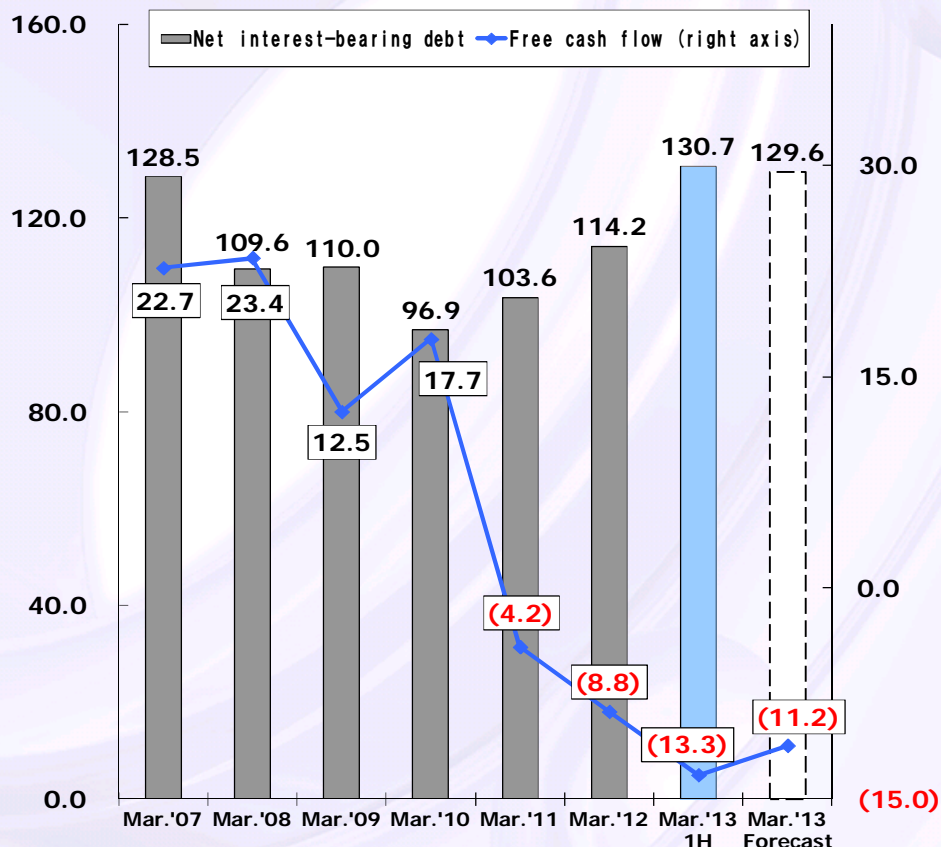
Focus on cash flow

- Curbing unnecessary/non-urgent capital expenditure
- Compressing inventories
- Curbing expenses
- Curbing overtime works
- Aiming to maintain machine efficiency, to prepare for production recovery

Focus on cash flow and curbing of capital expenditure

Focus on cash flow and curbing non-urgent capital expenditure, given the increase in net interest-bearing debts

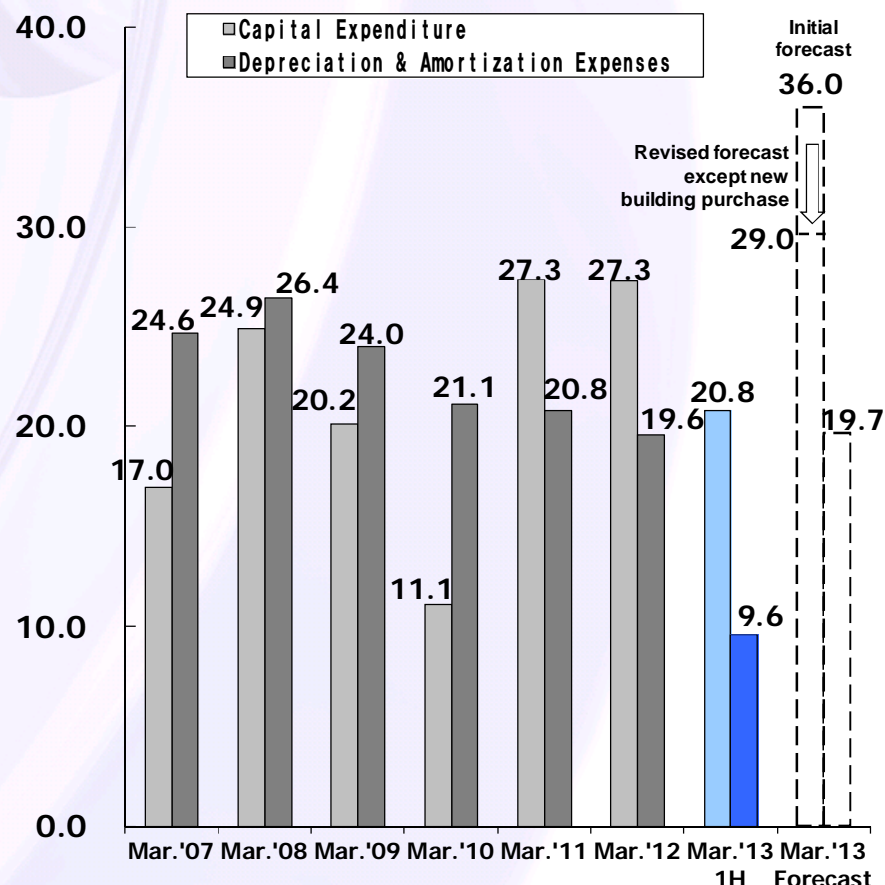
(Billions of yen)



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(Billions of yen)



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Changing business environment and actions in response

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Focus on cash flow

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Focused Measures in 2H

Turn Japanese customers' China Plus One into a business chance

- Draw out merits of Cambodia and Philippines plants
- Accelerate expansion of hybrid components

Complete rotary components structural reform by March 2013

Further enhance machined components business

Strengthen business with M&A and alliances

Draw out merits of Cambodia and Philippines plants

Minebea is China Plus Two

In Cambodia, micro actuators and brush DC motors production shift now taking place. Since time is required to organize reception structure and customers' approval, completion within this FY is the target.

Brushless motors, LED backlights also in process of partial production shift

Expecting 3,000 employees in Cambodia by March 2013

Grasp Japanese customers' move to China Plus One and expand hybrid component business; construction in progress of 2nd building

**Moatech Philippine plant use
Voice coil motors: ten million units per month production system
to be completed within this year.
Other motor production also under consideration**

Focused Measures in 2H

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Complete rotary components structural reform by March 2013

Further enhance machined components business

Strengthen business with M&A and alliances

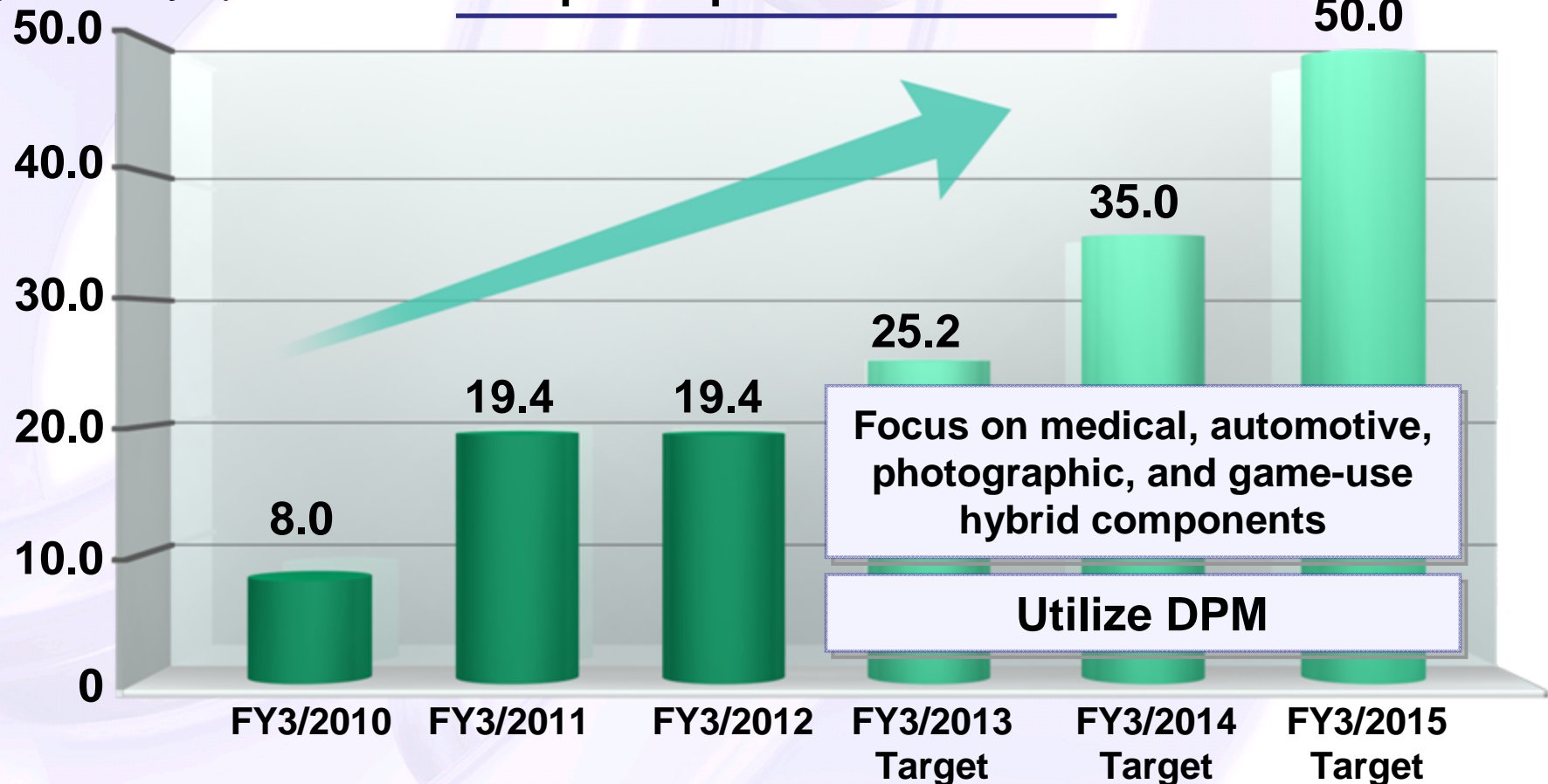
Re-expansion of hybrid components sales

**Sales Target : ¥25.2 billion for this FY
¥50.0 billion for FY3/15**

Enhance R&D

(Billions of yen)

Composite products net sales



Focused Measures in 2H

Turn Japanese customers' China Plus One into a business chance

- Draw out merits of Cambodia and Philippines plants
- Accelerate expansion of hybrid components

Complete rotary components structural reform by March 2013

Further enhance machined components business

Strengthen business with M&A and alliances

Complete rotary components structural reform by March 2013

Reduce deficits in unprofitable businesses

**Complete production shift to Cambodia
by March 2013**

**Establish sound profit structure
regardless of economic cycle**

**European Motion Technologies business unit turned
profitable in September**

**Moatech sale and profit declined.
Voice coil motors are growing.**

Focused Measures in 2H

Turn Japanese customers' China Plus One into a business chance

- Draw out merits of Cambodia and Philippines plants
- Accelerate expansion of hybrid components

Complete rotary components structural reform by March 2013

Further enhance machined components business

Strengthen business with M&A and alliances

Toward the next fiscal year

Boost ball bearing sales

Focus on applications other than for HDD pivot assemblies

Expand sales in rod-ends and fasteners

Jump up in LED backlight sales

Promote new orders

Expand hybrid component sales

Enhance development functions by the new Tokyo R&D center

Additional increase from M&A and alliances

New Medium-term Business Plan Targets (Billions of yen)



Global economic slowdown and ball bearings business

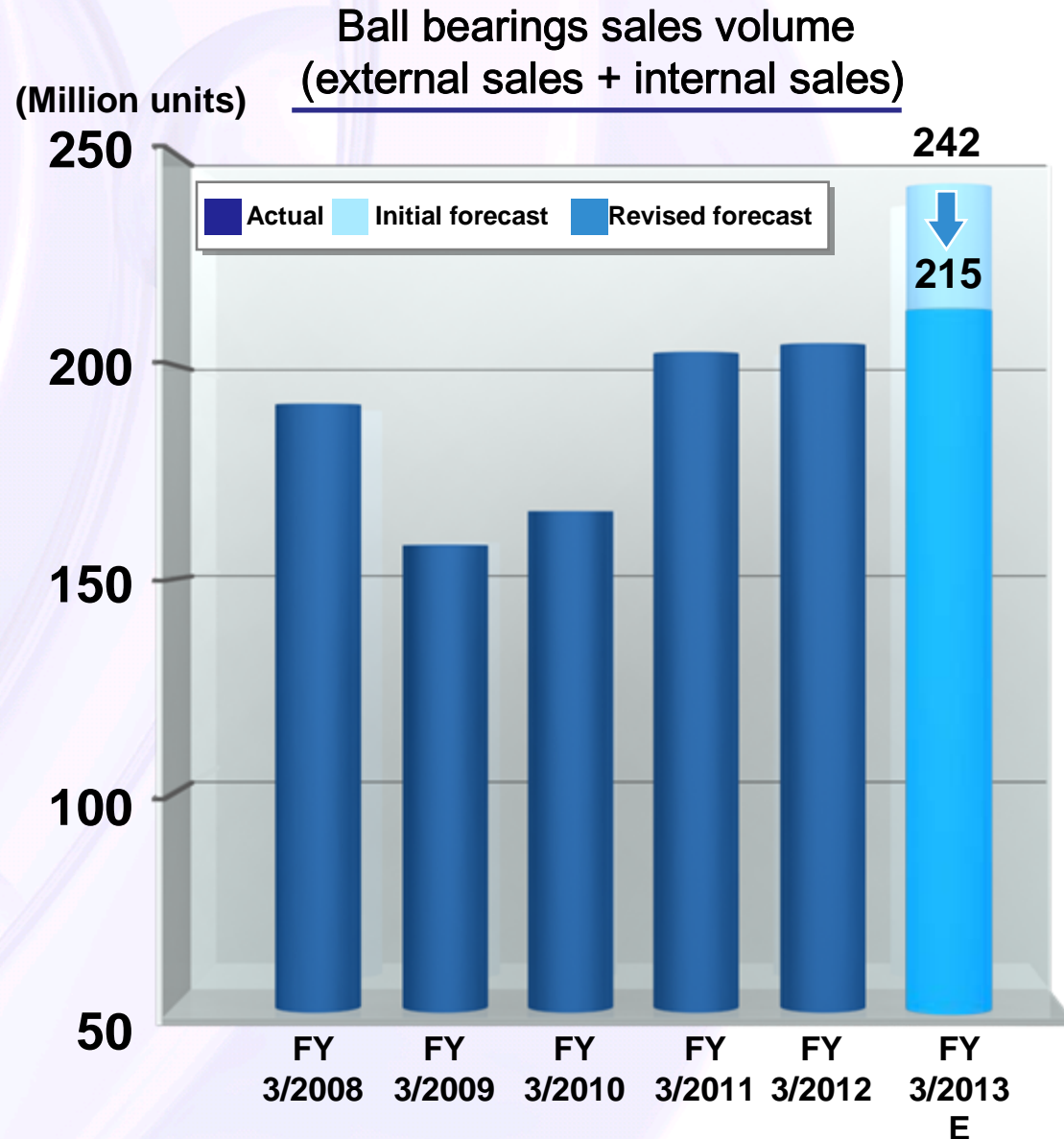
Global economic slowdown & HDD market's sudden chill

Downward revision of sales projections for this FY

Change in mass production structure

Shift from focus on HDD pivots production to other applications including new areas (medium-size and low-cost mass-produced products)

Reinforcing approaches to labor cost reduction along with production cut, work to solidify profit



Toward the next fiscal year

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New Medium-term Business Plan Targets (Billions of yen)



Steady orders in rod-end fastener business

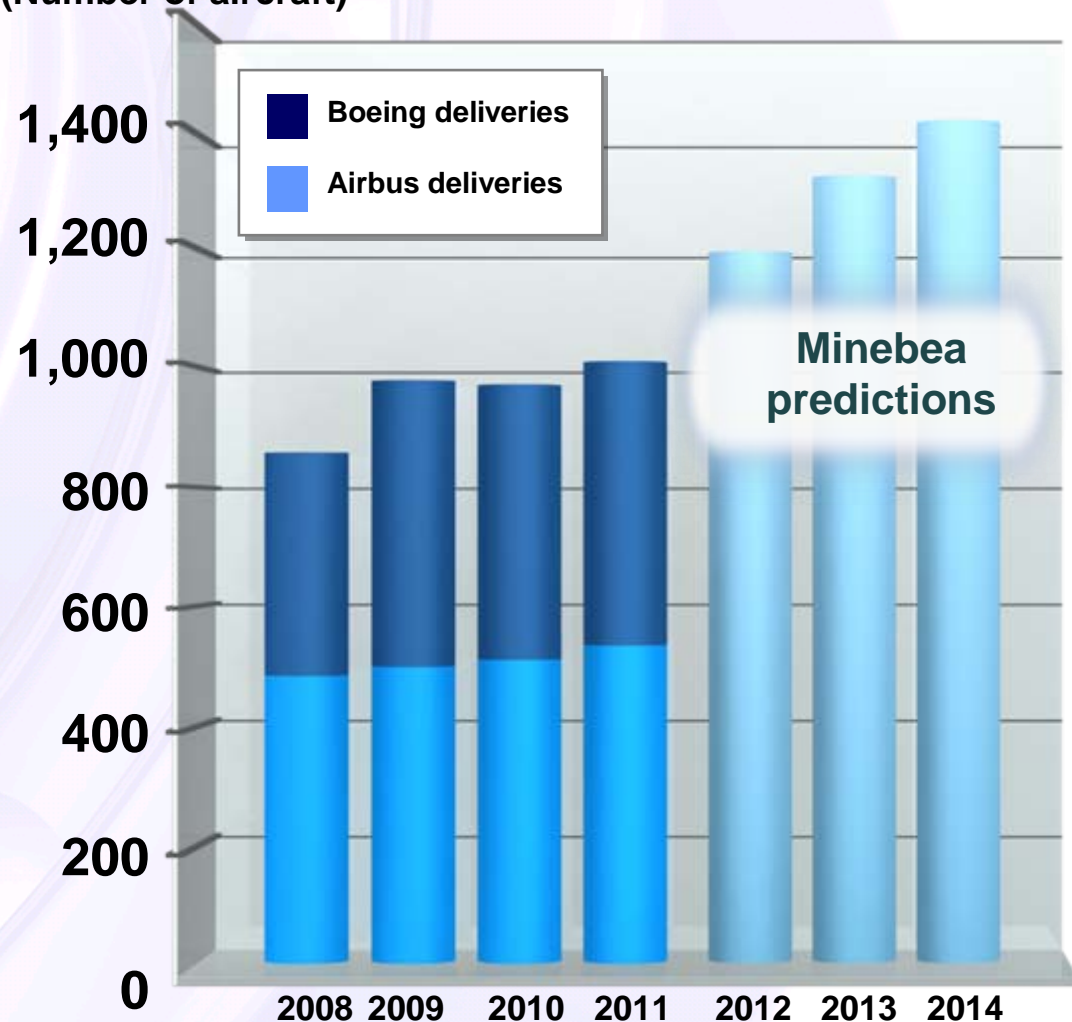
**Aircraft orders increase,
aircraft parts market
continues to expand
medium-term.**

**Sales and profitability
continue to increase
steadily**

- Expansion of standard product manufacturing capacity at Lop Buri Plant in Thailand, in order to lower production costs
- Focus on order activities of new energy-saving aircraft (A350XWB, A320Neo, Boeing737MAX etc.)

Boeing, Airbus commercial aircraft deliveries

(Number of aircraft)



(Source: Boeing, Airbus, predictions by Minebea)

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Expand sales in rod-ends and fasteners

Jump up in LED backlight sales

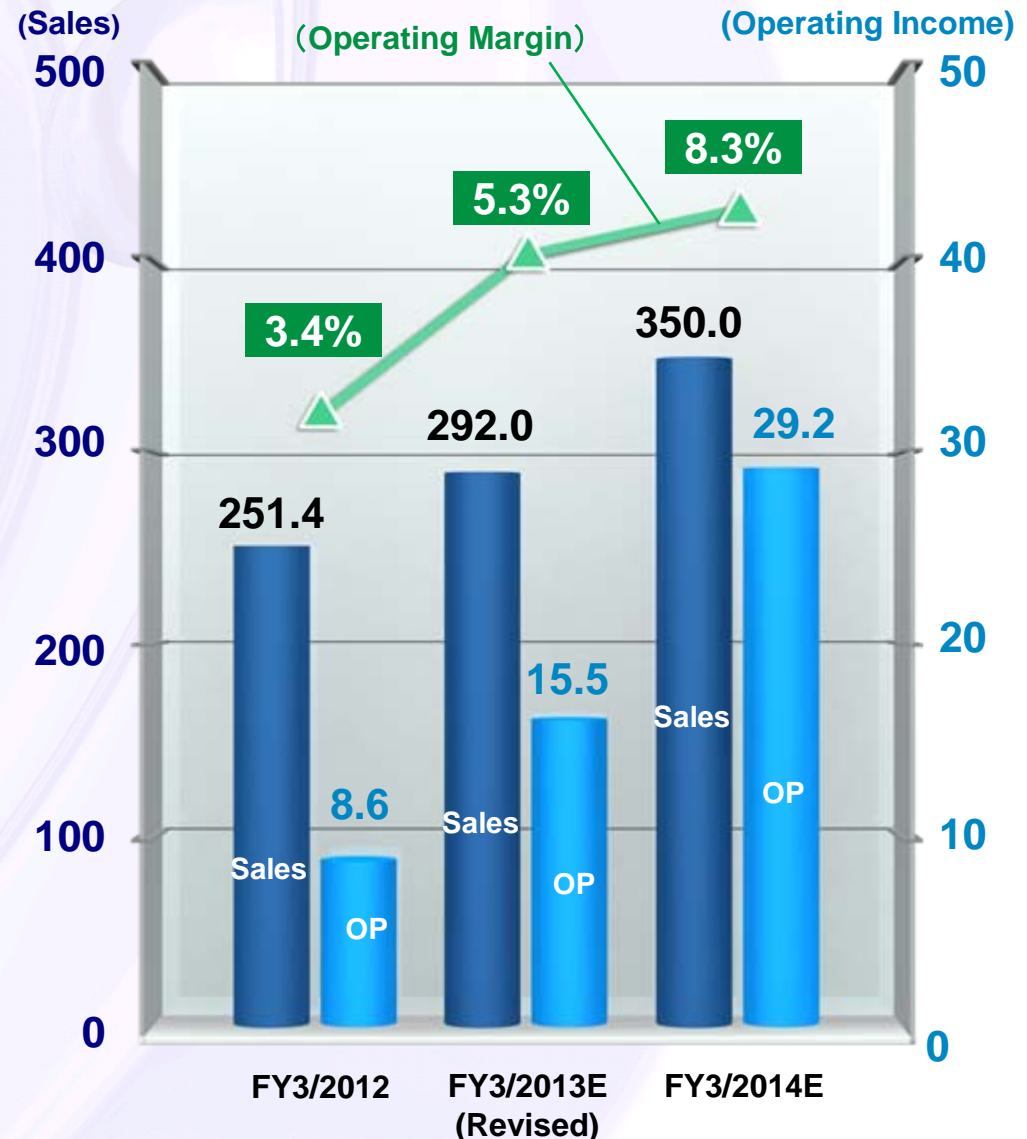
Promote new orders

Expand hybrid component sales

Enhance development functions by the new Tokyo R&D center

Additional increase from M&A and alliances

New Medium-term Business Plan Targets (Billions of yen)



Sales & profits jump up in LED backlight business

Solid profit contribution in 2H

Solutions at hand for technical problems in various fields

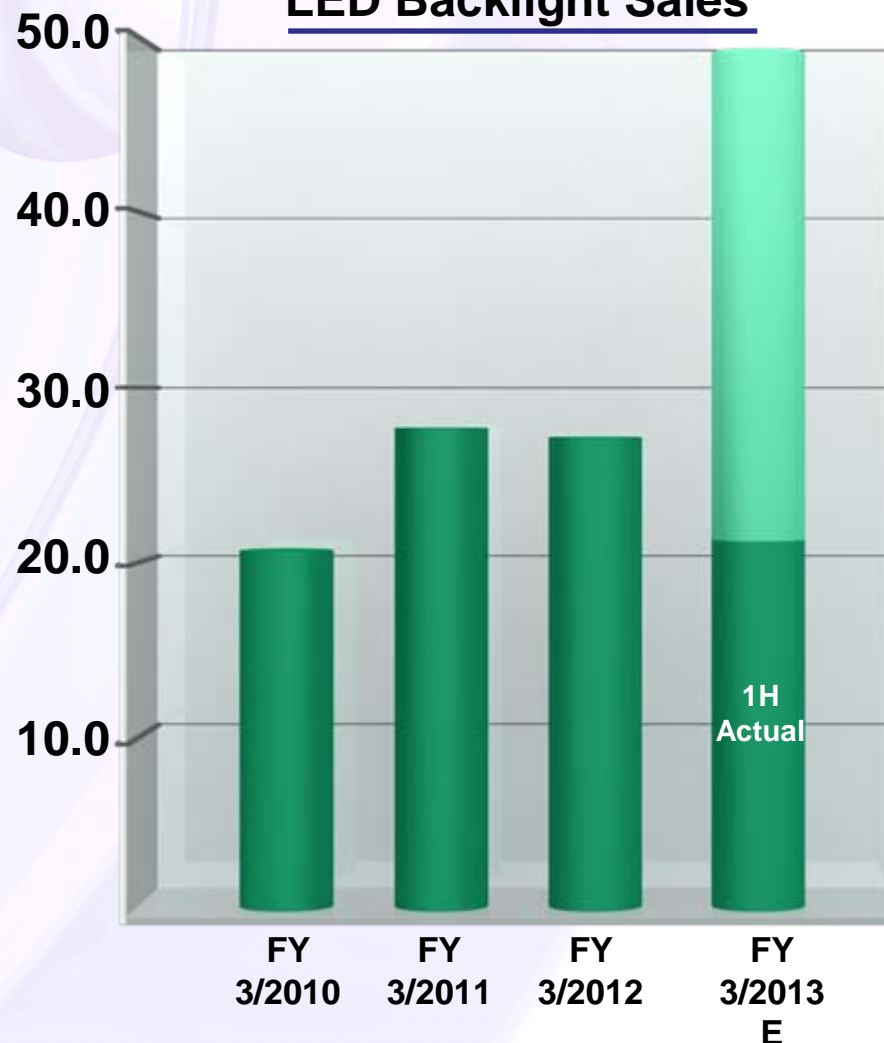
Sales for tablet PCs and smartphones show sharp rise

Toward further increased sales, tablet PC-sized products see enhancement of new order activity

Toward better cost competitiveness, introduction of automated machines and promotion of sub-assembly in Cambodia

(Billions of yen)

LED Backlight Sales



Toward the next fiscal year

Boost ball bearing sales

Focus on applications other than for HDD pivot assemblies

Expand sales in rod-ends and fasteners

Jump up in LED backlight sales

Promote new orders

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Enhance development functions by the new Tokyo R&D center

Additional increase from M&A and alliances

New Medium-term Business Plan Targets (Billions of yen)



Opening of Tokyo Research Development Center under president's direct control

Positioning as a profit-center rather than cost center

- In new Tokyo Headquarters building purchased in August 2012, opening planned at the beginning of 2013 (about 60 employees to begin with)
- In Tokyo, where researchers and data gather, plan for speedy development function of hybrid component products
- Timely acquisition of skilled researchers and technical developers with increased mobility

Large tax break merit in sale of land post-transfer of Omori Plant

Moving to our own building allows large-scale actual cost cutting



(Mita, Minato-ku, Tokyo)

Toward the next fiscal year

Boost ball bearing sales

Focus on applications other than for HDD pivot assemblies

Expand sales in rod-ends and fasteners

Jump up in LED backlight sales

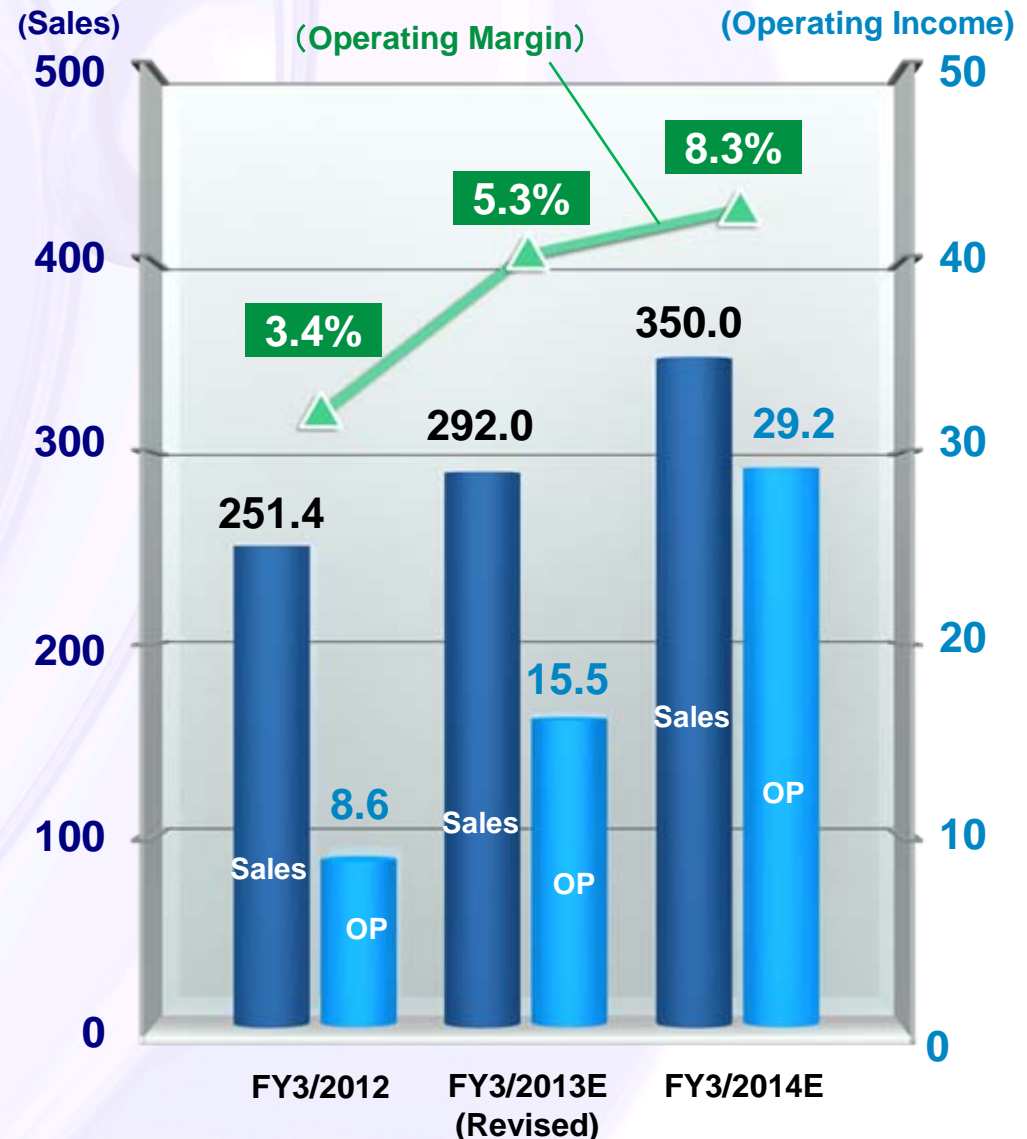
Promote new orders

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Enhance development functions by the new Tokyo R&D center

Additional increase from M&A and alliances

New Medium-term Business Plan Targets (Billions of yen)



M&A and alliance strategies

Given current economic trends, large-scale M&As to be handled cautiously for the moment

Precedence given to enhancing machined components business

- Enhance various alliances in machined components business field
- In other business fields as well, use M&A and alliances as necessary, as a method of business enhancement

Toward the next fiscal year

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New Medium-term Business Plan Targets (Billions of yen)



Dividend Policy

Dividend

FY03/2013 interim dividend: **3** yen/share

Dividend forecast for FY03/2013: 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.

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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