

Business Results

Fiscal Year Ended March 31, 2014

May 9, 2014
Minebea Co., Ltd.

1. Financial Results

2. Policy and Strategy

Financial Results

Hiroharu Katogi

Director, Senior Managing Executive Officer

Posting record high net sales and net income

(Millions of yen)	FY ended Mar. '13 Full year	FY ended Mar. '14 Full year	Change YoY	FY ended Mar.'14 February forecast Full year	VS. Forecast
Net sales	282,409	371,543	+31.6%	370,000	100.4%
Operating income	10,169	32,199	X 3.2	30,000	107.3%
Ordinary income	7,673	28,065	X 3.7	26,500	105.9%
Net income	1,804	20,878	X 11.6	19,000	109.9%
Net income per share (yen)	4.83	55.94	X 11.6	50.91	109.9%

Foreign exchange rates	Mar. '13 Full year	Mar. '14 Full year
US\$	¥82.33	¥99.76
Euro	¥106.48	¥133.38
Thai Baht	¥2.67	¥3.18
Chinese RMB	¥13.08	¥16.28

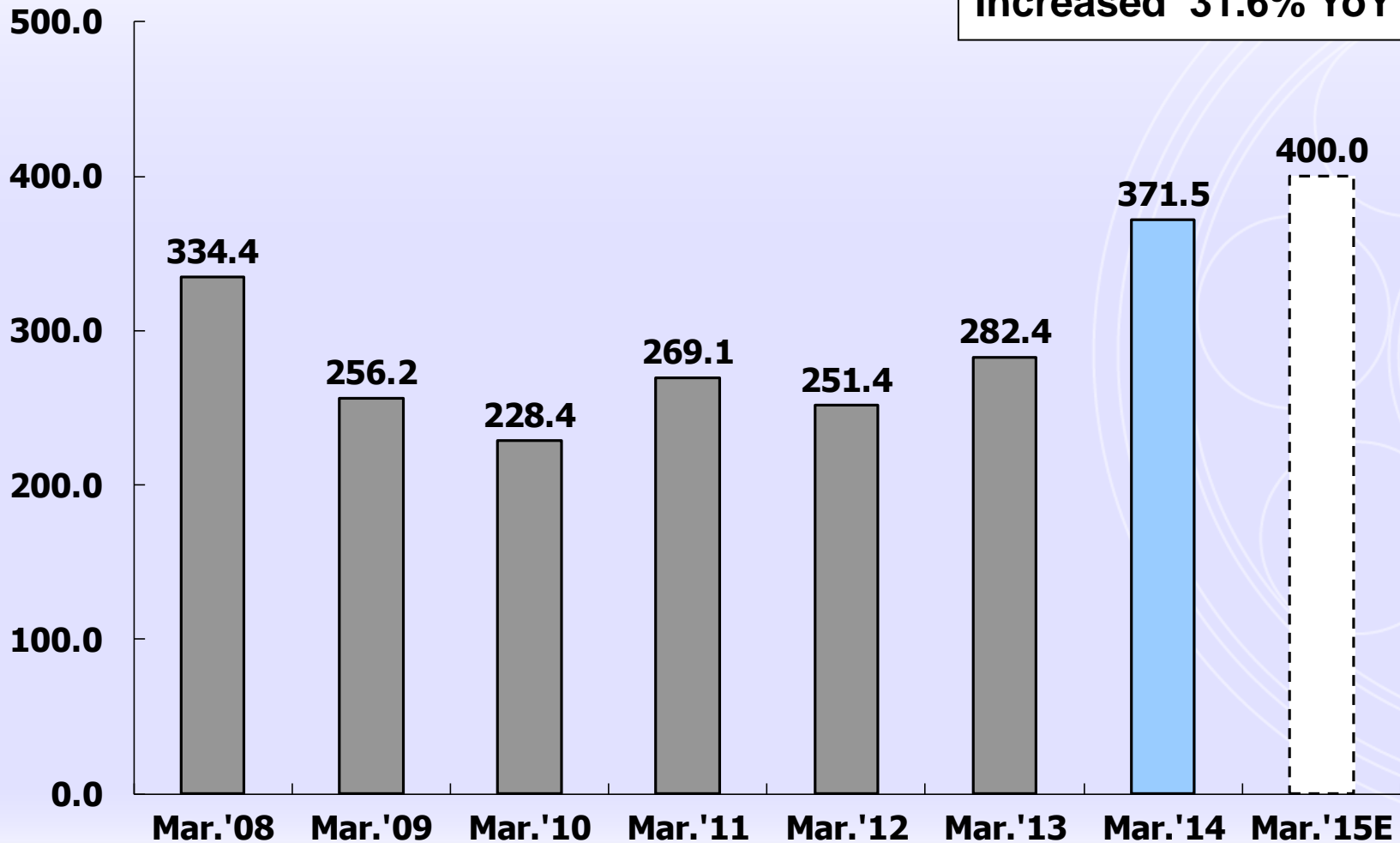
Summary of Consolidated Business Results for 4Q

(Millions of yen)	FY ended Mar. '13	FY ended Mar. '14		Change	
	4Q	3Q	4Q	YoY	QoQ
Net sales	71,601	97,135	93,608	+30.7%	-3.6%
Operating income	-474	10,312	8,883	N.M.	-13.9%
Ordinary income	-1,587	8,370	7,943	N.M.	-5.1%
Net income	-2,992	7,107	4,998	N.M.	-29.7%
Net income per share (yen)	-8.02	19.04	13.38	N.M.	-29.7%

Foreign exchange rates	4Q of FY Mar. '13	3Q of FY Mar. '14	4Q of FY Mar. '14
US\$	¥90.08	¥99.56	¥103.40
Euro	¥120.02	¥135.53	¥141.41
Thai Baht	¥3.00	¥3.16	¥3.15
Chinese RMB	¥14.44	¥16.31	¥16.96

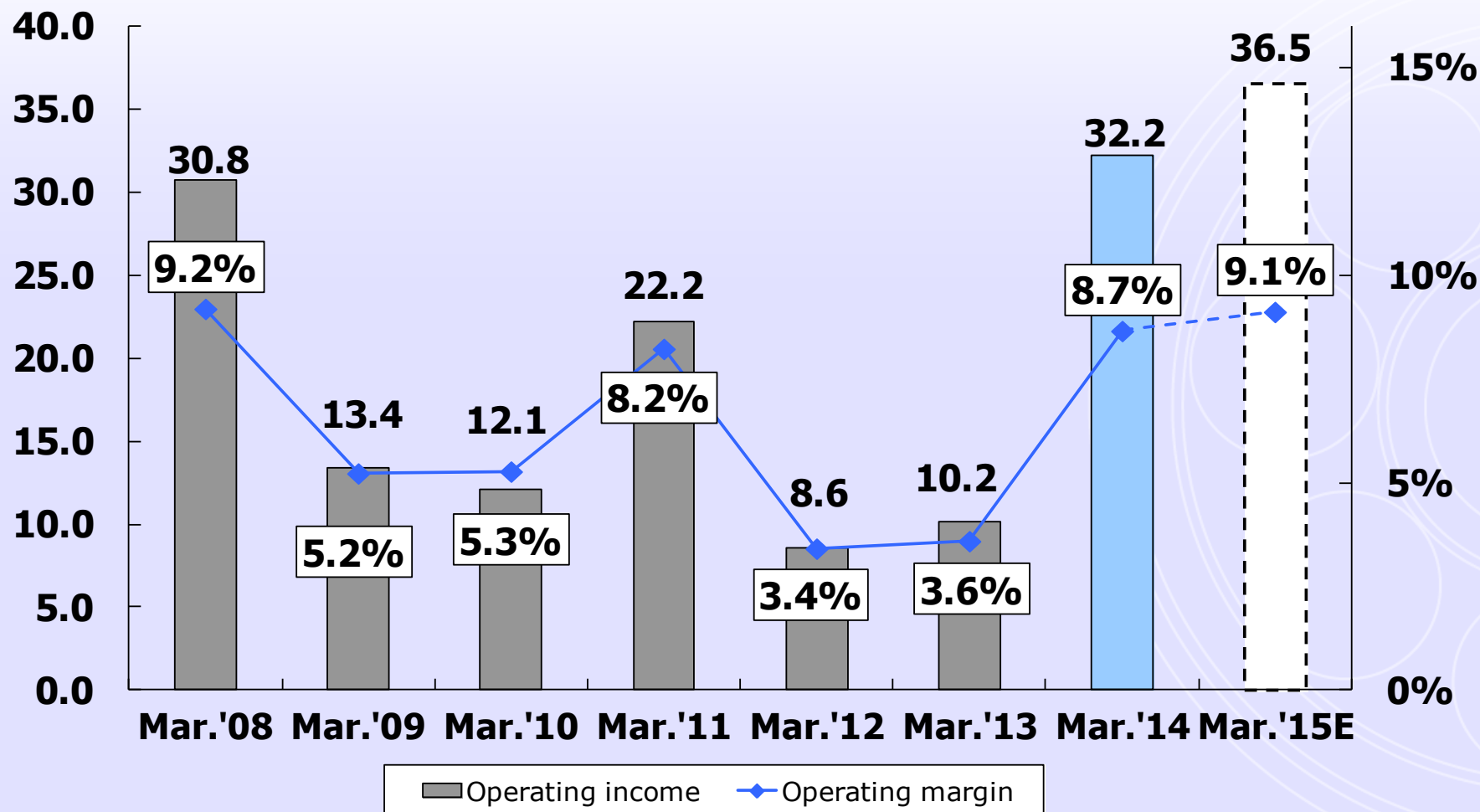
Topping record high net sales

(Billions of yen)



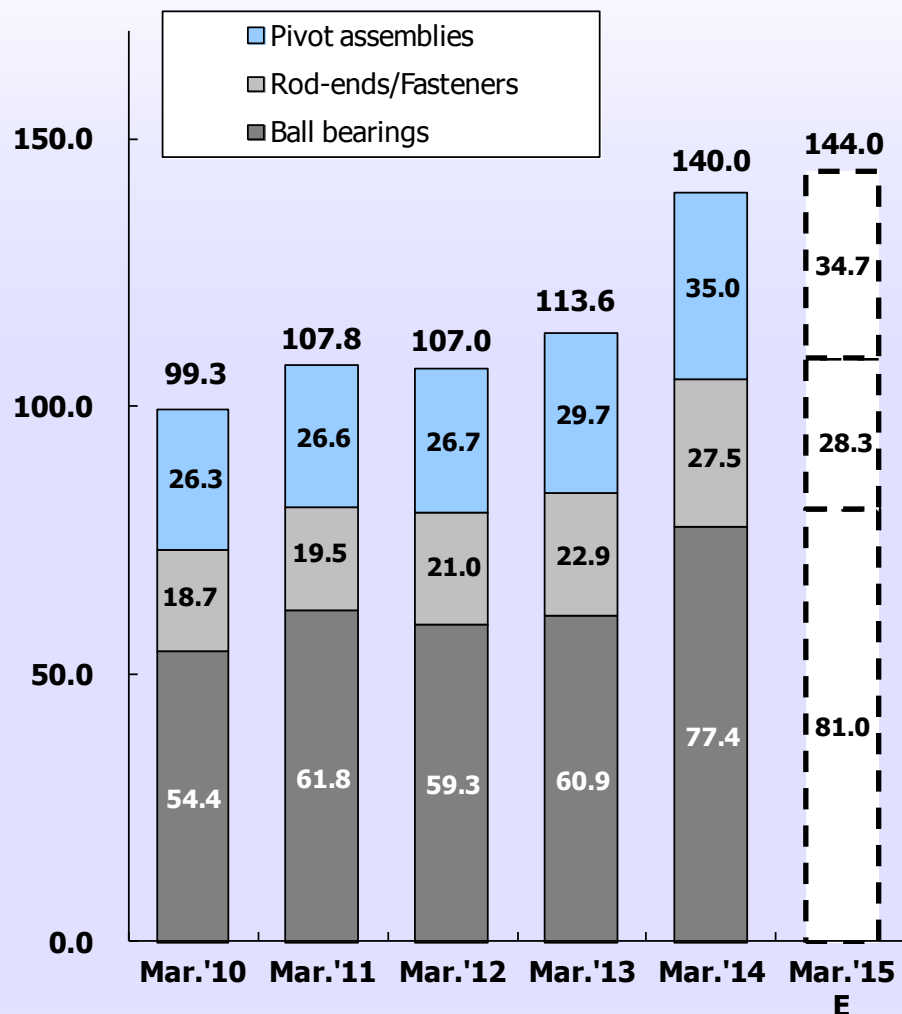
(Billions of yen)

Increased 3.2 X YoY



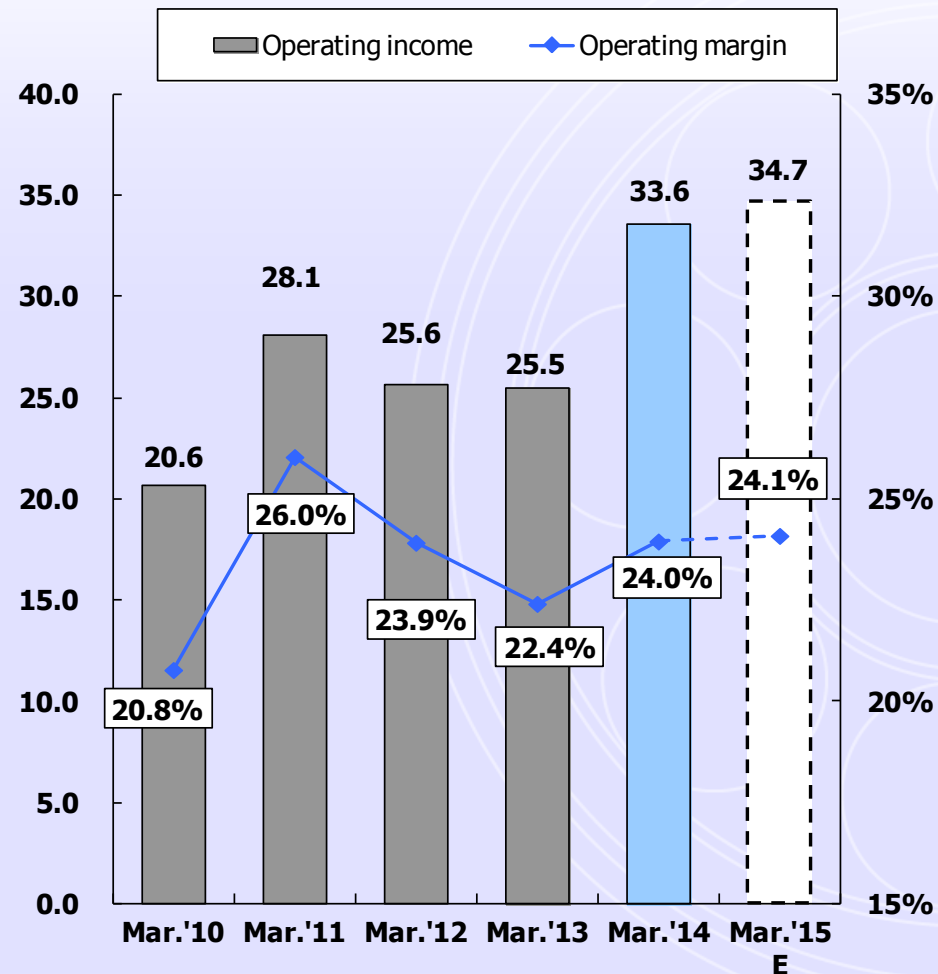
Net sales

(Billions of yen)

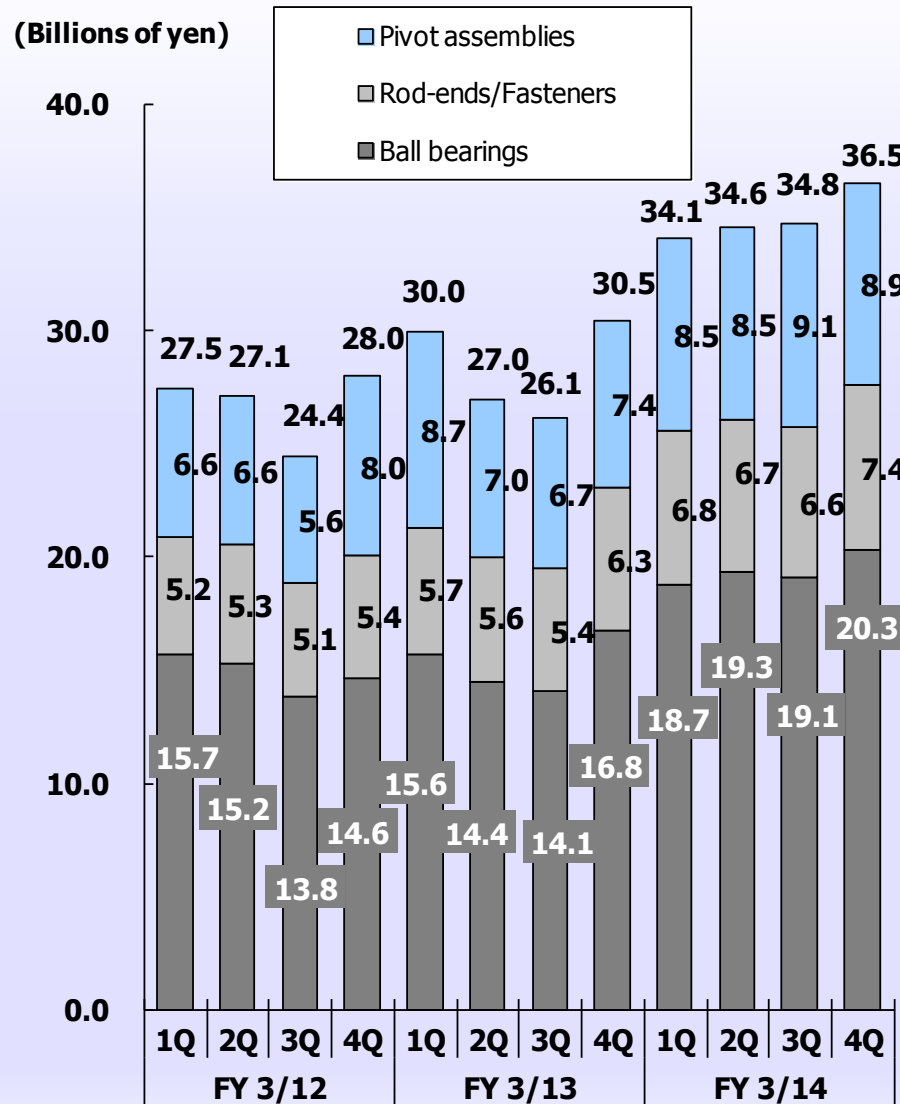


Operating income

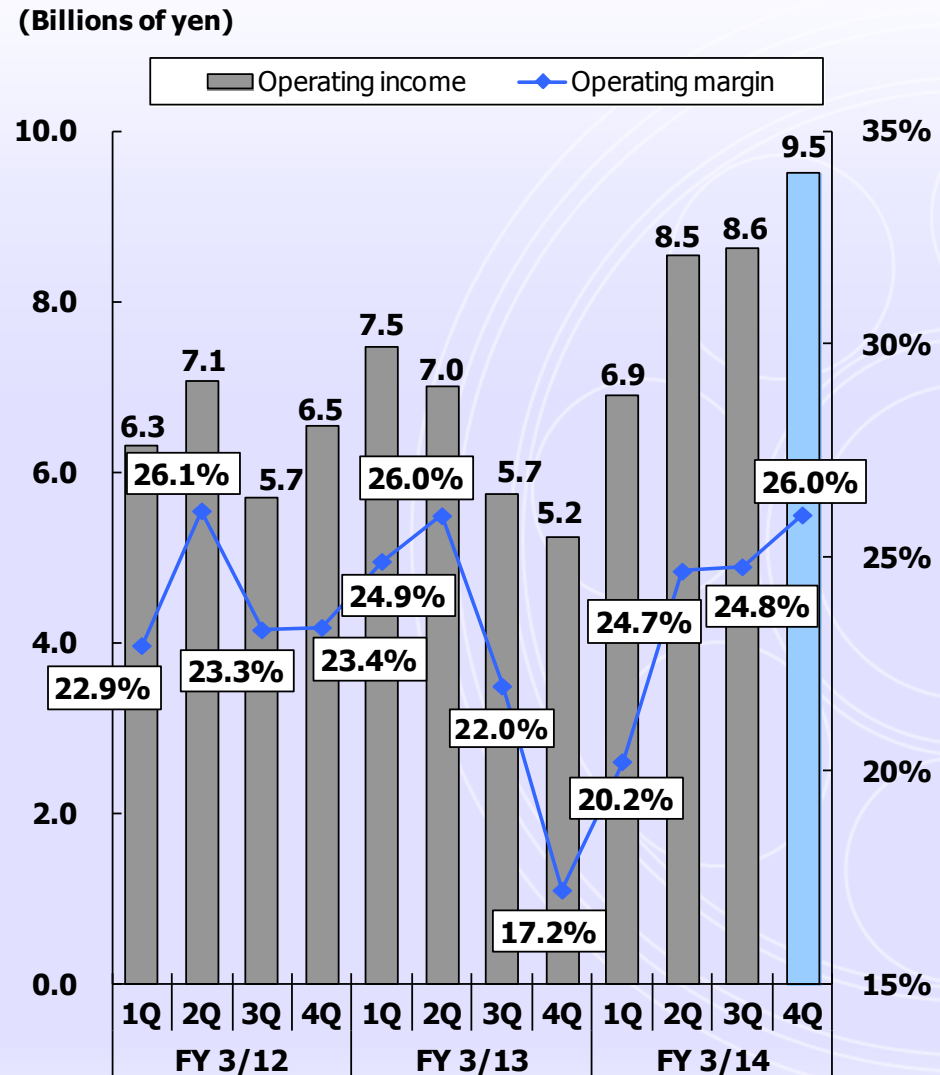
(Billions of yen)



Net sales

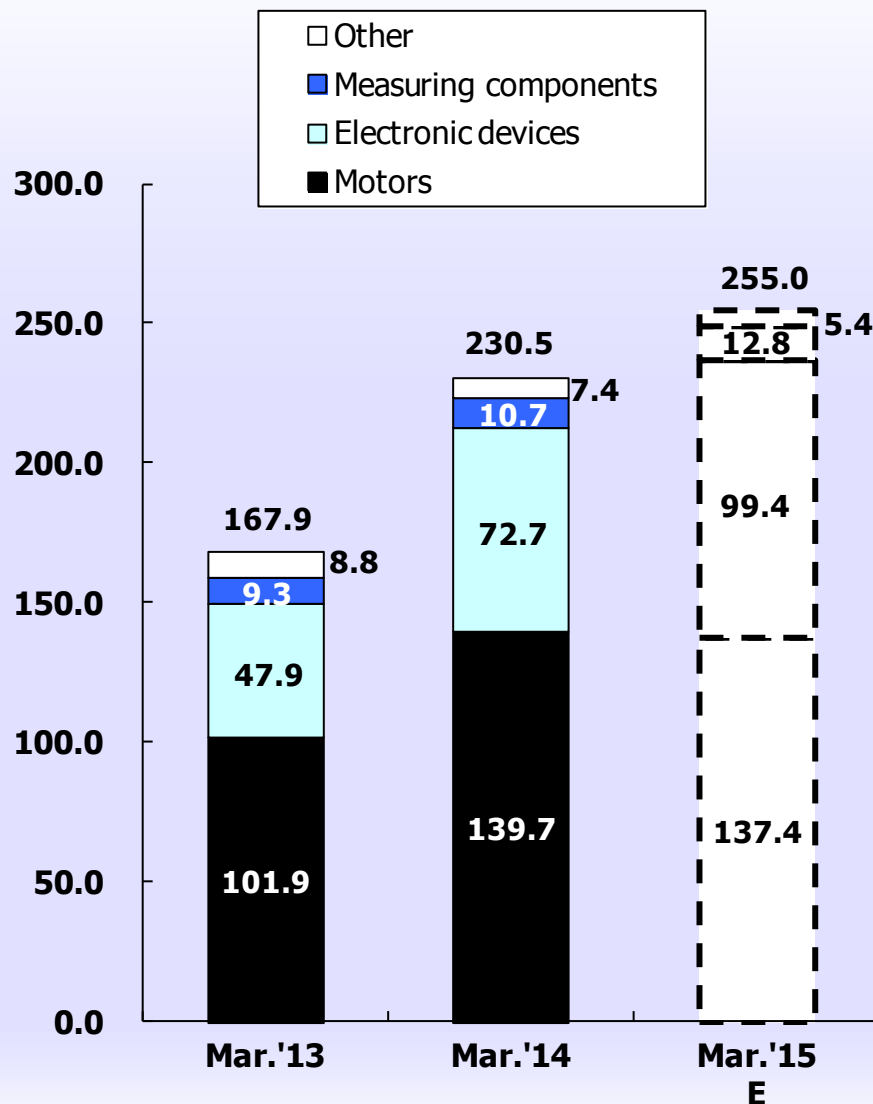


Operating income



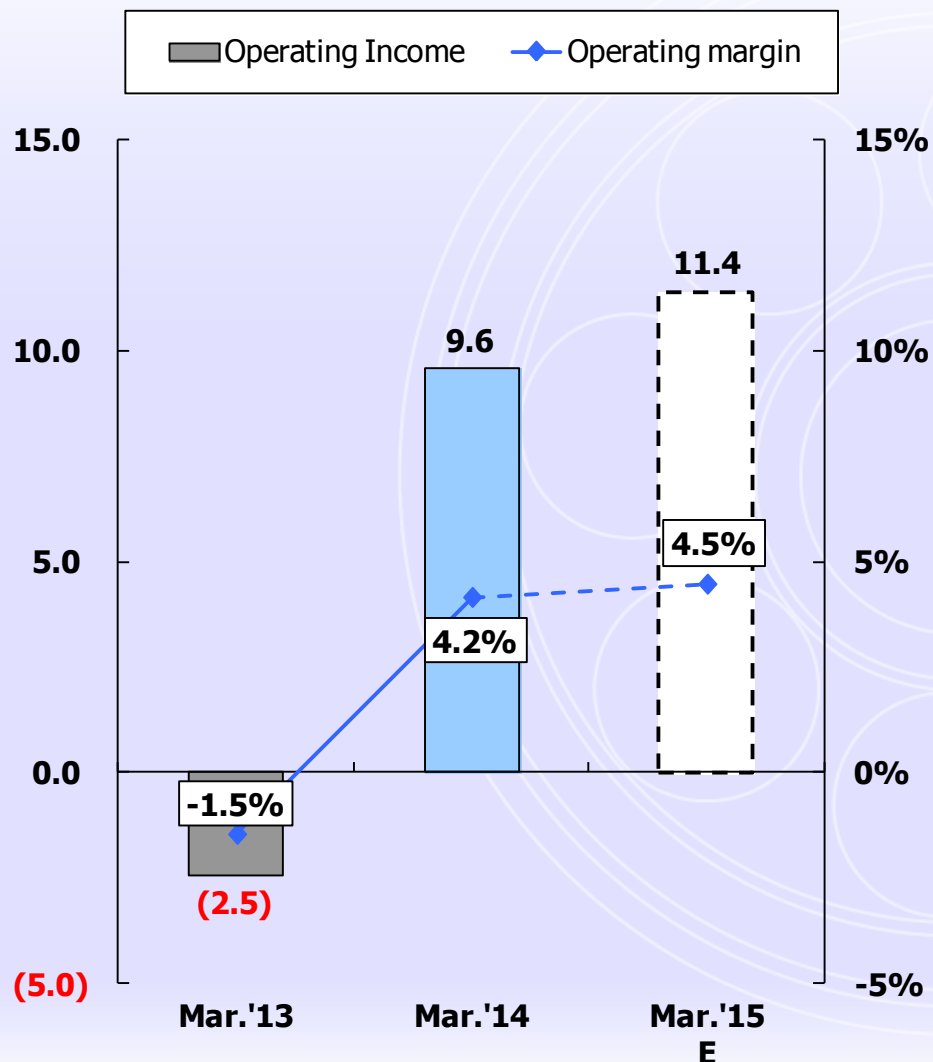
Net sales

(Billions of yen)



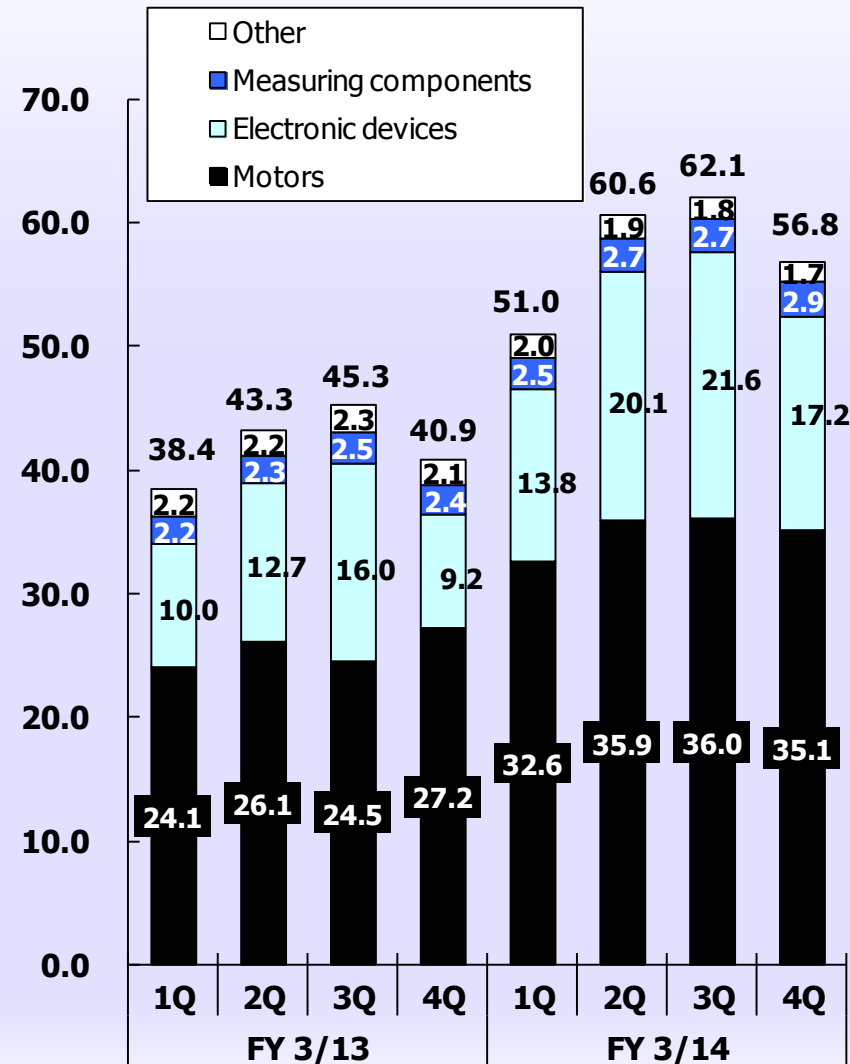
Operating income

(Billions of yen)



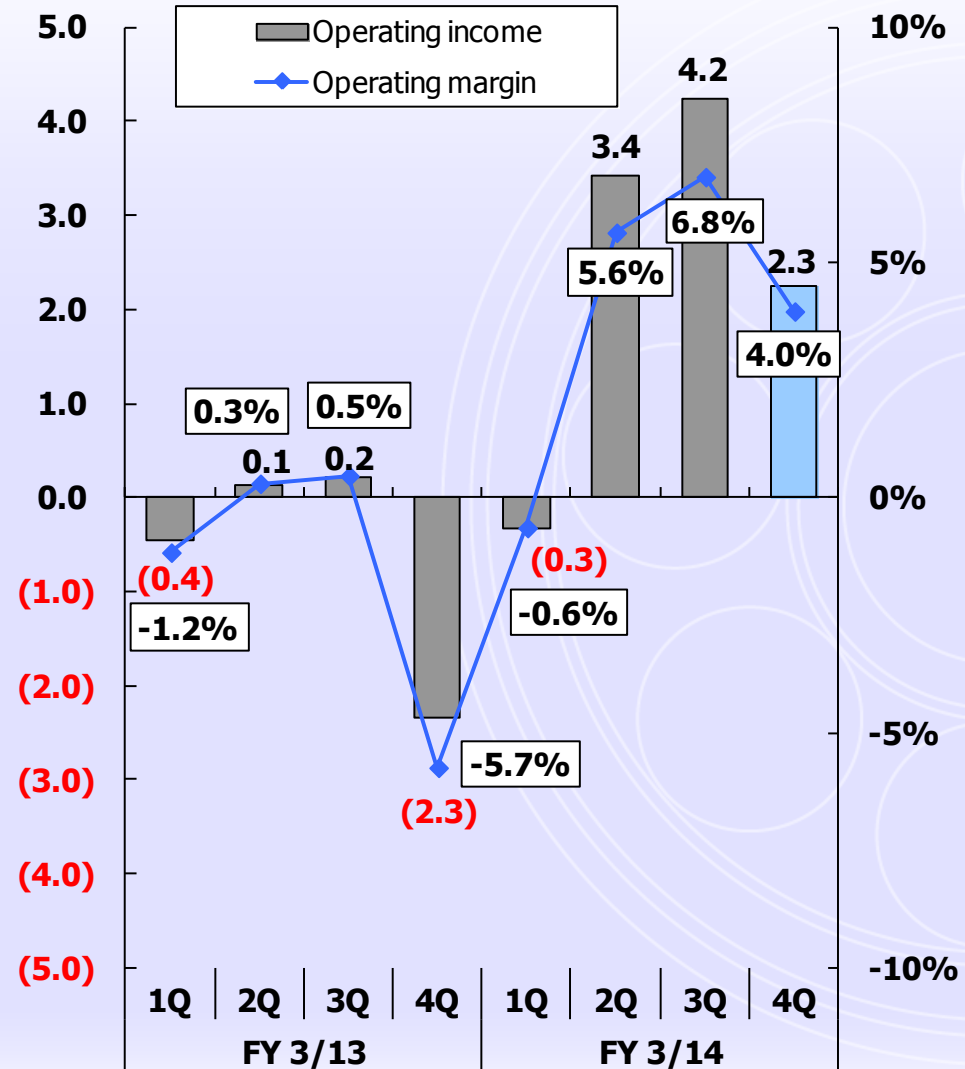
Net sales

(Billions of yen)

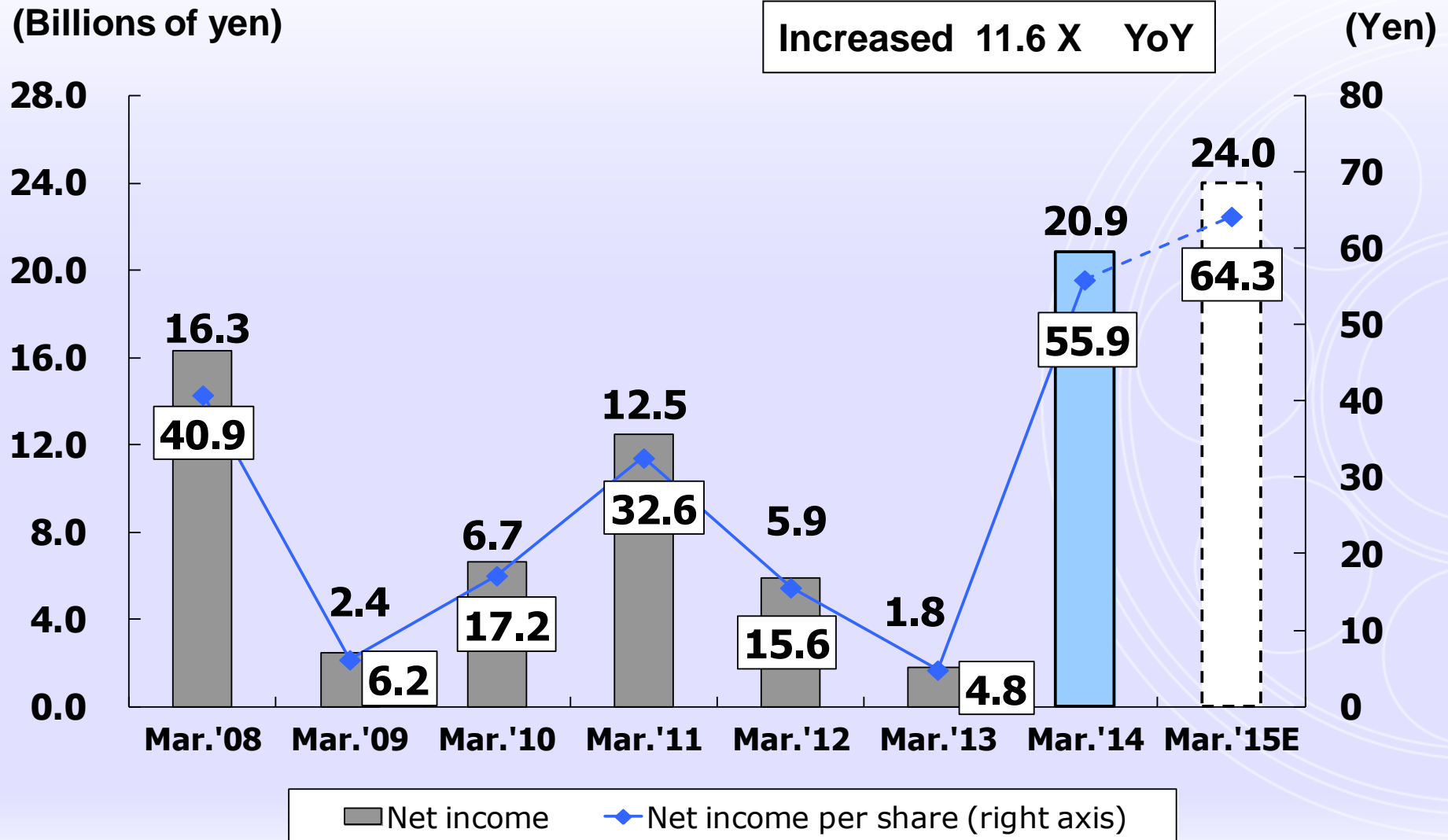


Operating income

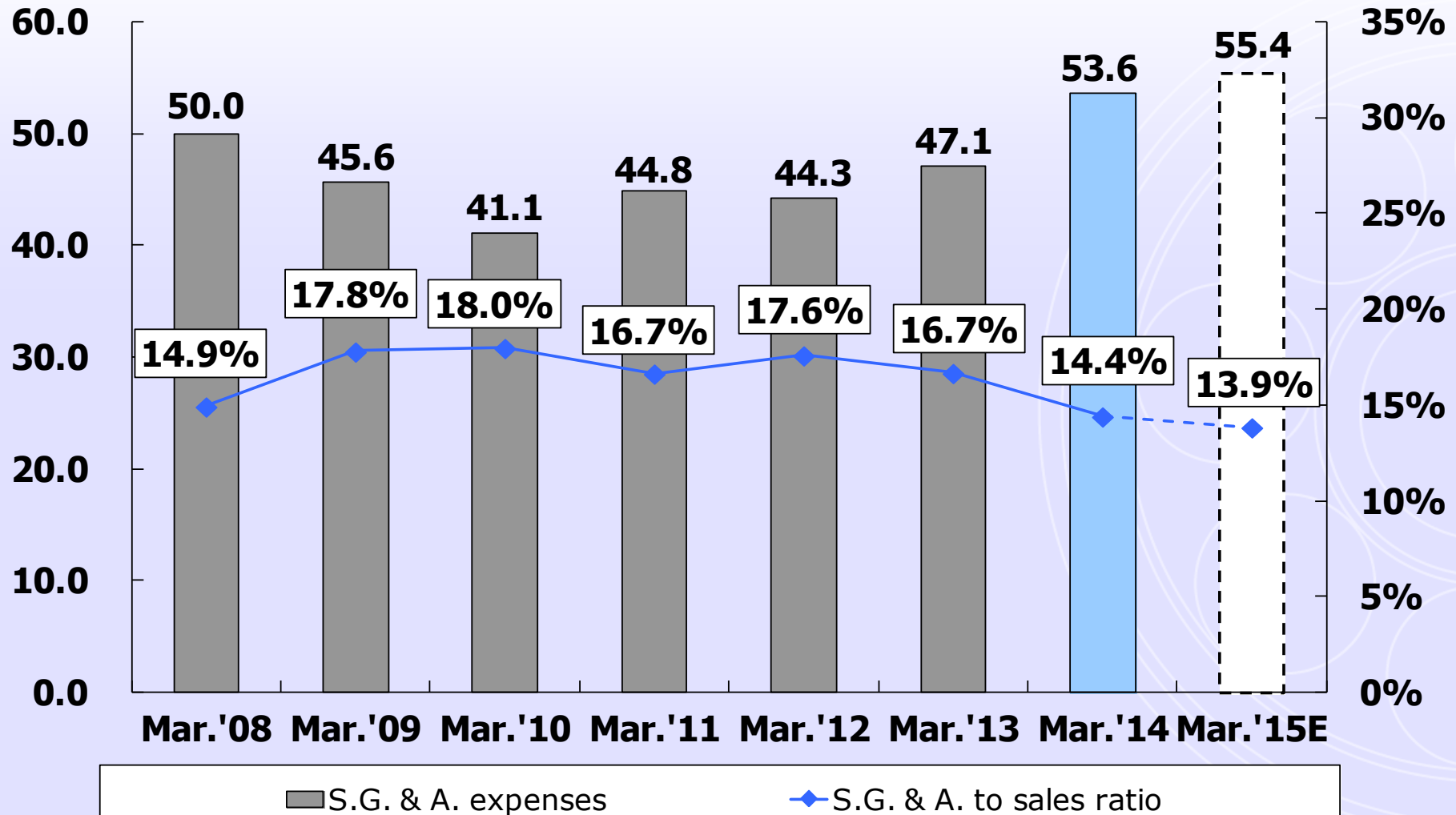
(Billions of yen)



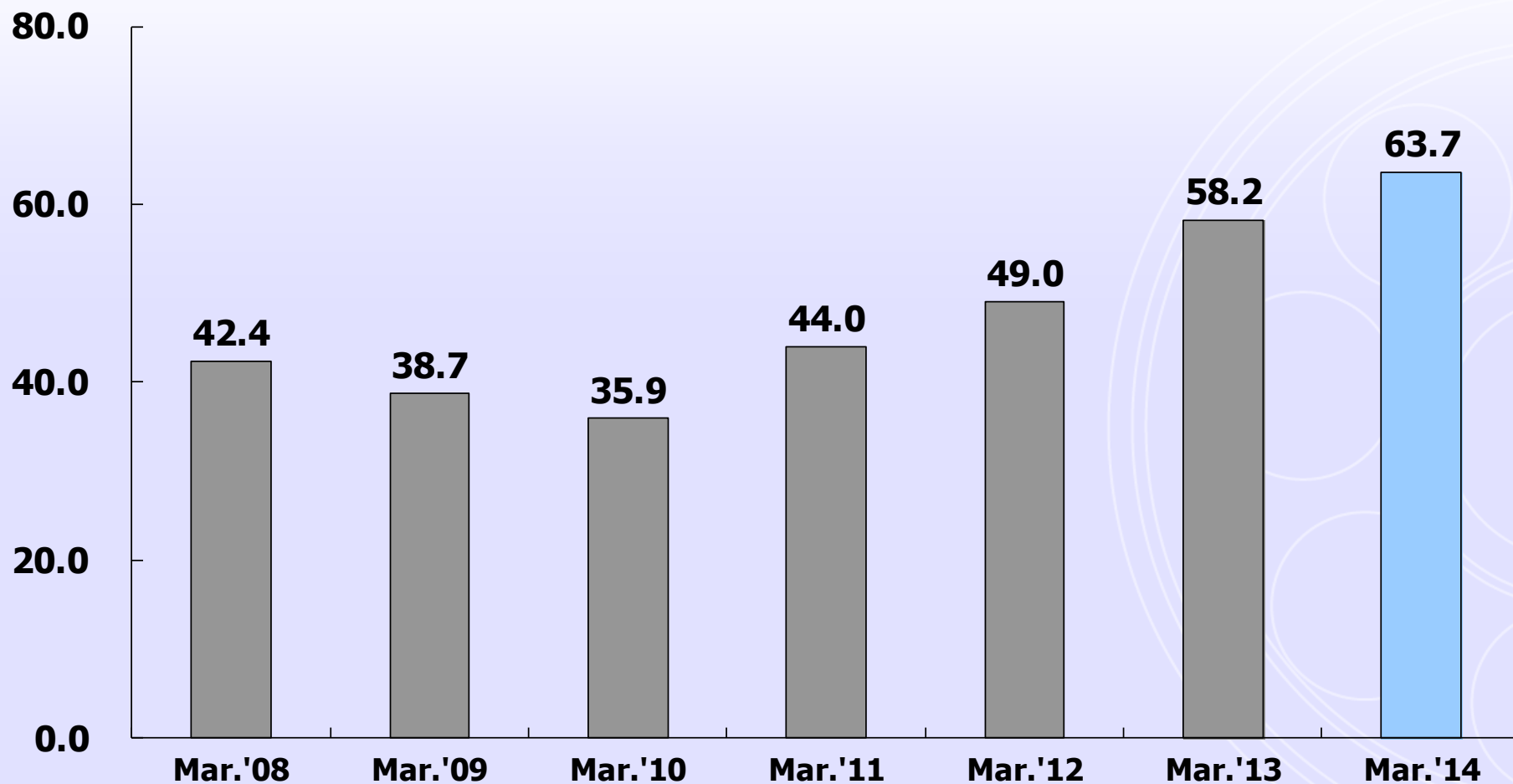
Posting record high net income



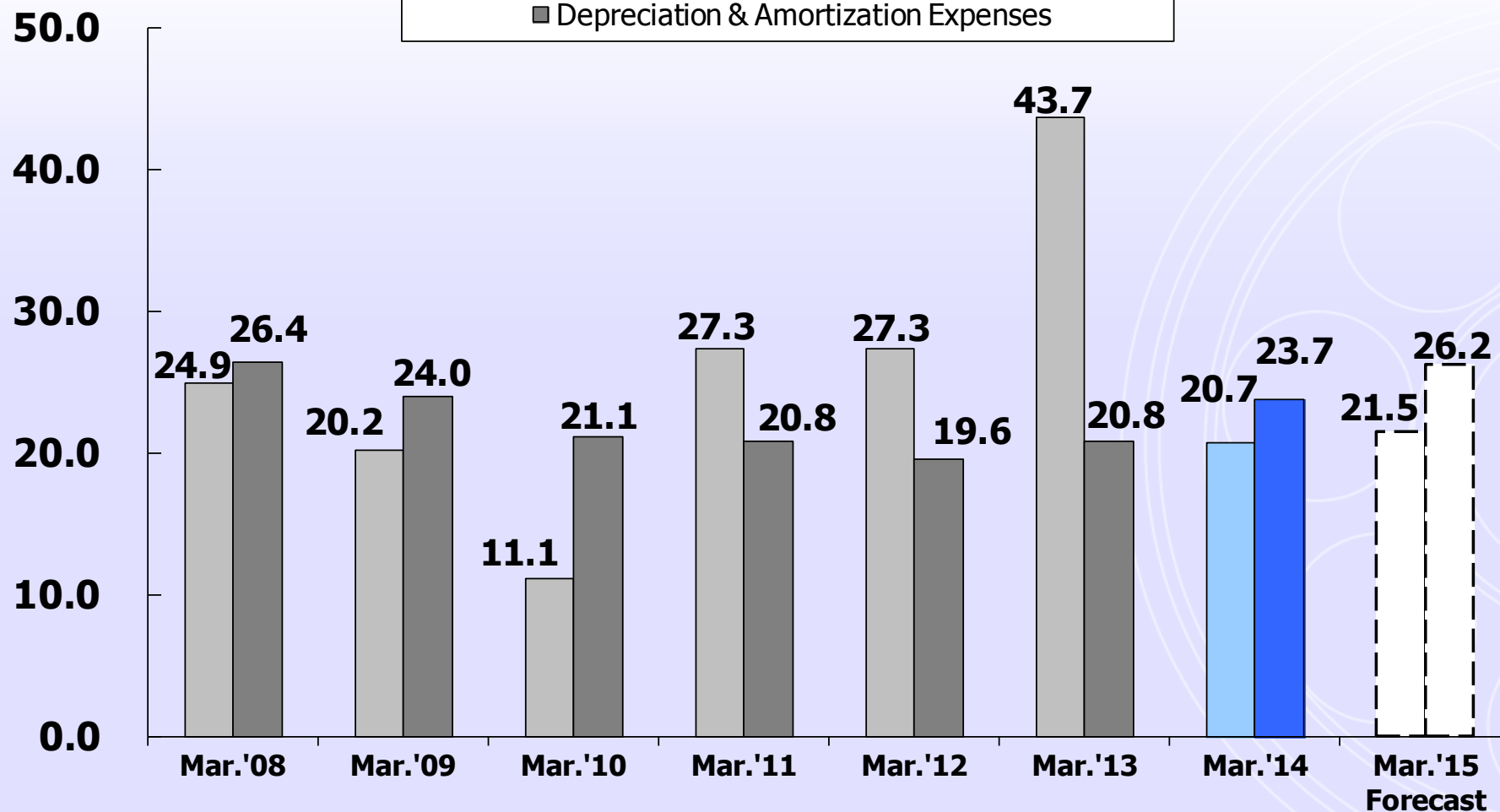
(Billions of yen)



(Billions of yen)



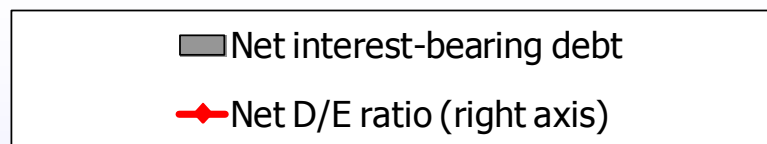
(Billions of yen)



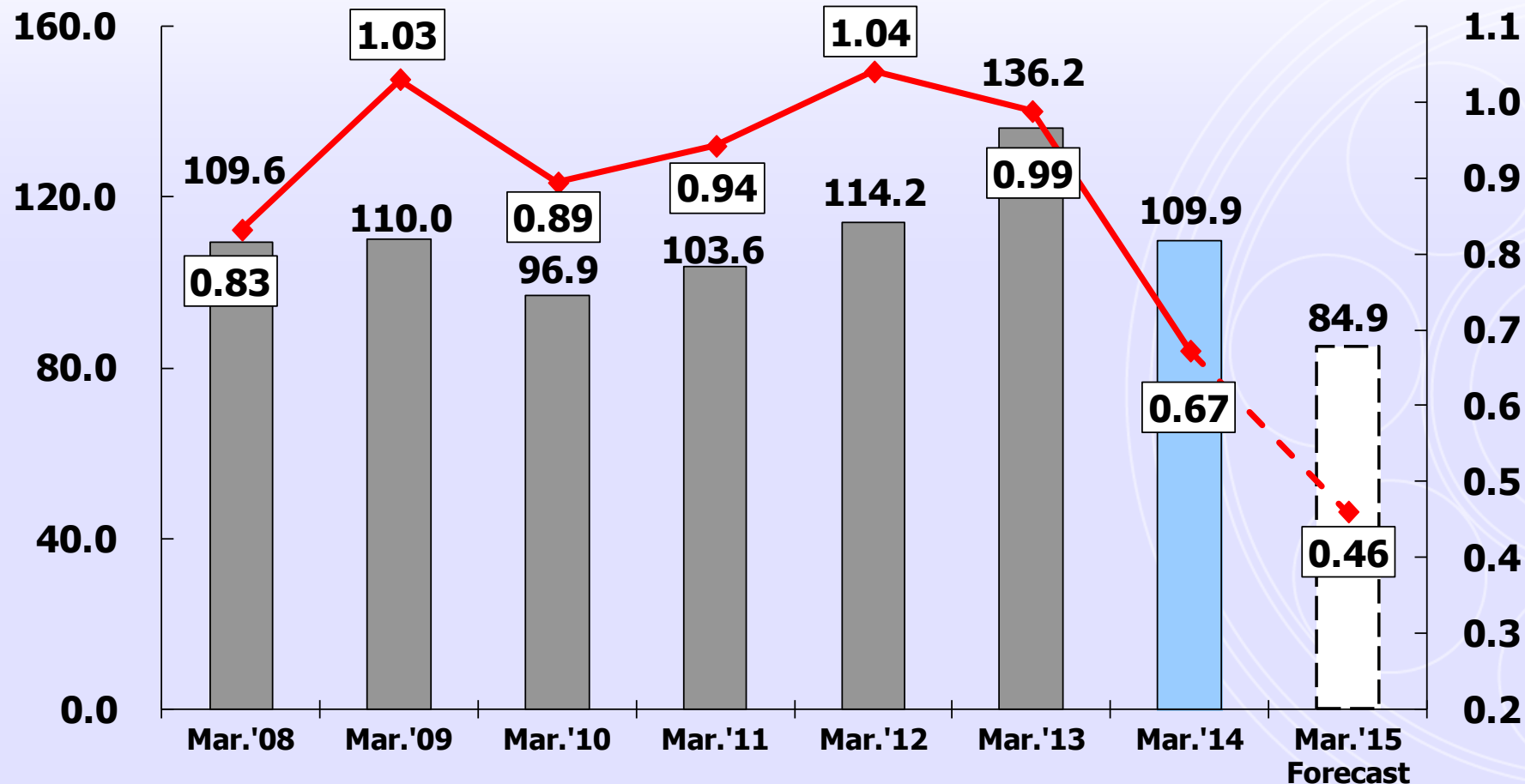
*From FY 3/09, due to change in lease accounting, assets of finance leases are included.

Net Interest-Bearing Debt & Net D/E ratio Yearly

(Billions of yen)

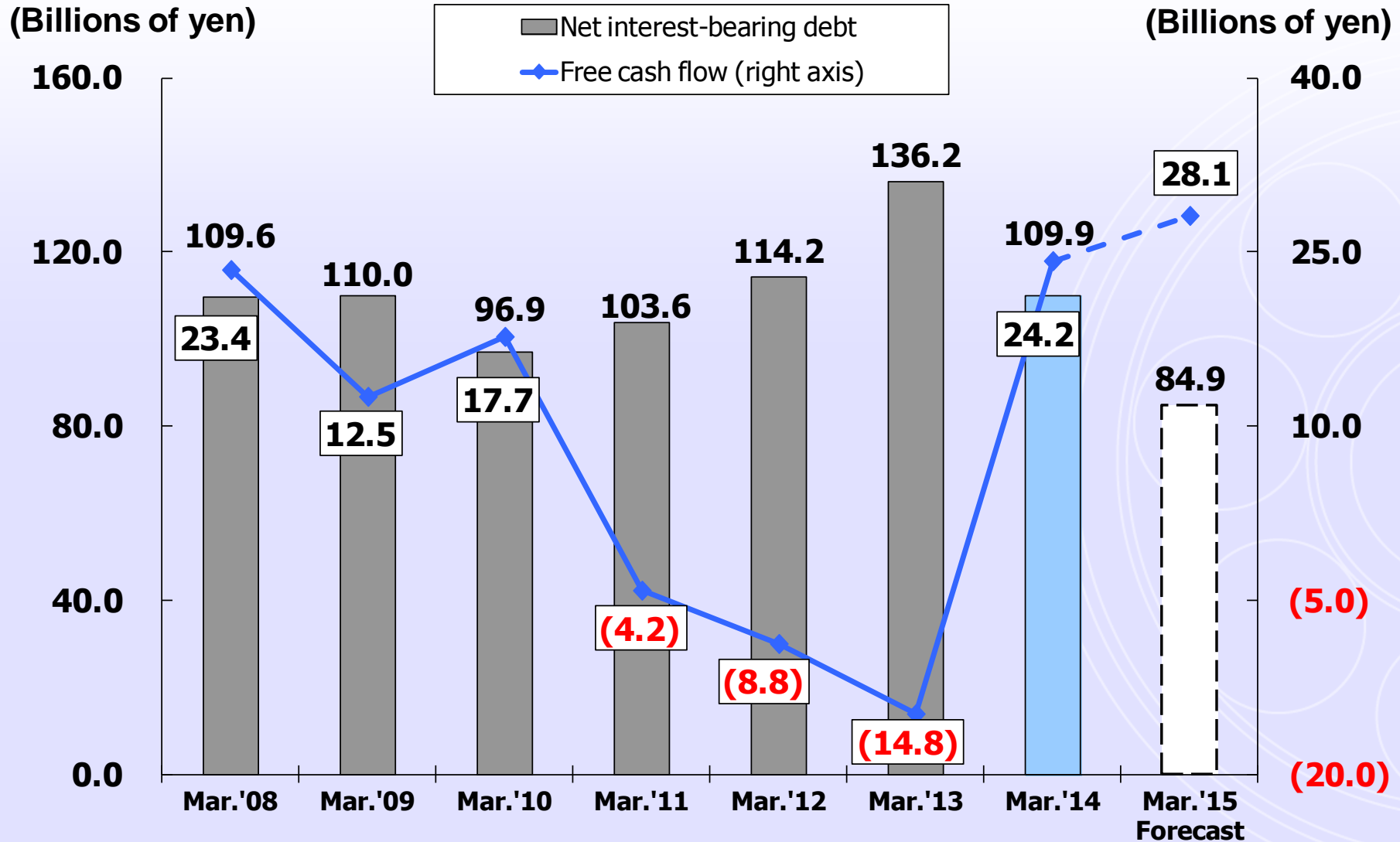


(Times)



Net interest-bearing debt = Interest-bearing debt – Cash and cash equivalents

Net D/E ratio = Net interest-bearing debt / Net assets



We expect to set new record highs in sales, net income as well as ordinary income as sales and profits continue to increase.

(Millions of yen)	FY ended Mar. '14	Fiscal year ending Mar. '15			
	Full year	1st Half	2nd Half	Full year	YoY
Net sales	371,543	196,000	204,000	400,000	+7.7%
Operating income	32,199	17,700	18,800	36,500	+13.4%
Ordinary income	28,065	16,500	17,500	34,000	+21.1%
Net income	20,878	13,200	10,800	24,000	+15.0%
Net income per share (yen)	55.94	35.34	28.91	64.25	+14.9%

Foreign exchange rates	Mar. '14 Full year	FY ending Mar. '15 Full year Assumption
US\$	¥99.76	¥102.00
Euro	¥133.38	¥139.00
Thai Baht	¥3.18	¥3.20
Chinese RMB	¥16.28	¥16.80

Forecast for Business Segment

(Millions of yen)	FY ended Mar. '14	Fiscal year ending Mar. '15			
		1st Half	2nd Half	Full year	YoY
Net sales	371,543	196,000	204,000	400,000	+7.7%
Machined components	140,032	71,200	72,800	144,000	+2.8%
Electronic devices and components	230,514	124,300	130,700	255,000	+10.6%
Other	996	500	500	1,000	+0.4%
Operating income	32,199	17,700	18,800	36,500	+13.4%
Machined components	33,550	17,500	17,200	34,700	+3.4%
Electronic devices and components	9,581	5,200	6,200	11,400	+19.0%
Other	866	300	400	700	-19.2%
Adjustment	-11,799	-5,300	-5,000	-10,300	-12.7%

Policy and Strategy

May 9, 2014

Yoshihisa Kainuma

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

Forecast for Fiscal Year Ending March 31, 2015

**In FY3/2014, quarterly forecasts were
over-achieved 4 times**

(Millions of yen)	FY ended Mar. '14	Fiscal year ending Mar. '15			
	Full year	1st Half	2nd Half	Full year	YoY
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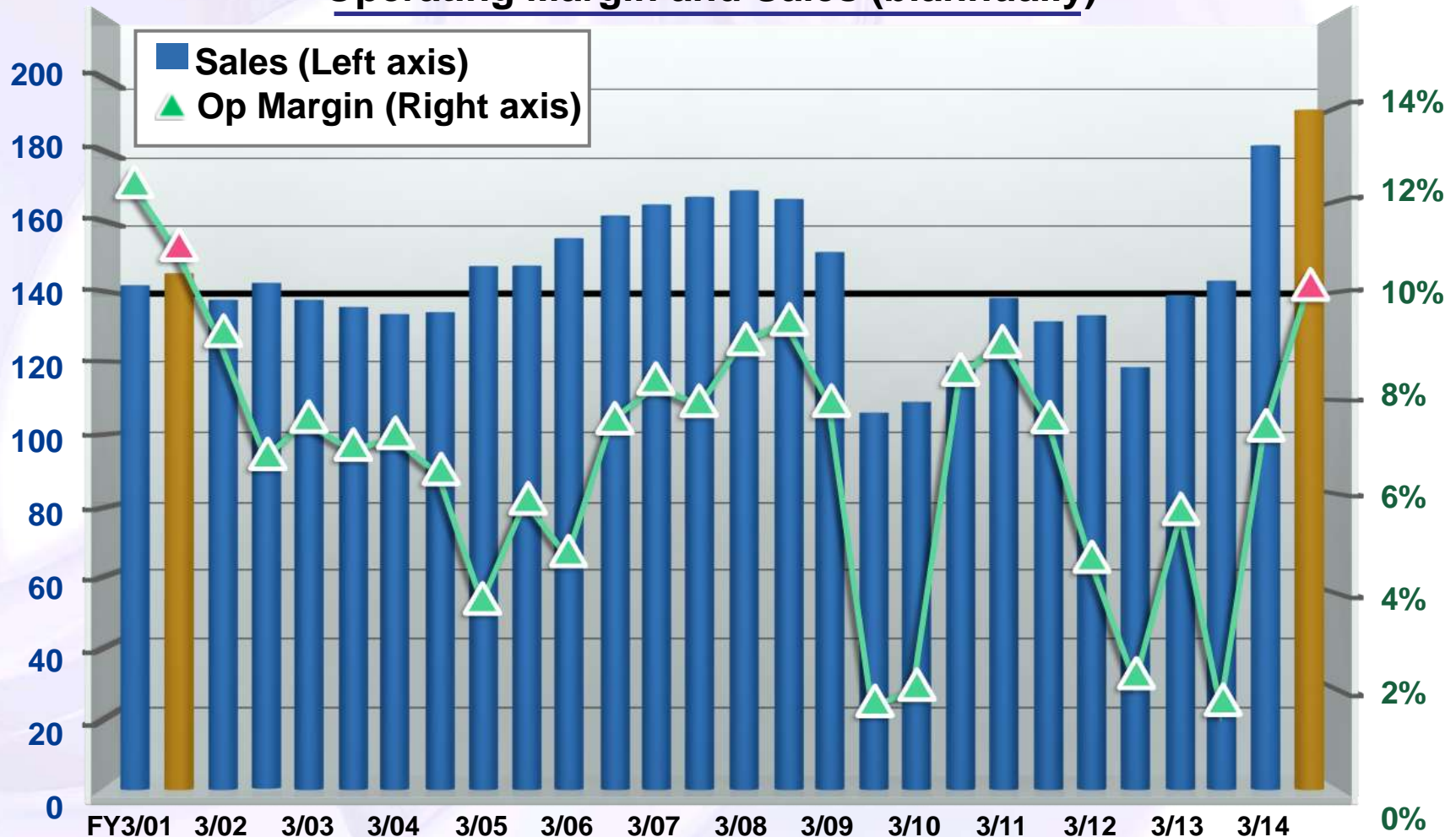
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10% operating margin is achieved !

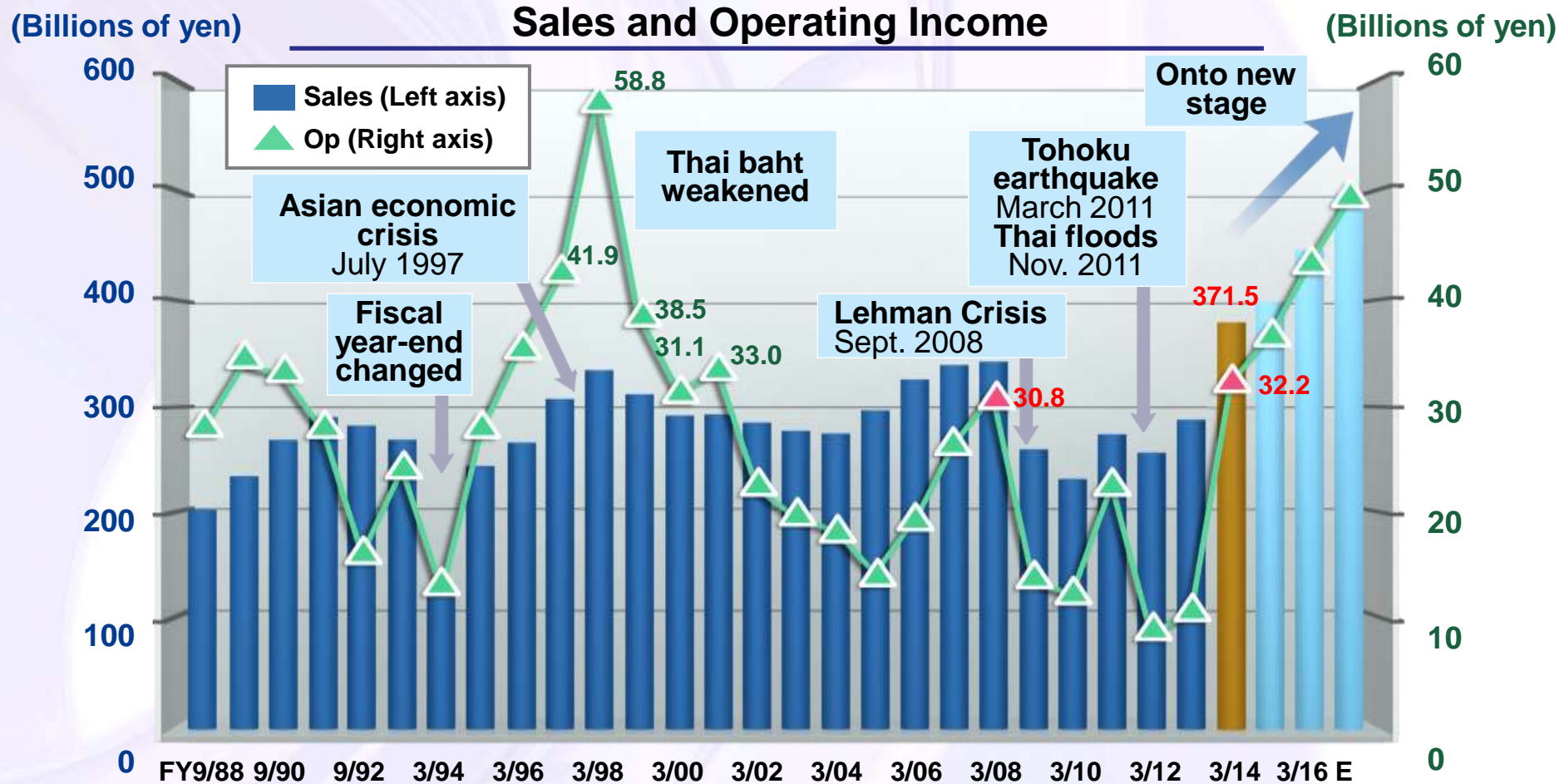
10% op margin achieved in 2nd half of FY3/2014

(Billions of yen)

Operating Margin and Sales (biannually)



Minebea is entering into a new growth stage



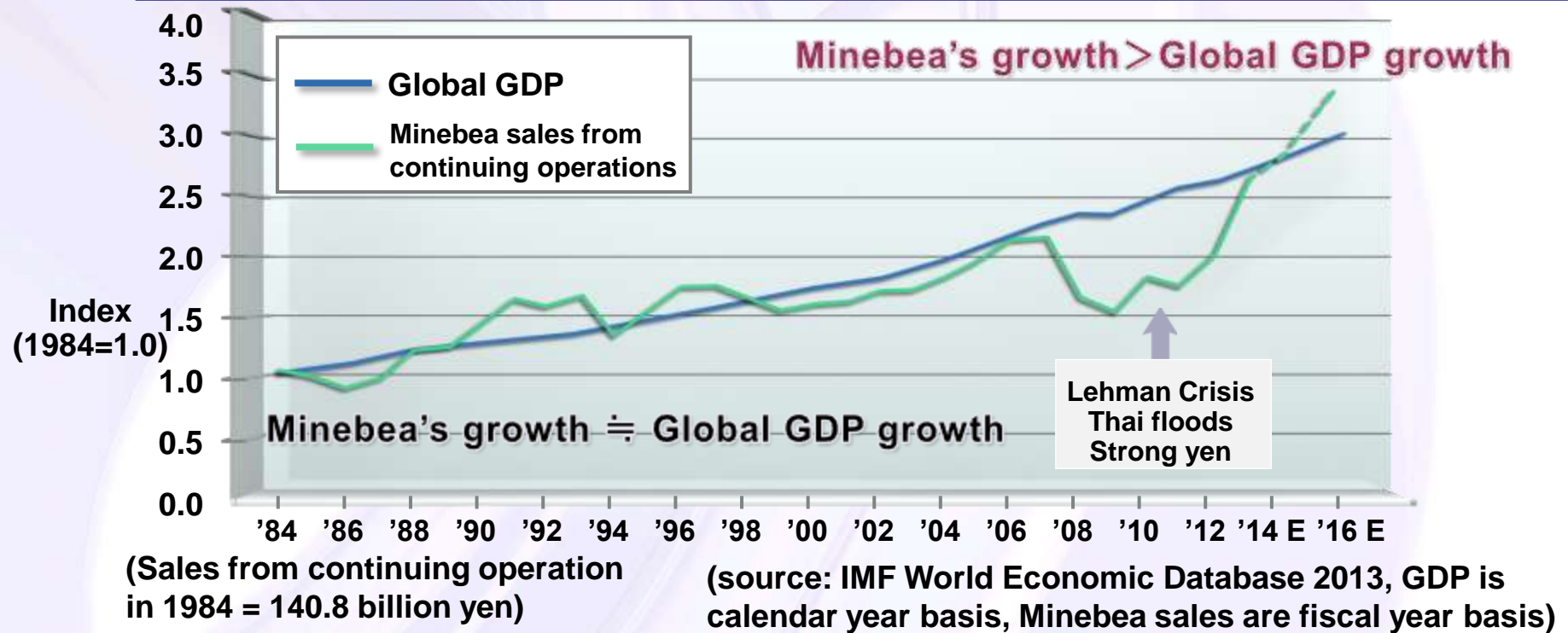
Sales hit a new record high

Operating income surpassed pre-Lehman Crisis level

Targeting higher level with further growth

A new stage beyond global economic growth

Minebea sales from continuing operations and global economic growth



Behind change

As living standards improve, especially in emerging economies, demand shifts towards high quality, high performance, small-sized ultra-precision products.

Examples :

- Growth of miniature ball bearing usage per automobile
- Growth of high-end smart phones
- Growth of servers for cloud computing

Demand growing for ultra-precision products

Ultra-precision
products

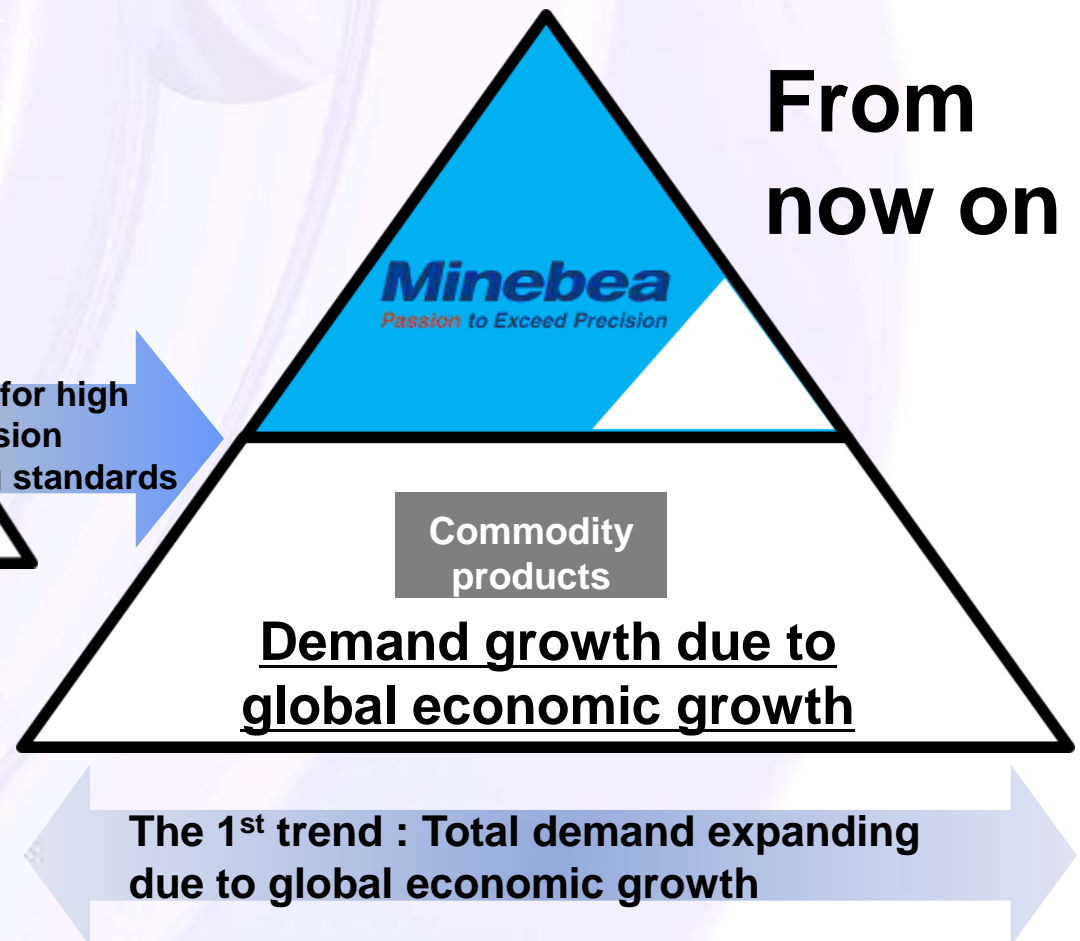
Minebea's market shares are higher in markets
where more precision are needed.

Global economic growth and shift to high-value-added products lead to increased demand.

Up to
now



From
now on



Expected organic growth leads to sales of ¥500 billion !!

¥400 billion sales target in this FY is only a milestone

Assuming no major obstacle in global economic growth

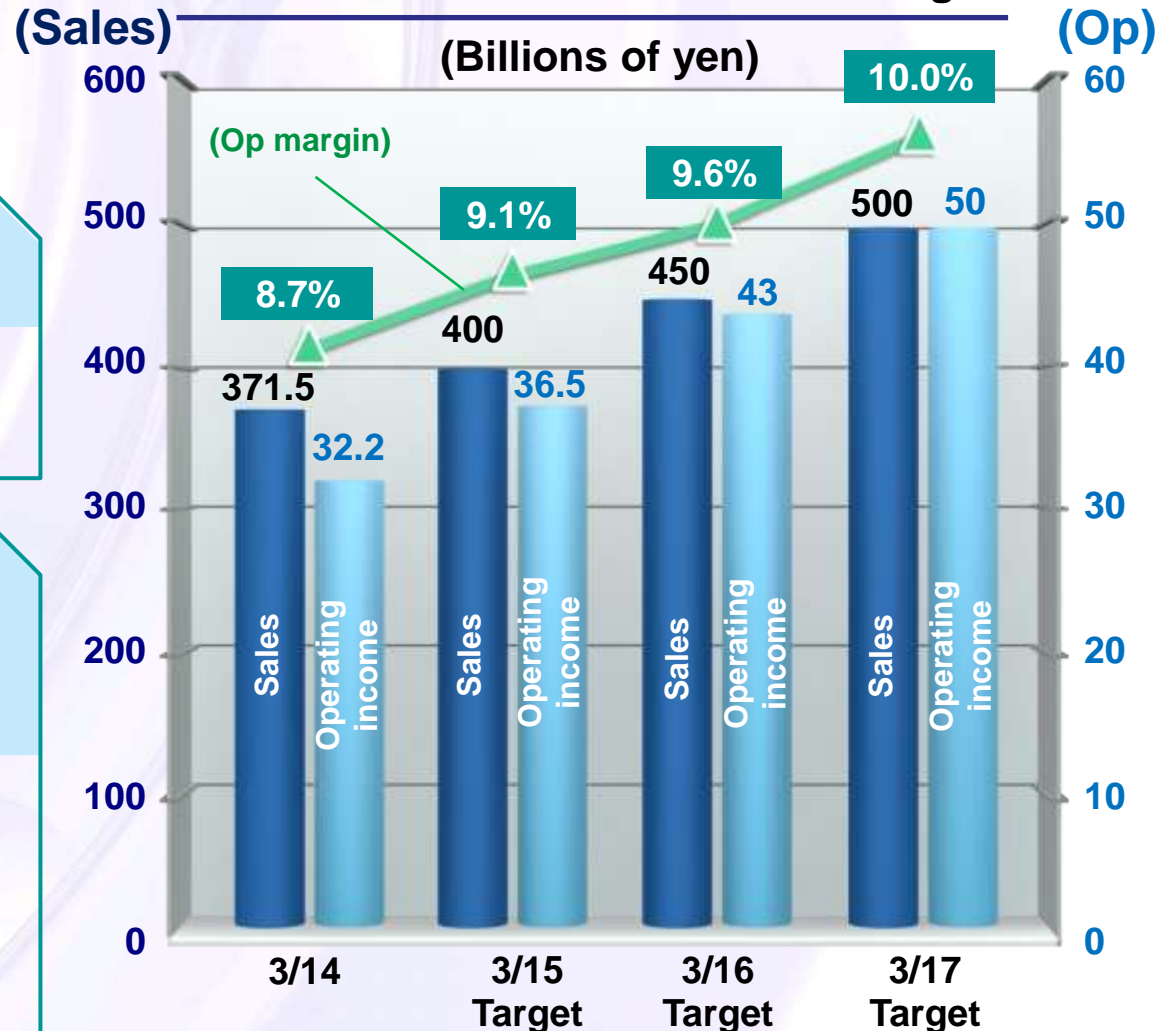
**Machined components :
Steady profit growth**

- Focus on expanding **ball bearing** sales
- Expand **aircraft parts** sales

**Electronic devices & components :
Significant increases in sales and profits**

- Further expand **LED backlights** to ensure higher profit margin
- Improve profitability of motor business
- Expand **hybrid component** sales

New Medium-term Business Plan Targets



FOREX assumption

102 yen/USD, 139 yen/euro, 3.2 yen/baht, 16.8 yen/RMB

Sell 150 mill. ball bearings externally / month

Ball bearing demand continues to grow

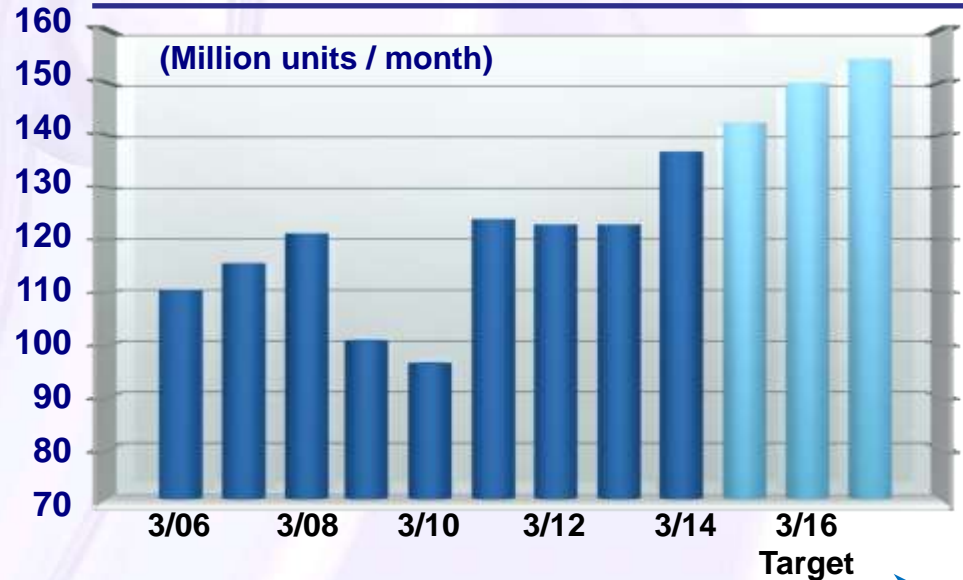
Ball bearing average monthly external shipment volume

About 60% global share

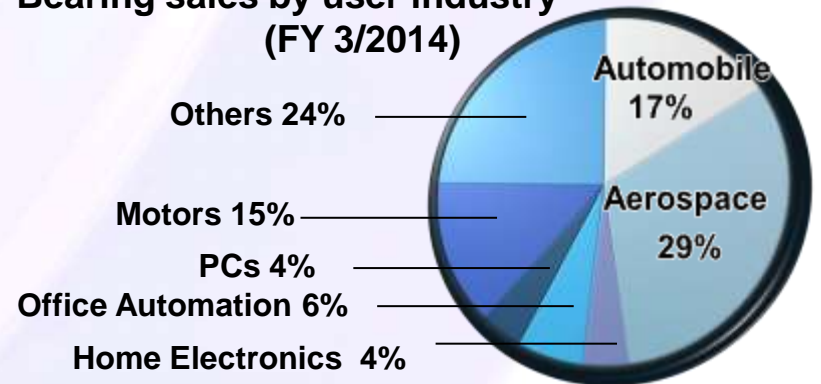
- Specializing in miniature and small-sized ball bearings
- Diversified applications (automobile, home electronics, OA, etc.)

Steady demand growth

- Continued growth since Spring 2013
- External shipments are back on growth track
- Driven by automobile downsizing & energy efficiency (electric), fan motors for cloud computing servers

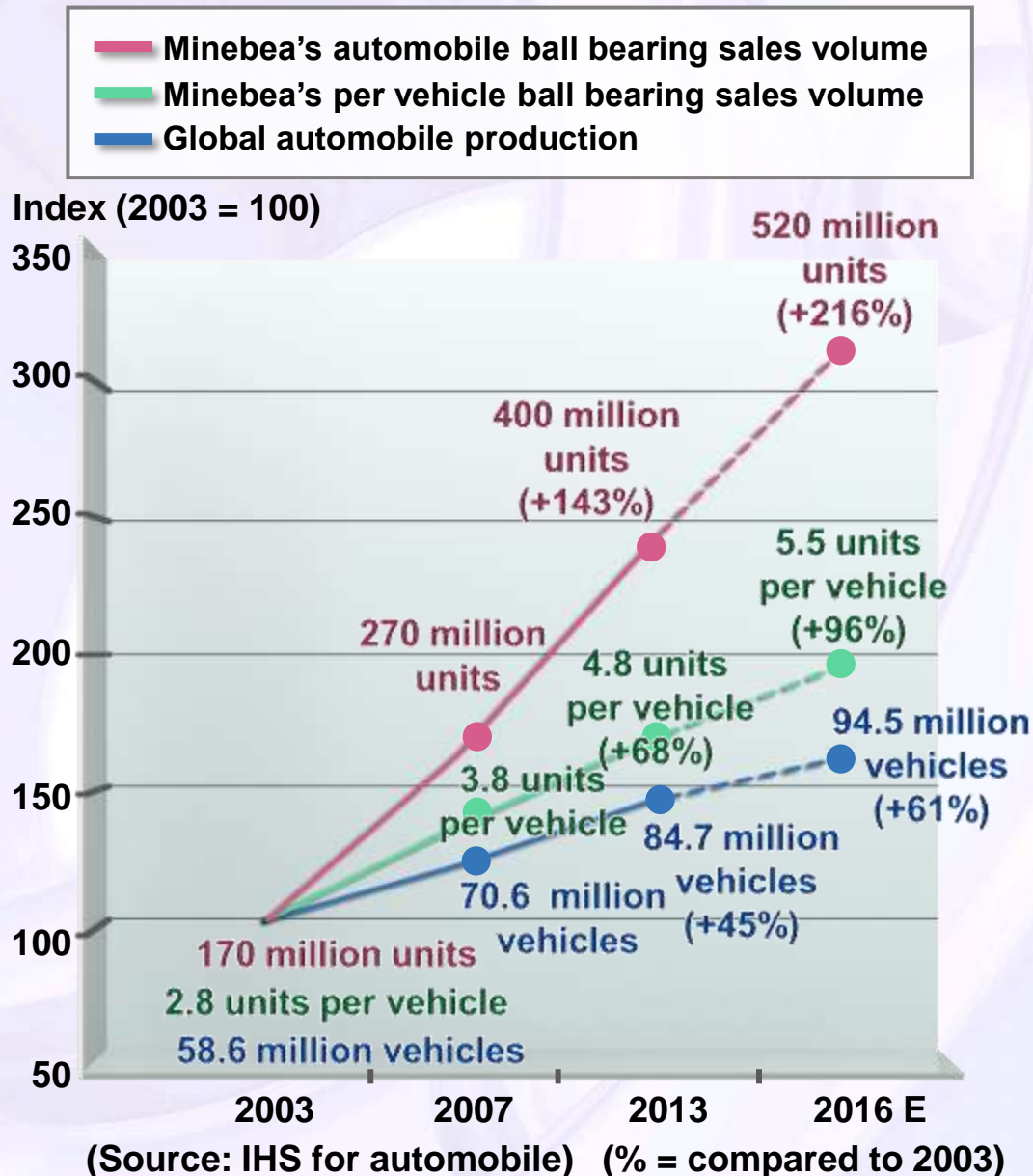


Bearing sales by user industry*
(FY 3/2014)



* All bearings, including ball bearings, rod-ends

Growth of miniature ball bearings for automobiles



Why per vehicle miniature ball bearing usage is growing?

Safety

ABS, power steering, windshield wiper motor, head lamp motor

Energy saving (lighter weight)

Smaller parts, customized parts, turbo charger

Higher quality

More motors with bearings

Environmental Protection

Exhaust Gas Recirculation

Aircraft components business grows



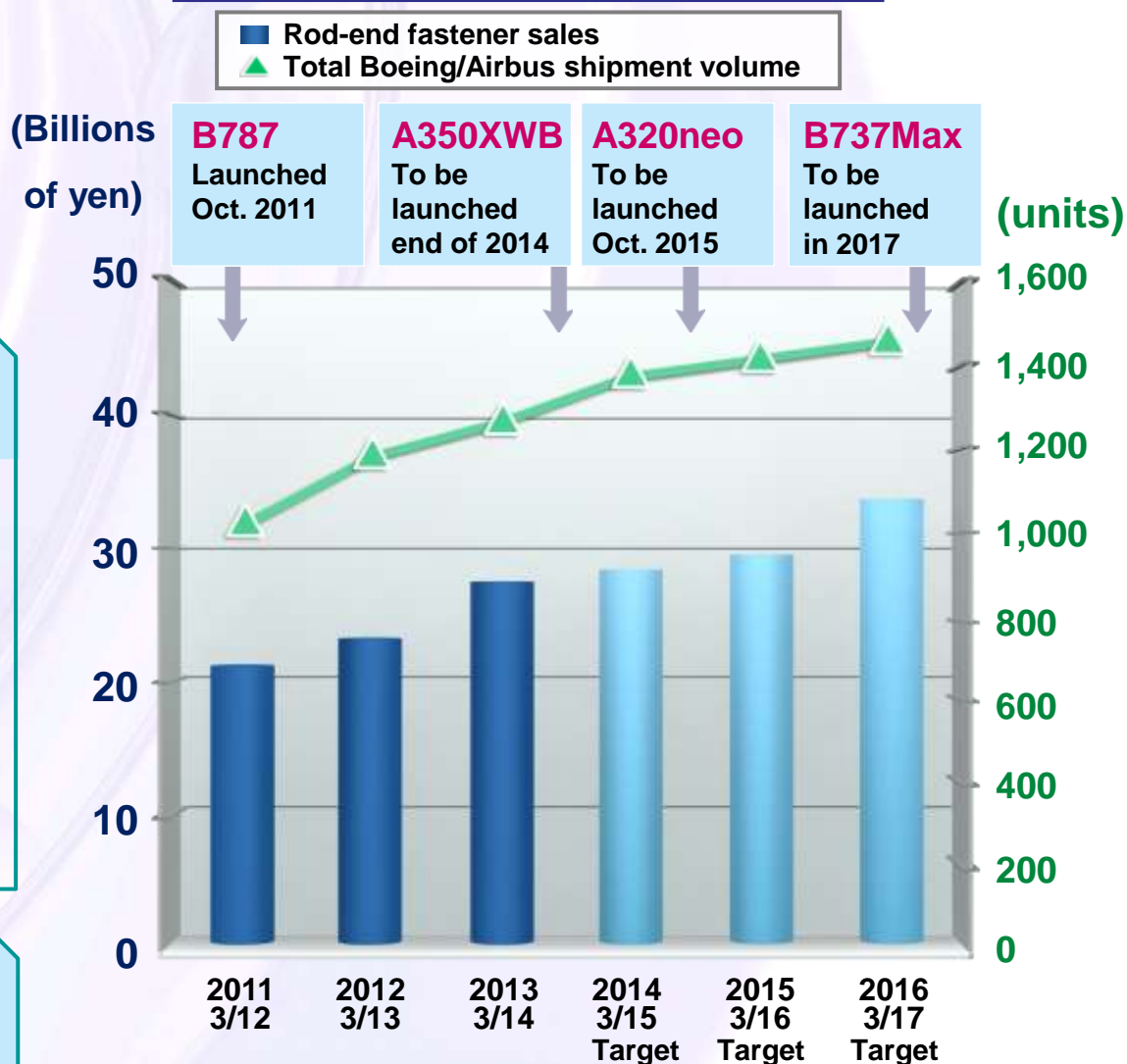
Growing global aircraft production

In addition to steady production of existing models, mass production and parts procurement to begin for new energy-saving models (A350XWB, A320neo, B737MAX, etc.)

Now boosting production capacity of Lop Buri plant in Thailand in light of steady orders and production shift from Japan, the US, and the UK











Leveraging CEROBear acquisition, focus on R&D of ceramic bearing aircraft parts

Shipment volume of Boeing and Airbus commercial aircraft



(Source: Boeing and Airbus, forecasts by Minebea)

Profile of NHBB/myonic BU (including CEROBEAR)

	Peterborough plant New Hampshire, U.S.A	CEROBEAR Herzogenrath, Germany	myonic Leutkirch, Germany	Chatsworth Plant California, U.S.A	a new North American plant	Advanced Business Development division
						
						
Products	Large Ball and Roller Bearings	Ceramic Bearings	Ball Bearings	Small Ball Bearings		
Markets	Aerospace	Aerospace, Semiconductor, Foods, etc	Medical, Dental, Industrial	Medical, Aerospace		
Focus	Engine & Gearbox, Helicopter	Engine & Gearbox, Helicopter	Medical, Dental, Industrial (APB)	Medical, Aerospace		
Market position	Niche supplier, medium complexity, competitive, focus customers	Ceramic technologies, high complexity, materials, high technology	Higher complexity, special products, dental/X-ray leadership, excellent quality	Service oriented, fair value proposition competitive, market leadership		

Rapid sales growth of LED backlights

70+% share of high-end smart phones

Overwhelming competitive edge in making light guide plates thinner with ultra-precision manufacturing

Threat from OLED receding

LCD is gaining on OLED in cost, durability & precision

Strengthen business further

1. Expand customer base with an eye to balanced production
2. Cut labor costs via semi-automated machines and increased production in Cambodia

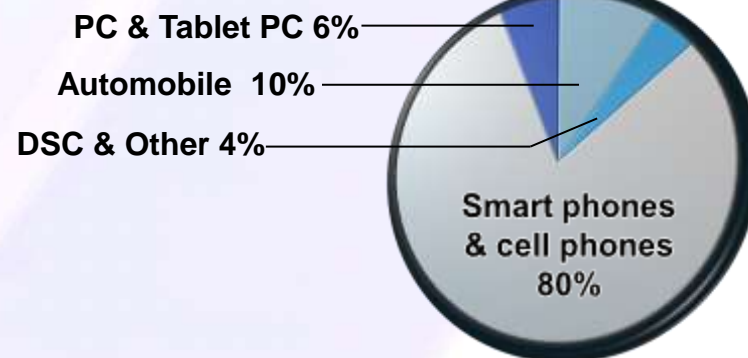
Expanding production capacity

At our Cambodia Plant and Xicen Plant to 50% increase

(Billions of yen) **LED backlight sales**



Sales by LED backlight application (FY 3/2014)



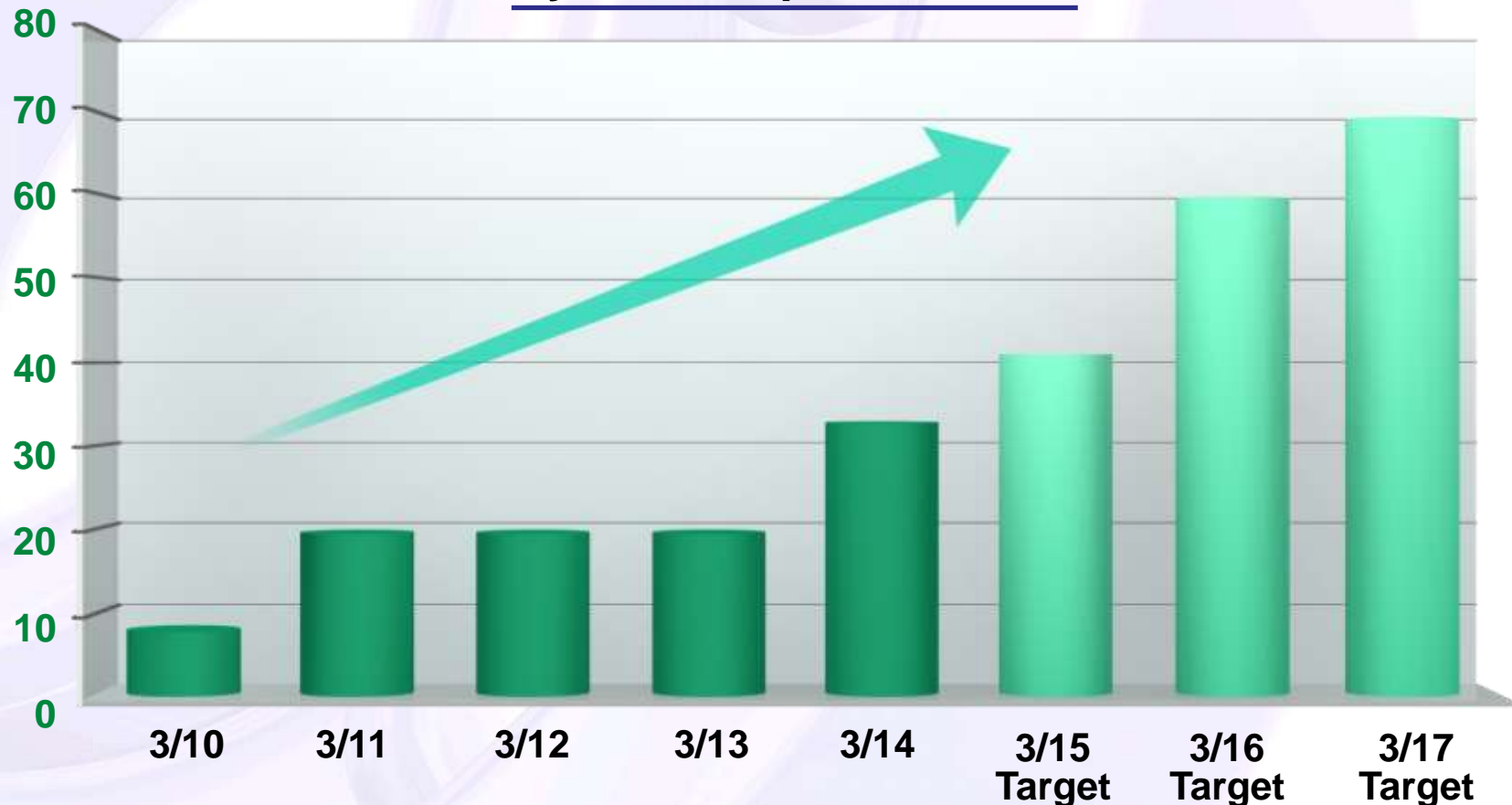
Develop and boost sales of new EMS products

Sales aim to exceed this year's plan and ¥70 billion in FY 3/17

Tokyo R&D center in full operation

(Billions of yen)

Hybrid component sales



My mission as CEO

Increase earnings per share

**Maximize earnings per share and
increase shareholder value**

**Increase
shareholder
value**

Lay foundation for Minebea's 100th anniversary

**Enhance corporate resources
and be clear about exactly
where we are heading**

**Enhance
corporate
resources**

Strategy for 100th anniversary leads to ¥500+ bill. sales

Minebea's success formula

Niche market



High
market share



High margin

High market share products in global markets

- Miniature & small sized ball bearings : approx. 60%
 - HDD pivot assemblies : approx. 75%
 - Aircraft rod-ends bearings : approx. 50%
 - LED backlights for high-end smart phones : approx. 70%
 - Polygon mirror motors : approx. 70%
- and other products
- (Minebea estimates)

Add strong business lines one by one
New development in EMS products !!

The Five Arrows : a risk-hedged strategy for 100th Anniversary

Seeding for the future / Harvesting after 3 or more years

Sell 150 million ball bearings externally per month on average

Increase external ball bearing sales to an average of 150 million units per month at the earliest date.

Develop and boost sales of new EMS products

Develop new EMS (Electro Mechanics Solutions® (*registered in Japan)) products and components by embracing TRDC (Tokyo Research & Development Center) motor technologies and accelerate the sales of EMS products.

Boost sales of lighting device-related products

Establish the new business opportunities in connection with lighting device products including street lights and their components developed by the Electric Device Division and its Technology Development Department, and enter the “Smart Building and Smart City” related products and components market.

Take Measuring Components BU sales to 20 billion yen

Based upon the BU’s strategy which recognizes measuring components as sensors, increase the sales of the measuring component-related products to around 20 billion yen at an early stage.

Increase the sales and profitability of aircraft components business

Increase the sales of aircraft components business such as rod end bearings centering on NHBB by taking advantage of its global presence in the industry, thereby striving to achieve substantial improvement in sales and profitability through maximizing synergetic effects.

**Lord Mouri Motonari’s
“3 arrows”**



3 united are stronger than 1

Minebea’s “5 Arrows”



Boost sales of lighting device-related products

**MIK Smart Lighting Network launched
with an eye on the smart building/smart city market**



Take Measuring Components BU sales to 20 billion yen

Focus on R&D

- Highlight sensor function over traditional gauge function
- Take push approach to marketing rather than pull approach

Possible new applications

1. Medical: Care beds
 - Occupancy monitoring
 - Bedsore prevention
2. Robotics: Walking control
 - 6-axis force sensors provide optimal foot-force distribution (biped walking)
3. Other

Measuring component sales

(Billions of yen)
20



Cash flow improved by higher profits
and lower capital expenditures.
Where to spend cash?

Debts

Reduce debts

Return to
shareholders

Aim to **Increase dividends**
as profits increase
Maintain strategies for
buying back own shares

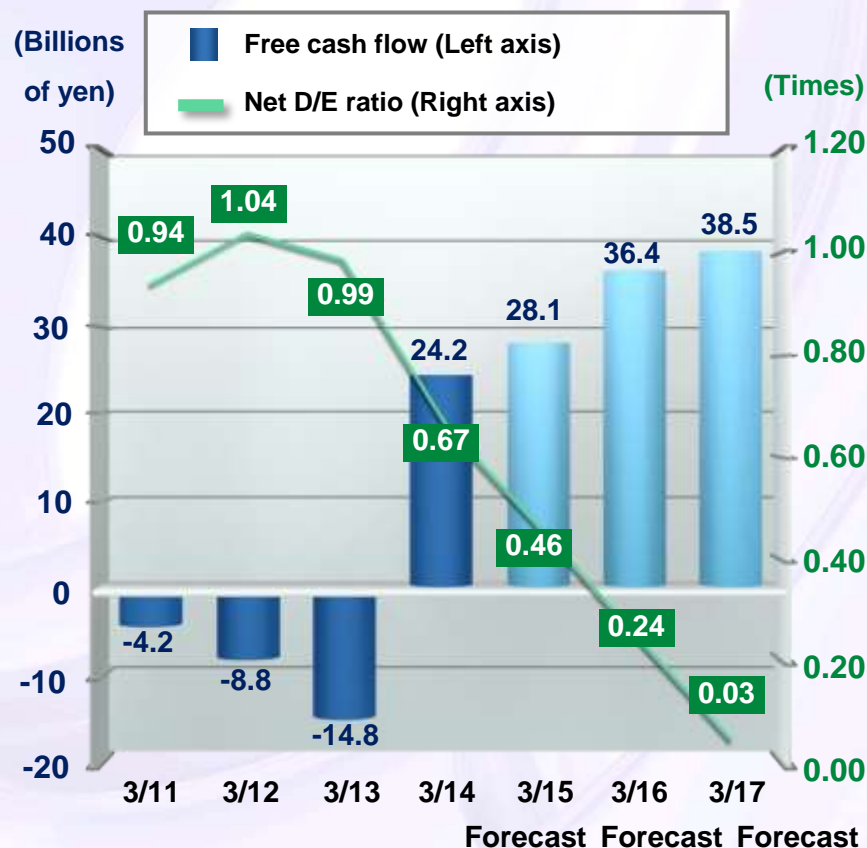
M&A

In target and focus
business areas

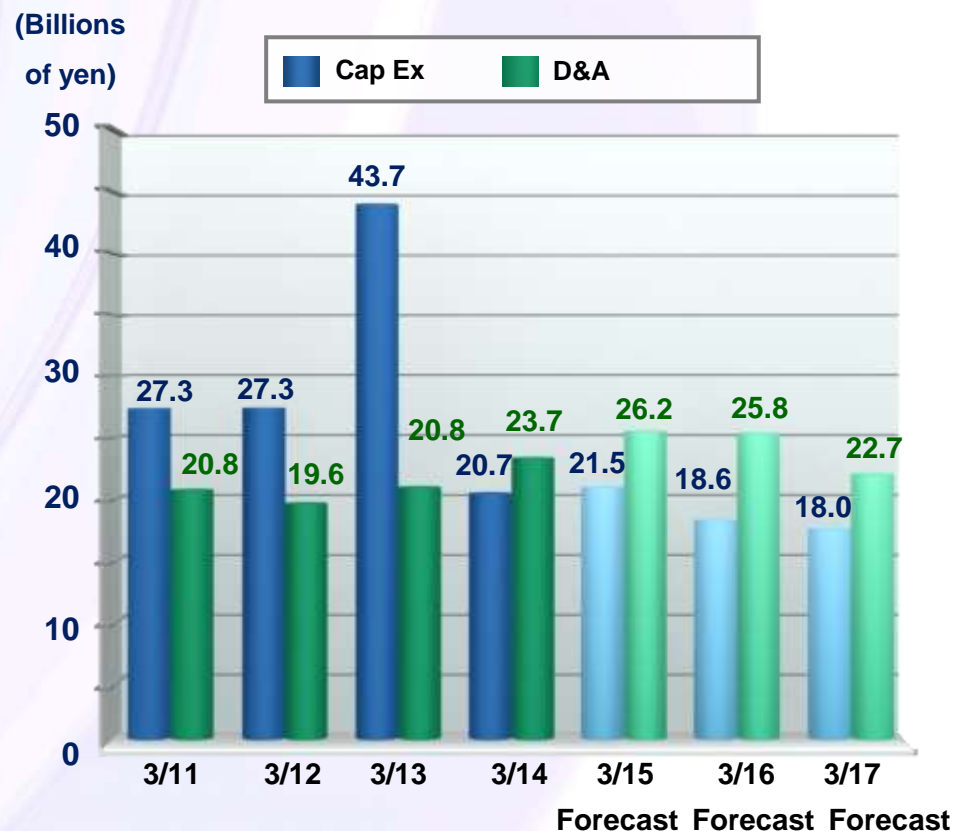
Improvement of balance sheet

Net D/E ratio improved to 0.67 in FY3/2014
Further improvement is expected

Free cash flow
Net D/E ratio



Capital expenditures
Depreciation and amortization expenses



Dividend and buy-back policies

FY ended 3/2014	year-end dividend: 5 yen/share;	Total year: 8 yen /share
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Dividend forecast
for FY ending 3/2015: Interim: **4** yen/share
Year-end: **4** yen/share

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 a stable and continuous distribution of profits.

Maintain strategies for buying back own shares

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

Leverage M&As and alliances in target and focus business areas

- Think twice about large scale M&A deals
- Give priority to boosting machined components via medium to small M&As and various alliances

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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