Minebea
Passion to Exceed Precision

Business Results

Fiscal Year Ended March 31, 2016

May 10, 2016
Minebea Co., Ltd.

Minebea
Passion to Exceed Precision

1. Financial Results

2. Policy and Strategy

May 10, 2016

Financial Results

Hiromi Yoda
Managing Executive Officer

May 10, 2016

Summary of Consolidated Business Results

Minebea
Passion to Exceed Precision

Sales hit record highs 3 years in a row

(Millions of yen)	FY ended Mar. '15 Full year	FY ended Mar. '16 Full year	Change YoY	FY ended Mar.'16 February forecast Full year	VS. Forecast
Net sales	500,676	609,814	+21.8%	635,000	96.0%
Operating income	60,101	51,438	-14.4%	55,000	93.5%
Ordinary income	60,140	46,661	-22.4%	50,000	93.3%
Net income attributable to owners of the parent	39,887	36,386	-8.8%	40,000	91.0%
Net income per share (yen)	106.73	97.26	-8.9%	106.93	91.0%

Foreign exchange rates	FY ended Mar. '15 Full year	FY ended Mar. '16 Full year
US$	¥109.19	¥120.78
Euro	¥139.38	¥132.75
Thai Baht	¥3.37	¥3.46
Chinese RMB	¥17.60	¥19.03

May 10, 2016

3

Net sales for the fiscal year ended March 31, 2016 increased by 21.8% from the previous fiscal year to total 609,814 million yen. Operating income, on the other hand, declined by 14.4% from last year to hit 51,438 million yen. Net income totaling 36,386 million yen was also down 8.8% from last year. Net sales reached a record high mainly because the increased cost for the components we purchased to manufacture LED backlight products was simply added to the price tag. At the same time, production cutbacks by our smartphone customers put a dent in our LED backlight shipment volume as well as our profits. Other than LED backlights, most of major business units' sales and profits increased. Ball bearings had steady external shipment volume growth, motors saw top line growth in automobile applications as well as improved profitability, and sensing devices (which was formerly called measuring components) profited from an acquisition and growth of existing businesses. We estimate a year-on-year foreign exchange gain of 40.5 billion yen in net sales and 12.6 billion yen in operating income due to the weaker Japanese yen.

Summary of Consolidated Business Results for 4Q

Minebea
Passion to Exceed Precision

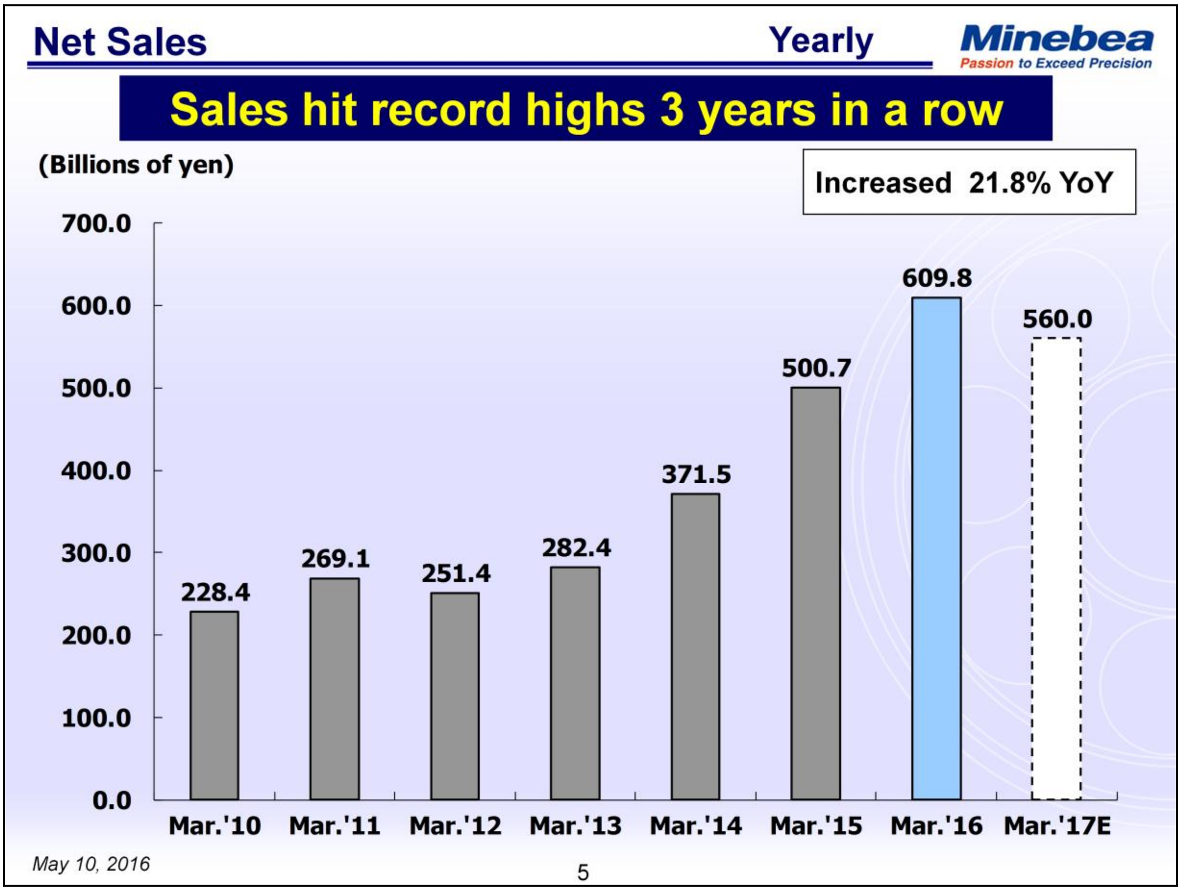
(Millions of yen)	FY ended Mar. '15	FY ended Mar. '16		Change	
	4Q	3Q	4Q	YoY	QoQ
Net sales	138,715	178,661	135,599	-2.2%	-24.1%
Operating income	16,259	15,484	8,536	-47.5%	-44.9%
Ordinary income	16,905	15,120	8,215	-51.4%	-45.7%
Net income attributable to owners of the parent	8,906	11,825	6,802	-23.6%	-42.5%
Net income per share (yen)	23.82	31.61	18.17	-23.7%	-42.5%

Foreign exchange rates	4Q of FY Mar. '15	3Q of FY Mar. '16	4Q of FY Mar. '16
US$	¥119.36	¥121.23	¥118.37
Euro	¥138.02	¥132.56	¥129.35
Thai Baht	¥3.66	¥3.37	¥3.30
Chinese RMB	¥19.11	¥19.02	¥18.06

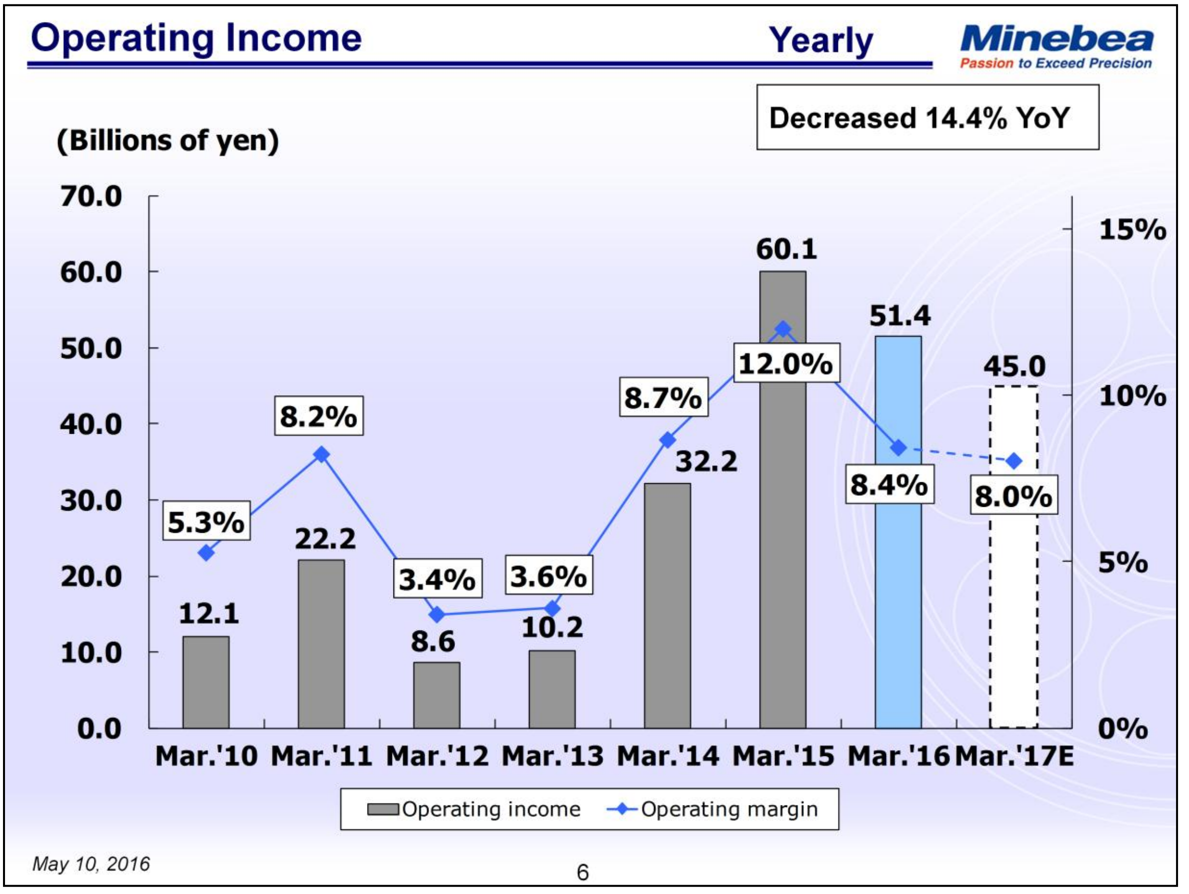
May 10, 2016

For the fourth quarter of the fiscal year ended March 31, 2016, net sales totaled 135,599 million yen, down 2.2% from the same period last year and down 24.1% from the previous quarter. Operating income, which totaled 8,536 million yen, was down 47.5% from the same period last year and 44.9% below what it was the previous quarter. Net income at 6,802 million yen was down 23.6% from the same period last year and down 42.5% from the previous quarter. The main reasons for the decline were the usual seasonal downswing in addition to a reduction in LED backlight shipment volume caused by cutbacks in production by our smartphone customers.

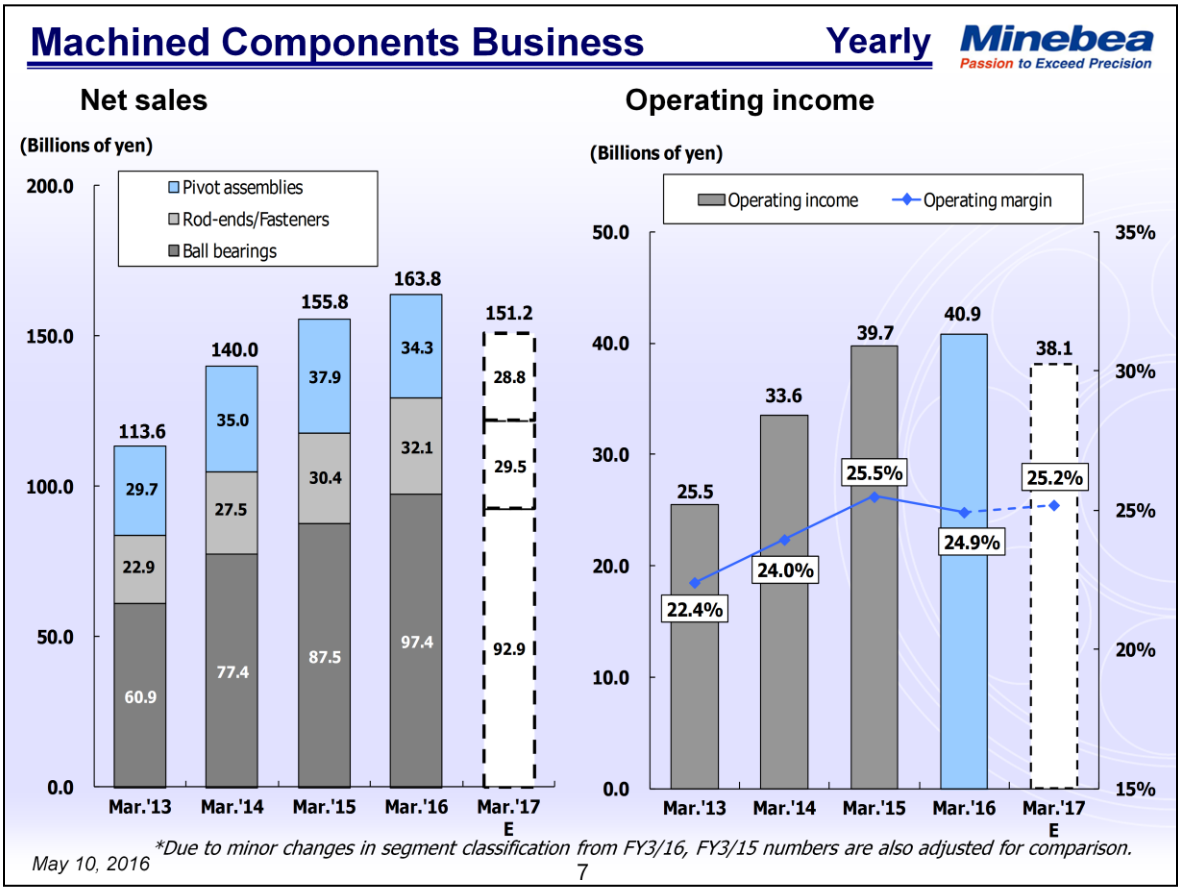
The impact of foreign exchange rates on net sales resulted in an estimated loss of 2.1 billion yen year on year and 2.9 billion yen quarter on quarter due to the strength of the yen against other currencies. Foreign exchange rates also resulted in an operating income gain of 2.7 billion yen year on year but a loss of 0.3 billion yen quarter on quarter due mainly to the positive impact of the weaker Thai baht and Chinese renminbi against the U.S. dollar.



In the fiscal year ended March 31, 2016, net sales hit record highs three years in a row. For the fiscal year ending March 2017, we expect sales for the fiscal year ending March 2017 to drop for the first time in five years as smartphone market inventory adjustments for LED backlights continues into the June quarter even though production and shipments at many Minebea businesses are expected to steadily increase. On top of that, the stronger yen is expected to impact foreign currency-denominated sales.



Operating income for the fiscal year ended March 31, 2016 declined while the operating margin dropped 3.6 percentage points year on year to hit 8.4%. For the fiscal year ending March 2017, operating income is projected to fall to 45.0 billion yen as LED backlight operating income declines, given the uncertain smartphone market and unforeseeable demand from specific customers at the moment, and a strong yen is also likely to shrink profits even though production and shipments are expected to increase at many Minebea businesses such as ball bearings, motors, and sensing devices.

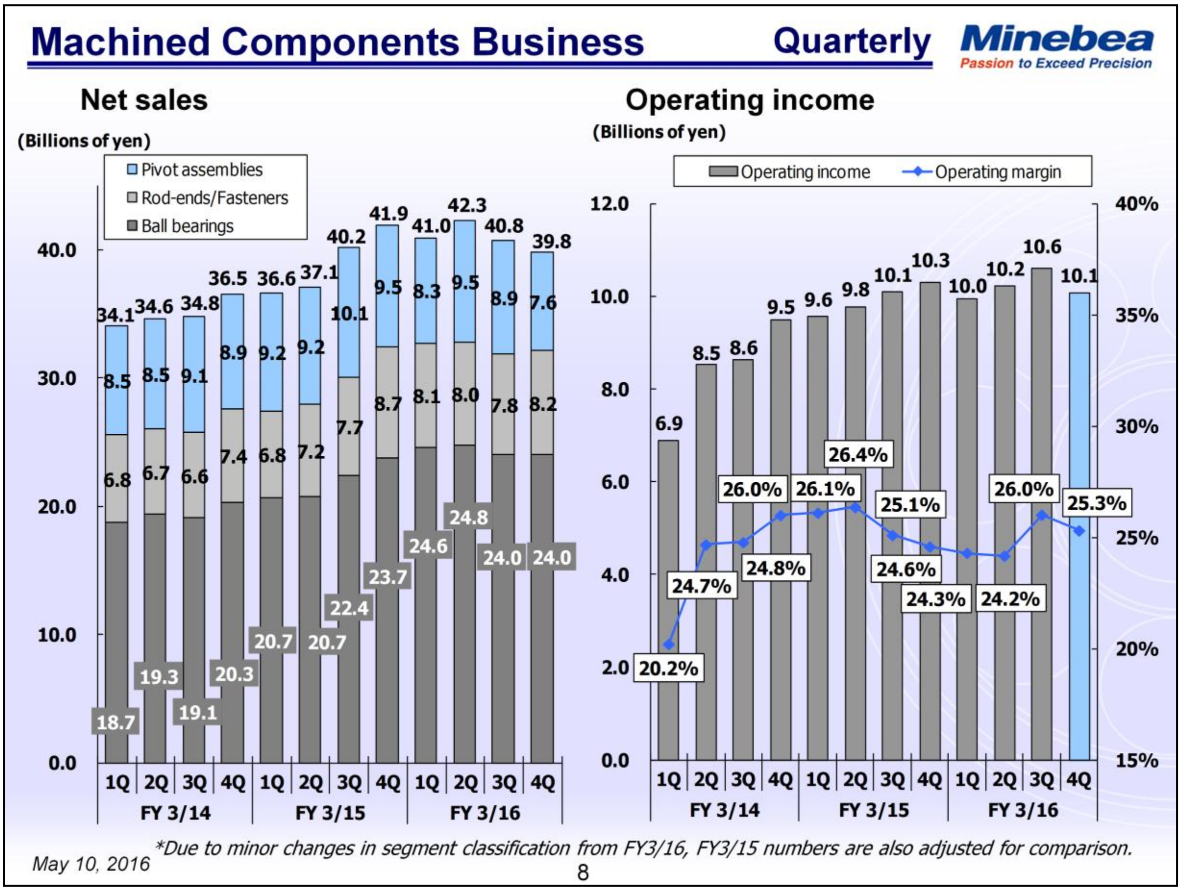


These graphs show annual net sales and operating income for the machined components business segment. Net sales for the fiscal year ended March 31, 2016 totaled 163.8 billion yen, up 5.2% from the previous fiscal year. Operating income increased 2.9% to reach 40.9 billion yen. The operating margin dipped 0.6 percentage points to reach 24.9%.

Ball bearing net sales were up 11.3% year on year at 97.4 billion yen. During the fiscal year demand remained upbeat for high-end consumer product applications, including automobiles, fan motors, etc., and the external shipment volume rose 7% to reach 155 million units per month on average. Profits also increased and, while we expect sales to shrink due to the stronger yen for the fiscal year ending March 2017, profits are expected to climb again with steadily growing external demand.

While steadily increasing commercial aircraft production pushed sales of rod-ends and fasteners up 5.6% year on year to total 32.1 billion yen, profits remained flat. We estimate that the weaker U.S. dollar will bring sales and profits down for the fiscal year ending March 2017 despite better market conditions and an expected boost in productivity.

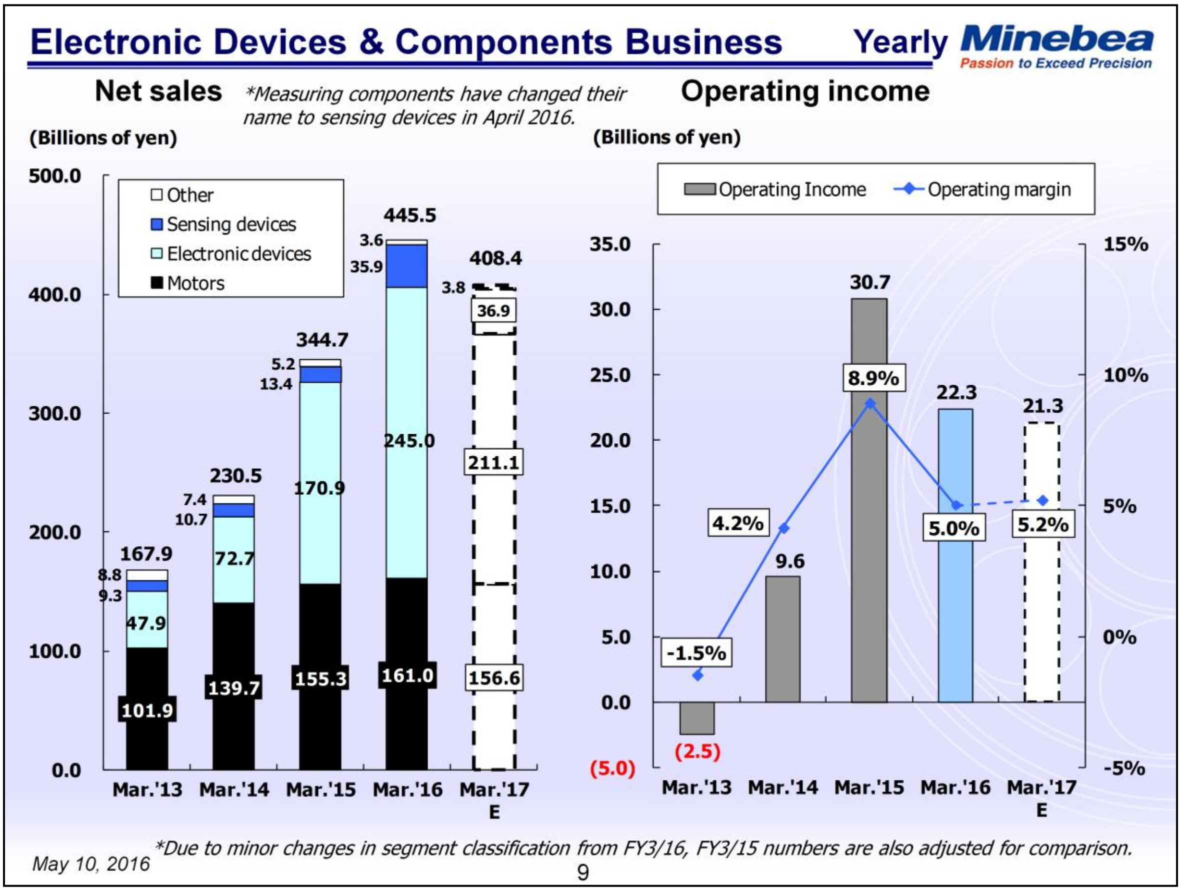
Sales of HDD pivot assemblies fell 9.5% year on year to total 34.3 billion yen. This drop primarily occurred because the HDD market, to which we supply more than 70% of all HDD pivot assemblies, shrunk nearly 20% year on year due mainly to the decline in demand for personal computers. While we have leveraged our overwhelming market share to cut costs, we project lower sales and profits for the fiscal year ending March 2017 with declining PC sales continuing to diminish the HDD market.



These graphs show quarterly net sales and operating income for the machined components business segment.

Fourth quarter net sales for the segment were down 2.4% from the previous quarter to total 39.8 billion yen. Operating income decreased by 5.0% to total 10.1 billion yen and the operating margin decreased by 0.7 percentage points to hit 25.3%.

Although the March external shipment volume of ball bearings hit another record high of 165 million units, declining HDD pivot assembly sales in a contracting HDD market coupled with the negative impact of the strong yen on currency translations kept profits down.

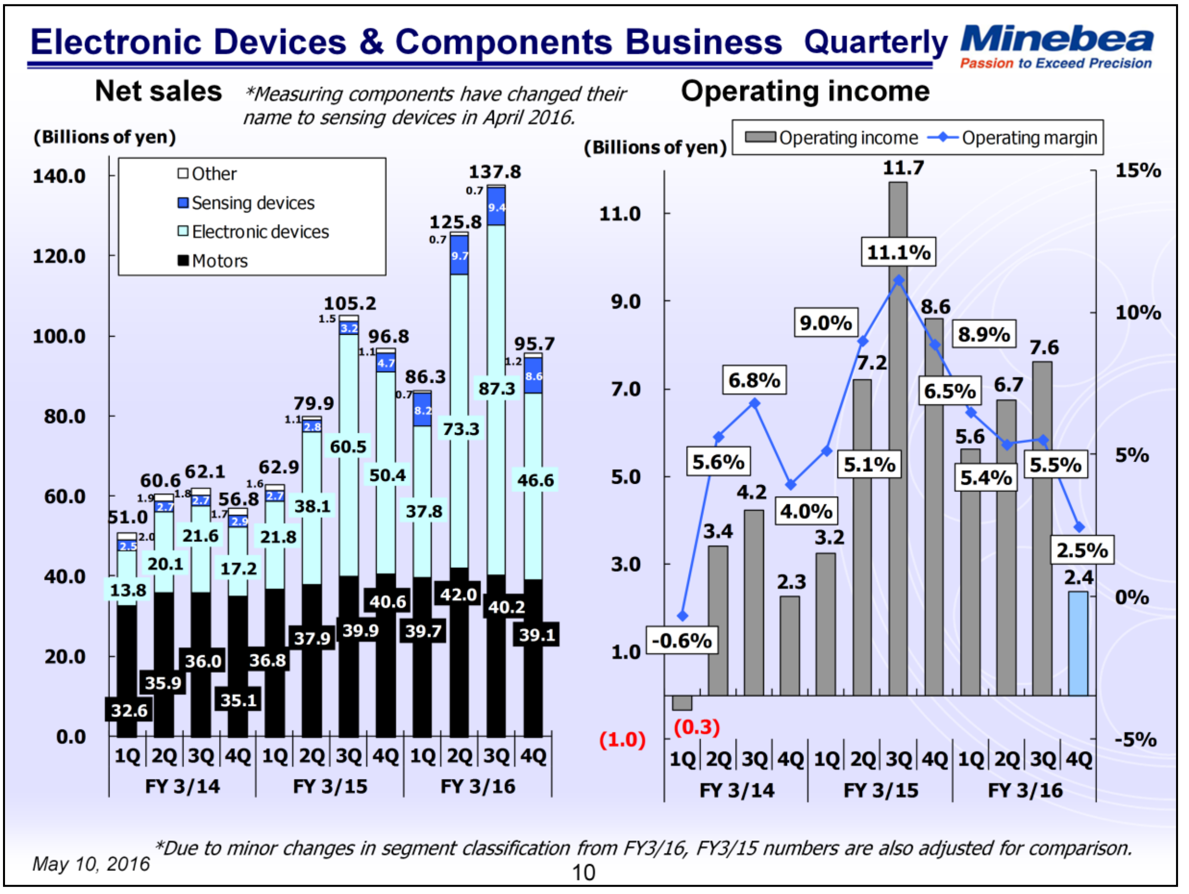


In the electronic devices and components business segment, net sales for the fiscal year ended March 31, 2016 were up 29.2% from the previous fiscal year to total 445.5 billion yen. This uptick was simply the result of adding the cost of the components needed to manufacture LED backlight products to their price tag. Operating income, on the other hand, fell 27.4% to hit 22.3 billion yen as increased profits for motors and sensing devices failed to make up for a reduction in LED backlight shipments caused by production cutbacks on the part of our smartphone customers. As a result, the operating margin decreased 3.9 percentage points over the previous year to total 5.0%.

Motor sales rose 3.7% over the previous year to total 161.0 billion yen. Sales were fueled by growing demand for automotive and other applications and profitability improved on the heels of cost-cutting measures. The outlook for the fiscal year ending March 2017 is bright as firm demand for our motor products is expected to drive profits up even though sales shrink due to the stronger yen.

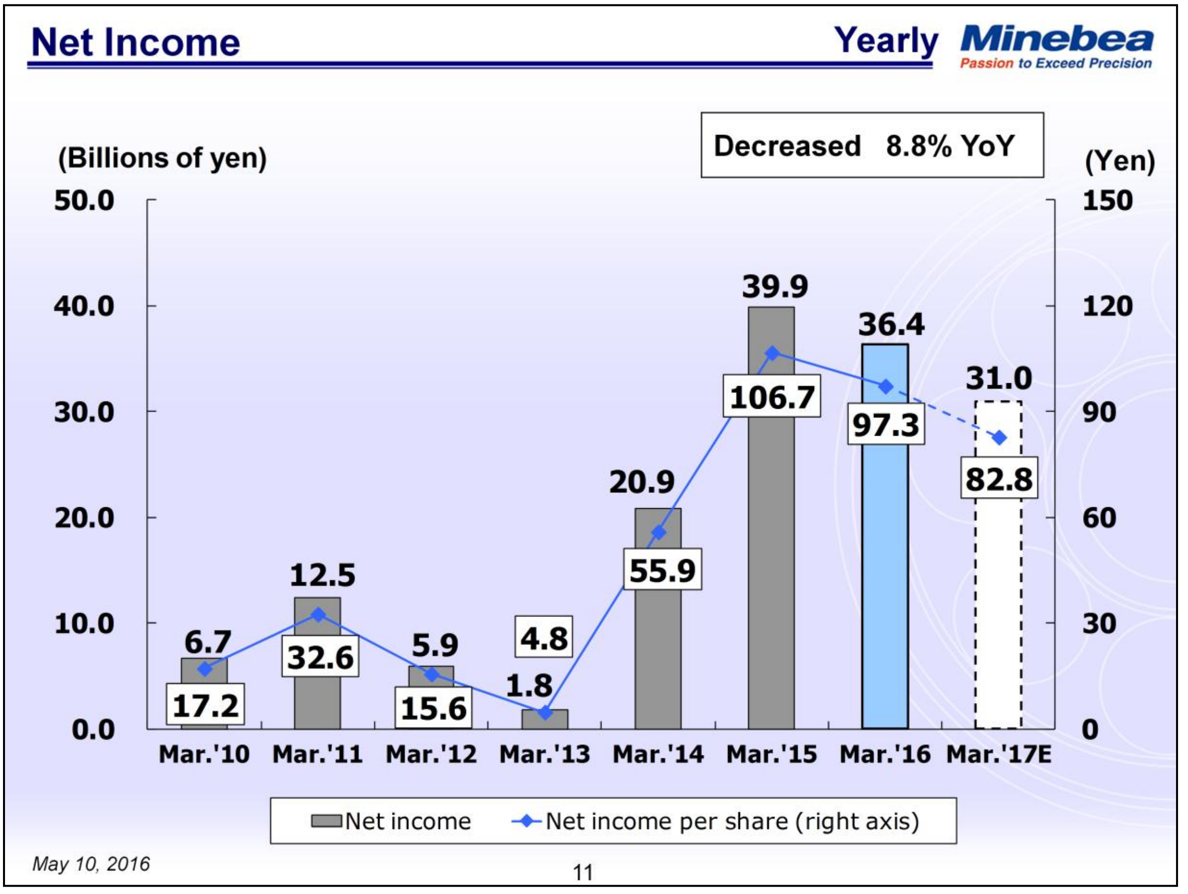
Net sales of electronic devices jumped 43.4% to 245.0 billion yen, but operating income declined. We forecast lower sales and profits for the fiscal year ending March 2017 mainly because a smartphone market inventory adjustment in LED backlights continues into the June quarter, and the smartphone market is uncertain and demand from specific customers is unforeseeable at this moment.

Sensing devices (formerly known as measuring components) maintained its operating margin and made 2.7 times more in net sales than it did last year for a total of 35.9 billion yen thanks to the acquisition of Sartorius MT&H and growth of existing businesses. We expect sales to grow but profits to remain flat in the fiscal year ending March 2017 due to the weaker euro.

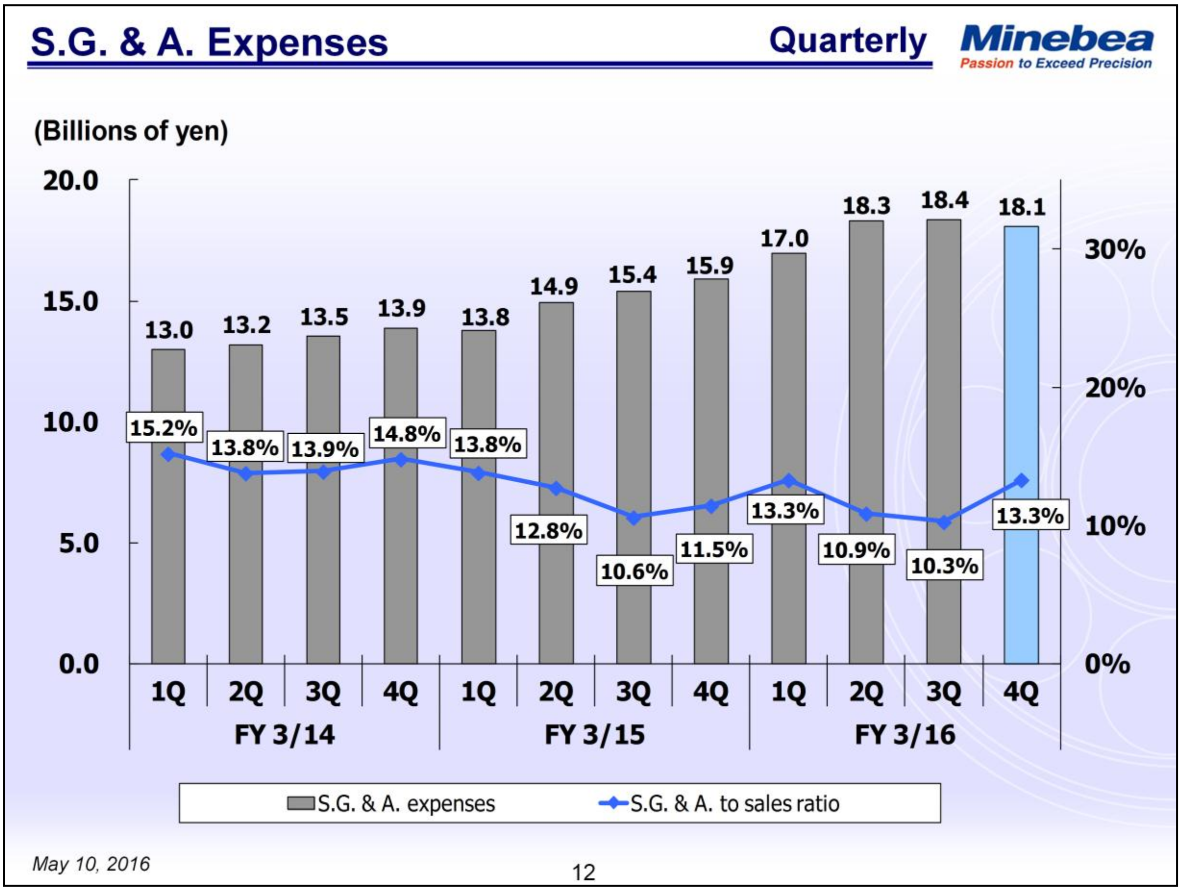


These graphs show quarterly net sales and operating income for the electronic devices and components business segment.

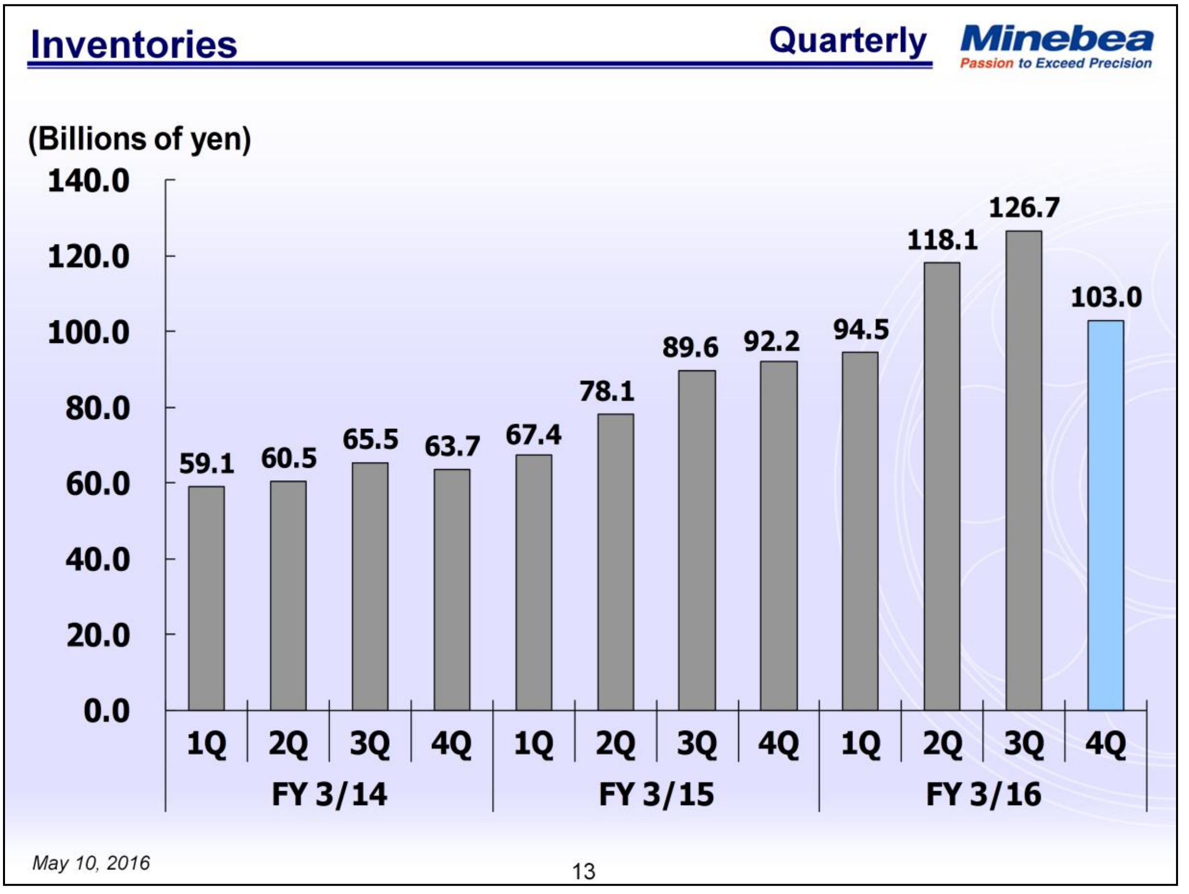
Due to the usual seasonal downswing and LED backlight production cutbacks by smartphone customers, the segment's fourth quarter net sales fell 30.6% below what it was the previous quarter to total 95.7 billion yen. Operating income declined 68.9% to hit 2.4 billion yen while the operating margin slipped 3.0 percentage points to reach 2.5%.



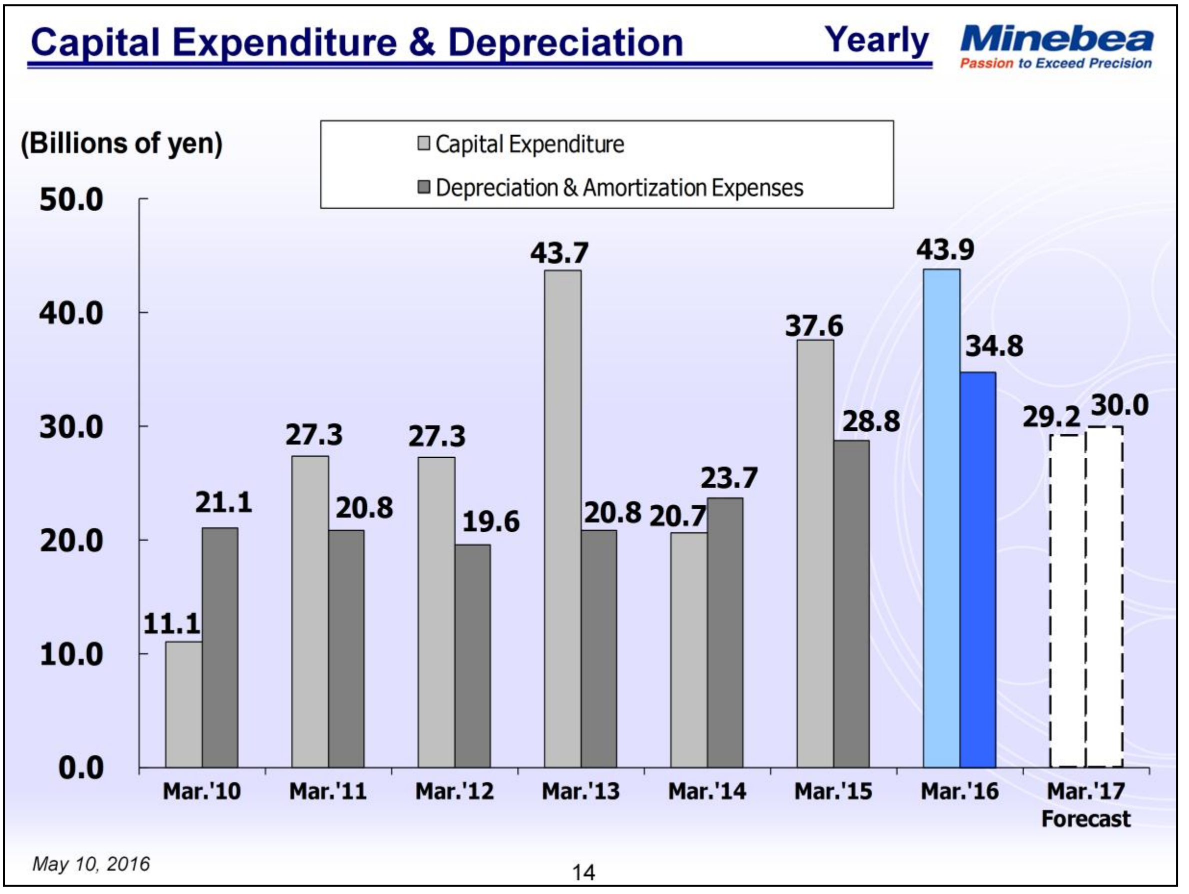
Net income for the fiscal year ended March 31, 2016 was down 8.8% year on year to total 36.4 billion yen while net income per share amounted to 97.3 yen. This decline was less than the operating income drop since net extraordinary income improved considerably to reach 0.3 billion yen. Extraordinary income included a 3.3 billion yen insurance payout related to the 2011 Thai floods and a 1.0 billion yen government subsidy for J3DD. Extraordinary losses included a loss of 1.5 billion yen related to a change in our US subsidiary's retirement benefit plan and a 0.9 billion yen loss at J3DD for machinery acquired with the government subsidy that was recorded according to the reduction entry method. In the fiscal year ending March 2017 we expect a net income of 31.0 billion yen along with a lower operating income.



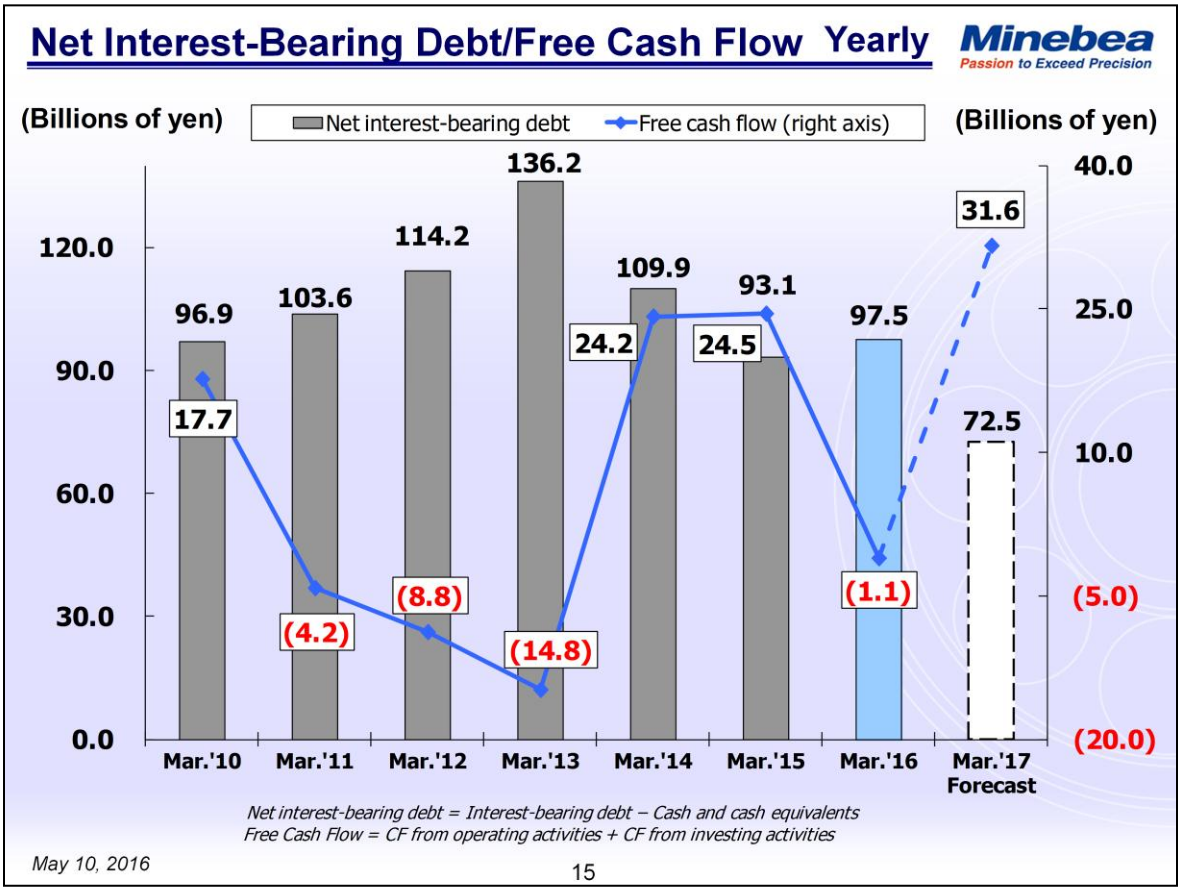
Quarterly SG&A expenses totaling 18.1 billion yen decreased 0.3 billion yen quarter on quarter due mostly to a foreign exchange loss of 0.3 billion yen. The SG&A expenses-to-sales ratio increased 3.0 percentage points to reach 13.3% as sales dropped.



Inventories as of March 31, 2016 were down 23.7 billion yen quarter on quarter to total 103.0 billion yen due mainly to a result of inventory adjustments for LED backlights and the impact of the stronger yen.



Capital expenditures for the fiscal year ended March 2016 came to 43.9 billion yen. Most of the spending was used on expanding LED backlight and sensing device production capacity as well as beginning construction on the Cambodian factory building #3. Depreciation and amortization expenses for the period soared to 34.8 billion yen. We expect to have lower capital expenditures as well as depreciation and amortization costs for the fiscal year ending March 2017 since we have completed our major production capacity expansion for LED backlight production and much of the equipment has already been depreciated.



This graph shows net interest-bearing debt, which is total interest-bearing debt minus cash and cash equivalents, and free cash flow for each fiscal year.

Net interest-bearing debt increased by 4.4 billion yen to total 97.5 billion yen at the end of the fiscal year. Free cash flow for the fiscal year ended March 31, 2016 came to a negative 1.1 billion yen.

Forecast for Fiscal Year Ending March 31, 2017

Minebea
Passion to Exceed Precision

Clouded outlook for LED backlight market and strong yen signal lower sales and profits ahead

(Millions of yen)	FY ended Mar. '16 Full year	Fiscal year ending Mar. '17 1st Half	2nd Half	Full year	YoY
Net sales	609,814	260,000	300,000	560,000	-8.2%
Operating income	51,438	18,300	26,700	45,000	-12.5%
Ordinary income	46,661	17,800	26,200	44,000	-5.7%
Net income attributable to owners of the parent	36,386	12,100	18,900	31,000	-14.8%
Net income per share (yen)	97.26	32.32	50.48	82.80	-14.9%

Foreign exchange rates	Mar. '16 Full year	FY ending Mar. '17 Full year Assumption
US$	¥120.78	¥105.00
Euro	¥132.75	¥122.00
Thai Baht	¥3.46	¥3.00
Chinese RMB	¥19.03	¥16.20

May 10, 2016

16

This is a summary of our forecast for the fiscal year ending March 2017.

We would like to start this fiscal year with a plan of decreased net sales and lower profits. Although production and shipments at many of Minebea businesses, such as ball bearings, motors, and sensing devices, are expected to increase, the sales outlook for the LED backlight business remains lackluster due to production cutbacks in the smartphone market that are likely to continue into the June quarter. We also project a decline in operating income as LED backlight operating income declines, given the uncertain smartphone market and unforeseeable demand from specific customers at the moment. On top of that, assuming the stronger yen against other major currencies this fiscal year, sales and profits are expected to have negative impacts, 68.0 billion yen and 10.0 billion yen respectively. Without these negative currency impacts, we would have increased sales and operating income forecast compared to the previous fiscal year.

Forecast for Business Segment

Minebea
Passion to Exceed Precision

(Millions of yen)	FY ended Mar. '16	Fiscal year ending Mar. '17			
	Full year	1st Half	2nd Half	Full year	YoY
Net sales	609,814	260,000	300,000	560,000	-8.2%
Machined components	163,811	75,100	76,100	151,200	-7.7%
Electronic devices and components	445,467	184,700	223,700	408,400	-8.3%
Other	536	200	200	400	-25.4%
Operating income	51,438	18,300	26,700	45,000	-12.5%
Machined components	40,854	18,200	19,900	38,100	-6.7%
Electronic devices and components	22,336	7,100	14,200	21,300	-4.6%
Other	-124	-200	-200	-400	X 3.2
Adjustment	-11,627	-6,800	-7,200	-14,000	+20.4%

May 10, 2016

17

This slide shows the forecast by the business segment.

Minebea
Passion to Exceed Precision

Policy and Strategy

May 10, 2016

Yoshihisa Kainuma

Representative Director,
President and Chief Executive Officer

I would like to explain our policy and strategy.

Table of Contents

Minebea
Passion to Exceed Precision

May 10, 2016

This is the table of contents for today's presentation

FY3/2016 results

Minebea
Passion to Exceed Precision

Positive factors

1. Ball bearings external shipment volume up 7%
2. Motor profitability continued to improve
3. Sensing devices (former measuring components) profits jumped due to M&A and organic growth
4. Agreement to integrate with Mitsumi Electric

Negative factors

1. LED backlights underperformed
    a. Slowdown in the smartphone market
    b. Inventory adjustments by a U.S. customer
2. Stronger Japanese yen in 4Q
3. NHBB underperformed

May 10, 2016

20

Taking a brief look at the business results for the fiscal year ended March 31, 2016, you will notice that the external shipments of ball bearings grew by 7% in volume over the previous fiscal year. This was most significant among other positive factors. At the same time, we continued to see an improvement in the profitability for motors. In the field of sensing devices, which used to be called measuring components, we achieved remarkable results helped by the acquisition of Sartorius MT&H along with other existing businesses showing consistent organic growth. Furthermore, the business integration agreement with Mitsumi Electric served as another positive factor.

Meanwhile, the most negative factor was related to the sales of LED backlights, which fell short of the budget as you may have already noticed. The sales performance of our customers did not turn out to be as good as they previously expected. In response to the slowdown in the smartphone market, we scrambled to adjust our production, but we failed to prevent LED backlights from dramatically underperforming. Another negative factor was related to the stronger Japanese yen during the fourth quarter period, but the magnitude of its impact was not so significant.

A quality problem caused by NHBB last year served as a negative factor, reducing the consolidated operating income by around 1 to 2 billion yen compared with the initial business plan. In addition, we started to incur costs associated with the business integration with Mitsumi Electric in the fourth quarter. Given the negative factors, including those that were only temporary, our actual results in terms of profit fell short of the initial targets for the year.

FY3/2017 plan

Minebea
Passion to Exceed Precision

Steady growth is expected for ball bearings, motors and sensing devices (former measuring components) , but for now lower sales and profits from LED backlights are assumed conservatively.

Stronger yen assumptions make sales and profits lower.

(US$=¥120.78 ➡ ¥105 Euro=¥132.75 ➡ ¥122 (FY 3/16 vs. FY 3/17E)

Thai Baht=¥3.46 ➡ ¥3 Chinese Renminbi=¥19.03 ➡ ¥16.2)

(Millions of yen)	FY ended Mar. '16 Full year	Fiscal year ending Mar. '17 1st Half	2nd Half	Full year	YoY
Net sales	609,814	260,000	300,000	560,000	-8.2%
Operating income	51,438	18,300	26,700	45,000	-12.5%
Ordinary income	46,661	17,800	26,200	44,000	-5.7%
Net income attributable to owners of the parent	36,386	12,100	18,900	31,000	-14.8%
Net income per share (yen)	97.26	32.32	50.48	82.80	-14.9%

May 10, 2016 21

As far as our business plan for fiscal year ending March 31, 2017 is concerned, I must say there is a great deal of uncertainty, which in part is related to currency fluctuations. I cannot tell what will happen in the currency markets, but we temporarily assume for planning purposes that the yen/dollar rate will be 105 yen per US dollar, and that the yen will become more than 10% stronger against the Thai Baht. The other uncertainty in our business plan is related to LED backlights, for which we assume a drop in both sales and profits this year, given the recent surge in the value of the Japanese yen and the sluggish sales performance expected in the first quarter. During the same period of last year, we had a considerable level of inventory to build, which consisted of LED backlights for the previous smartphone models. Unlike a year ago, we do not have extra stock to build of the current lines in LED backlights for our customers to make a smooth transition to the next smartphone model, given the weak performance in sales for the existing models.

Our customer indicated to us their intention to produce former LED backlight models in the fourth quarter of last year, but that did not turn out to be the case. I think we will be the beneficiaries if our customer chooses to produce extra amounts of former LED backlight models in the first quarter this year. It seems, though, that they find it pretty hard to do so because of some issues related to supply chains. All things considered, we came up with conservative business result estimates for the current fiscal year.

Aside from LED backlights, we expect steady growth in volume for ball bearings, motors, aircraft parts, and sensing devices.

When it comes to ball bearings, external sales have remained quite strong. In terms of monthly sales on average, they have achieved year-on-year growth for the last 14 quarter periods in a row. Over the past three years, external sales of ball bearings showed remarkable growth, increasing by 8% each year on average. Sales for automobiles, among others, showed the most significant growth. By March of this year, monthly sales volume of ball bearings for automobiles had grown to 50 million units, up nearly 50% over three years ago, when it was around 34 million units/month. I personally feel that the growth in the sales of high-end consumer products tends to stimulate demand for highly sophisticated component products. That is why our products enjoy growth in sales. To take vacuum cleaners, for example, some high-end models are equipped with motors capable of operating at around 100,000 rpm, which is much greater than the general 10,000 to 15,000 rpm level. Recently we have seen growth in demand for our high-quality ball bearings from vacuum cleaner manufacturers making high-grade models with powerful motors. I expect the current pace of growth will continue for the external sales of ball bearings. In addition, we will stay focused on marketing special-purpose bearings for X-ray tubes and other components in Japan in collaboration with myonic GmbH, a subsidiary company in the Minebea Group. With this strategy, we expect consistent growth for our ball bearing business in coming years.

Sensing device sales and profits are growing

Minebea
Passion to Exceed Precision

Formerly measuring components, the name was changed before the Mitsumi integration aimed at expanding sensor products.

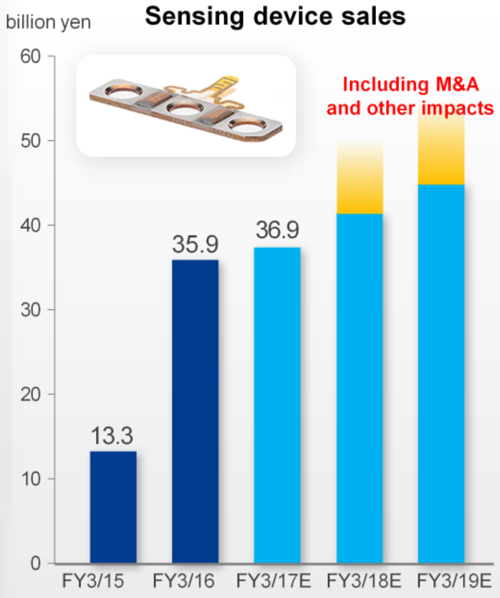
Steady growth of existing products

- Passenger seat sensor sales expanding in the North American automobile market due to wider customer base
- Production capacity has increased

Pursuing M&A synergy

- Sartorius MT&H acquired on February 2015.
  1. Broadening customer base via cross sales
  2. Utilizing Minebea components in Sartorius MT&H products.
- Maintained high OP margin even after Sartorius MT&H acquisition.
- Two French industrial weighing equipment companies acquired by Sartorius MT&H in April 2016.

Targeting sales of 50 billion in FY 3/18 from M&A's, etc.



May 10, 2016

As far as the sensing device business is concerned, we generally expect growth in both sales and profit, although we expect a slowdown in the pace of growth for sales amid the rising yen. We expect growth in demand from auto manufacturers, particularly for passenger seat sensors in the North American automobile market, where our technology is becoming the de facto standard. Meanwhile, I expect us to experience strong M&A synergy this year as we launch efforts to broaden the customer base via cross sales, by which we sell the products of Sartorius MT&H and vice versa using the product catalogs shared by the two companies. Sartorius MT&H currently acquires highly sophisticated precision load cells from third party suppliers in Europe. We will utilize Minebea components in Sartorius MT&H products. While pursuing M&A synergy, we aim to achieve growth in both sales and profit again this year. Our sales target remains unchanged at 50 billion yen for the fiscal year ending March 31, 2018.

Today I would like to announce that we plan to invest a total of more than 10 billion yen in the aircraft parts business from now through 2020. This investment will include 3.6 billion yen to expand production capacity at Fujisawa Plant in Japan, and 6.8 billion yen to be spent on production facilities in Thailand. We have made this investment decision in light of the increasing demand from customers such as Mitsubishi Heavy Industries, IHI, Kawasaki Heavy Industries, and Fuji Heavy Industries for our aircraft-related mechanical parts. We must first establish pilot production lines in Japan in response to the requests made by these customers. Then, we will eventually launch large-scale production in Thailand. We suffered a drop in operating income last year because of a drastic production cut that we implemented in the wake of a quality problem caused by NHBB. But we are beginning to see a full recovery in the level of production, and expect to return to our normal level later this month or next.

Measures to improve profitability in a shrinking HDD market

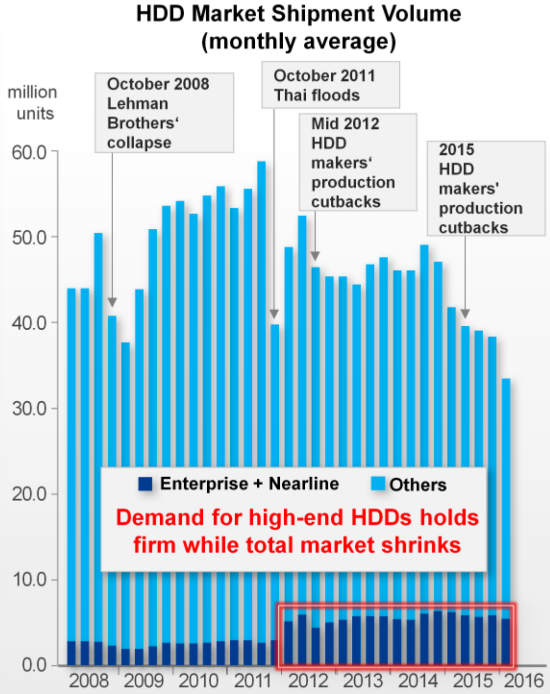
Minebea
Passion to Exceed Precision

Focusing on firm high-end HDDs in shrinking market

- HDD market is declining due to 1. sluggish PC sales, 2. SSDs that are eroding HDD demand in the mobile device market, and 3. the shift to cloud computing that's reducing storage needs at PCs.
- High-end HDDs, on the other hand, are expected to grow further for cloud servers as cloud storage demand continues to rise.

Present and future of pivot assemblies and spindle motors

- Aiming to boost current 70+% share in the three player pivot assembly market.
- Focusing on high-end HDDs in the two player HDD spindle market.



(Source : TSR)

May 10, 2016

25

Meanwhile, the HDD market has undergone a significant reduction in size in recent years. High-end HDDs, on the other hand, are expected to show consistent growth. We will maintain our business strategy to provide high-quality products at prices reasonable enough to meet customer requirements, given that we remain focused on marketing high-end HDDs in the two player HDD spindle market. We aim to expand our current share of around 70% in the three-player pivot assembly market in light of the ongoing shrinking of the entire market.

LED backlights assumptions this FY

Minebea
Passion to Exceed Precision

Efficiency improves, but Sales and OP assumed to decline

Sales & OP are assumed to decline

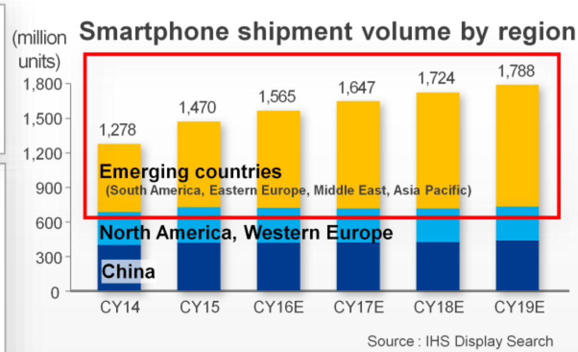
- Due to inventory adjustment in 1Q, low visibility in the smartphone market and customer's demand, and stronger Japanese yen assumption

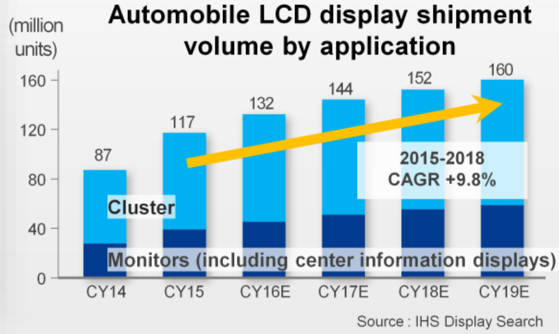
Capacity expansion completed and competitive edge strengthened

- Minebea completed its expansion plan last fiscal year, establishing an overwhelming production capacity with an aim to boosting efficiency in the high-quality small-sized LED backlight market.

Measures against OLED

- Supply chain companies are jointly progressing a smartphone R&D project for ultra-thin LED chips and optical sheets to keep ahead of OLED.
- Focusing on automobile displays which requires much longer life, in order to counter a risk of volume decline next year.

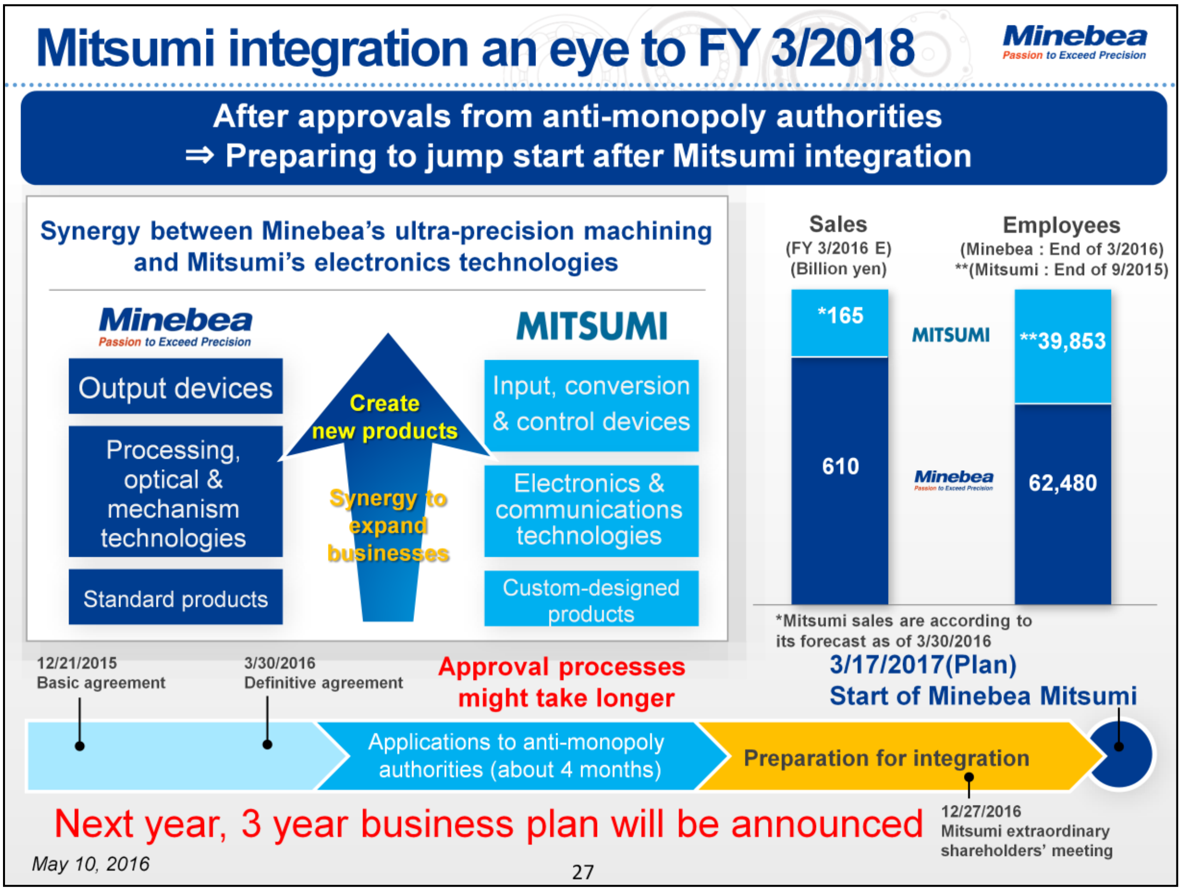




May 10, 2016

26

We are beginning to see a substantial improvement in the competitive edge of LED backlights this year following the completion of heavy investment related to capacity expansion last year. This will require this year only half the amount of last year's capital investment at a substantially lower depreciation cost. On the other hand, we are expecting a slightly lower profit this year in light of the inventory adjustment in the first quarter, as well as the rising Japanese yen. We assume the same level of LED backlight shipments to new model smartphones in the North American market. We could expect some upside potential in sales if the level of the North American new model shipments turns out to be higher than that of last year. Based on the information provided unofficially by our customers, we assume to ramp up production of new models in June and move to full-fledged production in July this year. We came up with the conservative estimates in light of the low visibility in the smartphone market. There has been a great deal of speculation in the media about OLEDs, making it seem that they would be put on the market on a large scale as early as next year. Given this situation, our supply chain companies have made remarkable progress in jointly developing products that can compete with OLEDs. Sample shipments are currently underway actively as we believe that there is further growth potential for LCDs and LED backlights. I think I'll be able to give you our next year forecast in the latter half of this year.



In regards to the business integration with Mitsumi Electric, we concluded a final agreement with them on March 30, 2016. On the following day of the agreement, we started seeking approval from anti-monopoly authorities. To date we have already acquired approval from competition authorities in Japan, the U.S., and Germany. The only countries that have not given approval are Korea and China. We expect to acquire approval from those two countries by around July of this year because we do not see any significant issues that could have a negative impact on approval. I hope that the Korean and Chinese authorities will approve the business integration as soon as possible, given that we will not be able to actively proceed with activities related to the integration with Mitsumi Electric until then because of regulatory requirements.

I paid visits to quite a few business hubs operated by Mitsumi Electric during the period from January through March of this year, and realized that there is great potential for Mitsumi Electric to improve its manufacturing process and its productivity if we succeed in migrating our production technologies to Mitsumi Electric. There is a really good chance that Mitsumi Electric will make a great comeback as a highly profitable company if we successfully rebalance their business portfolio. We also hope to be able to leverage Mitsumi Electric's expertise when developing our products in various fields. I will not talk about our three-year business plan today because we believe that it is too early to give you an outlook for the next three years ahead of the business integration with Mitsumi Electric, which is scheduled to be completed on March 17 next year. I will discuss our business plan for the next three years at the appropriate time next year after we have more extensive information about the business conducted by Mitsumi Electric.

I will touch upon only three points regarding new products.

1. Sartorius MT&H acquires two French industrial weighing equipment companies

Minebea
Passion to Exceed Precision

Aiming for the biggest share of the French industrial weighing / inspection equipment market

AaZ Pesage

- Products & highly skilled services for diverse weighing applications using scales of own design
- Food, recycling & pharmaceutical customers
- Sales of 9.1 million euros in FY 12 / 2015

Centre Pesage

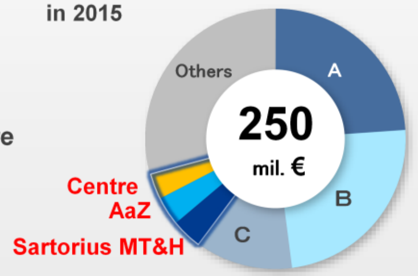
- Products & highly skilled services for diverse weighing applications with focus on truck scales
- Agriculture, environment & pharmaceutical customers
- Sales of 7.5 million euros in FY 12 / 2015

100% of both purchased for about 1.5 billion yen by Sartorius MT&H

Synergy

- **Expanding customer base for Minebea and Sartorius MT&H products**
- **Strengthening product portfolio, particularly with system configuration embodying application software**
- **Increasing market share in growing food processing, hygienic & pharmaceutical applications**

French industrial weighing / inspection equipment market in 2015



Source : Minebea

May 10, 2016

29

First, today we announced the acquisition of AaZ Pesage and Centre Pesage by Sartorius MT&H. With the acquisition of these two companies, our annual sales in France will expand to 26 million euros. We aim to boost our sales in France to around 40 million euro per year by 2020.

AaZ Pesage and Centre Pesage both manufacture truck scales, tank and hopper scales, and other related systems. AaZ Pesage has a strong customer base in the field of pharmaceuticals, food, and hygienic services, while Centre Pesage specializes in the areas of iron/steel making and mining. In light of Sartorius MT&H having unrivaled expertise in the field of agriculture and food, the acquisition of these two companies by Sartorius MT&H will help us strengthen our presence in France across all industries. In fact, this acquisition made us the third largest sensing device manufacturer in France. We will take steps towards expanding the sensing device business beyond the conventional framework by promoting M&A activities in various parts of the world outside of France. We will also seek to build up our sensing device business and take it up to the next level by promoting new products in tandem with existing products that are expected to evolve further.

2. Accelerating SALIOT™ marketing this year

Minebea
Passion to Exceed Precision

Accelerating marketing of SALIOT™ (Smart Adjustable Light for the Internet of Things)

- Premier Lighting Solutions Co., Ltd. was established in cooperation with CTI Holding Co., Ltd. in Thailand in October 2015. In March 2016, a showroom in Bangkok was opened to start sales activities on a full scale.
- Will establish a marketing channel in Japan and open a Tokyo showroom (by summer) In FY 3/2017.
- Installed at Isetan Mitsukoshi's Isetan Shinjuku store
  to 3/2/2016, on the 2nd and 5th floor
  to 4/19/2016, on the 5th floor and show windows on the ground floor
  to 4/27/2016, The Stage on the ground floor
- Also installed in Japan & abroad at a commercial complex, car dealer, museum

Display at Isetan Mitsukoshi's Isetan Shinjuku store

Showroom in Bangkok

Participated in LIGHTFAIR International 2016 exhibition

- The world's largest annual architectural and commercial lighting trade show and conference from 4/26 to 4/28 in San Diego, California, U.S.A.
- Minebea displayed a new SALIOT™ product lineup plus wireless communication and networking technologies for smart city applications.
- Minebea wins an Innovation Award in Track, Display, Undercabinet & Shelf !!

LIGHTFAIR INTERNATIONAL The future. Illuminated. 2016

Light Fair International 2016

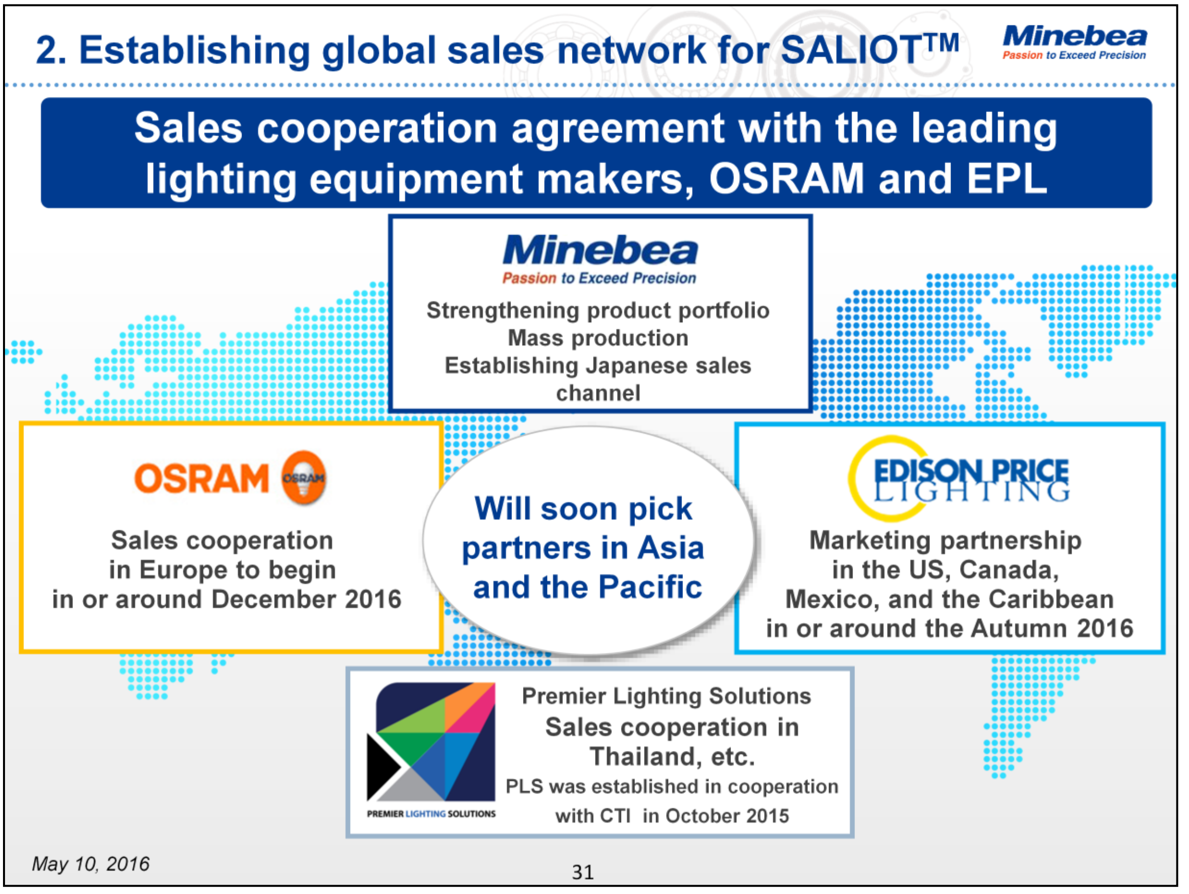
May 10, 2016

30

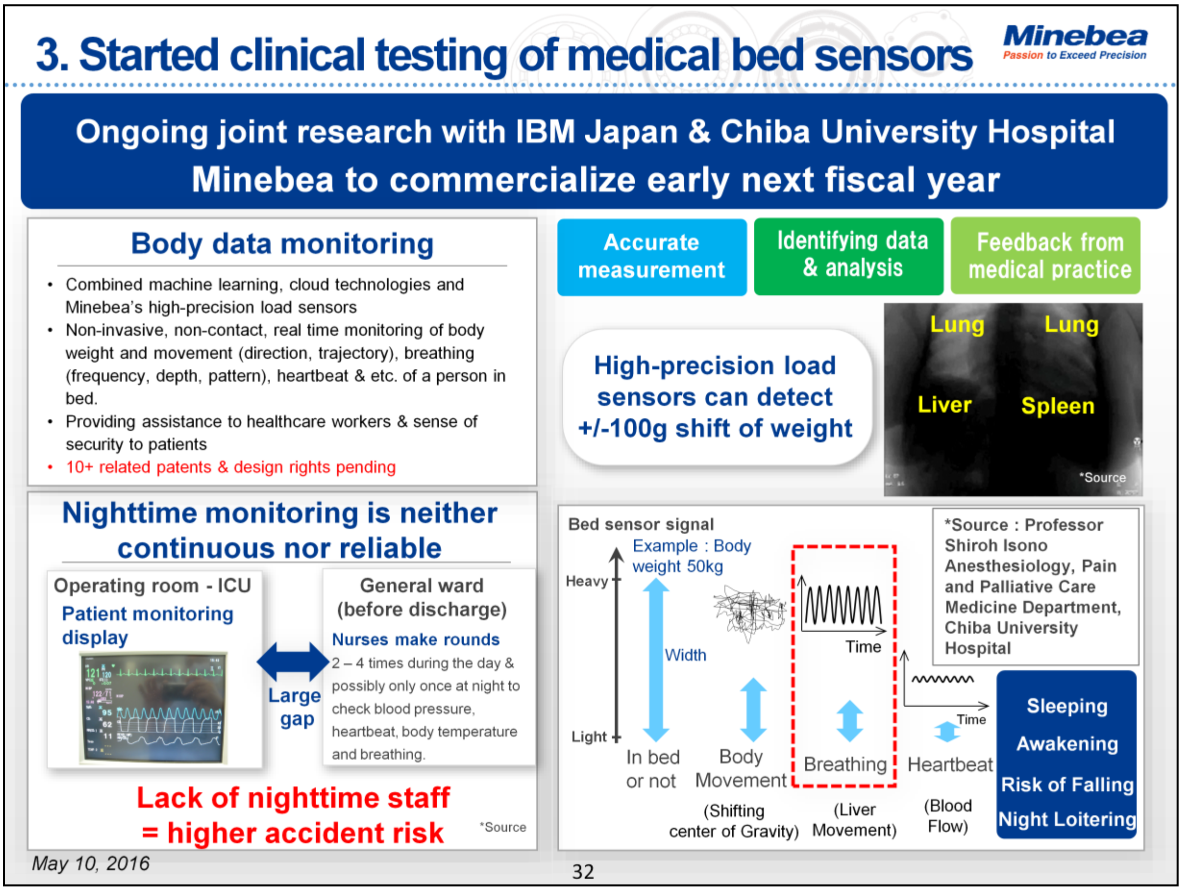
The next point is related to SALIOT.

The photograph in the upper right shows an experimental display at Isetan Mitsukoshi's Isetan Shinjuku store. SALIOT was installed at various places within the store over the course of two different periods. It was also displayed in one of the show windows on the ground floor facing Meiji Dori Street. We continue to make a range of improvements for the installation, hoping that it will be adopted officially as early as in the fall of this year. There's an interesting story about SALIOT that I would like to share. SALIOT was developed with the use of light guide plate technology. This technology allows SALIOT to move back and forth and change the light distribution angle without needing to climb up a stepladder to reach it when it hangs from the ceiling. In Isetan Mitsukoshi's show window, they kept moving SALIOT right above product displays. The reason they did that was because it attracts attention of the people walking by. This is a use of SALIOT that we had never imagined. I was very impressed by the way in which they used SALIOT, especially because Isetan Mitsukoshi is a leading department store in Japan that is always very particular about its show window displays. We will make improvements for the product to meet requirements for when SALIOT is used in show window displays and other similar setups.

Recently, we had an opportunity to exhibit SALIOT for the first time at an annual commercial lighting trade show in San Diego, USA in late April. We won an Innovation Award in Track, Display, Undercabinet & Shelf.



A couple of initiatives are currently underway as part of the marketing activities for SALIOT. One is related to the efforts to expand the lineup of attractively designed products that come in various sizes, along with wireless communication/manual control technologies, and longer lasting durability. The other initiative is aimed at establishing sales channels to reach out to end-users. We do not have reasonable channels in place to reach end users directly because we traditionally served as a supplier, providing components to product assembly companies. As announced today, OSRAM will be responsible for marketing in Europe, while EDISON PRICE LIGHTING will be in charge of sales activities in the U.S., leveraging their network of 120 distributors across North America. We concluded a sales cooperation agreement with Premier Lighting Solutions (PLS) to conduct sales activities in Thailand and part of Southeast Asia. In regards to marketing in Asia and Oceania, we intend to designate a local partner company soon. We aim to sell 5,000 units per region next year, which means that our sales target for the five geographic regions is to sell 25,000 units in total, worth around 1.0 billion yen.



For me, the third initiative is the most exciting. Take a close look at the picture on the slide and you will see the liver, spleen, and lungs moving on the screen. The lungs keep working while we sleep because we keep breathing. More importantly, you will notice that liver, which is the biggest organ in a human body, also continues to move while you sleep. Our high-precision load sensor technologies have made it possible to monitor body data regarding body movement, such as the number of times people roll over in bed, their breathing, and their heartbeats, as well as whether a person is in bed or not. We believe that our sensor technology probably helps to monitor body data by detecting the activity of organs. This is often referred to as academic analogy. Chiba University Hospital has already launched clinical testing of the body data monitoring system. Similar clinical testing will also be carried out at other medical institutions. With the ability to monitor body data, our sensor technology could eventually become an integral part of a biological monitoring system, making it possible for doctors and healthcare workers to take care of many patients with limited staff. Nighttime monitoring (lower left), for instance, is a case in point. According to Professor Shiroh Isono at Chiba University Hospital, the risk of death for patients is greater when they are brought out of ICU, rather than while they are in it. The reason for that is patients are monitored very closely by the medical staff 24 hours a day while they are in the ICU, but the level of attention tends to get lower when they are out of ICU. The body data monitoring system used in the ICUs typically costs several million yen. I expect that our low-cost and precision sensing technologies will make inroads into the market.

Dividend policy

Minebea
Passion to Exceed Precision

Dividend

FY ended 3/2016	year-end dividend: **10** yen/share;	Total year: **20** yen/share
Forecast for FY ending 3/2017	Interim: **TBD** yen/share Year-end: **TBD** yen/share	

Aiming for about a 20% payout ratio for FY3/17

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.

May 10, 2016

33

We aim for around a 20% dividend payout ratio for fiscal year ending March 31, 2017. Our profit estimate remains conservative at this point in time. We would like to ask investors' understanding about this 20% payout ratio, given the high volatility in the currency markets and the invisibility of the smartphone market in terms of the shipments of new models.

M&A and Alliance Strategies

Minebea
Passion to Exceed Precision

- Preparing to jump start after Mitsumi integration
- Aim for large scale M&A to boost machined components business
- Seek medium to small M&As and various alliances in selected areas

May 10, 2016

34

Our strategies regarding M&A activities and business alliances remain unchanged. We will take the same approach as before.

Minebea Co., Ltd.
Business Results

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